
ANNUAL FINANCIAL REPORT PUTNAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

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

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Audit Highlights
Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2011.

Results

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

Our audit resulted in nine 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 Practice

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

OFFICE OF COUNTY EXECUTIVE

- ◆ Competitive bids were not solicited for insurance coverage and ambulances.
 - ◆ The county paid two full-time employees additional amounts as independent contractors.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund required material audit adjustments for proper financial statement presentation.
 - ◆ General ledger payroll liability accounts were not reconciled.
 - ◆ Expenditures exceeded appropriations.
-

OFFICE OF COUNTY CLERK

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

OFFICES OF CLERK AND MASTER AND REGISTER

- ◆ Multiple employees operated from the same cash drawer.
-

PUTNAM COUNTY

- ◆ Putnam County has a material recurring audit finding.
-

OFFICES OF COUNTY EXECUTIVE; ROAD SUPERVISOR; DIRECTOR OF SCHOOLS; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; REGISTER; AND SHERIFF

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

Putnam County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Putnam County.

INTRODUCTORY SECTION

Putnam County Officials

June 30, 2011

Officials

Kim Blaylock, County Executive
Randy Jones, Road Supervisor
Dr. Kathleen Airhart, Director of Schools
Freddie Nelson, 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

Robert Duncan, Jr., Chairman	Kevin Maynard
Mike Atwood	Michael Medley
Daryl Blair	Sue Neal
Marsha Bowman	Steve Pierce
Kim Bradford	Terry Randolph
Eris Bryant	Cathy Reel
Anna Ruth Burroughs	Chris Savage
Scott Ebersole	Reginald Shanks
Jerry Ford	Tom Short
David Gentry	Joe Trobaugh
Andy Honeycutt	Jonathan Williams
Jim Martin	Ronald Williamson

Board of Education

Eric Brown, Chairman	Jerry Maynard
Robert Hargis	David McCormick
Dr. Ray Jordan	Dr. Janet Moore

FINANCIAL SECTION



**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

February 23, 2012

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, 2011, 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 audited the financial statements of the Sports and Recreation Fund, a special revenue fund, for the month of June 2011. Other auditors audited the financial statements of the Sports and Recreation Fund, for the period July 1, 2010, through May 31, 2011, which represent 8.4 percent of the revenues of the aggregate remaining funds. Also, we did not audit the financial statements of the Public Library Fund, a special revenue fund, which represent 1.7 percent and 3.9 percent, respectively, of the assets and revenues of the aggregate remaining funds. In addition, we did not audit the financial statements of the Putnam County Emergency Communications District, which represent 1.5 percent and one 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 .02 percent and .3 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 reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2012, 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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

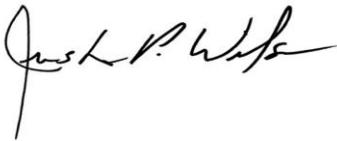
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 82 through 89 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 financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, 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 financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Putnam County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Putnam County, Tennessee
Statement of Net Assets
June 30, 2011

	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	\$ 167,814	\$ 8,913	\$ 1,590,496	\$ 22,575
Equity in Pooled Cash and Investments	35,179,307	15,288,183	0	0
Accounts Receivable	2,216,762	15,702	32,832	100
Allowance for Uncollectibles	(220,674)	0	0	0
Due from Other Governments	1,737,534	4,835,874	27,026	12,053
Due from Primary Government	0	60,039	0	0
Property Taxes Receivable	24,750,053	12,853,619	0	0
Allowance for Uncollectible Property Taxes	(874,669)	(454,248)	0	0
Prepaid Items	8,322	0	55,984	648
Unamortized Issuance Costs on Investments	655,345	0	0	0
Assets Not Depreciated:				
Land	4,933,533	5,143,175	0	0
Intangibles - Indefinite Life	4,736,878	0	0	0
Construction in Progress	0	31,114,314	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	25,747,576	90,395,281	169,917	0
Infrastructure	29,078,842	0	0	0
Other Capital Assets	4,211,874	3,079,782	649,006	0
Total Assets	\$ 132,328,497	\$ 162,340,634	\$ 2,525,261	\$ 35,376
<u>LIABILITIES</u>				
Accounts Payable	\$ 368,874	\$ 201,238	\$ 27,882	\$ 1,013
Accrued Payroll	0	1,213,749	0	0
Payroll Deductions Payable	5,031	750,370	0	0
Claims and Judgments Payable	1,698,867	0	0	0
Accrued Interest Payable	1,563,380	0	0	0
Due to Component Units	60,039	0	0	0
Due to State of Tennessee	245	0	0	0
Due to Cities	87,671	0	0	0
Matured Bonds Payable	15,000	0	0	0
Deferred Revenue - Current Property Taxes	23,045,781	11,968,527	0	0
Noncurrent Liabilities:				
Due Within One Year	7,409,562	105,216	0	0
Due in More Than One Year	128,187,452	974,976	0	0
Total Liabilities	\$ 162,441,902	\$ 15,214,076	\$ 27,882	\$ 1,013

(Continued)

Exhibit A

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

	<u>Component Units</u>			
	<u>Primary Government Governmental Activities</u>	<u>Putnam County School Department</u>	<u>Putnam County Emergency Communications District</u>	<u>Putnam County Agricultural and Industrial Fair, Inc.</u>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 45,756,342	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	129,732,552	818,923	0
Restricted for:				
Public Library	150,407	0	0	0
Solid Waste/Sanitation	1,924,469	0	0	0
Industrial/Economic Development	6,860,627	0	0	0
Special Purpose	102,022	0	0	0
Drug Control	35,144	0	0	0
Sports and Recreation	16,154	0	0	0
District Attorney General	8,819	0	0	0
Highway/Public Works	1,767,116	0	0	0
School Federal Projects	0	185,194	0	0
Central Cafeteria	0	1,229,852	0	0
Extended School Program	0	131,318	0	0
Debt Service	12,531,412	0	0	0
Capital Projects	1,136,921	4,206,436	0	0
Self-Insurance	1,839,045	0	0	0
Other Purposes	1,103,209	2,903,214	0	0
Unrestricted	<u>(103,345,092)</u>	<u>8,737,992</u>	<u>1,678,456</u>	<u>34,363</u>
Total Net Assets (Deficit)	<u>\$ (30,113,405)</u>	<u>\$ 147,126,558</u>	<u>\$ 2,497,379</u>	<u>\$ 34,363</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, 2011

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc.		
Primary Government:										
Governmental Activities:										
General Government	\$ 4,327,785	\$ 687,382	\$ 21,034	\$ 99,965	\$ (3,519,404)	\$ 0	\$ 0	\$ 0	\$ 0	0
Finance	1,807,915	1,911,581	0	0	103,666	0	0	0	0	0
Administration of Justice	2,511,456	2,162,069	67,527	0	(281,860)	0	0	0	0	0
Public Safety	10,557,042	1,275,810	772,342	0	(8,508,890)	0	0	0	0	0
Public Health and Welfare	9,320,419	4,685,402	1,141,675	0	(3,493,342)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,988,781	255,852	431,014	0	(1,301,915)	0	0	0	0	0
Agriculture and Natural Resources	239,564	32,093,000	16,478	0	(190,993)	0	0	0	0	0
Other Operations	1,894,963	271,754	448,092	0	(1,175,117)	0	0	0	0	0
Highways/Public Works	4,939,059	41,271	2,488,664	992,553	(1,416,571)	0	0	0	0	0
Education (Self-Insurance)	620,143	557,326	0	0	(62,817)	0	0	0	0	0
Interest on Long-term Debt	4,833,916	0	0	0	(4,833,916)	0	0	0	0	0
Other Debt Service	318,501	0	0	0	(318,501)	0	0	0	0	0
Total Primary Government	\$ 43,359,544	\$ 11,880,540	\$ 5,386,826	\$ 1,092,518	\$ (24,999,660)	\$ 0	\$ 0	\$ 0	\$ 0	0
Component Units:										
Putnam County School Department	\$ 87,521,511	\$ 2,803,921	\$ 10,906,779	\$ 561,880	\$ 0	\$ (73,248,931)	\$ 0	\$ 0	\$ 0	0
Putnam County Emergency Communications District	698,995	702,393	0	0	0	0	3,398	0	0	0
Putnam County Agricultural and Industrial Fair, Inc.	320,706	281,923	0	0	0	0	0	(38,783)	0	0
Total Component Units	\$ 88,541,212	\$ 3,788,237	\$ 10,906,779	\$ 561,880	\$ 0	\$ (73,248,931)	\$ 3,398	\$ (38,783)	\$ 0	0

(Continued)

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets				
	Component Units				
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
					Putnam County Agricultural and Industrial Fair, Inc.
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 16,506,986	\$ 12,218,741	\$ 0
Property Taxes Levied for Debt Service			7,031,333	0	0
Local Option Sales Taxes			2,968,341	15,442,103	0
Hotel/Motel Tax			911,511	0	0
Litigation Taxes			299,019	0	0
Business Tax			970,613	0	0
Mineral Severance Tax			173,805	0	0
Wholesale Beer Tax			230,435	0	0
Other Local Taxes			4,594	2,300	0
Grants and Contributions Not Restricted to Specific Programs			1,103,729	43,320,637	38,800
Unrestricted Investment Earnings			377,672	9,425	27,120
Miscellaneous			129,280	92,029	0
			<u>\$ 30,707,318</u>	<u>\$ 71,085,235</u>	<u>\$ 65,920</u>
Insurance Recovery			\$ 96,518	\$ 30,795	\$ 0
Discount on Debt Issuance			(21,019)	0	0
Change in Net Assets			\$ 5,783,157	\$ (2,132,901)	\$ 69,318
Net Assets (Deficit), July 1, 2010			(35,201,077)	149,259,459	2,428,061
Prior-period Adjustment			(695,485)	0	0
Net Assets (Deficit), June 30, 2011			<u>\$ (30,113,405)</u>	<u>\$ 147,126,558</u>	<u>\$ 2,497,379</u>
					<u>\$ 34,363</u>

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, 2011

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Industrial / Economic Development	General Debt Service	Other Govern- mental Funds	
ASSETS					
Cash	\$ 100	\$ 0	\$ 0	\$ 164,327	\$ 164,427
Equity in Pooled Cash and Investments	8,680,211	7,535,135	11,383,492	4,045,944	31,644,782
Accounts Receivable	1,923,488	3,238	78,801	211,235	2,216,762
Allowance for Uncollectibles	(218,896)	0	0	(1,778)	(220,674)
Due from Other Governments	552,259	154,892	530,568	499,815	1,737,534
Due from Other Funds	4,996	352,393	2,277,778	416,033	3,051,200
Property Taxes Receivable	12,716,878	410,222	7,383,994	4,238,959	24,750,053
Allowance for Uncollectible Property Taxes	(449,415)	(14,498)	(260,951)	(149,805)	(874,669)
Prepaid Items	0	0	0	8,322	8,322
Total Assets	\$ 23,209,621	\$ 8,441,382	\$ 21,393,682	\$ 9,433,052	\$ 62,477,737
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u>					
Accounts Payable	\$ 117,881	\$ 0	\$ 0	\$ 250,993	\$ 368,874
Payroll Deductions Payable	0	0	0	5,031	5,031
Due to Other Funds	1,582,701	1,111,110	352,393	4,996	3,051,200
Due to Component Units	0	0	60,039	0	60,039
Due to State of Tennessee	0	0	0	245	245
Due to Cities	0	87,671	0	0	87,671
Matured Bonds Payable	0	0	15,000	0	15,000
Deferred Revenue - Current Property Taxes	11,841,202	381,974	6,875,537	3,947,068	23,045,781
Deferred Revenue - Delinquent Property Taxes	397,819	12,832	230,991	132,965	774,607
Other Deferred Revenues	1,369,502	61,693	327,702	258,934	2,017,831
Total Liabilities	\$ 15,309,105	\$ 1,655,280	\$ 7,861,662	\$ 4,600,232	\$ 29,426,279
<u>Fund Balances</u>					
Nonspendable:					
Prepaid Items	\$ 0	\$ 0	\$ 0	\$ 8,322	\$ 8,322
Restricted:					
Restricted for General Government	444,801	0	0	99,315	544,116
Restricted for Finance	20,354	0	0	0	20,354
Restricted for Administration of Justice	40,129	0	0	8,819	48,948
Restricted for Public Safety	115,782	0	0	35,046	150,828
Restricted for Social, Cultural, and Recreational Services	0	0	0	35,634	35,634
Restricted for Other Operations	0	6,683,494	0	0	6,683,494
Restricted for Highways/Public Works	0	0	0	1,525,252	1,525,252
Restricted for Capital Outlay	111,154	0	0	1,128,006	1,239,160
Committed:					
Committed for Public Health and Welfare	0	0	0	1,753,624	1,753,624
Committed for Social, Cultural, and Recreational Services	191,685	0	0	149,015	340,700
Committed for Other Operations	0	102,608	0	0	102,608
Committed for Debt Service	0	0	13,532,020	0	13,532,020

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Industrial / Economic Development	General Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>					
<u>Fund Balances (Cont.)</u>					
Committed (Cont.):					
Committed for Other Purposes	\$ 10,000	\$ 0	\$ 0	\$ 0	10,000
Assigned:					
Assigned for General Government	47,961	0	0	2,707	50,668
Assigned for Finance	1,225	0	0	0	1,225
Assigned for Administration of Justice	1,311	0	0	0	1,311
Assigned for Public Safety	76,448	0	0	98	76,546
Assigned for Public Health and Welfare	42,359	0	0	5,882	48,241
Assigned for Highways/Public Works	0	0	0	81,100	81,100
Unassigned	6,797,307	0	0	0	6,797,307
Total Fund Balances	<u>\$ 7,900,516</u>	<u>\$ 6,786,102</u>	<u>\$ 13,532,020</u>	<u>\$ 4,832,820</u>	<u>\$ 33,051,458</u>
Total Liabilities and Fund Balances	<u>\$ 23,209,621</u>	<u>\$ 8,441,382</u>	<u>\$ 21,393,682</u>	<u>\$ 9,433,052</u>	<u>\$ 62,477,737</u>

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

Exhibit C-2

Putnam County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Assets
June 30, 2011

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)		\$ 33,051,458
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,933,533	
Add: intangible assets	4,736,878	
Add: buildings and improvements net of accumulated depreciation	25,358,719	
Add: infrastructure net of accumulated depreciation	29,078,842	
Add: other capital assets net of accumulated depreciation	3,982,210	
Add: Putnam County Public Library:		
building improvements net of accumulated depreciation	388,857	
other capital assets net of accumulated depreciation	<u>229,664</u>	68,708,703
(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.		1,839,045
(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	\$ (134,350,000)	
Less: landfill postclosure care costs	(143,957)	
Add: deferred charges - debt issuance costs	651,266	
Add: deferred amount on refunding	4,079	
Less: compensated absences payable	(403,017)	
Less: accrued interest on bonds	(1,563,380)	
Less: other deferred revenue - premium on debt	(476,040)	
Less: other postemployment benefits liability	<u>(224,000)</u>	(136,505,049)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,792,438</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u><u>\$ (30,113,405)</u></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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Industrial / Economic Development	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 13,416,625	\$ 390,382	\$ 10,614,073	\$ 4,720,100	\$ 29,141,180
Licenses and Permits	355,940	0	0	0	355,940
Fines, Forfeitures, and Penalties	696,600	0	0	44,020	740,620
Charges for Current Services	3,249,030	0	132	1,093,969	4,343,131
Other Local Revenues	865,585	1,536,906	116,766	600,663	3,119,920
Fees Received from County Officials	3,606,517	0	0	0	3,606,517
State of Tennessee	2,668,926	87,671	0	2,593,195	5,349,792
Federal Government	788,103	0	0	589,911	1,378,014
Other Governments and Citizens Groups	188,060	298,728	0	379,805	866,593
Total Revenues	\$ 25,835,386	\$ 2,313,687	\$ 10,730,971	\$ 10,021,663	\$ 48,901,707
Expenditures					
Current:					
General Government	\$ 4,093,802	\$ 0	\$ 0	\$ 159,813	\$ 4,253,615
Finance	1,774,482	0	0	170,475	1,944,957
Administration of Justice	2,344,269	0	0	391	2,344,660
Public Safety	9,723,647	0	0	91,838	9,815,485
Public Health and Welfare	5,112,494	0	0	3,622,122	8,734,616
Social, Cultural, and Recreational Services	117,307	0	0	1,758,664	1,875,971
Agriculture and Natural Resources	234,151	0	0	0	234,151
Other Operations	1,159,127	565,967	0	65,974	1,791,068
Highways	0	0	0	3,635,378	3,635,378
Debt Service:					
Principal on Debt	0	0	6,570,000	0	6,570,000
Interest on Debt	0	0	6,368,237	0	6,368,237
Other Debt Service	0	90,319	178,620	0	268,939
Capital Projects	0	0	0	223,992	223,992
Total Expenditures	\$ 24,559,279	\$ 656,286	\$ 13,116,857	\$ 9,728,647	\$ 48,061,069
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,276,107	\$ 1,657,401	\$ (2,385,886)	\$ 293,016	\$ 840,638
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 7,200,000	\$ 0	\$ 0	\$ 7,200,000
Transfers In	0	0	0	390,750	390,750
Transfers Out	(390,750)	0	0	0	(390,750)
Discounts on Debt Issued	0	(21,019)	0	0	(21,019)
Total Other Financing Sources (Uses)	\$ (390,750)	\$ 7,178,981	\$ 0	\$ 390,750	\$ 7,178,981
Net Change in Fund Balances	\$ 885,357	\$ 8,836,382	\$ (2,385,886)	\$ 683,766	\$ 8,019,619
Fund Balance, July 1, 2010	7,015,159	(2,050,280)	15,917,906	4,149,054	25,031,839
Fund Balance, June 30, 2011	\$ 7,900,516	\$ 6,786,102	\$ 13,532,020	\$ 4,832,820	\$ 33,051,458

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, 2011

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)		\$	8,019,619
(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	\$	783,737	
Less: current-year depreciation expense		(2,336,962)	
Putnam County Public Library:			
Add: capital assets purchased in the current period		92,964	
Less: current-year depreciation expense		(104,453)	(1,564,714)
(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	\$	775,065	
Less: loss on disposal of capital assets		(126,187)	648,878
(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, 2011	\$	2,792,438	
Less: deferred delinquent property taxes and other deferred June 30, 2010		(3,864,384)	(1,071,946)
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
Less: bond proceeds	\$	(7,200,000)	
Add: change in premium on debt issuances		42,030	
Add: change in deferred debt issuance costs		42,773	
Less: change in deferred amount on refunding debt		(2,016)	
Add: principal payments on bonds		6,570,000	(547,213)
(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	\$	1,534,321	
Change in landfill postclosure care costs		121,295	
Change in compensated absences payable		(139,648)	
Change in other postemployment benefits liability		(115,700)	1,400,268
(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.			(1,101,735)
Change in net assets of governmental activities (Exhibit B)		\$	<u>5,783,157</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, 2011

	Governmental Activities - Internal Service Fund <hr/> Self-Insurance Fund <hr/>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 3,387
Equity in Pooled Cash and Investments	3,534,525
Total Assets	<hr/> \$ 3,537,912 <hr/>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 1,698,867
Total Liabilities	<hr/> \$ 1,698,867 <hr/>
<u>NET ASSETS</u>	
Unrestricted	<hr/> \$ 1,839,045 <hr/>
Total Net Assets	<hr/> <hr/> \$ 1,839,045 <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, 2011

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,058,466
Refunds	3,147
Total Operating Revenues	<u>\$ 1,061,613</u>
<u>Operating Expenses</u>	
General Government	\$ 5,224
Finance	4,516
Public Safety	292,482
Public Health and Welfare	479,172
Social, Cultural, and Recreational Services	21,081
Other Operations	1,473,165
Total Operating Expenses	<u>\$ 2,275,640</u>
Operating Income (Loss)	<u>\$ (1,214,027)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Insurance Recovery	\$ 96,518
Investment Income	15,774
Total Nonoperating Revenue	<u>\$ 112,292</u>
Change in Net Assets	\$ (1,101,735)
Net Assets, July 1, 2010	<u>2,940,780</u>
Net Assets, June 30, 2011	<u><u>\$ 1,839,045</u></u>

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

Exhibit D-3

Putnam County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,058,466
Receipts for Refunds	3,147
Payments for Administrative Costs and Premiums	(1,676,388)
Payments for Claims	(46,536)
Payments for Legal Costs	(63,339)
Payments for Other Charges	(29,889)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (754,539)</u>
<u>Cash Flows from Investing Activities</u>	
Insurance Recovery	\$ 96,517
Interest on Investments	15,774
Net Cash Provided By (Used In) Investing Activities	<u>\$ 112,291</u>
Net Increase (Decrease) in Cash	\$ (642,248)
Cash, July 1, 2010	<u>4,180,160</u>
Cash, June 30, 2011	<u><u>\$ 3,537,912</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (1,214,027)
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>459,488</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (754,539)</u></u>
<u>Reconciliation of Cash with the Statement of Net Assets</u>	
Cash per Net Assets	\$ 3,387
Equity in Pooled Cash and Investments per Net Assets	<u>3,534,525</u>
Cash, June 30, 2011	<u><u>\$ 3,537,912</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,268,289
Equity in Pooled Cash and Investments	33,594
Accounts Receivable	15,585
Due from Other Governments	<u>2,067,557</u>
Total Assets	<u>\$ 4,385,025</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,055,763
Due to Litigants, Heirs, and Others	2,283,874
Due to Joint Venture	<u>45,388</u>
Total Liabilities	<u>\$ 4,385,025</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, 2011

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
700 County Service 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, 2011.

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 special revenue fund accounts for transactions relating to industrial development projects. Local taxes and debt proceeds are the foundational revenues of this fund.

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.

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

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

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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 Fund, a special revenue fund) 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.

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 1.86 percent of total taxes levied.

Due to/from Other Funds includes \$2,277,778 loaned from the General Debt Service Fund to the General (\$1,111,110) and Industrial/Economic Development (\$1,166,668) funds for capital asset purchases. The amount due to the General Debt Service Fund (\$2,277,778) is reflected as committed fund balance.

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.

Most payables are disaggregated on the face of the financial statements.

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, 2011, Putnam County had \$111,450,000 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements).

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

7. Prior-period Adjustment

A prior-period adjustment of \$695,485 was recognized in the primary government's Statement of Activities. This prior-period adjustment resulted from a decrease to the value of capital assets due to the change in the county's capitalization threshold in the prior year. The capital assets of the primary government were overstated at June 30, 2010.

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 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.

At June 30, 2011, Putnam County and the Putnam County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
Major Fund:		
General	Circuit and Juvenile Court	
	computer systems	\$ 395,280
"	Meth lab clean-up	13,600
"	Radios for the Sheriff's Department	22,423
"	Homeland Security Grant -	
	computers	24,482
"	Homeland Security Grant -	
	telecommunications equipment	64,509

Funds (Cont.)	Description	Amount
Nonmajor Fund:		
Highway/Public Works	Backhoe	\$ 81,100
School Department:		
Major Fund:		
General Purpose School	Instructional materials	1,278,031
"	Building repairs	380,570
"	Buses	416,900
"	Security System - CHS	109,353
Other Capital Projects	Architect - Baxter K-8	681,100
"	Architect - Monterey High School	628,941
"	Architect - Upperman High School	96,383
Nonmajor Fund:		
School Federal Projects	Smart boards	99,000
Central Cafeteria	Food service equipment	91,837
"	Food	21,372

B. Cash Shortage – Prior Year

The audit of Putnam County for the 2009-10 year reported that a contracted certified public accountant conducted an investigation at the Park View Elementary School Cafeteria for the period August 10, 2010, through September 24, 2010, and concluded that 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. 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 totaled \$3,564.58. The results from the CPA's review have been forwarded to the district attorney general. On June 3, 2011, the cash shortage was written off when the General Purpose School Fund disbursed funds to the Central Cafeteria Fund for the cash and checks that were not recovered.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the County Buildings and County Coroner/Medical Examiner major appropriation categories (the legal level of control) of the General Fund by \$13,411 and \$13,916, respectively. Expenditures also exceeded appropriations approved by the County Commission in the Food Service major appropriation category (the legal level of control) of the Central Cafeteria Fund by \$66,498. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Putnam County (excluding the Public Library Fund, a special revenue fund) 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, 2011, 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	\$ 352,573

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, 2011, Putnam County’s investment in the State Treasurer’s Investment pool was unrated.

B. Notes Receivable

Notes receivable in the General Debt Service Fund totaling \$2,277,778 resulted from the issuance of interfund loans to the Industrial/Economic Development (\$1,111,110) and General (\$1,166,668) funds. The amount of the notes not expected to be collected within one year is \$1,805,556 and is reflected as Due to/from Other Funds in the financial statements of this report.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	Restated			Balance
	Balance	Increases	Decreases	Balance
	7-1-10			6-30-11
Capital Assets Not Depreciated:				
Land	\$ 4,933,533	\$ 0	\$ 0	\$ 4,933,533
Intangibles	4,680,499	153,776	(97,397)	4,736,878
Construction in Progress	686,037	162,335	(848,372)	0
Total Capital Assets Not Depreciated	<u>\$ 10,300,069</u>	<u>\$ 316,111</u>	<u>\$ (945,769)</u>	<u>\$ 9,670,411</u>
Capital Assets Depreciated:				
Buildings and Improvements (1)	\$ 30,094,001	\$ 848,372	\$ 0	\$ 30,942,373
Roads and Bridges	47,836,109	718,686	0	48,554,795
Other Capital Assets (1)	11,204,966	621,402	(312,188)	11,514,180
Total Capital Assets Depreciated	<u>\$ 89,135,076</u>	<u>\$ 2,188,460</u>	<u>\$ (312,188)</u>	<u>\$ 91,011,348</u>
Less Accumulated Depreciation For:				
Buildings and Improvements (1)	\$ 5,113,293	\$ 470,361	\$ 0	\$ 5,583,654
Roads and Bridges	18,452,488	1,023,465	0	19,475,953
Other Capital Assets (1)	6,874,835	843,136	(186,001)	7,531,970
Total Accumulated Depreciation	<u>\$ 30,440,616</u>	<u>\$ 2,336,962</u>	<u>\$ (186,001)</u>	<u>\$ 32,591,577</u>
Total Capital Assets Depreciated, Net	<u>\$ 58,694,460</u>	<u>\$ (148,502)</u>	<u>\$ (126,187)</u>	<u>\$ 58,419,771</u>
Governmental Activities Capital Assets, Net	<u>\$ 68,994,529</u>	<u>\$ 167,609</u>	<u>\$ (1,071,956)</u>	<u>\$ 68,090,182</u>

(1) These amounts do not include the capital assets of the Public Library totaling \$618,521..

Restated balance includes prior-period adjustments of \$695,485 to correct management's change in the capitalization policy.

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

Governmental Activities:

General Government	\$ 48,789
Finance	15,553
Administration of Justice	166,796
Public Safety	325,110
Public Health and Welfare	496,318
Social, Cultural, and Recreational Services	107,068
Agriculture and Natural Resources	5,413
Highways/Public Works	<u>1,171,915</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,336,962</u>

Discretely Presented Putnam County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 5,037,975	\$ 105,200	\$ 0	\$ 5,143,175
Construction in Progress	37,065,357	9,154,761	(15,105,804)	31,114,314
Total Capital Assets Not Depreciated	<u>\$ 42,103,332</u>	<u>\$ 9,259,961</u>	<u>\$ (15,105,804)</u>	<u>\$ 36,257,489</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 100,828,298	\$ 16,581,097	\$ 0	\$ 117,409,395
Other Capital Assets	4,844,067	1,068,933	(191,693)	5,721,307
Total Capital Assets Depreciated	<u>\$ 105,672,365</u>	<u>\$ 17,650,030</u>	<u>\$ (191,693)</u>	<u>\$ 123,130,702</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 24,891,734	\$ 2,122,380	\$ 0	\$ 27,014,114
Other Capital Assets	2,322,689	503,700	(184,864)	2,641,525
Total Accumulated Depreciation	<u>\$ 27,214,423</u>	<u>\$ 2,626,080</u>	<u>\$ (184,864)</u>	<u>\$ 29,655,639</u>
Total Capital Assets Depreciated, Net	<u>\$ 78,457,942</u>	<u>\$ 15,023,950</u>	<u>\$ (6,829)</u>	<u>\$ 93,475,063</u>
Governmental Activities Capital Assets, Net	<u>\$ 120,561,274</u>	<u>\$ 24,283,911</u>	<u>\$ (15,112,633)</u>	<u>\$ 129,732,552</u>

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

Governmental Activities:

Instruction	\$ 2,364,920
Support Services	250,352
Operation on Non-Instructional Services	<u>10,808</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,626,080</u></u>

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 4,996
Industrial/Economic Development	General Debt Service	352,393
General Debt Service	Industrial/Economic Dev.	1,111,110
"	General	1,166,668
Nonmajor governmental	"	416,033
Discretely Presented Putnam County School Department:		
General Purpose School	Nonmajor governmental	122,881

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

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: General Purpose School	Primary Government: General Debt Service	\$ 60,039

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

	Transfer In Nonmajor Governmental Funds
Transfer Out	
General	\$ 390,750

Discretely Presented Putnam County School Department

	Transfer In General Purpose School Fund
Transfer Out	
Nonmajor governmental funds	\$ 2,978,403

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 discretely presented Putnam County School Department made one-time transfers of \$9,408, \$55,154, and \$2,244,713, respectively, from the General Capital Projects, Education Capital Projects, and Prescott Capital Projects funds to the General Purpose School Fund to close the capital projects funds.

E. Operating Leases

During the year ended June 30, 2009, 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, 2011, were \$86,133 for the governmental funds.

F. 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, 2011, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	3.6781 to 5%	\$ 80,900,000	\$ 79,400,000
General Obligation Bonds - Refunding	2.125 to 5.5	85,240,000	54,950,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2011, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 7,180,000	\$ 6,253,514	\$ 13,433,514
2013	6,345,000	5,932,199	12,277,199
2014	6,650,000	5,648,951	12,298,951
2015	7,120,000	5,337,726	12,457,726
2016	7,835,000	5,000,531	12,835,531
2017-2021	42,050,000	19,018,568	61,068,568
2022-2026	39,650,000	9,552,340	49,202,340
2027-2030	17,520,000	1,322,925	18,842,925
Total	\$ 134,350,000	\$ 58,066,754	\$ 192,416,754

There is \$13,532,020 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,858, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Bonds	Compensated Absences
Balance, July 1, 2010	\$ 133,720,000	\$ 226,720
Additions	7,200,000	420,744
Deductions	(6,570,000)	(244,447)
Balance, June 30, 2011	<u>\$ 134,350,000</u>	<u>\$ 403,017</u>
Balance Due Within One Year	<u>\$ 7,180,000</u>	<u>\$ 199,827</u>

	Other Postemployment Benefits	Landfill Postclosure Care Costs
Balance, July 1, 2010	\$ 108,300	\$ 265,252
Additions	140,200	1,425
Deductions	(24,500)	(122,720)
Balance, June 30, 2011	<u>\$ 224,000</u>	<u>\$ 143,957</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 29,735</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 135,120,974
Less: Balance Due Within One Year	(7,409,562)
Add: Unamortized Premium on Debt	<u>476,040</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 128,187,452</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. 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, 2011, the following outstanding bonds were considered defeased:

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, 2011, were \$238,745 and \$62,976, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. 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
	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
Extrication Truck	\$ 116,667	\$ 0	\$(58,333)	\$ 58,334
Software and Paving	522,000	0	(174,000)	348,000
Total	\$ 638,667	\$ 0	\$(232,333)	\$ 406,334

Also, internally reported notes receivable from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development (\$1,111,110) and General (\$1,166,668) funds. Amounts financed are presented as an interfund notes payable in the governmental funds. Internally reported notes receivable at June 30, 2011, 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 7-1-10	During Period	Outstanding 6-30-11
General Debt Service Fund:				
Land		\$ 2,777,776	\$ (1,666,666)	\$ 1,111,110
Building		1,361,112	(194,444)	1,166,668
Total		\$ 4,138,888	\$ (1,861,110)	\$ 2,277,778

I. Short-term Debt

During the year, Putnam County 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, 2011.

	Balance 7-1-10	Issued	Paid	Balance 6-30-11
Tax and Revenue Anticipation Notes	\$ 0	\$ 500,000	\$ (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 \$100,000. The county carries excess commercial coverage on buildings and contents totaling \$285,059,937. The county is self-insured up to the state tort liability limits of \$300,000 per person, \$700,000 per occurrence for bodily injury, and \$100,000 for property damage. The county carries commercial liability insurance coverage for losses up to \$5,000,000 with a \$250,000 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
2009-2010	\$ 913,941	\$ 362,603	\$ (37,164)	\$ 1,239,380
2010-2011	1,239,380	506,023	(46,536)	1,698,867

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund

types. Putnam County and the Putnam County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

On August 19, 2011, the discretely presented Putnam County School Department entered into a lease-purchase agreement for \$659,988 to purchase computers.

On September 1, 2011, the County Commission approved a \$550,000 capital outlay notes for jail renovations. The note has not been issued as of the date of this report.

Director of Schools Dr. Kathleen Airhart resigned effective December 31, 2011. The Board of Education appointed Jerry Boyd as interim director of schools effective January 1, 2012.

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

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

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 \$143,957 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011.

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 \$123,020 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2011.

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, 2011.

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, 2011.

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 \$85,000 to the Chamber of Commerce for the year ended June 30, 2011.

The Tennessee Central Heritage Rail Trail Authority is operated through an interlocal agreement between Putnam County and the cities of Algood, Cookeville, and Monterey. The agreement created a ten-member board to construct and manage a rail trail on the right-of-way owned by the Nashville Eastern Railroad Authority. The county and cities will each appoint two members, the ninth member will be appointed by the Putnam County Chamber of Commerce, and the tenth member will be appointed by the Upper Cumberland Heritage Association. The county and cities will each approve the budget of the authority. Putnam County contributed \$23,256 to the Rail Trail Authority for the year ended June 30, 2011.

On June 30, 2011, Putnam County entered into an interlocal agreement with White County and the Cities of Algood, Monterey, and Sparta to provide planning services for the area that were formerly provided by the Regional Planning Offices operated by the State of Tennessee. The Planning Services Executive Committee is comprised of each of the county/city mayors/executives for the participating entities. Each county/city agreed to an annual contribution for planning services to be administered by the Putnam County Executive in accordance with a budget approved by the Executive Committee. Putnam County did not make appropriations for Planning Services for the year ended June 30, 2011.

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

Planning Services
c/o Putnam County Executive
300 East Spring Street, Room 8
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

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Putnam County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 10.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$2,545,719 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 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 ten-year period. The 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, 2009, was ten years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$2,545,719	100%	\$0
6-30-10	2,342,450	100	0
6-30-09	2,371,343	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 million, and the actuarial value of assets was \$48 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23 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 annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

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

provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the 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, 2011, 2010, and 2009, were \$3,363,247, \$2,329,182, and \$2,324,699, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The primary government, except for the Highway Department, offers its employees a deferred compensation plan established pursuant to IRC Section 457(b). The discretely presented Putnam County School Department offers its employees deferred compensation plans established pursuant to IRC Sections 457(b) and 403(b). All costs of administering and funding the programs are the responsibility of plan participants. The 457(b) and 403(b) plan assets remain the property of the contribution employees and are not presented in the accompanying financial statements. IRC Sections 457(b) and 403(b) establish participation, contribution, and withdrawal provisions for the plan.

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 of service are eligible regardless of age, and full-time employees with 20 years of 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	\$ 140,400
Interest on the NPO	4,300
Adjustment to the ARC	<u>(4,500)</u>
Annual OPEB cost	\$ 140,200
Amount of contribution	<u>(24,500)</u>
Increase/decrease in NPO	\$ 115,700
Net OPEB obligation, 7-1-10	<u>108,300</u>
Net OPEB obligation, 6-30-11	<u><u>\$ 224,000</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	"	74,300	22	108,300
6-30-11	"	140,400	17	224,000

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 1,301,100
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,301,100
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	(1)
UAAL as a % of covered payroll	(1)

(1) Payroll information not provided by the actuary.

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, 2010, 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 nine percent for pre-Medicare coverage and Medicare Supplement in 2010. This rate decreases .5 percent annually until an ultimate rate of five 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. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) 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 \$841,470 were recognized for postemployment health care by the School Department.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 709,000
Interest on the NPO	47,461
Adjustment to the ARC	<u>(44,955)</u>
Annual OPEB cost	\$ 711,506
Amount of contribution	<u>(841,470)</u>
Increase/decrease in NPO	\$ (129,964)
Net OPEB obligation, 7-1-10	<u>1,054,692</u>
Net OPEB obligation, 6-30-11	<u><u>\$ 924,728</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 1,166,794	44%	\$ 1,176,831
6-30-10	"	681,797	118	1,054,692
6-30-11	"	711,506	118	924,728

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 6,545,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 6,545,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 47,049,594
UAAL as a % of covered payroll	14%

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, 2010, 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 ten percent for the fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 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 (PUBLIC 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 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, 2011, 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 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 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 Note 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, 2011, 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 Note 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, 2011:

<u>Assets</u>	<u>Balance</u> <u>7-1-10</u>	<u>Depreciation</u> <u>Expense</u>	<u>Balance</u> <u>6-30-11</u>
Computer Equipment	\$ 177,633	\$ 19,424	\$ 197,057
Library Equipment	120,136	3,627	123,763
Furniture/Fixtures	22,666	3,138	25,804
Building Improvements	37,707	12,699	50,406
Library Collection	953,098	65,564	1,018,662
Total	<u>\$ 1,311,240</u>	<u>\$ 104,452</u>	<u>\$ 1,415,692</u>

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

<u>Assets</u>	<u>Balance</u> <u>7-1-10</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6-30-11</u>
Computer Equipment	\$ 218,540	\$ 7,699	\$ 0	\$ 226,239
Library Equipment	128,012	15,164	0	143,176
Furniture/Fixtures	36,463	4,930	0	41,393
Building Improvements	439,263	0	0	439,263
Library Collection	1,209,716	65,171	(90,745)	1,184,142
Total	<u>\$ 2,031,994</u>	<u>\$ 92,964</u>	<u>\$ (90,745)</u>	<u>\$ 2,034,213</u>

I. Restricted for Social, Cultural, and Recreational Services

Restrictions for social, cultural, and recreational services consist of the following:

Board Reserve - Boiler Maintenance	\$ 5,706
Memorials	1,604
Cookeville Expansion	5,284
Gifts and Grants	<u>23,040</u>
 Total	 <u><u>\$ 35,634</u></u>

J. Change in Accounting Entity

On June 30, 2011, the Putnam County Library ceased to be a special revenue fund of Putnam County. An interlocal agreement was signed, which made the library a joint venture between Putnam County, Tennessee, and the City of Cookeville, Tennessee. Under this agreement, the budget of the library is funded by both the City of Cookeville and Putnam County. The library Board of Directors is appointed by Putnam County (four members) and the City of Cookeville (three members).

VII. OTHER NOTES – PUTNAM COUNTY PARKS, RECREATION, AND CONSERVATION BOARD (SPORTS AND RECREATION – SPECIAL REVENUE FUND) (JULY 1, 2010, THROUGH MAY 31, 2011)

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 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 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 Parks, Recreation, and Conservation Board. Based on the Parks, Recreation, and Conservation Board’s financial dependency and accountability to Putnam County, the Parks, Recreation, and Conservation Board is a separately reported fund of Putnam County, Tennessee. There were no component units of the Parks, Recreation, and Conservation Board to consider for inclusion in the financial statements. The Parks, Recreation, and Conservation Board was dissolved by the Putnam County Commission effective May 31, 2011, and the operations were transferred to the Putnam County Executive’s Office. The report prepared by other auditors for the Parks, Recreation, and Conservation Board was issued through May 31, 2011.

B. Summary of Significant Accounting Policies

The 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 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 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 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 the 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, 2011, 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 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 Note 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 May 31, 2011:

Checking - Operating Account	\$ 68,771
Checking - Payroll Account	7,223
Checking - Soccer Account	<u>27,190</u>
Total	<u><u>\$ 103,184</u></u>

At May 31, 2011, the carrying amount of the Parks, Recreation, and Conservation Board's cash deposits was \$103,184. The board's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation, and this amount was not exceeded from July 1, 2010, through May 31, 2011. 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 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. Prior-period Adjustment to 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. A prior-period adjustment totaling \$36,649 was made to compensated absences payable to remove the liability from the Parks, Recreation, and Conservation Board books. This liability will be picked up on the books of Putnam County effective June 1, 2011.

H. Capital Assets

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

<u>Assets</u>	<u>Balance</u> <u>7-1-10</u>	<u>Additions</u>	<u>Balance</u> <u>5-31-11</u>
Improvements	\$ 256,811	\$ 19,600	\$ 276,411
Equipment	205,286	18,100	223,386
Park Fixtures	79,093	0	79,093
Vehicles	119,948	0	119,948
Office Equipment	15,585	0	15,585
Total	<u>\$ 676,723</u>	<u>\$ 37,700</u>	<u>\$ 714,423</u>

The following table provides a summary of changes to accumulated depreciation at May 31, 2011:

<u>Assets</u>	<u>Balance</u> <u>7-1-10</u>	<u>Depreciation</u> <u>Expense</u>	<u>Balance</u> <u>5-31-11</u>
Improvements	\$ 42,924	\$ 27,478	\$ 70,402
Equipment	127,573	18,516	146,089
Park Fixtures	22,564	5,560	28,124
Vehicles	65,212	10,372	75,584
Office Equipment	14,026	0	14,026
Total	<u>\$ 272,299</u>	<u>\$ 61,926</u>	<u>\$ 334,225</u>

I. Capital Assets and Depreciation

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

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

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

J. Risk Financing and Related Insurance Issues

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

The 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:

<u>Assets</u>	<u>Method</u>	<u>Estimated Useful Life in Years</u>	<u>2011 Depreciation</u>
Building/Improvements	S/L	5 - 20	\$ 8,927
Furniture and Fixtures	S/L	5	834
Communications Equipment	S/L	4 - 7	155,267
Vehicle	S/L	5	<u>6,598</u>
Total			<u>\$ 171,626</u>

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, 2011:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	370,496
Certificates of Deposit - Bank of Putnam County	<u>1,200,000</u>
 Total	 <u><u>\$ 1,590,496</u></u>

At June 30, 2011, the carrying amount of the Putnam County Emergency Communications District's cash deposits was \$1,590,496. 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, 2011. Other risk areas include theft, property damage, and public liability. The district carries general liability insurance as well as insurance that covers all equipment, buildings, and vehicles. There have been no losses or settlements during the past three years.

D. Capital Assets

The following is a schedule of equipment at June 30, 2011:

<u>Assets</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,867	\$ 49,950	\$ 169,917
Furniture and Fixture	8,339	1,459	6,880
Communications Equipment	991,604	374,769	616,835
Vehicle	84,730	59,439	25,291
Total Depreciable	<u>\$ 1,304,540</u>	<u>\$ 485,617</u>	<u>\$ 818,923</u>
 Total	 <u><u>\$ 1,304,540</u></u>	 <u><u>\$ 485,617</u></u>	 <u><u>\$ 818,923</u></u>

Assets	Balance 7-1-10	Additions	Balance 6-30-11
<u>Depreciable Assets</u>			
Building/Improvements	\$ 210,648	\$ 9,219	\$ 219,867
Furniture and Fixture	8,339	0	8,339
Communications Equipment	987,495	4,109	991,604
Vehicle	84,730	0	84,730
Total Depreciable	<u>\$ 1,291,212</u>	<u>\$ 13,328</u>	<u>\$ 1,304,540</u>
Total	<u>\$ 1,291,212</u>	<u>\$ 13,328</u>	<u>\$ 1,304,540</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 calls do 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 \$90,895 for the radios, which comprises 100 percent of small equipment purchases expense. 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	\$ 19,869
Miscellaneous Wireless Charges	8,237
Subtotal	<u>\$ 28,106</u>
State Emergency Communications Board	<u>27,026</u>
Total	<u><u>\$ 55,132</u></u>

G. Compensated Absences

There were no employees at June 30, 2011, to receive compensation.

H. Calculation of Invested in Capital Assets

Net Book Value	<u>818,923</u>
Invested in Capital Assets	<u><u>\$ 818,923</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, 2011, 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. 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, 2011, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - Operating	\$ 13,199
Checking - Special Events	2,313
Checking - Premiums	<u>7,000</u>
Cash Deposits	\$ 22,512
Petty Cash	<u>63</u>
Total	<u><u>\$ 22,575</u></u>

At June 30, 2011, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$22,512. 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 2011.

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, 2011.

G. Subsequent Events

The Board of Directors has approved a change of fiscal year end from June 30 to September 30. They are now in the process of requesting approval for this change from the Tennessee Comptroller's Office.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,416,625	\$ 0	\$ 0	\$ 13,416,625	\$ 13,758,788	\$ 13,358,788	\$ 57,837
Licenses and Permits	355,940	0	0	355,940	235,500	289,205	66,735
Fines, Forfeitures, and Penalties	696,600	0	0	696,600	619,000	619,000	77,600
Charges for Current Services	3,249,030	0	0	3,249,030	2,954,000	3,004,000	245,030
Other Local Revenues	865,585	0	0	865,585	1,086,000	1,102,760	(237,175)
Fees Received from County Officials	3,606,517	0	0	3,606,517	3,575,000	3,575,000	31,517
State of Tennessee	2,668,926	0	0	2,668,926	2,840,506	2,541,626	127,300
Federal Government	788,103	0	0	788,103	912,167	932,075	(143,972)
Other Governments and Citizens Groups	188,060	0	0	188,060	155,000	161,000	27,060
Total Revenues	\$ 25,835,386	\$ 0	\$ 0	\$ 25,835,386	\$ 26,135,961	\$ 25,583,454	\$ 251,932
Expenditures							
<u>General Government</u>							
County Commission	\$ 154,537	\$ 0	\$ 0	\$ 154,537	\$ 147,595	\$ 157,457	\$ 2,920
Beer Board	1,824	0	0	1,824	1,940	1,940	116
County Mayor/Executive	358,274	0	150	358,424	284,206	362,159	3,735
County Attorney	161,383	0	0	161,383	131,000	162,530	1,147
Election Commission	367,545	(93)	0	367,452	350,033	406,504	39,052
Register of Deeds	233,484	0	0	233,484	206,683	261,544	28,060
Development	22,560	0	0	22,560	25,800	25,800	3,240
Codes Compliance	111,612	0	0	111,612	127,675	162,408	50,796
Geographical Information Systems	22,263	0	42	22,305	37,700	37,700	15,395
County Buildings	2,416,622	(40,665)	21,593	2,397,550	2,002,401	2,384,139	(13,411)
Other Facilities	241,923	(425,548)	421,456	237,831	183,300	635,744	397,913
Other General Administration	1,775	0	0	1,775	0	1,775	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 463,677	\$ (1,105)	5	\$ 462,577	\$ 404,440	\$ 512,119	\$ 49,542
County Trustee's Office	374,657	(6)	0	374,651	286,714	375,939	1,288
County Clerk's Office	763,245	0	474	763,719	594,637	787,117	23,398
Other Finance	172,903	0	747	173,650	146,790	178,788	5,138
<u>Administration of Justice</u>							
Circuit Court	1,183,868	0	1,311	1,185,179	915,676	1,271,469	86,290
General Sessions Court	431,842	0	0	431,842	353,648	432,318	476
Drug Court	56,102	0	0	56,102	41,800	76,201	20,099
Chancery Court	338,185	0	0	338,185	256,064	342,384	4,199
Juvenile Court	237,388	0	0	237,388	177,950	315,522	78,134
Judicial Commissioners	73,353	0	0	73,353	57,450	74,209	856
Other Administration of Justice	23,531	0	0	23,531	31,656	34,704	11,173
<u>Public Safety</u>							
Sheriff's Department	4,508,609	(24,166)	56,254	4,540,697	3,343,986	4,545,024	4,327
Jail	3,180,319	(19,235)	16,636	3,177,720	2,630,300	3,183,119	5,399
Workhouse	69,099	0	2,492	71,591	53,770	72,735	1,144
Juvenile Services	712,709	(190)	0	712,519	536,250	722,983	10,464
Commissary	110,634	(953)	318	109,999	100,000	110,610	611
Fire Prevention and Control	222,249	(4,642)	730	218,337	248,908	283,311	64,974
Civil Defense	141,334	0	0	141,334	170,020	228,354	87,020
Other Emergency Management	701,141	(1,317)	100,862	800,686	865,167	885,075	84,389
County Coroner/Medical Examiner	77,553	(405)	18	77,166	63,250	63,250	(13,916)
<u>Public Health and Welfare</u>							
Local Health Center	237,595	(2,232)	3,688	239,051	242,697	250,935	11,884

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Ambulance/Emergency Medical Services	\$ 3,788,902	\$ (20,300)	\$ 35,850	\$ 3,804,452	\$ 3,091,550	\$ 4,072,110	\$ 267,658
Other Local Health Services	29,872	(2,674)	2,649	29,847	36,684	30,476	629
General Welfare Assistance	10,670	0	0	10,670	10,670	10,670	0
Aid to Dependent Children	7,760	0	0	7,760	7,760	7,760	0
Other Public Health and Welfare	1,037,695	0	171	1,037,866	1,103,600	1,338,196	300,330
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	85,441	(290)	0	85,151	72,670	86,076	925
Libraries	0	0	0	0	390,750	0	0
Parks and Fair Boards	19,866	0	0	19,866	833,440	175,621	155,755
Other Social, Cultural, and Recreational	12,000	0	0	12,000	17,000	17,000	5,000
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	159,326	0	0	159,326	154,286	160,214	888
Forest Service	1,455	0	0	1,455	1,455	1,455	0
Soil Conservation	73,370	0	0	73,370	52,700	73,970	600
<u>Other Operations</u>							
Tourism	142,308	0	0	142,308	148,000	148,000	5,692
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	33,786	0	0	33,786	29,975	35,414	1,628
Contributions to Other Agencies	327,066	0	0	327,066	216,397	328,521	1,455
Employee Benefits	17,449	0	0	17,449	5,103,304	760,588	743,139
Miscellaneous	610,518	0	0	610,518	1,406,565	640,034	29,516
Total Expenditures	\$ 24,559,279	\$ (543,821)	\$ 665,446	\$ 24,680,904	\$ 27,724,312	\$ 27,259,971	\$ 2,579,067
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,276,107	\$ 543,821	\$ (665,446)	\$ 1,154,482	\$ (1,588,351)	\$ (1,676,517)	\$ 2,830,999

(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 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 232,334	\$ 232,334	\$ (232,334)
Transfers Out	(390,750)	0	0	(390,750)	(229,444)	(620,194)	229,444
Total Other Financing Sources (Uses)	\$ (390,750)	\$ 0	\$ 0	\$ (390,750)	\$ 2,890	\$ (387,860)	\$ (2,890)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 885,357	\$ 543,821	\$ (665,446)	\$ 763,732	\$ (1,585,461)	\$ (2,064,377)	\$ 2,828,109
Fund Balance, July 1, 2010	7,015,159	(543,821)	0	6,471,338	6,001,996	6,001,996	469,342
Fund Balance, June 30, 2011	\$ 7,900,516	\$ 0	\$ (665,446)	\$ 7,235,070	\$ 4,416,535	\$ 3,937,619	\$ 3,297,451

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 390,382	\$ 405,378	\$ 405,378	\$ (14,996)
Other Local Revenues	1,536,906	0	0	1,536,906
State of Tennessee	87,671	0	87,671	0
Other Governments and Citizens Groups	298,728	201,999	576,227	(277,499)
Total Revenues	<u>\$ 2,313,687</u>	<u>\$ 607,377</u>	<u>\$ 1,069,276</u>	<u>\$ 1,244,411</u>
<u>Expenditures</u>				
<u>General Government</u>				
Development	\$ 0	\$ 0	\$ 100,000	\$ 100,000
<u>Other Operations</u>				
Industrial Development	171,009	205,000	204,800	33,791
Other Economic and Community Development	386,399	0	386,399	0
Miscellaneous	8,559	8,500	8,700	141
<u>Other Debt Service</u>				
General Government	90,319	0	90,319	0
Total Expenditures	<u>\$ 656,286</u>	<u>\$ 213,500</u>	<u>\$ 790,218</u>	<u>\$ 133,932</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,657,401</u>	<u>\$ 393,877</u>	<u>\$ 279,058</u>	<u>\$ 1,378,343</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 7,200,000	\$ 0	\$ 7,200,000	\$ 0
Transfers Out	0	(555,556)	(2,019,059)	2,019,059
Discounts on Debt Issued	(21,019)	0	(21,019)	0
Total Other Financing Sources (Uses)	<u>\$ 7,178,981</u>	<u>\$ (555,556)</u>	<u>\$ 5,159,922</u>	<u>\$ 2,019,059</u>
Net Change in Fund Balance	\$ 8,836,382	\$ (161,679)	\$ 5,438,980	\$ 3,397,402
Fund Balance, July 1, 2010	<u>(2,050,280)</u>	<u>(2,601,452)</u>	<u>(2,601,452)</u>	<u>551,172</u>
Fund Balance, June 30, 2011	<u>\$ 6,786,102</u>	<u>\$ (2,763,131)</u>	<u>\$ 2,837,528</u>	<u>\$ 3,948,574</u>

Exhibit F-3

Putnam County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Putnam County School Department
June 30, 2011

(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 entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the 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, 2011

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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 %
"	7-1-10	0	1,301	1,301	0	(1)	(1)
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
"	7-1-10	0	6,545	6,545	0	47,050	14

* Data for three actuarial valuations will be presented when available.
(1) Payroll information was not provided.

PUTNAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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 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.

At June 30, 2011, Putnam County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
Circuit and Juvenile Courts computer system	\$ 395,280
Meth lab clean-up	13,600
Radios for the Sheriff's Department	22,423
Homeland Security Grant - computers	24,482
Homeland Security Grant - telecommunications equipment	64,509

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission in the County Buildings and County Coroner/Medical Examiner major appropriation categories (the legal level of control) of the General Fund by \$13,411 and \$13,916, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Public Library Fund – The Public Library Fund is used to account for transactions of the Putnam County Library. On June 30, 2011, Putnam County and the City of Cookeville signed an interlocal agreement to create a joint venture to oversee the operations of the 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

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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, 2011

	Special Revenue Funds				
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation
\$ 155,839 \$ 0 \$ 0 \$ 0 \$ 0					3,492
0 1,777,204 102,022 35,144 23,452					15,620
0 195,615 0 0 0					0
0 (1,778) 0 0 0					0
0 3,733 0 0 0					0
0 0 0 0 0					0
0 2,734,813 0 0 0					0
0 (96,648) 0 0 0					0
8,322 0 0 0 0					0
\$ 164,161 \$ 4,612,939 \$ 102,022 \$ 35,144 \$ 42,564					

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 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

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for General Government
 Restricted for Administration of Justice
 Restricted for Public Safety

(Continued)

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

	Special Revenue Funds					
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation	
\$ 35,634 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0	35,634	0	0	0	0	0
0 0 0 0 0 0	0	0	0	0	0	0
0 0 0 0 0 0	0	0	0	0	0	0
0 1,753,624 0 0 0 0	0	1,753,624	0	0	0	0
106,451 0 0 0 0 42,564	106,451	0	0	0	0	42,564
0 0 2,707 0 0 0	0	0	2,707	0	0	0
0 0 0 98 0 0	0	0	0	98	0	0
0 5,882 0 0 0 0	0	5,882	0	0	0	0
0 0 0 0 0 0	0	0	0	0	0	0
\$ 150,407 \$ 1,759,506 \$ 102,022 \$ 35,144 \$ 42,564	\$ 150,407	\$ 1,759,506	\$ 102,022	\$ 35,144	\$ 42,564	
\$ 164,161 \$ 4,612,939 \$ 102,022 \$ 35,144 \$ 42,564	\$ 164,161	\$ 4,612,939	\$ 102,022	\$ 35,144	\$ 42,564	

(Continued)

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Restricted (Cont.):
Restricted for Social, Cultural, and Recreational Services
Restricted for Highways/Public Works
Restricted for Capital Outlay
Committed:
Committed for Public Health and Welfare
Committed for Social, Cultural, and Recreational Services
Assigned:
Assigned for General Government
Assigned for Public Safety
Assigned for Public Health and Welfare
Assigned for Highways/Public Works
Total Fund Balances

Total Liabilities and Fund Balances

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

	Special Revenue Funds (Cont.)					Capital Projects Fund	Total Nonmajor Governmental Funds
	Constitu-				Total		
	District Attorney General	tional Officers - Fees	Highway/ Public Works	General Capital Projects			
\$	0	4,996	0	0	164,327	0	164,327
Equity in Pooled Cash and Investments	8,819	0	971,548	1,127,755	2,918,189	1,127,755	4,045,944
Accounts Receivable	0	0	0	0	211,235	0	211,235
Allowance for Uncollectibles	0	0	0	0	(1,778)	0	(1,778)
Due from Other Governments	0	0	396,117	99,965	399,850	99,965	499,815
Due from Other Funds	0	0	416,033	0	416,033	0	416,033
Property Taxes Receivable	0	0	1,230,665	273,481	3,965,478	273,481	4,238,959
Allowance for Uncollectible Property Taxes	0	0	(43,492)	(9,665)	(140,140)	(9,665)	(149,805)
Prepaid Items	0	0	0	0	8,322	0	8,322
Total Assets	\$ 8,819	\$ 4,996	\$ 2,970,871	\$ 7,941,516	\$ 1,491,536	\$ 9,433,052	

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 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

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for General Government
 Restricted for Administration of Justice
 Restricted for Public Safety

(Continued)

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

	Special Revenue Funds (Cont.)				Capital Projects Fund	Total Nonmajor Governmental Funds
	District Attorney General	Constitu- tional Officers - Fees	Highway/ Public Works	Total		
\$	0	0	0	35,634	0	35,634
	0	0	1,525,252	1,525,252	0	1,525,252
	0	0	0	0	1,128,006	1,128,006
	0	0	0	1,753,624	0	1,753,624
	0	0	0	149,015	0	149,015
	0	0	0	2,707	0	2,707
	0	0	0	98	0	98
	0	0	0	5,882	0	5,882
	0	0	81,100	81,100	0	81,100
\$	8,819	0	1,606,352	3,704,814	1,128,006	4,832,820
\$	8,819	4,996	2,970,871	7,941,516	1,491,536	9,433,052

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Restricted (Cont.):
Restricted for Social, Cultural, and Recreational Services
Restricted for Highways/Public Works
Restricted for Capital Outlay
Committed:
Committed for Public Health and Welfare
Committed for Social, Cultural, and Recreational Services
Assigned:
Assigned for General Government
Assigned for Public Safety
Assigned for Public Health and Welfare
Assigned for Highways/Public Works
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, 2011

	Special Revenue Funds					
	Public Library	Solid Waste / Sanitation	Special Purpose	Drug Control	Sports and Recreation	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 2,602,458	\$ 0	\$ 0	\$ 514,600	
Fines, Forfeitures, and Penalties	0	0	0	4,409	0	
Charges for Current Services	31,753	899,336	70,434	0	90,641	
Other Local Revenues	558	339,266	5,392	8,000	43,816	
State of Tennessee	46,709	21,963	4,500	0	312,940	
Federal Government	0	0	0	0	0	
Other Governments and Citizens Groups	355,801	0	0	0	24,004	
Total Revenues	\$ 434,821	\$ 3,863,023	\$ 80,326	\$ 12,409	\$ 986,001	
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 55,180	\$ 0	\$ 0	
Finance	0	0	0	0	0	
Administration of Justice	0	0	0	0	0	
Public Safety	0	0	0	48,403	0	
Public Health and Welfare	0	3,622,122	0	0	0	
Social, Cultural, and Recreational Services	784,033	0	0	0	974,631	
Other Operations	0	60,748	0	0	0	
Highways	0	0	0	0	0	
Capital Projects	0	0	0	0	0	
Total Expenditures	\$ 784,033	\$ 3,682,870	\$ 55,180	\$ 48,403	\$ 974,631	
Excess (Deficiency) of Revenues Over Expenditures	\$ (349,212)	\$ 180,153	\$ 25,146	\$ (35,994)	\$ 11,370	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 390,750	\$ 0	\$ 0	\$ 0	\$ 0	
Total Other Financing Sources (Uses)	\$ 390,750	\$ 0	\$ 0	\$ 0	\$ 0	
Net Change in Fund Balances	\$ 41,538	\$ 180,153	\$ 25,146	\$ (35,994)	\$ 11,370	
Fund Balance, July 1, 2010	108,869	1,579,353	76,876	71,138	31,194	
Fund Balance, June 30, 2011	\$ 150,407	\$ 1,759,506	\$ 102,022	\$ 35,144	\$ 42,564	

(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	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,343,499	\$ 4,460,557	\$ 259,543	\$ 4,720,100	
Fines, Forfeitures, and Penalties	39,611	0	0	44,020	0	44,020	
Charges for Current Services	1,202	603	0	1,093,969	0	1,093,969	
Other Local Revenues	0	0	198,013	595,045	5,618	600,663	
State of Tennessee	0	0	2,207,083	2,593,195	0	2,593,195	
Federal Government	0	0	489,946	489,946	99,965	589,911	
Other Governments and Citizens Groups	0	0	0	379,805	0	379,805	
Total Revenues	\$ 40,813	\$ 603	\$ 4,238,541	\$ 9,656,537	\$ 365,126	\$ 10,021,663	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 18	\$ 0	\$ 55,198	\$ 104,615	\$ 159,813	
Finance	0	44	0	44	170,431	170,475	
Administration of Justice	0	391	0	391	0	391	
Public Safety	43,285	150	0	91,838	0	91,838	
Public Health and Welfare	0	0	0	3,622,122	0	3,622,122	
Social, Cultural, and Recreational Services	0	0	0	1,758,664	0	1,758,664	
Other Operations	0	0	0	60,748	5,226	65,974	
Highways	0	0	3,635,378	3,635,378	0	3,635,378	
Capital Projects	0	0	0	0	223,992	223,992	
Total Expenditures	\$ 43,285	\$ 603	\$ 3,635,378	\$ 9,224,383	\$ 504,264	\$ 9,728,647	
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,472)	\$ 0	\$ 603,163	\$ 432,154	\$ (139,138)	\$ 293,016	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 390,750	\$ 0	\$ 390,750	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 390,750	\$ 0	\$ 390,750	
Net Change in Fund Balances	\$ (2,472)	\$ 0	\$ 603,163	\$ 822,904	\$ (139,138)	\$ 683,766	
Fund Balance, July 1, 2010	11,291	0	1,003,189	2,881,910	1,267,144	4,149,054	
Fund Balance, June 30, 2011	\$ 8,819	\$ 0	\$ 1,606,352	\$ 3,704,814	\$ 1,128,006	\$ 4,832,820	

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 31,753	\$ 34,980	\$ 34,980	\$ (3,227)
Other Local Revenues	558	755	755	(197)
State of Tennessee	46,709	4,500	4,500	42,209
Other Governments and Citizens Groups	355,801	354,765	355,067	734
Total Revenues	<u>\$ 434,821</u>	<u>\$ 395,000</u>	<u>\$ 395,302</u>	<u>\$ 39,519</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 784,033	\$ 788,151	\$ 785,418	\$ 1,385
Total Expenditures	<u>\$ 784,033</u>	<u>\$ 788,151</u>	<u>\$ 785,418</u>	<u>\$ 1,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (349,212)</u>	<u>\$ (393,151)</u>	<u>\$ (390,116)</u>	<u>\$ 40,904</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 390,750	\$ 390,150	\$ 390,750	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 390,750</u>	<u>\$ 390,150</u>	<u>\$ 390,750</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 41,538	\$ (3,001)	\$ 634	\$ 40,904
Fund Balance, July 1, 2010	<u>108,869</u>	<u>108,869</u>	<u>108,869</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 150,407</u>	<u>\$ 105,868</u>	<u>\$ 109,503</u>	<u>\$ 40,904</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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,602,458	\$ 0	\$ 0	\$ 2,602,458	\$ 2,584,820	\$ 2,584,820	\$ 17,638
Charges for Current Services	899,336	0	0	899,336	790,000	790,000	109,336
Other Local Revenues	339,266	0	0	339,266	250,000	250,000	89,266
State of Tennessee	21,963	0	0	21,963	23,000	23,000	(1,037)
Total Revenues	\$ 3,863,023	\$ 0	\$ 0	\$ 3,863,023	\$ 3,647,820	\$ 3,647,820	\$ 215,203
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 2,978,922	\$ (8,114)	\$ 5,882	\$ 2,976,690	\$ 3,128,992	\$ 3,128,992	\$ 152,302
Landfill Operation and Maintenance	78,317	0	0	78,317	108,600	108,600	30,283
Other Waste Disposal	442,163	0	0	442,163	455,331	455,331	13,168
Postclosure Care Costs	122,720	0	0	122,720	154,050	154,050	31,330
Other Operations	60,748	0	0	60,748	63,000	63,000	2,252
Miscellaneous	\$ 3,682,870	\$ (8,114)	\$ 5,882	\$ 3,680,638	\$ 3,909,973	\$ 3,909,973	\$ 229,335
Total Expenditures							
Excess (Deficiency) of Revenues Over Expenditures	\$ 180,153	\$ 8,114	\$ (5,882)	\$ 182,385	\$ (262,153)	\$ (262,153)	\$ 444,538
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 180,153	\$ 8,114	\$ (5,882)	\$ 182,385	\$ (262,153)	\$ (262,153)	\$ 444,538
Fund Balance, July 1, 2010	1,579,353	(8,114)	0	1,571,239	1,567,931	1,567,931	3,308
Fund Balance, June 30, 2011	\$ 1,759,506	\$ 0	\$ (5,882)	\$ 1,753,624	\$ 1,305,778	\$ 1,305,778	\$ 447,846

Exhibit G-5

Putnam County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Special Purpose Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 70,434	\$ 0	\$ 70,434	\$ 70,000	\$ 70,000	\$ 434
Other Local Revenues	5,392	0	5,392	0	0	5,392
State of Tennessee	4,500	0	4,500	0	0	4,500
Total Revenues	\$ 80,326	\$ 0	\$ 80,326	\$ 70,000	\$ 70,000	\$ 10,326
<u>Expenditures</u>						
General Government	\$ 55,180	\$ 2,707	\$ 57,887	\$ 70,100	\$ 70,100	\$ 12,213
Preservation of Records	55,180	2,707	57,887	70,100	70,100	12,213
Total Expenditures	\$ 25,146	\$ (2,707)	\$ 22,439	\$ (100)	\$ (100)	\$ 22,539
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,146	\$ (2,707)	\$ 22,439	\$ (100)	\$ (100)	\$ 22,539
Net Change in Fund Balance Fund Balance, July 1, 2010	76,876	0	76,876	76,876	76,876	0
Fund Balance, June 30, 2011	\$ 102,022	\$ (2,707)	\$ 99,315	\$ 76,776	\$ 76,776	\$ 22,539

Exhibit G-6

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 4,409	\$ 0	\$ 4,409	\$ 11,500	\$ 11,500	\$ (7,091)
Other Local Revenues	8,000	0	8,000	0	0	8,000
Total Revenues	\$ 12,409	\$ 0	\$ 12,409	\$ 11,500	\$ 11,500	\$ 909
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 48,403	\$ 98	\$ 48,501	\$ 70,500	\$ 79,000	\$ 30,499
Total Expenditures	\$ 48,403	\$ 98	\$ 48,501	\$ 70,500	\$ 79,000	\$ 30,499
Excess (Deficiency) of Revenues Over Expenditures	\$ (35,994)	\$ (98)	\$ (36,092)	\$ (59,000)	\$ (67,500)	\$ 31,408
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (35,994)	\$ (98)	\$ (36,092)	\$ (59,000)	\$ (67,500)	\$ 31,408
	71,138	0	71,138	71,138	71,138	0
Fund Balance, June 30, 2011	\$ 35,144	\$ (98)	\$ 35,046	\$ 12,138	\$ 3,638	\$ 31,408

Exhibit G-7

Putnam County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Sports and Recreation Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 514,600	\$ 0	\$ 514,600	\$ 80,950	\$ 480,950	\$ 33,650
Charges for Current Services	90,641	0	90,641	105,500	105,500	(14,859)
Other Local Revenues	43,816	0	43,816	45,350	90,950	(47,134)
State of Tennessee	312,940	0	312,940	15,000	312,940	0
Other Governments and Citizens Groups	24,004	0	24,004	0	0	24,004
Total Revenues	\$ 986,001	\$ 0	\$ 986,001	\$ 246,800	\$ 990,340	\$ (4,339)
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Parks and Fair Boards	\$ 964,955	\$ 740	\$ 965,695	\$ 1,005,340	\$ 966,748	\$ 1,053
Other Social, Cultural, and Recreational	9,676	550	10,226	0	38,592	28,366
Total Expenditures	\$ 974,631	\$ 1,290	\$ 975,921	\$ 1,005,340	\$ 1,005,340	\$ 29,419
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,370	\$ (1,290)	\$ 10,080	\$ (758,540)	\$ (15,000)	\$ 25,080
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 748,540	\$ 15,000	\$ (15,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 748,540	\$ 15,000	\$ (15,000)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 11,370	\$ (1,290)	\$ 10,080	\$ (10,000)	\$ 0	\$ 10,080
	31,194	0	31,194	31,194	31,194	0
Fund Balance, June 30, 2011	\$ 42,564	\$ (1,290)	\$ 41,274	\$ 21,194	\$ 31,194	\$ 10,080

Exhibit G-8

Putnam County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,343,499	\$ 0	\$ 1,343,499	\$ 1,338,194	\$ 1,338,194	\$ 5,305
Other Local Revenues	198,013	0	198,013	2,000	140,001	58,012
State of Tennessee	2,207,083	0	2,207,083	2,975,917	2,975,917	(768,834)
Federal Government	489,946	0	489,946	0	76,766	413,180
Total Revenues	\$ 4,238,541	\$ 0	\$ 4,238,541	\$ 4,316,111	\$ 4,530,878	\$ (292,337)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 296,109	\$ 0	\$ 296,109	\$ 309,428	\$ 314,258	\$ 18,149
Highway and Bridge Maintenance	2,442,092	0	2,442,092	2,636,551	2,801,170	359,078
Operation and Maintenance of Equipment	326,390	0	326,390	270,641	334,342	7,952
Other Charges	151,303	0	151,303	195,047	153,563	2,260
Capital Outlay	419,484	81,100	500,584	1,187,766	1,382,767	882,183
Total Expenditures	\$ 3,635,378	\$ 81,100	\$ 3,716,478	\$ 4,599,433	\$ 4,986,100	\$ 1,269,622
Excess (Deficiency) of Revenues Over Expenditures	\$ 603,163	\$ (81,100)	\$ 522,063	\$ (283,322)	\$ (455,222)	\$ 977,285
Net Change in Fund Balance	\$ 603,163	\$ (81,100)	\$ 522,063	\$ (283,322)	\$ (455,222)	\$ 977,285
Fund Balance, July 1, 2010	1,003,189	0	1,003,189	759,655	759,655	243,534
Fund Balance, June 30, 2011	\$ 1,606,352	\$ (81,100)	\$ 1,525,252	\$ 476,333	\$ 304,433	\$ 1,220,819

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 259,543	\$ 0	\$ 259,543	\$ 255,232	\$ 255,232	\$ 4,311
Other Local Revenues	5,618	0	5,618	0	0	5,618
Federal Government	99,965	0	99,965	0	99,965	0
<u>Total Revenues</u>	<u>\$ 365,126</u>	<u>\$ 0</u>	<u>\$ 365,126</u>	<u>\$ 255,232</u>	<u>\$ 355,197</u>	<u>\$ 9,929</u>
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 104,615	\$ (4,650)	\$ 99,965	\$ 0	\$ 99,965	\$ 0
Finance						
County Trustee's Office	11,962	(50)	11,912	0	12,000	88
County Clerk's Office	158,469	(50,535)	107,934	216,393	216,393	108,459
Public Health and Welfare						
Sanitation Management	0	0	0	0	50,000	50,000
Other Operations						
Miscellaneous	5,226	0	5,226	6,000	6,000	774
Capital Projects						
Public Safety Projects	223,992	0	223,992	225,000	225,000	1,008
<u>Total Expenditures</u>	<u>\$ 504,264</u>	<u>\$ (55,235)</u>	<u>\$ 449,029</u>	<u>\$ 447,393</u>	<u>\$ 609,358</u>	<u>\$ 160,329</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (139,138)	\$ 55,235	\$ (83,903)	\$ (192,161)	\$ (254,161)	\$ 170,258
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (139,138)	\$ 55,235	\$ (83,903)	\$ (192,161)	\$ (254,161)	\$ 170,258
	1,267,144	(55,235)	1,211,909	1,569,060	1,569,060	(357,151)
Fund Balance, June 30, 2011	\$ 1,128,006	\$ 0	\$ 1,128,006	\$ 1,376,899	\$ 1,314,899	\$ (186,893)

Major Governmental Fund

Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 10,614,073	\$ 9,668,264	\$ 9,668,264	\$ 945,809
Charges for Current Services	132	0	0	132
Other Local Revenues	116,766	342,334	342,334	(225,568)
Total Revenues	<u>\$ 10,730,971</u>	<u>\$ 10,010,598</u>	<u>\$ 10,010,598</u>	<u>\$ 720,373</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 100,000	\$ 0	\$ 100,000	\$ 0
Education	6,470,000	12,096,257	6,471,223	1,223
<u>Interest on Debt</u>				
General Government	743,203	0	743,204	1
Education	5,625,034	0	5,625,034	0
<u>Other Debt Service</u>				
Education	178,620	195,000	195,000	16,380
<u>Capital Projects</u>				
Public Safety Projects	0	773,625	0	0
Total Expenditures	<u>\$ 13,116,857</u>	<u>\$ 13,064,882</u>	<u>\$ 13,134,461</u>	<u>\$ 17,604</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,385,886)</u>	<u>\$ (3,054,284)</u>	<u>\$ (3,123,863)</u>	<u>\$ 737,977</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 785,000	\$ 785,000	\$ (785,000)
Transfers Out	0	(232,334)	(232,334)	232,334
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 552,666</u>	<u>\$ 552,666</u>	<u>\$ (552,666)</u>
Net Change in Fund Balance	\$ (2,385,886)	\$ (2,501,618)	\$ (2,571,197)	\$ 185,311
Fund Balance, July 1, 2010	<u>15,917,906</u>	<u>16,710,106</u>	<u>16,710,106</u>	<u>(792,200)</u>
Fund Balance, June 30, 2011	<u>\$ 13,532,020</u>	<u>\$ 14,208,488</u>	<u>\$ 14,138,909</u>	<u>\$ (606,889)</u>

Fiduciary Funds

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

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

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

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

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

Exhibit I-1

Putnam County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	Agency Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Other Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 2,268,289	\$ 0	\$ 0	\$ 0	\$ 2,268,289
Equity in Pooled Cash and Investments	0	0	9,099	24,495	33,594	33,594
Accounts Receivable	0	15,585	0	0	15,585	15,585
Due from Other Governments	2,055,763	0	0	11,794	2,067,557	2,067,557
Total Assets	<u>\$ 2,055,763</u>	<u>\$ 2,283,874</u>	<u>\$ 9,099</u>	<u>\$ 36,289</u>	<u>\$ 4,385,025</u>	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 2,055,763	\$ 0	\$ 0	\$ 0	\$ 2,055,763	
Due to Litigants, Heirs, and Others	0	2,283,874	0	0	2,283,874	
Due to Joint Ventures	0	0	9,099	36,289	45,388	
Total Liabilities	<u>\$ 2,055,763</u>	<u>\$ 2,283,874</u>	<u>\$ 9,099</u>	<u>\$ 36,289</u>	<u>\$ 4,385,025</u>	

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,098,979	\$ 12,098,979	\$ 0
Due from Other Governments	2,015,742	2,055,763	2,015,742	2,055,763
Total Assets	\$ 2,015,742	\$ 14,154,742	\$ 14,114,721	\$ 2,055,763
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,015,742	\$ 14,154,742	\$ 14,114,721	\$ 2,055,763
Total Liabilities	\$ 2,015,742	\$ 14,154,742	\$ 14,114,721	\$ 2,055,763
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,274,907	\$ 24,124,030	\$ 24,130,648	\$ 2,268,289
Accounts Receivable	6,976	15,585	6,976	15,585
Total Assets	\$ 2,281,883	\$ 24,139,615	\$ 24,137,624	\$ 2,283,874
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,281,883	\$ 24,139,615	\$ 24,137,624	\$ 2,283,874
Total Liabilities	\$ 2,281,883	\$ 24,139,615	\$ 24,137,624	\$ 2,283,874
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 15,822	\$ 89,655	\$ 96,378	\$ 9,099
Total Assets	\$ 15,822	\$ 89,655	\$ 96,378	\$ 9,099
<u>Liabilities</u>				
Due to Joint Ventures	\$ 15,822	\$ 89,655	\$ 96,378	\$ 9,099
Total Liabilities	\$ 15,822	\$ 89,655	\$ 96,378	\$ 9,099
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 33,607	\$ 226,250	\$ 235,362	\$ 24,495
Due from Other Governments	25,341	11,794	25,341	11,794
Total Assets	\$ 58,948	\$ 238,044	\$ 260,703	\$ 36,289
<u>Liabilities</u>				
Due to Joint Ventures	\$ 58,948	\$ 238,044	\$ 260,703	\$ 36,289
Total Liabilities	\$ 58,948	\$ 238,044	\$ 260,703	\$ 36,289

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,274,907	\$ 24,124,030	\$ 24,130,648	\$ 2,268,289
Equity in Pooled Cash and Investments	49,429	12,414,884	12,430,719	33,594
Accounts Receivable	6,976	15,585	6,976	15,585
Due from Other Governments	2,041,083	2,067,557	2,041,083	2,067,557
Total Assets	<u>\$ 4,372,395</u>	<u>\$ 38,622,056</u>	<u>\$ 38,609,426</u>	<u>\$ 4,385,025</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,015,742	\$ 14,154,742	\$ 14,114,721	\$ 2,055,763
Due to Litigants, Heirs, and Others	2,281,883	24,139,615	24,137,624	2,283,874
Due to Joint Ventures	74,770	327,699	357,081	45,388
Total Liabilities	<u>\$ 4,372,395</u>	<u>\$ 38,622,056</u>	<u>\$ 38,609,426</u>	<u>\$ 4,385,025</u>

Putnam County School Department

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

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

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

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

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

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

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds of \$57,700,000 issued for school construction.

Exhibit J-1

Putnam County, Tennessee
Statement of Activities
Discretely Presented Putnam County School Department
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 52,486,518	\$ 147,962	\$ 5,909,491	\$ 561,880	\$ (45,867,185)
Support Services	26,962,105	327,259	510,936	0	(26,123,910)
Operation of Non-Instructional Services	8,070,766	2,328,700	4,486,352	0	(1,255,714)
Interest on Long-term Debt	2,122	0	0	0	(2,122)
Total Governmental Activities	\$ 87,521,511	\$ 2,803,921	\$ 10,906,779	\$ 561,880	\$ (73,248,931)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 12,218,741
Local Option Sales Taxes					15,442,103
Other Local Taxes					2,300
Grants and Contributions Not Restricted to Specific Programs					43,320,637
Unrestricted Investment Earnings					9,425
Miscellaneous					92,029
Total General Revenues					\$ 71,085,235
Insurance Recovery					\$ 30,795
Change in Net Assets					\$ (2,132,901)
Net Assets, July 1, 2010					149,259,459
Net Assets, June 30, 2011					\$ 147,126,558

Exhibit J-2

Putnam County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Putnam County School Department
June 30, 2011

	Major Funds		Nonmajor Funds	Total
	General Purpose School	Other Capital Projects	Other Govern- mental Funds	Govern- mental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 8,913	\$ 8,913
Equity in Pooled Cash and Investments	9,693,755	4,211,495	1,382,933	15,288,183
Accounts Receivable	6,698	4,866	4,138	15,702
Due from Other Governments	3,969,702	0	866,172	4,835,874
Due from Other Funds	122,881	0	0	122,881
Due from Primary Government	60,039	0	0	60,039
Property Taxes Receivable	12,853,619	0	0	12,853,619
Allowance for Uncollectible Property Taxes	(454,248)	0	0	(454,248)
Total Assets	\$ 26,252,446	\$ 4,216,361	\$ 2,262,156	\$ 32,730,963
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts Payable	\$ 169,350	\$ 9,278	\$ 22,610	\$ 201,238
Accrued Payroll	736,492	0	477,257	1,213,749
Payroll Deductions Payable	656,679	647	93,044	750,370
Due to Other Funds	0	0	122,881	122,881
Deferred Revenue - Current Property Taxes	11,968,527	0	0	11,968,527
Deferred Revenue - Delinquent Property Taxes	402,096	0	0	402,096
Other Deferred Revenues	1,290,834	0	0	1,290,834
Total Liabilities	\$ 15,223,978	\$ 9,925	\$ 715,792	\$ 15,949,695
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 157,285	\$ 0	\$ 1,415,046	\$ 1,572,331
Restricted for Capital Projects	0	4,206,436	0	4,206,436
Committed:				
Committed for Education	507,210	0	131,318	638,528
Assigned:				
Assigned for Education	2,238,719	0	0	2,238,719
Unassigned	8,125,254	0	0	8,125,254
Total Fund Balances	\$ 11,028,468	\$ 4,206,436	\$ 1,546,364	\$ 16,781,268
Total Liabilities and Fund Balances	\$ 26,252,446	\$ 4,216,361	\$ 2,262,156	\$ 32,730,963

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, 2011

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)		\$ 16,781,268	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 5,143,175		
Add: construction in progress	31,114,314		
Add: buildings and improvements net of accumulated depreciation	90,395,281		
Add: other capital assets net of accumulated depreciation	<u>3,079,782</u>	129,732,552	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$ (155,464)		
Less: other postemployment benefits liability	<u>(924,728)</u>	(1,080,192)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,692,930</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 147,126,558</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, 2011

	Major Funds		Nonmajor	Total
	General Purpose School	Other Capital Projects	Funds Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 27,671,277	\$ 0	\$ 0	\$ 27,671,277
Licenses and Permits	5,510	0	0	5,510
Charges for Current Services	471,140	0	2,328,700	2,799,840
Other Local Revenues	150,075	0	61,199	211,274
State of Tennessee	41,953,002	0	49,658	42,002,660
Federal Government	487,642	0	11,670,344	12,157,986
Other Governments and Citizens Groups	6,451	0	0	6,451
Total Revenues	<u>\$ 70,745,097</u>	<u>\$ 0</u>	<u>\$ 14,109,901</u>	<u>\$ 84,854,998</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 43,165,972	\$ 0	\$ 5,289,064	\$ 48,455,036
Support Services	24,168,597	0	3,021,912	27,190,509
Operation of Non-Instructional Services	2,398,962	0	5,684,748	8,083,710
Debt Service:				
Principal on Debt	168,730	0	0	168,730
Interest on Debt	8,476	0	0	8,476
Capital Projects	0	12,573,951	48,477	12,622,428
Total Expenditures	<u>\$ 69,910,737</u>	<u>\$ 12,573,951</u>	<u>\$ 14,044,201</u>	<u>\$ 96,528,889</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 834,360</u>	<u>\$ (12,573,951)</u>	<u>\$ 65,700</u>	<u>\$ (11,673,891)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 30,795	\$ 0	\$ 0	\$ 30,795
Transfers In	2,978,403	0	0	2,978,403
Transfers Out	0	0	(2,978,403)	(2,978,403)
Total Other Financing Sources (Uses)	<u>\$ 3,009,198</u>	<u>\$ 0</u>	<u>\$ (2,978,403)</u>	<u>\$ 30,795</u>
Net Change in Fund Balances	\$ 3,843,558	\$ (12,573,951)	\$ (2,912,703)	\$ (11,643,096)
Fund Balance, July 1, 2010	7,184,910	16,780,387	4,459,067	28,424,364
Fund Balance, June 30, 2011	<u>\$ 11,028,468</u>	<u>\$ 4,206,436</u>	<u>\$ 1,546,364</u>	<u>\$ 16,781,268</u>

Exhibit J-5

Putnam County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Putnam County School Department
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (11,643,096)
(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	\$ 11,335,248	
Less: current-year depreciation expense	<u>(2,626,080)</u>	8,709,168
(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	\$ 468,939	
Less: loss on disposal of capital assets	<u>(6,829)</u>	462,110
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 1,692,930	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(1,654,589)</u>	38,341
(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: principal payments on capital leases		168,730
(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	\$ 6,354	
Change in compensated absences payable	(4,472)	
Change in other postemployment benefits liability	<u>129,964</u>	<u>131,846</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (2,132,901)</u>

Exhibit J-6

Putnam County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2011

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central	Extended	General Capital Projects	Education	Total	
		Cafeteria	School Program		Capital Projects		
\$	0	8,913	0	0	0	0	8,913
	298,868	885,405	134,098	9,408	55,154	64,562	1,382,933
	4,046	0	92	0	0	0	4,138
	521,014	345,158	0	0	0	0	866,172
	\$ 823,928	\$ 1,239,476	\$ 134,190	\$ 9,408	\$ 55,154	\$ 64,562	\$ 2,262,156

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable	\$ 22,610	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,610
Accrued Payroll	477,257	0	0	0	0	0	477,257
Payroll Deductions Payable	80,548	9,624	2,872	0	0	0	93,044
Due to Other Funds	58,319	0	0	9,408	55,154	64,562	122,881
Total Liabilities	\$ 638,734	\$ 9,624	\$ 2,872	\$ 9,408	\$ 55,154	\$ 64,562	\$ 715,792

Fund Balances

Restricted:	\$ 185,194	\$ 1,229,852	\$ 0	\$ 1,415,046	\$ 0	\$ 0	\$ 1,415,046
Committed:	0	0	131,318	131,318	0	0	131,318
Total Fund Balances	\$ 185,194	\$ 1,229,852	\$ 131,318	\$ 1,546,364	\$ 0	\$ 0	\$ 1,546,364
Total Liabilities and Fund Balances	\$ 823,928	\$ 1,239,476	\$ 134,190	\$ 2,197,594	\$ 9,408	\$ 55,154	\$ 2,262,156

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, 2011

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Total	General Capital Projects	Education Capital Projects	Prescott Capital Projects	
Revenues								
Charges for Current Services	\$ 0	\$ 1,569,307	\$ 759,393	\$ 2,328,700	\$ 0	\$ 0	\$ 0	\$ 2,328,700
Other Local Revenues	0	58,901	2,298	61,199	0	0	0	61,199
State of Tennessee	0	49,658	0	49,658	0	0	0	49,658
Federal Government	8,220,325	3,450,019	0	11,670,344	0	0	0	11,670,344
Total Revenues	\$ 8,220,325	\$ 5,127,885	\$ 761,691	\$ 14,109,901	\$ 0	\$ 0	\$ 0	\$ 14,109,901
Expenditures								
Current:								
Instruction	\$ 5,289,064	0	0	5,289,064	0	0	0	5,289,064
Support Services	3,021,912	0	0	3,021,912	0	0	0	3,021,912
Operation of Non-Instructional Services	411,357	4,548,515	724,876	5,684,748	0	0	0	5,684,748
Capital Projects	0	0	0	0	0	0	48,477	48,477
Total Expenditures	\$ 8,722,333	\$ 4,548,515	\$ 724,876	\$ 13,995,724	\$ 0	\$ 0	\$ 48,477	\$ 14,044,201
Excess (Deficiency) of Revenues Over Expenditures	\$ (502,008)	\$ 579,370	\$ 36,815	\$ 114,177	\$ 0	\$ 0	\$ (48,477)	\$ 65,700
Other Financing Sources (Uses)								
Transfers Out	\$ (227,451)	(441,677)	0	(669,128)	(9,408)	(55,154)	(2,244,713)	(2,309,275)
Total Other Financing Sources (Uses)	\$ (227,451)	\$ (441,677)	\$ 0	\$ (669,128)	\$ (9,408)	\$ (55,154)	\$ (2,244,713)	\$ (2,978,403)
Net Change in Fund Balances Fund Balance, July 1, 2010	\$ (729,459)	\$ 137,693	\$ 36,815	\$ (554,951)	\$ (9,408)	\$ (55,154)	\$ (2,293,190)	\$ (2,912,703)
Fund Balance, July 1, 2010	914,653	1,092,159	94,503	2,101,315	9,408	55,154	2,293,190	4,459,067
Fund Balance, June 30, 2011	\$ 185,194	\$ 1,229,852	\$ 131,318	\$ 1,546,364	\$ 0	\$ 0	\$ 0	\$ 1,546,364

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 27,671,277	\$ 0	\$ 0	\$ 27,671,277	\$ 27,593,951	\$ 27,593,951	\$ 77,326
Licenses and Permits	5,510	0	0	5,510	5,000	5,000	510
Charges for Current Services	471,140	0	0	471,140	89,461	325,450	145,690
Other Local Revenues	150,075	0	0	150,075	92,500	96,000	54,075
State of Tennessee	41,953,002	0	0	41,953,002	40,505,042	42,360,208	(407,206)
Federal Government	487,642	0	0	487,642	224,895	514,558	(26,916)
Other Governments and Citizens Groups	6,451	0	0	6,451	9,000	9,000	(2,549)
Total Revenues	\$ 70,745,097	\$ 0	\$ 0	\$ 70,745,097	\$ 68,519,849	\$ 70,904,167	\$ (159,070)
Expenditures							
Instruction							
Regular Instruction Program	\$ 34,569,735	\$ (395,303)	\$ 1,288,916	\$ 35,463,348	\$ 34,664,886	\$ 35,590,127	\$ 126,779
Alternative Instruction Program	568,118	0	0	568,118	611,884	577,884	9,766
Special Education Program	6,666,764	(209)	82	6,666,637	6,556,951	6,920,851	254,214
Vocational Education Program	1,280,269	0	116	1,280,385	1,288,935	1,289,519	9,134
Adult Education Program	81,086	0	0	81,086	111,070	154,756	73,670
Support Services							
Attendance	182,362	0	67	182,429	183,935	183,935	1,506
Health Services	623,224	0	4,847	628,071	915,732	634,705	6,634
Other Student Support	2,377,983	0	1,037	2,379,020	2,496,776	2,445,799	66,779
Regular Instruction Program	2,479,186	(600)	10,681	2,489,267	2,275,099	2,527,082	37,815
Alternative Instruction Program	116,788	0	0	116,788	113,173	117,221	433
Special Education Program	422,516	(1,074)	6,631	428,073	391,760	429,755	1,682
Vocational Education Program	79,366	0	0	79,366	59,252	80,254	888

(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 7/1/2010	Add: Encumbrances 6/30/2011	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	\$ 126,662	\$ 0	\$ 0	\$ 126,662	\$ 136,938	\$ 144,438	\$ 17,776
Other Programs	301,721	0	0	301,721	0	301,721	0
Board of Education	1,152,680	0	1,520	1,154,200	1,181,410	1,181,410	27,210
Director of Schools	168,420	0	0	168,420	166,915	169,415	995
Office of the Principal	4,242,054	0	0	4,242,054	4,483,319	4,330,003	87,949
Fiscal Services	551,575	(10,825)	3,531	544,281	613,760	559,049	14,768
Human Services/Personnel	174,653	0	0	174,653	176,892	176,892	2,239
Operation of Plant	5,986,714	(1,163)	3,192	5,988,743	6,415,412	6,040,412	51,669
Maintenance of Plant	2,376,826	(151,404)	380,570	2,605,992	1,902,473	2,743,891	137,899
Transportation	2,273,668	(318,447)	421,605	2,376,826	1,867,716	2,396,010	19,184
Central and Other	532,199	(12,836)	115,269	634,632	524,618	638,971	4,339
<u>Operation of Non-Instructional Services</u>							
Food Service	193,791	0	0	193,791	190,899	193,905	114
Community Services	586,008	(540)	655	586,123	55,759	698,027	111,904
Early Childhood Education	1,619,163	0	0	1,619,163	1,655,184	1,655,184	36,021
Principal on Debt							
Education	168,730	0	0	168,730	0	168,730	0
Interest on Debt							
Education	8,476	0	0	8,476	0	8,476	0
Total Expenditures	\$ 69,910,737	\$ (892,401)	\$ 2,238,719	\$ 71,257,055	\$ 69,040,748	\$ 72,358,422	\$ 1,101,367
Excess (Deficiency) of Revenues Over Expenditures	\$ 834,360	\$ 892,401	\$ (2,238,719)	\$ (511,958)	\$ (520,899)	\$ (1,454,255)	\$ 942,297

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 30,795 \$	0 \$	0 \$	30,795 \$	0 \$	39,666 \$	(8,871)
Transfers In	2,978,403	0	0	2,978,403	520,899	2,765,612	212,791
Total Other Financing Sources (Uses)	\$ 3,009,198 \$	0 \$	0 \$	3,009,198 \$	520,899 \$	2,805,278 \$	203,920
Net Change in Fund Balance	\$ 3,843,558 \$	892,401 \$	(2,238,719) \$	2,497,240 \$	0 \$	1,351,023 \$	1,146,217
Fund Balance, July 1, 2010	7,184,910	(892,401)	0	6,292,509	4,146,039	4,146,039	2,146,470
Fund Balance, June 30, 2011	\$ 11,028,468 \$	0 \$	(2,238,719) \$	8,789,749 \$	4,146,039 \$	5,497,062 \$	3,292,687

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	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 \$	0 \$	625 \$	(625)
Federal Government	8,220,325	0	0	8,220,325	10,921,776	12,315,109	(4,094,784)
Total Revenues	\$ 8,220,325 \$	0 \$	0 \$	8,220,325 \$	10,921,776 \$	12,315,734 \$	(4,095,409)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,979,247 \$	(10,620) \$	104,901 \$	3,073,528 \$	4,359,738 \$	4,416,588 \$	1,343,060
Alternative Instruction Program	570	0	0	570	0	612	42
Special Education Program	2,135,387	0	122	2,135,509	2,207,934	2,311,037	175,528
Vocational Education Program	173,860	(60,664)	20,040	133,236	141,144	140,664	7,428
<u>Support Services</u>							
Other Student Support	141,887	(849)	217	141,255	156,229	158,725	17,470
Regular Instruction Program	1,990,131	(59,978)	13,267	1,943,420	2,726,590	3,512,248	1,568,828
Alternative Instruction Program	1,399	0	0	1,399	8,399	2,334	935
Special Education Program	750,646	0	0	750,646	785,192	763,347	12,701
Vocational Education Program	1,608	0	0	1,608	7,650	1,829	221
Office of the Principal	96,482	0	0	96,482	96,594	112,796	16,314
Transportation	39,759	0	0	39,759	48,218	43,876	4,117
<u>Operation of Non-Instructional Services</u>							
Community Services	411,357	(500)	1,079	411,936	0	524,737	112,801
Total Expenditures	\$ 8,722,333 \$	(132,611) \$	139,626 \$	8,729,348 \$	10,537,688 \$	11,988,793 \$	3,259,445
Excess (Deficiency) of Revenues Over Expenditures	\$ (502,008) \$	132,611 \$	(139,626) \$	(509,023) \$	384,088 \$	326,941 \$	(835,964)

(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 7/1/2010	Add: Encumbrances 6/30/2011	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 \$	0 \$	7,740 \$	(7,740)
Transfers Out	(227,451)	0	0	(227,451)	(384,088)	(334,681)	107,230
Total Other Financing Sources (Uses)	\$ (227,451) \$	0 \$	0 \$	(227,451) \$	(384,088) \$	(326,941) \$	99,490
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (729,459) \$	132,611 \$	(139,626) \$	(736,474) \$	0 \$	0 \$	(736,474)
	914,653	(132,611)	0	782,042	0	0	782,042
Fund Balance, June 30, 2011	\$ 185,194 \$	0 \$	(139,626) \$	45,568 \$	0 \$	0 \$	45,568

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,569,307	\$ 0	\$ 0	\$ 1,569,307	\$ 1,629,396	\$ 1,629,396	\$ (60,089)
Other Local Revenues	58,901	0	0	58,901	35,020	35,020	23,881
State of Tennessee	49,658	0	0	49,658	54,000	54,000	(4,342)
Federal Government	3,450,019	0	0	3,450,019	2,935,558	3,259,064	190,955
Total Revenues	\$ 5,127,885	\$ 0	\$ 0	\$ 5,127,885	\$ 4,653,974	\$ 4,977,480	\$ 150,405
<u>Expenditures</u>							
Operation of Non-Instructional Services							
Food Service	\$ 4,548,515	\$ (153,409)	\$ 127,973	\$ 4,523,079	\$ 4,133,075	\$ 4,456,581	\$ (66,498)
Total Expenditures	\$ 4,548,515	\$ (153,409)	\$ 127,973	\$ 4,523,079	\$ 4,133,075	\$ 4,456,581	\$ (66,498)
Excess (Deficiency) of Revenues Over Expenditures	\$ 579,370	\$ 153,409	\$ (127,973)	\$ 604,806	\$ 520,899	\$ 520,899	\$ 83,907
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (441,677)	\$ 0	\$ 0	\$ (441,677)	\$ (520,899)	\$ (520,899)	\$ 79,222
Total Other Financing Sources (Uses)	\$ (441,677)	\$ 0	\$ 0	\$ (441,677)	\$ (520,899)	\$ (520,899)	\$ 79,222
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 137,693	\$ 153,409	\$ (127,973)	\$ 163,129	\$ 0	\$ 0	\$ 163,129
Fund Balance, July 1, 2010	1,092,159	(153,409)	0	938,750	1,057,881	1,057,881	(119,131)
Fund Balance, June 30, 2011	\$ 1,229,852	\$ 0	\$ (127,973)	\$ 1,101,879	\$ 1,057,881	\$ 1,057,881	\$ 43,998

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 759,393	\$ 0	\$ 0	\$ 759,393	\$ 732,660	\$ 732,660	\$ 26,733
Other Local Revenues	2,298	0	0	2,298	0	2,298	0
Total Revenues	\$ 761,691	\$ 0	\$ 0	\$ 761,691	\$ 732,660	\$ 734,958	\$ 26,733
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 724,876	\$ (3,733)	\$ 8,869	\$ 730,012	\$ 732,660	\$ 734,958	\$ 4,946
Total Expenditures	\$ 724,876	\$ (3,733)	\$ 8,869	\$ 730,012	\$ 732,660	\$ 734,958	\$ 4,946
Excess (Deficiency) of Revenues Over Expenditures	\$ 36,815	\$ 3,733	\$ (8,869)	\$ 31,679	\$ 0	\$ 0	\$ 31,679
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 94,503	\$ (3,733)	\$ 0	\$ 90,770	\$ 94,500	\$ 94,500	\$ (3,730)
Fund Balance, June 30, 2011	\$ 131,318	\$ 0	\$ (8,869)	\$ 122,449	\$ 94,500	\$ 94,500	\$ 27,949

MISCELLANEOUS SCHEDULES

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, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
<u>PRIMARY GOVERNMENT</u>								
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Refunding	\$ 35,280,000	4.85 to 5.5 %	8-1-01	4-1-20	\$ 33,870,000	\$ 0	\$ 775,000	\$ 33,095,000
School Refunding	30,105,000	3 to 5	12-1-02	6-30-12	8,605,000	0	4,310,000	4,295,000
School Refunding	7,970,000	2.125 to 4	8-13-04	4-1-19	7,685,000	0	65,000	7,620,000
School Refunding	9,545,000	4.5	10-11-06	10-11-18	9,020,000	0	175,000	8,845,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	15,800,000	0	100,000	15,700,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	57,000,000	0	500,000	56,500,000
School Refunding, Series 2009	2,340,000	2.78	3-31-09	4-1-13	1,740,000	0	645,000	1,095,000
General Obligation Public Improvement, Series 2010	7,200,000	3.6781	12-22-10	4-1-30	0	7,200,000	0	7,200,000
Total Bonds Payable					\$ 133,720,000	\$ 7,200,000	\$ 6,570,000	\$ 134,350,000

<u>DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT</u>								
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Laptop Computers	506,606	5.02	9-26-08	10-10-10	\$ 168,730	\$ 0	\$ 168,730	\$ 0

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 7,180,000	\$ 6,253,514	\$ 13,433,514
2013	6,345,000	5,932,199	12,277,199
2014	6,650,000	5,648,951	12,298,951
2015	7,120,000	5,337,726	12,457,726
2016	7,835,000	5,000,531	12,835,531
2017	8,525,000	4,627,194	13,152,194
2018	8,805,000	4,228,069	13,033,069
2019	8,345,000	3,807,813	12,152,813
2020	8,845,000	3,397,554	12,242,554
2021	7,530,000	2,957,938	10,487,938
2022	7,630,000	2,617,738	10,247,738
2023	7,630,000	2,268,513	9,898,513
2024	8,130,000	1,924,913	10,054,913
2025	8,130,000	1,555,988	9,685,988
2026	8,130,000	1,185,188	9,315,188
2027	8,130,000	813,600	8,943,600
2028	8,130,000	433,725	8,563,725
2029	630,000	50,400	680,400
2030	630,000	25,200	655,200
Total	\$ 134,350,000	\$ 58,066,754	\$ 192,416,754

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2011

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-11
<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%	\$ 1,111,110
Building	General Fund	1,750,000	6-24-08	6-24-17	2	1,166,668
Total Notes Receivable						<u>\$ 2,277,778</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, 2011

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
General	Public Library	Operations	\$ 390,750
Total Transfers Primary Government			<u>\$ 390,750</u>
<u>DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs/reimbursements	\$ 227,451
Central Cafeteria	"	Salary reimbursements/direct costs	441,677
General Capital Projects	"	Close fund	9,408
Education Capital Projects	"	"	55,154
Prescott Capital Projects	"	"	<u>2,244,713</u>
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 2,978,403</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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA, and County Commission	\$ 84,668 (1)	\$ 50,000	Western Surety Company
Road Supervisor Director of Schools	Section 8-24-102, TCA State Board of Education and Putnam County Board of Education	79,436 98,850	100,000 (5)	"
Trustee: Gail Glover (7-1-10 through 8-31-10) Freddie Nelson (9-1-10 through 6-30-11)	Section 8-24-102, TCA, Section 8-24-102, TCA,	12,036 60,178	2,300,000 2,900,000	Ohio Casualty Insurance Company Auto Owners Mutual Insurance Company
Assessor of Property County Clerk	Section 8-24-102, TCA Section 8-24-102, TCA	72,214 72,214	10,000 50,000	Western Surety Company Travelers Casualty and Surety Company of America
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, and Probate Judge	72,214 (2)	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	72,214 (3)	85,000	"
Register Sheriff	Section 8-24-102, TCA Section 8-24-102, TCA, and County Commission	72,214 79,436 (4)	25,000 25,000	" "
Employee Blanket Bonds Public Employee Dishonesty - Primary Government and the Discretely Presented Putnam County School Department			500,000	Hartford Insurance Company

- (1) Includes additional appropriation of \$1,261.
- (2) Does not include special commissioners fees of \$1,180.
- (3) Does not include special commissioners fees of \$4,882.
- (4) Does not include a payment of \$1,200 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (5) The director of schools is covered by the \$500,000 employee blanket bond.

Exhibit K-6

Putnam County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2011

	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	\$ 11,430,347	\$ 0	\$ 2,458,140	\$ 368,732	\$ 0	\$ 0
Trustee's Collections - Prior Year	302,165	0	64,982	9,748	0	0
Circuit/Clerk & Master Collections - Prior Years	265,162	0	57,024	8,554	0	0
Interest and Penalty	57,769	0	12,424	1,864	0	0
Payments in-Lieu-of Taxes - T.V.A.	362	0	78	12	0	0
Payments in-Lieu-of Taxes - Other	5,242	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	5,556	0	0	0	0	0
Hotel/Motel Tax	199,743	0	0	0	0	0
Litigation Tax - General	244,043	0	0	0	0	0
Litigation Tax - Special Purpose	54,976	0	0	0	0	0
Business Tax	570,613	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	45,618	0	9,810	1,472	0	0
Wholesale Beer Tax	230,435	0	0	0	0	0
Interstate Telecommunications Tax	4,594	0	0	0	0	0
Total Local Taxes	\$ 13,416,625	\$ 0	\$ 2,602,458	\$ 390,382	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 273,223	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Building Permits	67,460	0	0	0	0	0
Electrical Permits	5,532	0	0	0	0	0
Plumbing Permits	6,625	0	0	0	0	0
Other Permits	3,100	0	0	0	0	0
Total Licenses and Permits	\$ 355,940	\$ 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>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 87,691	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	19,427	0	0	0	0	0	0	0
Drug Control Fines	264	0	0	0	0	0	0	1,314
Drug Court Fees	1,065	0	0	0	0	0	0	0
Jail Fees	43,493	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	1,820	0	0	0	0	0	0	0
DUI Treatment Fines	21,377	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,689	0	0	0	0	0	0	0
Courtroom Security Fee	1,374	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	68,317	0	0	0	0	0	0	0
Officers Costs	127,046	0	0	0	0	0	0	0
Drug Control Fines	146	0	0	0	0	0	0	1,477
Drug Court Fees	7,957	0	0	0	0	0	0	0
Jail Fees	223,628	0	0	0	0	0	0	0
Interpreter Fees	4,656	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	2,855	0	0	0	0	0	0	0
DUI Treatment Fines	8,096	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	21,921	0	0	0	0	0	0	0
Courtroom Security Fee	6,135	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	1,069	0	0	0	0	0	0	0
Officers Costs	12,820	0	0	0	0	0	0	0
Drug Control Fines	3,587	0	0	0	0	0	0	0
Jail Fees	13,465	0	0	0	0	0	0	0
Interpreter Fees	30	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,527	0	0	0	0	0	0	0
Courtroom Security Fee	361	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Solid Waste / Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	7,803 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Data Entry Fee - Chancery Court	3,180	0	0	0	0	0	0
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	1,108
Courtroom Security Fee	480	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	275	0	0	0	0	0	510
Other Fines, Forfeitures, and Penalties	3,046	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	696,600 \$	0 \$	0 \$	0 \$	0 \$	0 \$	4,409
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	0 \$	0 \$	859,336 \$	0 \$	0 \$	0 \$	0
Solid Waste Disposal Fees	0	0	40,000	0	0	0	0
Patient Charges	3,128,350	0	0	0	0	0	0
Other General Service Charges	9,224	0	0	0	421	0	0
<u>Fees</u>							
Subdivision Lot Fees	3,878	0	0	0	0	0	0
Recreation Fees	2,695	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0	0
Library Fees	0	31,753	0	0	0	0	0
Archives and Records Management Fee - County Clerk	0	0	0	0	70,013	0	0
Telephone Commissions	59,814	0	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Data Processing Fee - Register	21,296	0	0	0	0	0	0
Data Processing Fee - Sheriff	11,991	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,420	0	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - County Clerk	\$ 8,362	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 3,249,030	\$ 31,753	\$ 899,336	\$ 0	\$ 70,434	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 143,514	\$ 341	\$ 0	\$ 101,136	\$ 0	\$ 0
Lease/Rentals	306,721	0	0	0	0	0
Sale of Materials and Supplies	572	0	0	0	0	0
Commissary Sales	223,579	0	0	0	0	0
Sale of Gasoline	85,062	0	0	0	0	0
Sale of Recycled Materials	0	0	338,186	0	0	0
Miscellaneous Refunds	19,712	217	922	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Damages Recovered from Individuals	54,596	0	158	0	0	0
Contributions and Gifts	4,950	0	0	1,435,770	5,392	8,000
Performance Bond Forfeitures	13,850	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	13,029	0	0	0	0	0
Total Other Local Revenues	\$ 865,585	\$ 558	\$ 339,266	\$ 1,536,906	\$ 5,392	\$ 8,000
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 651,121	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	322,826	0	0	0	0	0
General Sessions Court Clerk	788,601	0	0	0	0	0
Clerk and Master	205,743	0	0	0	0	0
Juvenile Court Clerk	86,569	0	0	0	0	0
Register	267,139	0	0	0	0	0
Sheriff	32,619	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Fees Received from County Officials (Cont.)</u>						
Trustee	\$ 1,251,899	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received from County Officials	\$ 3,606,517	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 67,527	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	21,963	0	0	0
On-Behalf Contributions for OPEB	1,775	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	33,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,037,424	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	41,725	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	94,936	0	0	0	0	0
Beer Tax	18,724	0	0	0	0	0
Alcoholic Beverage Tax	84,207	0	0	0	0	0
State Revenue Sharing - T.V.A.	479,849	0	0	0	0	0
Contracted Prisoner Boarding	782,220	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	19,259	0	0	0	0	0
Other State Grants	0	46,709	0	87,671	4,500	0
Other State Revenues	8,280	0	0	0	0	0
Total State of Tennessee	\$ 2,668,926	\$ 46,709	\$ 21,963	\$ 87,671	\$ 4,500	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control
<u>Federal Government</u>						
<u>Federal Through State</u>						
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	683,073	0	0	0	0	0
Law Enforcement Grants	21,801	0	0	0	0	0
Other Federal through State	40,563	0	0	0	0	0
<u>Direct Federal Revenue</u>	42,666	0	0	0	0	0
Other Direct Federal Revenue						
Total Federal Government	\$ 788,103	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 77,017	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	355,801	0	298,728	0	0
Contracted Services	85,000	0	0	0	0	0
<u>Other</u>	26,043	0	0	0	0	0
Other						
Total Other Governments and Citizens Groups	\$ 188,060	\$ 355,801	\$ 0	\$ 298,728	\$ 0	\$ 0
Total	\$ 25,835,386	\$ 434,821	\$ 3,863,023	\$ 2,313,687	\$ 80,326	\$ 12,409

(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				
Local Taxes								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 1,106,165	\$ 6,636,982	\$ 245,427	\$ 22,245,793	
Trustee's Collections - Prior Year	0	0	0	29,242	175,451	6,497	588,085	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	24,276	166,006	5,394	526,416	
Interest and Penalty	0	0	0	5,561	33,369	1,236	112,223	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	35	210	8	705	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	5,242	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	2,978,399	0	2,983,955	
Hotel/Motel Tax	114,600	0	0	0	597,168	0	911,511	
Litigation Tax - General	0	0	0	0	0	0	244,043	
Litigation Tax - Special Purpose	0	0	0	0	0	0	54,976	
Business Tax	400,000	0	0	0	0	0	970,613	
Mineral Severance Tax	0	0	0	173,805	0	0	173,805	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	4,415	26,488	981	88,784	
Wholesale Beer Tax	0	0	0	0	0	0	230,435	
Interstate Telecommunications Tax	0	0	0	0	0	0	4,594	
Total Local Taxes	\$ 514,600	\$ 0	\$ 0	\$ 1,343,499	\$ 10,614,073	\$ 259,543	\$ 29,141,180	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 273,223	
<u>Permits</u>								
Building Permits	0	0	0	0	0	0	67,460	
Electrical Permits	0	0	0	0	0	0	5,532	
Plumbing Permits	0	0	0	0	0	0	6,625	
Other Permits	0	0	0	0	0	0	3,100	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 355,940	

(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</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	87,691
Officers Costs	0	0	0	0	0	0	0	19,427
Drug Control Fines	0	0	0	0	0	0	0	1,578
Drug Court Fees	0	0	0	0	0	0	0	1,065
Jail Fees	0	0	0	0	0	0	0	43,493
District Attorney General Fees	0	3,841	0	0	0	0	0	3,841
Judicial Commissioner Fees	0	0	0	0	0	0	0	1,820
DUI Treatment Fines	0	0	0	0	0	0	0	21,377
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	1,689
Courtroom Security Fee	0	0	0	0	0	0	0	1,374
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	68,317
Officers Costs	0	0	0	0	0	0	0	127,046
Drug Control Fines	0	0	0	0	0	0	0	1,623
Drug Court Fees	0	0	0	0	0	0	0	7,957
Jail Fees	0	0	0	0	0	0	0	223,628
Interpreter Fees	0	0	0	0	0	0	0	4,656
District Attorney General Fees	0	9,542	0	0	0	0	0	9,542
Judicial Commissioner Fees	0	0	0	0	0	0	0	2,855
DUI Treatment Fines	0	0	0	0	0	0	0	8,096
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	21,921
Courtroom Security Fee	0	0	0	0	0	0	0	6,135
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	1,069
Officers Costs	0	0	0	0	0	0	0	12,820
Drug Control Fines	0	0	0	0	0	0	0	3,587
Jail Fees	0	0	0	0	0	0	0	13,465
Interpreter Fees	0	0	0	0	0	0	0	30
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	1,527
Courtroom Security Fee	0	0	0	0	0	0	0	361

(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				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,803
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,180
Courts in Other District Counties							
District Attorney General Fees	0	26,228	0	0	0	0	26,228
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	1,108
Courtroom Security Fee	0	0	0	0	0	0	480
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	785
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	3,046
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 39,611	\$ 0	\$ 0	\$ 0	\$ 0	\$ 740,620
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	859,336
Solid Waste Disposal Fees	0	0	0	0	0	0	40,000
Patient Charges	0	0	0	0	0	0	3,128,350
Other General Service Charges	0	0	0	0	0	0	9,645
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	132	0	4,010
Recreation Fees	89,843	0	0	0	0	0	92,538
Copy Fees	0	1,202	0	0	0	0	1,202
Library Fees	0	0	0	0	0	0	31,753
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	70,013
Telephone Commissions	0	0	0	0	0	0	59,814
Vending Machine Collections	798	0	0	0	0	0	798
Constitutional Officers' Fees and Commissions	0	0	603	0	0	0	603
Data Processing Fee - Register	0	0	0	0	0	0	21,296
Data Processing Fee - Sheriff	0	0	0	0	0	0	11,991
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	3,420

(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 Capital Projects				
<u>Fees (Cont.)</u>								
Data Processing Fee - County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,362
Total Charges for Current Services	\$ 90,641	\$ 1,202	\$ 603	\$ 0	\$ 132	\$ 0	\$ 0	\$ 4,343,131
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 78	\$ 0	\$ 0	\$ 0	\$ 116,766	\$ 63	\$ 0	\$ 361,898
Lease/Rentals	43,738	0	0	0	0	0	0	350,459
Sale of Materials and Supplies	0	0	0	41,271	0	0	0	41,843
Commissary Sales	0	0	0	0	0	0	0	223,579
Sale of Gasoline	0	0	0	0	0	0	0	85,062
Sale of Recycled Materials	0	0	0	0	0	0	0	338,186
Miscellaneous Refunds	0	0	0	82	0	5,555	0	26,488
Nonrecurring Items								
Sale of Equipment	0	0	0	155,901	0	0	0	155,901
Damages Recovered from Individuals	0	0	0	759	0	0	0	55,513
Contributions and Gifts	0	0	0	0	0	0	0	1,454,112
Performance Bond Forfeitures	0	0	0	0	0	0	0	13,850
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	0	0	0	0	13,029
Total Other Local Revenues	\$ 43,816	\$ 0	\$ 0	\$ 198,013	\$ 116,766	\$ 5,618	\$ 0	\$ 3,119,920
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 651,121
Circuit Court Clerk	0	0	0	0	0	0	0	322,826
General Sessions Court Clerk	0	0	0	0	0	0	0	788,601
Clerk and Master	0	0	0	0	0	0	0	205,743
Juvenile Court Clerk	0	0	0	0	0	0	0	86,569
Register	0	0	0	0	0	0	0	267,139
Sheriff	0	0	0	0	0	0	0	32,619

(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 Capital Projects				
<u>Fees Received from County Officials (Cont.)</u>								
<u>Fees in-Lieu-of Salary (Cont.)</u>								
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,251,899
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,606,517
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,527
Solid Waste Grants	0	0	0	0	0	0	0	21,963
On-Behalf Contributions for OPEB	0	0	0	0	0	0	0	1,775
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	33,000
Health and Welfare Grants								
<u>Health Department Programs</u>								
Public Works Grants	0	0	0	0	0	0	0	1,037,424
State Aid Program	0	0	0	0	217,488	0	0	217,488
Litter Program	0	0	0	0	0	0	0	41,725
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	94,936
Beer Tax	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	0	84,207
State Revenue Sharing - T.V.A.	312,940	0	0	0	0	0	0	792,789
Contracted Prisoner Boarding	0	0	0	0	0	0	0	782,220
Gasoline and Motor Fuel Tax	0	0	0	0	1,939,549	0	0	1,939,549
Petroleum Special Tax	0	0	0	0	50,046	0	0	50,046
Registrar's Salary Supplement	0	0	0	0	0	0	0	19,259
Other State Grants	0	0	0	0	0	0	0	138,880
Other State Revenues	0	0	0	0	0	0	0	8,280
Total State of Tennessee	\$ 312,940	\$ 0	\$ 0	\$ 2,207,083	\$ 0	\$ 0	\$ 0	\$ 5,349,792

(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				
Federal Government								
<u>Federal Through State</u>								
Disaster Relief	\$ 0	\$ 0	\$ 0	\$ 489,946	\$ 0	\$ 0	\$ 0	\$ 489,946
Homeland Security Grants	0	0	0	0	0	0	0	683,073
Law Enforcement Grants	0	0	0	0	0	0	0	21,801
Other Federal through State	0	0	0	0	0	0	99,965	140,528
<u>Direct Federal Revenue</u>	0	0	0	0	0	0	0	42,666
Other Direct Federal Revenue	0	0	0	\$ 489,946	\$ 0	\$ 0	\$ 99,965	\$ 1,378,014
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 489,946	\$ 0	\$ 0	\$ 99,965	\$ 1,378,014
Other Governments and Citizens Groups								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,017
Contributions	24,004	0	0	0	0	0	0	678,533
Contracted Services	0	0	0	0	0	0	0	85,000
<u>Other</u>	0	0	0	0	0	0	0	26,043
Other	24,004	0	0	0	0	0	0	866,593
Total Other Governments and Citizens Groups	\$ 24,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 866,593
Total	\$ 986,001	\$ 40,813	\$ 603	\$ 4,238,541	\$ 10,730,971	\$ 365,126	\$ 48,901,707	

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,524,490	\$ 0	\$ 0	\$ 0	\$ 11,524,490
Trustee's Collections - Prior Year	334,162	0	0	0	334,162
Circuit/Clerk & Master Collections - Prior Years	268,013	0	0	0	268,013
Interest and Penalty	58,090	0	0	0	58,090
Payments in-Lieu-of Taxes - Other	366	0	0	0	366
<u>County Local Option Taxes</u>					
Local Option Sales Tax	15,437,748	0	0	0	15,437,748
Litigation Tax - Special Purpose	198	0	0	0	198
<u>Statutory Local Taxes</u>					
Bank Excise Tax	46,108	0	0	0	46,108
Interstate Telecommunications Tax	2,102	0	0	0	2,102
Total Local Taxes	\$ 27,671,277	\$ 0	\$ 0	\$ 0	\$ 27,671,277
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,510	\$ 0	\$ 0	\$ 0	\$ 5,510
Total Licenses and Permits	\$ 5,510	\$ 0	\$ 0	\$ 0	\$ 5,510
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 814,986	\$ 0	\$ 814,986
Lunch Payments - Adults	0	0	96,496	0	96,496
Income from Breakfast	0	0	498,471	0	498,471
A la carte Sales	0	0	159,354	0	159,354
Transportation - Other State Systems	11,435	0	0	0	11,435
Transportation from Individuals	113,516	0	0	0	113,516
Contract for Administrative Services with Other LEAs	143,881	0	0	0	143,881
Contract for Instructional Services with Other LEAs	28,665	0	0	0	28,665
Contract for Instructional Staff Support with Other LEAs	750	0	0	0	750
Receipts from Individual Schools	156,969	0	0	0	156,969
Community Service Fees - Children	0	0	0	759,393	759,393
TBI Criminal Background Fees	15,924	0	0	0	15,924
Total Charges for Current Services	\$ 471,140	\$ 0	\$ 1,569,307	\$ 759,393	\$ 2,799,840
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 9,425	\$ 0	\$ 2,537	\$ 0	\$ 11,962
Lease/Rentals	500	0	0	0	500
Sale of Materials and Supplies	3,581	0	0	0	3,581
Refund of Telecommunication & Internet Fees (E-Rate)	92,941	0	0	0	92,941
Miscellaneous Refunds	7,871	0	37,426	0	45,297
<u>Nonrecurring Items</u>					
Sale of Equipment	24,718	0	18,938	0	43,656
Sale of Property	5,175	0	0	0	5,175
Damages Recovered from Individuals	423	0	0	0	423
Contributions and Gifts	3,500	0	0	2,298	5,798
<u>Other Local Revenues</u>					
Other Local Revenues	1,941	0	0	0	1,941
Total Other Local Revenues	\$ 150,075	\$ 0	\$ 58,901	\$ 2,298	\$ 211,274

(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	\$ 301,721	\$ 0	\$ 0	\$ 0	\$ 301,721
<u>State Education Funds</u>					
Basic Education Program	34,737,728	0	0	0	34,737,728
Basic Education Program - ARRA	3,557,272	0	0	0	3,557,272
Early Childhood Education	1,556,188	0	0	0	1,556,188
School Food Service	0	0	49,658	0	49,658
Energy Efficient School Initiative	170,706	0	0	0	170,706
Other State Education Funds	57,606	0	0	0	57,606
Coordinated School Health - ARRA	155,000	0	0	0	155,000
Internet Connectivity - ARRA	31,283	0	0	0	31,283
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Career Ladder Program	442,297	0	0	0	442,297
Career Ladder - Extended Contract - ARRA	170,817	0	0	0	170,817
<u>Other State Revenues</u>					
Mixed Drink Tax	150,397	0	0	0	150,397
Other State Grants	541,387	0	0	0	541,387
Safe Schools - ARRA	47,300	0	0	0	47,300
Total State of Tennessee	\$ 41,953,002	\$ 0	\$ 49,658	\$ 0	\$ 42,002,660
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,243,600	\$ 0	\$ 2,243,600
USDA - Commodities	0	0	323,506	0	323,506
Breakfast	0	0	793,546	0	793,546
USDA - Other	0	0	89,367	0	89,367
Adult Education State Grant Program	137,099	0	0	0	137,099
Vocational Education - Basic Grants to States	0	160,347	0	0	160,347
Other Vocational	9,454	0	0	0	9,454
Title I Grants to Local Education Agencies	0	3,254,819	0	0	3,254,819
Special Education - Grants to States	98,973	2,912,790	0	0	3,011,763
Special Education Preschool Grants	19,125	58,791	0	0	77,916
English Language Acquisition Grants	0	63,902	0	0	63,902
Safe and Drug-free Schools - State Grants	0	393,985	0	0	393,985
Education for Homeless Children and Youth	0	296	0	0	296
Eisenhower Professional Development State Grants	0	419,447	0	0	419,447
Job Training Partnership Act	15,178	0	0	0	15,178
ARRA Grant # 1	4,507	0	0	0	4,507
Race-to-the-Top - ARRA	0	552,581	0	0	552,581
Other Federal through State	132,957	403,367	0	0	536,324
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	70,349	0	0	0	70,349
Total Federal Government	\$ 487,642	\$ 8,220,325	\$ 3,450,019	\$ 0	\$ 12,157,986
<u>Other Governments and Citizens Groups</u>					
<u>Citizens Groups</u>					
Donations	\$ 6,451	\$ 0	\$ 0	\$ 0	\$ 6,451
Total Other Governments and Citizens Groups	\$ 6,451	\$ 0	\$ 0	\$ 0	\$ 6,451
Total	\$ 70,745,097	\$ 8,220,325	\$ 5,127,885	\$ 761,691	\$ 84,854,998

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 120,550	
Social Security	9,222	
Audit Services	18,695	
Dues and Memberships	3,078	
Maintenance and Repair Services - Equipment	640	
Travel	583	
Other Charges	1,769	
Total County Commission		\$ 154,537

Beer Board

Board and Committee Members Fees	\$ 1,824	
Total Beer Board		1,824

County Mayor/Executive

County Official/Administrative Officer	\$ 84,668	
Temporary Personnel	9,559	
Longevity Pay	4,900	
Other Salaries and Wages	153,600	
Social Security	18,484	
State Retirement	25,557	
Life Insurance	194	
Medical Insurance	24,837	
Dental Insurance	515	
Unemployment Compensation	348	
Communication	5,858	
Data Processing Services	7,659	
Dues and Memberships	1,650	
Maintenance and Repair Services - Equipment	395	
Office Supplies	10,581	
Premiums on Corporate Surety Bonds	175	
Workers' Compensation Insurance	2,723	
Other Charges	1,198	
Data Processing Equipment	2,165	
Office Equipment	3,208	
Total County Mayor/Executive		358,274

County Attorney

County Official/Administrative Officer	\$ 151,354	
Legal Services	10,029	
Total County Attorney		161,383

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	64,993	
Part-time Personnel		13,401	
Longevity Pay		1,200	
Overtime Pay		4,809	
Other Salaries and Wages		79,156	
Election Commission		7,440	
Election Workers		81,596	
Social Security		14,289	
State Retirement		15,321	
Life Insurance		155	
Medical Insurance		20,952	
Dental Insurance		1,368	
Unemployment Compensation		652	
Communication		1,126	
Data Processing Services		10,820	
Dues and Memberships		275	
Legal Notices, Recording, and Court Costs		9,622	
Maintenance and Repair Services - Equipment		355	
Printing, Stationery, and Forms		13,552	
Travel		5,071	
Other Contracted Services		4,428	
Office Supplies		14,786	
Workers' Compensation Insurance		2,178	
Total Election Commission			\$ 367,545

Register of Deeds

County Official/Administrative Officer	\$	72,214
Longevity Pay		2,000
Other Salaries and Wages		84,780
Social Security		11,478
State Retirement		15,805
Life Insurance		194
Medical Insurance		22,282
Dental Insurance		28
Unemployment Compensation		301
Communication		2,125
Dues and Memberships		516
Maintenance Agreements		14,234
Maintenance and Repair Services - Equipment		50
Travel		537

(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.)

Office Supplies	\$	4,117	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		2,723	
Total Register of Deeds			\$ 233,484

Development

Other Salaries and Wages	\$	11,250	
Engineering Services		3,510	
Other Contracted Services		7,800	
Total Development			22,560

Codes Compliance

Assistant(s)	\$	28,536	
Supervisor/Director		7,018	
Longevity Pay		1,300	
Other Salaries and Wages		30,150	
In-Service Training		2,259	
Social Security		4,452	
State Retirement		7,042	
Life Insurance		117	
Medical Insurance		16,224	
Dental Insurance		90	
Unemployment Compensation		144	
Communication		3,559	
Printing, Stationery, and Forms		476	
Gasoline		3,730	
Office Supplies		2,190	
Periodicals		654	
Uniforms		324	
Workers' Compensation Insurance		1,634	
Office Equipment		1,713	
Total Codes Compliance			111,612

Geographical Information Systems

In-Service Training	\$	2,010	
Maintenance Agreements		12,850	
Travel		280	
Office Supplies		3,918	
Other Equipment		3,205	
Total Geographical Information Systems			22,263

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	53,200	
Secretary(ies)		27,750	
Custodial Personnel		98,850	
Part-time Personnel		29,525	
Longevity Pay		14,900	
Overtime Pay		6,524	
Other Salaries and Wages		546,141	
Social Security		55,046	
State Retirement		77,862	
Life Insurance		904	
Medical Insurance		135,418	
Dental Insurance		1,601	
Unemployment Compensation		1,958	
Communication		12,544	
Maintenance Agreements		41,073	
Maintenance and Repair Services - Buildings		297,377	
Maintenance and Repair Services - Equipment		110	
Maintenance and Repair Services - Vehicles		199,723	
Rentals		901	
Custodial Supplies		17,891	
Gasoline		21,359	
Office Supplies		2,231	
Small Tools		2,600	
Uniforms		13,127	
Utilities		696,643	
Workers' Compensation Insurance		12,705	
Other Charges		3,335	
Interest on Notes		27,222	
Building Improvements		9,374	
Other Equipment		8,728	
Total County Buildings			\$ 2,416,622

Other Facilities

Computer Programmer(s)	\$	109,462
Longevity Pay		2,500
Overtime Pay		15,985
In-Service Training		971
Social Security		9,079
State Retirement		11,767
Life Insurance		117

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities (Cont.)

Medical Insurance	\$	16,713	
Unemployment Compensation		254	
Communication		4,463	
Maintenance and Repair Services - Equipment		100	
Maintenance and Repair Services - Office Equipment		62,350	
Office Supplies		795	
Small Tools		723	
Workers' Compensation Insurance		1,634	
Other Charges		353	
Data Processing Equipment		3,663	
Other Equipment		994	
Total Other Facilities			\$ 241,923

Other General Administration

On-Behalf Payments to OPEB	\$	1,775	
Total Other General Administration			1,775

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		20,660	
Longevity Pay		4,000	
Other Salaries and Wages		203,199	
Board and Committee Members Fees		4,870	
In-Service Training		630	
Social Security		21,292	
State Retirement		30,623	
Life Insurance		349	
Medical Insurance		44,975	
Dental Insurance		855	
Unemployment Compensation		639	
Audit Services		30,155	
Communication		5,465	
Data Processing Services		6,869	
Dues and Memberships		1,383	
Maintenance and Repair Services - Equipment		45	
Travel		857	
Office Supplies		8,464	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		4,901	

(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.)

Office Equipment	\$ 1,132	
Total Property Assessor's Office		\$ 463,677

County Trustee's Office

County Official/Administrative Officer	\$ 72,214	
Longevity Pay	9,800	
Other Salaries and Wages	171,969	
Social Security	18,458	
State Retirement	23,358	
Life Insurance	271	
Medical Insurance	31,919	
Dental Insurance	302	
Unemployment Compensation	504	
Communication	3,389	
Data Processing Services	18,578	
Dues and Memberships	676	
Legal Notices, Recording, and Court Costs	65	
Maintenance and Repair Services - Equipment	800	
Travel	1,500	
Office Supplies	12,305	
Premiums on Corporate Surety Bonds	4,237	
Workers' Compensation Insurance	3,812	
Office Equipment	500	
Total County Trustee's Office		374,657

County Clerk's Office

County Official/Administrative Officer	\$ 72,214
Part-time Personnel	4,798
Longevity Pay	9,200
Overtime Pay	59
Other Salaries and Wages	422,476
Social Security	36,224
State Retirement	53,573
Life Insurance	826
Medical Insurance	79,048
Dental Insurance	696
Unemployment Compensation	1,307
Communication	6,678
Data Processing Services	4,948
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	\$	14,817	
Travel		738	
Other Contracted Services		2,100	
Office Supplies		28,439	
Premiums on Corporate Surety Bonds		123	
Workers' Compensation Insurance		11,606	
Other Charges		467	
Office Equipment		12,192	
Total County Clerk's Office			\$ 763,245

Other Finance

Part-time Personnel	\$	17,998	
Longevity Pay		700	
Overtime Pay		2,978	
Other Salaries and Wages		77,530	
Social Security		6,648	
State Retirement		8,057	
Life Insurance		78	
Medical Insurance		13,682	
Unemployment Compensation		401	
Communication		936	
Data Processing Services		12,521	
Travel		728	
Gasoline		1,343	
Office Supplies		25,682	
Workers' Compensation Insurance		1,089	
Office Equipment		2,532	
Total Other Finance			172,903

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		8,259	
Longevity Pay		23,100	
Other Salaries and Wages		688,170	
Jury and Witness Expense		25,430	
Other Per Diem and Fees		30,700	
Social Security		58,784	
State Retirement		74,775	
Life Insurance		775	

(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.)

Medical Insurance	\$ 108,685	
Dental Insurance	1,228	
Unemployment Compensation	1,974	
Communication	8,915	
Data Processing Services	7,686	
Dues and Memberships	936	
Maintenance Agreements	15,181	
Maintenance and Repair Services - Equipment	581	
Travel	1,103	
Data Processing Supplies	2,794	
Office Supplies	39,330	
Premiums on Corporate Surety Bonds	350	
Workers' Compensation Insurance	10,890	
Other Equipment	2,008	
Total Circuit Court		\$ 1,183,868

General Sessions Court

Judge(s)	\$ 291,988	
Longevity Pay	1,700	
Other Salaries and Wages	53,074	
Social Security	21,190	
State Retirement	36,445	
Life Insurance	117	
Medical Insurance	17,260	
Dental Insurance	258	
Unemployment Compensation	66	
Data Processing Services	2,476	
Dues and Memberships	590	
Travel	2,784	
Office Supplies	2,260	
Workers' Compensation Insurance	1,634	
Total General Sessions Court		431,842

Drug Court

Social Workers	\$ 12,742	
Social Security	946	
State Retirement	1,339	
Medical Insurance	2,116	
Travel	315	
Other Contracted Services	38,439	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Office Supplies	\$ 205	
Total Drug Court		\$ 56,102

Chancery Court

County Official/Administrative Officer	\$ 72,214	
Longevity Pay	2,900	
Other Salaries and Wages	148,200	
Other Per Diem and Fees	12,000	
Social Security	16,184	
State Retirement	23,470	
Life Insurance	233	
Medical Insurance	36,213	
Dental Insurance	932	
Unemployment Compensation	447	
Communication	2,936	
Data Processing Services	5,995	
Dues and Memberships	936	
Legal Notices, Recording, and Court Costs	853	
Maintenance Agreements	1,132	
Maintenance and Repair Services - Equipment	174	
Data Processing Supplies	2,355	
Office Supplies	7,394	
Premiums on Corporate Surety Bonds	350	
Workers' Compensation Insurance	3,267	
Total Chancery Court		338,185

Juvenile Court

Probation Officer(s)	\$ 25,200
Youth Service Officer(s)	94,800
Longevity Pay	1,600
Other Salaries and Wages	21,450
In-Service Training	2,994
Social Security	10,117
State Retirement	15,555
Life Insurance	194
Medical Insurance	32,023
Unemployment Compensation	360
Communication	6,768
Data Processing Services	1,798
Dues and Memberships	499

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Travel	\$	1,165	
Other Contracted Services		18,446	
Office Supplies		1,696	
Workers' Compensation Insurance		2,723	
Total Juvenile Court			\$ 237,388

Judicial Commissioners

Part-time Personnel	\$	2,960	
Longevity Pay		1,000	
Other Salaries and Wages		51,600	
In-Service Training		1,648	
Social Security		4,212	
State Retirement		5,570	
Life Insurance		78	
Medical Insurance		4,475	
Dental Insurance		165	
Unemployment Compensation		170	
Workers' Compensation Insurance		1,089	
Other Charges		386	
Total Judicial Commissioners			73,353

Other Administration of Justice

Probation Officer(s)	\$	18,000	
Social Security		1,354	
State Retirement		315	
Life Insurance		39	
Medical Insurance		717	
Unemployment Compensation		78	
Travel		34	
Other Contracted Services		530	
Office Supplies		519	
Workers' Compensation Insurance		545	
Office Equipment		1,400	
Total Other Administration of Justice			23,531

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,436	
Deputy(ies)		1,811,102	
Investigator(s)		350,001	

(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.)

Salary Supplements	\$	33,000	
Dispatchers/Radio Operators		246,090	
Secretary(ies)		147,911	
Longevity Pay		57,800	
Overtime Pay		310,320	
Other Salaries and Wages		44,635	
In-Service Training		57,827	
Social Security		222,475	
State Retirement		292,606	
Employee and Dependent Insurance		480	
Life Insurance		2,388	
Medical Insurance		397,010	
Dental Insurance		3,755	
Unemployment Compensation		5,722	
Communication		48,129	
Contributions		12,438	
Data Processing Services		5,023	
Maintenance and Repair Services - Equipment		4,979	
Maintenance and Repair Services - Vehicles		6,900	
Transportation - Other than Students		5,206	
Travel		1,331	
Other Contracted Services		6,397	
Animal Food and Supplies		6,696	
Gasoline		225,891	
Instructional Supplies and Materials		2,996	
Uniforms		33,155	
Other Supplies and Materials		11,776	
Premiums on Corporate Surety Bonds		6,575	
Workers' Compensation Insurance		33,034	
Communication Equipment		3,366	
Law Enforcement Equipment		5,892	
Motor Vehicles		8,100	
Traffic Control Equipment		6,566	
Other Equipment		11,601	
Total Sheriff's Department			\$ 4,508,609

Jail

Medical Personnel	\$	91,642
Guards		1,274,969
Cafeteria Personnel		72,553

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Part-time Personnel	\$	24,863	
Longevity Pay		11,300	
Social Security		107,584	
State Retirement		152,394	
Life Insurance		1,508	
Medical Insurance		194,531	
Dental Insurance		69	
Unemployment Compensation		3,891	
Contracts with Government Agencies		193,510	
Medical and Dental Services		618,756	
Custodial Supplies		33,100	
Food Supplies		259,767	
Office Supplies		21,477	
Other Supplies and Materials		24,270	
Workers' Compensation Insurance		21,962	
Other Charges		13,301	
Data Processing Equipment		23,035	
Office Equipment		14,718	
Other Equipment		21,119	
Total Jail			\$ 3,180,319

Workhouse

Supervisor/Director	\$	1,200	
Guards		39,000	
Part-time Personnel		8,425	
Longevity Pay		2,000	
Social Security		3,571	
State Retirement		4,435	
Life Insurance		39	
Medical Insurance		6,975	
Dental Insurance		68	
Unemployment Compensation		132	
Uniforms		659	
Workers' Compensation Insurance		545	
Other Charges		2,050	
Total Workhouse			69,099

Juvenile Services

Supervisor/Director	\$	48,750	
Guards		408,832	

(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.)

Secretary(ies)	\$	29,934	
Longevity Pay		14,100	
Overtime Pay		12,710	
In-Service Training		332	
Social Security		36,649	
State Retirement		52,588	
Life Insurance		594	
Medical Insurance		71,367	
Dental Insurance		1,386	
Unemployment Compensation		1,007	
Communication		4,555	
Laundry Service		944	
Medical and Dental Services		950	
Travel		398	
Food Supplies		3,124	
Gasoline		693	
Office Supplies		5,027	
Uniforms		2,663	
Workers' Compensation Insurance		8,349	
Other Charges		6,799	
Office Equipment		958	
Total Juvenile Services			\$ 712,709

Commissary

Food Supplies	\$	80,351	
Other Supplies and Materials		30,283	
Total Commissary			110,634

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Other Salaries and Wages		39,933	
In-Service Training		13,221	
Social Security		2,929	
State Retirement		4,024	
Life Insurance		117	
Unemployment Compensation		216	
Communication		3,660	
Maintenance and Repair Services - Equipment		3,537	
Gasoline		21,833	
Office Supplies		939	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Uniforms	\$	4,696	
Workers' Compensation Insurance		1,634	
Communication Equipment		2,395	
Other Equipment		84,831	
Total Fire Prevention and Control			\$ 222,249

Civil Defense

Contributions	\$	123,020	
Other Contracted Services		18,314	
Total Civil Defense			141,334

Other Emergency Management

Communication Equipment	\$	40,563	
Health Equipment		528,490	
Other Equipment		132,088	
Total Other Emergency Management			701,141

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	5,150	
Other Contracted Services		68,236	
Premiums on Corporate Surety Bonds		200	
Other Charges		3,967	
Total County Coroner/Medical Examiner			77,553

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	20,350	
Social Security		1,541	
State Retirement		2,139	
Life Insurance		39	
Medical Insurance		3,902	
Unemployment Compensation		72	
Communication		16,144	
Contracts with Government Agencies		130,973	
Contributions		3,751	
Other Contracted Services		3,129	
Custodial Supplies		6,979	
Drugs and Medical Supplies		14,739	
Office Supplies		17,668	
Periodicals		638	

(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.)

Liability Insurance	\$	645	
Workers' Compensation Insurance		545	
Other Charges		6,206	
Data Processing Equipment		2,598	
Furniture and Fixtures		4,290	
Office Equipment		1,247	
Total Local Health Center			\$ 237,595

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,000
Deputy(ies)		54,000
Accountants/Bookkeepers		36,750
Paraprofessionals		1,648,876
Secretary(ies)		31,350
Part-time Personnel		299,878
Longevity Pay		44,200
Overtime Pay		148,949
In-Service Training		21,043
Social Security		167,840
State Retirement		220,301
Life Insurance		1,884
Medical Insurance		297,141
Dental Insurance		2,057
Unemployment Compensation		4,976
Communication		9,455
Data Processing Services		5,937
Maintenance and Repair Services - Equipment		8,717
Maintenance and Repair Services - Vehicles		10,026
Medical and Dental Services		11,128
Travel		159
Permits		3,789
Drugs and Medical Supplies		125,117
Gasoline		145,195
Office Supplies		13,681
Uniforms		27,005
Other Supplies and Materials		6,652
Workers' Compensation Insurance		26,499
Other Charges		1,578
Communication Equipment		6,069
Motor Vehicles		302,781

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Office Equipment	\$ 1,501	
Other Equipment	49,368	
Total Ambulance/Emergency Medical Services		\$ 3,788,902

Other Local Health Services

Supervisor/Director	\$ 600	
In-Service Training	80	
Social Security	40	
State Retirement	63	
Life Insurance	39	
Medical Insurance	104	
Unemployment Compensation	1	
Drugs and Medical Supplies	20,413	
Other Supplies and Materials	7,987	
Workers' Compensation Insurance	545	
Total Other Local Health Services		29,872

General Welfare Assistance

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

Aid to Dependent Children

Contributions	\$ 7,760	
Total Aid to Dependent Children		7,760

Other Public Health and Welfare

Longevity Pay	\$ 3,600	
Other Salaries and Wages	790,212	
Social Security	58,161	
State Retirement	70,483	
Life Insurance	826	
Medical Insurance	86,558	
Dental Insurance	995	
Unemployment Compensation	2,404	
Travel	7,731	
Office Supplies	4,709	
Excess Risk Insurance	400	
Workers' Compensation Insurance	11,616	
Total Other Public Health and Welfare		1,037,695

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 72,670	
Building Improvements	12,771	
Total Senior Citizens Assistance		\$ 85,441

Parks and Fair Boards

Gasoline	\$ 15,506	
Other Charges	4,360	
Total Parks and Fair Boards		19,866

Other Social, Cultural, and Recreational

Contributions	\$ 12,000	
Total Other Social, Cultural, and Recreational		12,000

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 101,801	
Longevity Pay	500	
Other Salaries and Wages	23,350	
Social Security	1,757	
State Retirement	2,507	
Life Insurance	39	
Dental Insurance	72	
Unemployment Compensation	72	
Other Fringe Benefits	18,463	
Communication	4,614	
Maintenance and Repair Services - Equipment	435	
Matching Share	1,057	
Travel	3,116	
Workers' Compensation Insurance	545	
Other Charges	800	
Office Equipment	198	
Total Agriculture Extension Service		159,326

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 28,350	
Longevity Pay	500	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Other Salaries and Wages	\$ 23,750	
Social Security	3,861	
State Retirement	5,528	
Life Insurance	39	
Medical Insurance	10,159	
Dental Insurance	430	
Unemployment Compensation	208	
Workers' Compensation Insurance	545	
Total Soil Conservation		\$ 73,370

Other Operations

Tourism

Contributions	\$ 142,308	
Total Tourism		142,308

Airport

Matching Share	\$ 28,000	
Total Airport		28,000

Veterans' Services

Supervisor/Director	\$ 24,550	
Social Security	1,803	
State Retirement	2,580	
Life Insurance	39	
Unemployment Compensation	72	
Communication	1,902	
Maintenance Agreements	450	
Travel	737	
Office Supplies	1,108	
Workers' Compensation Insurance	545	
Total Veterans' Services		33,786

Contributions to Other Agencies

Contracts with Government Agencies	\$ 15,175	
Contributions	220,942	
Gasoline	90,949	
Total Contributions to Other Agencies		327,066

Employee Benefits

Life Insurance	\$ 711	
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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.)

Employee Benefits (Cont.)

Unemployment Compensation	\$	6,754	
Workers' Compensation Insurance		9,984	
Total Employee Benefits			\$ 17,449

Miscellaneous

Dues and Memberships	\$	9,174	
Legal Notices, Recording, and Court Costs		1,386	
Maintenance and Repair Services - Equipment		1,030	
Other Contracted Services		19,935	
Gasoline		21	
Library Books/Media		12,000	
Building and Contents Insurance		33,721	
Excess Risk Insurance		53,520	
Liability Insurance		7,750	
Refunds		295	
Trustee's Commission		337,862	
Tax Relief Program		97,577	
Other Charges		36,247	
Total Miscellaneous			<u>610,518</u>

Total General Fund \$ 24,559,279

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Other Salaries and Wages	\$	515,785	
Legal Services		7,443	
Maintenance and Repair Services - Equipment		24,940	
Travel		2,945	
Library Books/Media		99,256	
Utilities		47,781	
Other Supplies and Materials		52,056	
Liability Insurance		706	
Other Charges		2,413	
Other Equipment		30,708	
Total Libraries			<u>\$ 784,033</u>

Total Public Library Fund 784,033

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	49,950	
Attendants		184,472	
Part-time Personnel		37,332	
Overtime Pay		35,000	
Other Salaries and Wages		439,756	
Other Fringe Benefits		190,465	
Communication		16,658	
Engineering Services		3,879	
Legal Services		5,934	
Maintenance and Repair Services - Buildings		27,019	
Maintenance and Repair Services - Equipment		101,459	
Maintenance and Repair Services - Vehicles		81,093	
Travel		3,974	
Disposal Fees		1,553,215	
Other Contracted Services		49,571	
Crushed Stone		22,793	
Gasoline		87,733	
Office Supplies		4,645	
Uniforms		8,996	
Utilities		46,052	
Other Charges		17,738	
Motor Vehicles		9,632	
Office Equipment		1,556	
Total Sanitation Management			\$ 2,978,922

Landfill Operation and Maintenance

Engineering Services	\$	7,279	
Other Charges		38	
Other Construction		71,000	
Total Landfill Operation and Maintenance			78,317

Other Waste Disposal

Engineering Services	\$	53,282	
Contracts for Landfill Facilities		63,900	
Other Contracted Services		233,981	
Other Construction		91,000	
Total Other Waste Disposal			442,163

Postclosure Care Costs

Engineering Services	\$	13,420	
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(Continued)

Exhibit K-8

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>			
<u>Public Health and Welfare (Cont.)</u>			
<u>Postclosure Care Costs (Cont.)</u>			
Other Contracted Services	\$	30,000	
Other Construction		79,300	
Total Postclosure Care Costs			\$ 122,720
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	\$	60,748	
Total Miscellaneous			60,748
Total Solid Waste/Sanitation Fund			\$ 3,682,870
<u>Industrial/Economic Development Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Contracts with Government Agencies	\$	62,740	
Contributions		108,256	
Other Charges		13	
Total Industrial Development			\$ 171,009
<u>Other Economic and Community Development</u>			
Other Contracted Services	\$	5,000	
Refunds		87,671	
Other Construction		288,200	
Other Capital Outlay		5,528	
Total Other Economic and Community Development			386,399
<u>Miscellaneous</u>			
Trustee's Commission	\$	8,559	
Total Miscellaneous			8,559
<u>Other Debt Service</u>			
<u>General Government</u>			
Underwriter's Discount	\$	36,652	
Other Debt Issuance Charges		53,667	
Total General Government			90,319
Total Industrial/Economic Development Fund			656,286

(Continued)

Exhibit K-8

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

Special Purpose Fund

General Government

Preservation of Records

Supervisor/Director	\$ 25,400	
Other Fringe Benefits	9,100	
Communication	2,668	
Other Contracted Services	660	
Other Supplies and Materials	17,352	
Total Preservation of Records		<u>\$ 55,180</u>

Total Special Purpose Fund \$ 55,180

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 647	
Confidential Drug Enforcement Payments	30,000	
Rentals	7,800	
Other Supplies and Materials	842	
Law Enforcement Equipment	614	
Office Equipment	8,500	
Total Drug Enforcement		<u>\$ 48,403</u>

Total Drug Control Fund 48,403

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Supervisor/Director	\$ 3,850	
Temporary Personnel	27,860	
Part-time Personnel	2,577	
Other Salaries and Wages	453,915	
Social Security	34,198	
State Retirement	44,655	
Medical Insurance	38,603	
Dental Insurance	673	
Unemployment Compensation	2,074	
Advertising	449	
Audit Services	4,525	
Communication	13,614	
Contributions	200	
Dues and Memberships	1,070	
Maintenance and Repair Services - Buildings	43,807	

(Continued)

Exhibit K-8

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

Sports and Recreation Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Maintenance and Repair Services - Vehicles	\$	3,732	
Rentals		3,654	
Gasoline		15,381	
Office Supplies		3,403	
Small Tools		3,948	
Utilities		138,227	
Other Supplies and Materials		56,981	
Workers' Compensation Insurance		9,851	
Other Charges		536	
Other Equipment		20,984	
Other Capital Outlay		36,188	
Total Parks and Fair Boards			\$ 964,955

Other Social, Cultural, and Recreational

Foremen	\$	2,740	
Social Security		190	
Unemployment Compensation		20	
Maintenance and Repair Services - Buildings		35	
Maintenance and Repair Services - Vehicles		508	
Utilities		1,052	
Other Supplies and Materials		5,106	
Other Charges		25	
Total Other Social, Cultural, and Recreational			\$ 9,676

Total Sports and Recreation Fund \$ 974,631

District Attorney General Fund

Public Safety

Other Public Safety

Communication	\$	2,087	
Data Processing Services		1,739	
Dues and Memberships		780	
Maintenance and Repair Services - Equipment		500	
Travel		6,814	
Other Contracted Services		16,281	
Office Supplies		1,484	
Periodicals		379	
Uniforms		176	
Other Charges		4,974	
Office Equipment		8,071	
Total Other Public Safety			\$ 43,285

Total District Attorney General Fund 43,285

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 18	
Total Register of Deeds		\$ 18

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	\$ 239	
Total Circuit Court Clerk		239

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 108	
Total General Sessions Court Clerk		108

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$ 44	
Total Juvenile Court Clerk		44

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 150	
Total Sheriff's Department		<u>150</u>

Total Constitutional Officers - Fees Fund		\$ 603
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,436
Assistant(s)	43,000
Accountants/Bookkeepers	40,500
Longevity Pay	4,400
Other Salaries and Wages	30,050
Social Security	11,523
Employee and Dependent Insurance	20,000
Life Insurance	146
Medical Insurance	448

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dental Insurance	\$	377	
Unemployment Compensation		594	
Local Retirement		20,200	
Employer Medicare		2,695	
Data Processing Services		4,850	
Dues and Memberships		3,493	
Legal Services		14,678	
Legal Notices, Recording, and Court Costs		573	
Maintenance and Repair Services - Office Equipment		1,000	
Postal Charges		546	
Printing, Stationery, and Forms		499	
Data Processing Supplies		999	
Drugs and Medical Supplies		381	
Office Supplies		499	
Workers' Compensation Insurance		11,222	
Other Charges		1,000	
Communication Equipment		2,000	
Data Processing Equipment		1,000	
Total Administration			\$ 296,109

Highway and Bridge Maintenance

Foremen	\$	38,000
Equipment Operators		499,098
Truck Drivers		182,757
Laborers		75,767
Longevity Pay		28,300
Overtime Pay		20,815
Other Salaries and Wages		32,329
Social Security		51,473
Employee and Dependent Insurance		137,528
Life Insurance		971
Dental Insurance		1,688
Unemployment Compensation		4,499
Local Retirement		88,638
Employer Medicare		12,015
Other Contracted Services		766,355
Asphalt - Hot Mix		15,049
Asphalt - Liquid		109,244
Crushed Stone		197,727
Electricity		928

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Metal	\$	19,427	
Road Signs		28,587	
Salt		39,968	
Small Tools		1,625	
Other Supplies and Materials		5,000	
Workers' Compensation Insurance		84,026	
Other Charges		278	
Total Highway and Bridge Maintenance			\$ 2,442,092

Operation and Maintenance of Equipment

Mechanic(s)	\$	67,900	
Longevity Pay		1,600	
Social Security		4,387	
Employee and Dependent Insurance		12,700	
Life Insurance		90	
Unemployment Compensation		397	
Local Retirement		7,304	
Employer Medicare		946	
Laundry Service		3,083	
Licenses		20	
Maintenance and Repair Services - Equipment		8,909	
Diesel Fuel		87,000	
Equipment and Machinery Parts		54,391	
Garage Supplies		5,456	
Gasoline		34,905	
Lubricants		7,601	
Small Tools		339	
Tires and Tubes		17,677	
Other Supplies and Materials		3,600	
Workers' Compensation Insurance		5,602	
Other Charges		2,483	
Total Operation and Maintenance of Equipment			326,390

Other Charges

Communication	\$	5,492	
Contributions		8,000	
Evaluation and Testing		1,470	
Electricity		7,339	
Natural Gas		3,904	
Water and Sewer		247	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Building and Contents Insurance	\$	802	
Excess Risk Insurance		30,745	
Liability Insurance		38,366	
Trustee's Commission		45,000	
Other Charges		9,938	
Total Other Charges			\$ 151,303

Capital Outlay

Engineering Services	\$	116,420	
Highway Equipment		60,200	
State Aid Projects		202,864	
Other Construction		40,000	
Total Capital Outlay			419,484

Total Highway/Public Works Fund \$ 3,635,378

General Debt Service Fund

Principal on Debt

General Government

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

Education

Principal on Bonds	\$	6,470,000	
Total Education			6,470,000

Interest on Debt

General Government

Interest on Bonds	\$	743,203	
Total General Government			743,203

Education

Interest on Bonds	\$	5,625,034	
Total Education			5,625,034

Other Debt Service

Education

Trustee's Commission	\$	175,982	
Other Debt Service		2,638	
Total Education			178,620

Total General Debt Service Fund 13,116,857

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund</u>		
<u>General Government</u>		
<u>County Buildings</u>		
Handling Charges and Administrative Costs	\$ 5,000	
Other Contracted Services	94,965	
Furniture and Fixtures	<u>4,650</u>	
Total County Buildings		\$ 104,615
 <u>Finance</u>		
<u>County Trustee's Office</u>		
Maintenance and Repair Services - Buildings	\$ <u>11,962</u>	
Total County Trustee's Office		11,962
 <u>County Clerk's Office</u>		
Building Construction	\$ <u>158,469</u>	
Total County Clerk's Office		158,469
 <u>Other Operations</u>		
<u>Miscellaneous</u>		
Trustee's Commission	\$ <u>5,226</u>	
Total Miscellaneous		5,226
 <u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Motor Vehicles	\$ <u>223,992</u>	
Total Public Safety Projects		<u>223,992</u>
Total General Capital Projects Fund		<u>\$ 504,264</u>
Total Governmental Funds - Primary Government		<u>\$ 48,061,069</u>

Exhibit K-9

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Putnam County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 22,077,338	
Career Ladder Program	240,993	
Career Ladder Extended Contracts	106,454	
Homebound Teachers	24,397	
Social Workers	3,992	
Salary Supplements	376,257	
Clerical Personnel	882	
Educational Assistants	1,037,233	
Certified Substitute Teachers	189,027	
Non-certified Substitute Teachers	247,452	
Social Security	1,433,961	
State Retirement	2,159,291	
Life Insurance	15,635	
Medical Insurance	4,696,380	
Dental Insurance	76,707	
Unemployment Compensation	31,057	
Employer Medicare	336,991	
Maintenance and Repair Services - Equipment	10,659	
Payments to Schools - Other	9,728	
Travel	845	
Other Contracted Services	9,776	
Instructional Supplies and Materials	386,206	
Textbooks	823,386	
Other Supplies and Materials	3,124	
In Service/Staff Development	1,436	
Fee Waivers	61,284	
Other Charges	29,728	
Regular Instruction Equipment	151,803	
Other Equipment	27,713	
Total Regular Instruction Program		\$ 34,569,735

Alternative Instruction Program

Teachers	\$ 402,699
Career Ladder Program	3,833
Educational Assistants	14,657
Social Security	25,101
State Retirement	38,332
Life Insurance	243
Medical Insurance	73,046

(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.)

Dental Insurance	\$	1,069	
Unemployment Compensation		525	
Employer Medicare		5,870	
Travel		750	
Other Charges		402	
Other Equipment		1,591	
Total Alternative Instruction Program			\$ 568,118

Special Education Program

Teachers	\$	3,186,441	
Career Ladder Program		37,666	
Career Ladder Extended Contracts		14,000	
Homebound Teachers		73,192	
Educational Assistants		966,137	
Speech Pathologist		249,952	
Other Salaries and Wages		148,137	
Certified Substitute Teachers		3,288	
Non-certified Substitute Teachers		10,262	
Social Security		276,068	
State Retirement		432,632	
Life Insurance		3,870	
Medical Insurance		913,067	
Dental Insurance		16,753	
Unemployment Compensation		7,393	
Employer Medicare		64,601	
Contracts with Private Agencies		119,070	
Instructional Supplies and Materials		65,839	
Other Supplies and Materials		4,070	
Special Education Equipment		74,326	
Total Special Education Program			6,666,764

Vocational Education Program

Teachers	\$	947,290	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		500	
Certified Substitute Teachers		1,660	
Non-certified Substitute Teachers		3,218	
Social Security		57,253	
State Retirement		86,408	

(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.)

Life Insurance	\$	525	
Medical Insurance		139,423	
Dental Insurance		3,112	
Unemployment Compensation		1,070	
Employer Medicare		13,390	
Maintenance and Repair Services - Equipment		473	
Instructional Supplies and Materials		12,258	
Other Charges		1,093	
Other Equipment		5,596	
Total Vocational Education Program			\$ 1,280,269

Adult Education Program

Teachers	\$	44,154	
Other Salaries and Wages		22,129	
Social Security		3,695	
State Retirement		2,630	
Life Insurance		28	
Dental Insurance		145	
Unemployment Compensation		50	
Employer Medicare		943	
Travel		2,271	
Instructional Supplies and Materials		5,041	
Total Adult Education Program			81,086

Support Services

Attendance

Supervisor/Director	\$	62,857	
Career Ladder Program		1,000	
Clerical Personnel		10,869	
Other Salaries and Wages		63,834	
Social Security		8,531	
State Retirement		12,698	
Life Insurance		56	
Medical Insurance		15,458	
Dental Insurance		289	
Unemployment Compensation		125	
Employer Medicare		1,995	
Other Supplies and Materials		804	
Attendance Equipment		3,846	
Total Attendance			182,362

(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	\$	244,901	
Secretary(ies)		19,016	
Other Salaries and Wages		166,053	
Non-certified Substitute Teachers		303	
Social Security		23,769	
State Retirement		41,622	
Life Insurance		495	
Medical Insurance		105,349	
Dental Insurance		2,696	
Unemployment Compensation		1,369	
Employer Medicare		5,646	
Travel		2,867	
Other Contracted Services		6,830	
Drugs and Medical Supplies		381	
Other Supplies and Materials		297	
Other Charges		1,630	
Total Health Services			\$ 623,224

Other Student Support

Career Ladder Program	\$	17,500
Guidance Personnel		1,260,547
Psychological Personnel		32,227
Career Ladder Extended Contracts		6,375
Social Workers		144,745
Attendants		175,866
Social Security		95,103
State Retirement		148,225
Life Insurance		1,132
Medical Insurance		242,174
Dental Insurance		5,389
Unemployment Compensation		2,304
Employer Medicare		22,818
Contracts with Government Agencies		85,000
Evaluation and Testing		39,775
Travel		7,180
Other Contracted Services		64,946
Other Supplies and Materials		836
In Service/Staff Development		180
Other Charges		18,112

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Equipment	\$ 7,549	
Total Other Student Support		\$ 2,377,983

Regular Instruction Program

Supervisor/Director	\$ 346,230	
Career Ladder Program	31,999	
Librarians	912,617	
Materials Supervisor	21,792	
Instructional Computer Personnel	121,177	
Secretary(ies)	110,747	
Clerical Personnel	36,068	
Other Salaries and Wages	158,086	
Social Security	103,773	
State Retirement	159,515	
Life Insurance	984	
Medical Insurance	262,596	
Dental Insurance	4,999	
Unemployment Compensation	1,800	
Employer Medicare	24,270	
Travel	26,015	
Other Contracted Services	56,750	
Library Books/Media	49,465	
Periodicals	3,174	
Other Supplies and Materials	1,708	
In Service/Staff Development	24,528	
Other Charges	15,868	
Other Equipment	5,025	
Total Regular Instruction Program		2,479,186

Alternative Instruction Program

Supervisor/Director	\$ 68,501	
Career Ladder Program	1,000	
Secretary(ies)	29,810	
Social Security	6,126	
State Retirement	9,423	
Life Insurance	56	
Dental Insurance	289	
Unemployment Compensation	150	
Employer Medicare	1,433	
Total Alternative Instruction Program		116,788

(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		11,000	
Secretary(ies)		30,322	
Other Salaries and Wages		87,771	
Other Per Diem and Fees		1,700	
Social Security		11,974	
State Retirement		18,338	
Life Insurance		84	
Medical Insurance		13,725	
Dental Insurance		609	
Unemployment Compensation		192	
Employer Medicare		2,800	
Travel		24,067	
Other Contracted Services		77,026	
Other Supplies and Materials		18,152	
In Service/Staff Development		21,332	
Other Charges		28,095	
Other Equipment		8,427	
Total Special Education Program			\$ 422,516

Vocational Education Program

Supervisor/Director	\$	63,777	
Social Security		3,948	
State Retirement		5,772	
Life Insurance		28	
Medical Insurance		3,842	
Dental Insurance		130	
Employer Medicare		923	
Travel		482	
Other Contracted Services		80	
Other Supplies and Materials		384	
Total Vocational Education Program			79,366

Adult Programs

Supervisor/Director	\$	56,060
Career Ladder Program		1,000
Clerical Personnel		24,601
Social Security		4,857
State Retirement		7,750

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Life Insurance	\$	56	
Medical Insurance		25,932	
Dental Insurance		289	
Unemployment Compensation		100	
Employer Medicare		1,136	
Travel		4,346	
Other Charges		271	
Other Equipment		264	
Total Adult Programs			\$ 126,662

Other Programs

On-Behalf Payments to OPEB	\$	301,721	
Total Other Programs			301,721

Board of Education

Secretary to Board	\$	48,090	
Other Salaries and Wages		8,493	
Board and Committee Members Fees		19,500	
Social Security		4,505	
State Retirement		5,910	
Life Insurance		66	
Medical Insurance		9,611	
Dental Insurance		145	
Unemployment Compensation		53	
Employer Medicare		1,054	
Audit Services		13,000	
Dues and Memberships		18,092	
Legal Services		101,291	
Travel		7,900	
Other Contracted Services		13,139	
Office Supplies		2,304	
Other Supplies and Materials		309	
Liability Insurance		32,500	
Trustee's Commission		497,138	
Workers' Compensation Insurance		204,489	
In Service/Staff Development		4,876	
Criminal Investigation of Applicants - TBI		14,796	
Other Charges		145,419	
Total Board of Education			1,152,680

(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	\$	98,850	
Social Security		6,101	
State Retirement		8,946	
Life Insurance		28	
Medical Insurance		5,763	
Dental Insurance		145	
Unemployment Compensation		50	
Employer Medicare		1,427	
Communication		35,551	
Travel		7,679	
Other Contracted Services		53	
Office Supplies		2,246	
Other Charges		897	
Administration Equipment		684	
Total Director of Schools			\$ 168,420

Office of the Principal

Principals	\$	1,202,906	
Career Ladder Program		29,583	
Accountants/Bookkeepers		421,947	
Career Ladder Extended Contracts		1,212	
Assistant Principals		661,457	
Secretary(ies)		619,301	
Social Security		173,416	
State Retirement		285,910	
Life Insurance		2,114	
Medical Insurance		538,353	
Dental Insurance		10,132	
Unemployment Compensation		3,948	
Employer Medicare		40,557	
Communication		173,447	
Dues and Memberships		10,485	
Postal Charges		9,500	
Other Contracted Services		46,800	
Office Supplies		1,307	
Other Supplies and Materials		179	
Other Charges		9,500	
Total Office of the Principal			4,242,054

(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	\$	71,188	
Accountants/Bookkeepers		182,203	
Purchasing Personnel		33,155	
Clerical Personnel		39,754	
Social Security		19,271	
State Retirement		34,099	
Life Insurance		230	
Medical Insurance		37,590	
Dental Insurance		1,156	
Unemployment Compensation		450	
Employer Medicare		4,507	
Travel		301	
Other Contracted Services		76,471	
Office Supplies		10,980	
In Service/Staff Development		1,721	
Other Charges		20,247	
Administration Equipment		18,252	
Total Fiscal Services			\$ 551,575

Human Services/Personnel

Supervisor/Director	\$	69,468	
Other Salaries and Wages		67,154	
Social Security		8,161	
State Retirement		14,359	
Life Insurance		73	
Medical Insurance		9,674	
Dental Insurance		289	
Unemployment Compensation		150	
Employer Medicare		1,909	
Dues and Memberships		325	
Travel		1,883	
Office Supplies		751	
In Service/Staff Development		457	
Total Human Services/Personnel			174,653

Operation of Plant

Custodial Personnel	\$	1,987	
Social Security		285	
Dental Insurance		5	

(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.)

Employer Medicare	\$	67	
Janitorial Services		2,018,191	
Operating Lease Payments		86,133	
Other Contracted Services		80,221	
Custodial Supplies		60,587	
Electricity		2,588,082	
Natural Gas		612,295	
Water and Sewer		285,587	
Other Supplies and Materials		52,288	
Building and Contents Insurance		191,087	
Other Equipment		9,899	
Total Operation of Plant			\$ 5,986,714

Maintenance of Plant

Supervisor/Director	\$	55,251	
Secretary(ies)		72,218	
Maintenance Personnel		561,192	
Other Salaries and Wages		18,804	
Social Security		41,169	
State Retirement		74,276	
Life Insurance		580	
Medical Insurance		126,771	
Dental Insurance		2,648	
Unemployment Compensation		1,055	
Employer Medicare		9,629	
Travel		2,264	
Other Contracted Services		668,693	
Other Supplies and Materials		525,056	
Building Improvements		89,086	
Maintenance Equipment		5,614	
Other Equipment		122,520	
Total Maintenance of Plant			2,376,826

Transportation

Supervisor/Director	\$	57,175	
Mechanic(s)		130,836	
Bus Drivers		811,194	
Clerical Personnel		41,707	
Social Security		59,674	

(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.)

State Retirement	\$	104,622	
Life Insurance		1,424	
Medical Insurance		226,485	
Dental Insurance		5,439	
Unemployment Compensation		3,018	
Employer Medicare		14,013	
Contracts with Parents		1,502	
Laundry Service		2,000	
Travel		2,853	
Other Contracted Services		55,793	
Diesel Fuel		274,081	
Gasoline		48,982	
Lubricants		7,908	
Tires and Tubes		29,047	
Vehicle Parts		56,407	
Other Supplies and Materials		3,788	
Other Charges		2,442	
Transportation Equipment		333,278	
Total Transportation			\$ 2,273,668

Central and Other

Supervisor/Director	\$	62,476	
Career Ladder Program		2,000	
Computer Programmer(s)		245,716	
Clerical Personnel		27,924	
Social Security		20,074	
State Retirement		32,033	
Life Insurance		190	
Medical Insurance		54,583	
Dental Insurance		1,156	
Unemployment Compensation		350	
Employer Medicare		4,667	
Maintenance and Repair Services - Equipment		19,501	
Travel		5,718	
Other Contracted Services		11,760	
Office Supplies		415	
Other Supplies and Materials		43,636	
Total Central and Other			532,199

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	70,486	
Career Ladder Program		1,000	
Accountants/Bookkeepers		35,973	
Clerical Personnel		56,133	
Social Security		9,695	
State Retirement		16,150	
Life Insurance		1,312	
Dental Insurance		578	
Unemployment Compensation		197	
Employer Medicare		2,267	
Total Food Service			\$ 193,791

Community Services

Supervisor/Director	\$	4,294	
Teachers		262,625	
Clerical Personnel		2,748	
Educational Assistants		53,845	
Other Salaries and Wages		52,774	
Certified Substitute Teachers		390	
Non-certified Substitute Teachers		192	
Social Security		21,391	
State Retirement		33,572	
Life Insurance		34	
Medical Insurance		10,529	
Dental Insurance		145	
Unemployment Compensation		50	
Employer Medicare		5,241	
Postal Charges		1,000	
Printing, Stationery, and Forms		500	
Travel		10,015	
Other Contracted Services		57,548	
Other Supplies and Materials		58,725	
In Service/Staff Development		586	
Other Charges		7,669	
Other Equipment		2,135	
Total Community Services			586,008

Early Childhood Education

Supervisor/Director	\$	36,320	
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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.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Teachers	\$	730,218	
Clerical Personnel		15,454	
Educational Assistants		298,091	
Social Security		59,102	
State Retirement		96,881	
Life Insurance		989	
Medical Insurance		253,260	
Dental Insurance		5,028	
Unemployment Compensation		1,875	
Employer Medicare		14,535	
Travel		609	
Other Contracted Services		85,038	
Food Supplies		773	
Instructional Supplies and Materials		3,813	
Other Supplies and Materials		11,881	
Other Charges		972	
Other Equipment		4,324	
Total Early Childhood Education			\$ 1,619,163

Principal on Debt

Education

Principal on Capital Leases	\$	168,730	
Total Education			168,730

Interest on Debt

Education

Interest on Capital Leases	\$	8,476	
Total Education			8,476

Total General Purpose School Fund \$ 69,910,737

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,545,444	
Educational Assistants		305,668	
Other Salaries and Wages		27,836	
Certified Substitute Teachers		15,120	
Non-certified Substitute Teachers		25,540	

(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.)

Social Security	\$	110,012	
State Retirement		168,127	
Life Insurance		1,199	
Medical Insurance		336,812	
Dental Insurance		6,337	
Unemployment Compensation		7,234	
Employer Medicare		26,800	
Other Contracted Services		6,250	
Instructional Supplies and Materials		94,310	
In Service/Staff Development		150	
Regular Instruction Equipment		302,408	
Total Regular Instruction Program			\$ 2,979,247

Alternative Instruction Program

Travel	\$	570	
Total Alternative Instruction Program			570

Special Education Program

Teachers	\$	17,950	
Educational Assistants		1,282,362	
Speech Pathologist		48,572	
Other Salaries and Wages		15,185	
Social Security		76,778	
State Retirement		136,148	
Life Insurance		1,830	
Medical Insurance		329,868	
Dental Insurance		8,346	
Unemployment Compensation		3,497	
Employer Medicare		17,974	
Contracts with Private Agencies		961	
Other Contracted Services		34,154	
Instructional Supplies and Materials		71,003	
Other Supplies and Materials		145	
Special Education Equipment		90,614	
Total Special Education Program			2,135,387

Vocational Education Program

Teachers	\$	36,071	
Social Security		2,089	

(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 (Cont.)

State Retirement	\$	3,264	
Life Insurance		28	
Medical Insurance		10,976	
Dental Insurance		114	
Unemployment Compensation		50	
Employer Medicare		489	
Instructional Supplies and Materials		19,418	
Other Supplies and Materials		665	
Vocational Instruction Equipment		100,696	
Total Vocational Education Program			\$ 173,860

Support Services

Other Student Support

Guidance Personnel	\$	68,216	
Social Security		4,108	
State Retirement		6,174	
Medical Insurance		11,950	
Dental Insurance		192	
Employer Medicare		961	
Travel		22,335	
In Service/Staff Development		266	
Other Charges		27,685	
Total Other Student Support			141,887

Regular Instruction Program

Supervisor/Director	\$	82,162	
Secretary(ies)		48,608	
Other Salaries and Wages		545,095	
In-Service Training		100,774	
Non-certified Substitute Teachers		165	
Social Security		45,934	
State Retirement		69,793	
Life Insurance		294	
Medical Insurance		72,977	
Dental Insurance		1,669	
Unemployment Compensation		6,285	
Employer Medicare		10,908	
Consultants		20,000	
Travel		97,501	

(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.)

Other Contracted Services	\$	167,678	
Other Supplies and Materials		122,595	
In Service/Staff Development		174,932	
Other Charges		113,362	
Other Equipment		309,399	
Total Regular Instruction Program			\$ 1,990,131

Alternative Instruction Program

In-Service Training	\$	1,200	
Social Security		73	
State Retirement		109	
Employer Medicare		17	
Total Alternative Instruction Program			1,399

Special Education Program

Psychological Personnel	\$	289,532	
Assessment Personnel		71,834	
Clerical Personnel		39,787	
Other Salaries and Wages		110,616	
In-Service Training		1,000	
Social Security		30,284	
State Retirement		46,987	
Life Insurance		262	
Medical Insurance		105,382	
Dental Insurance		1,415	
Unemployment Compensation		1,335	
Employer Medicare		7,082	
Travel		894	
Other Contracted Services		15,524	
Other Supplies and Materials		54	
In Service/Staff Development		26,563	
Other Charges		2,095	
Total Special Education Program			750,646

Vocational Education Program

Travel	\$	1,498	
Other Supplies and Materials		110	
Total Vocational Education Program			1,608

(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.)

Office of the Principal

Assistant Principals	\$	46,583	
In-Service Training		28,650	
Social Security		4,533	
State Retirement		6,812	
Medical Insurance		8,728	
Dental Insurance		116	
Employer Medicare		1,060	
Total Office of the Principal			\$ 96,482

Transportation

Bus Drivers	\$	16,095	
Social Security		990	
State Retirement		1,692	
Dental Insurance		75	
Employer Medicare		231	
Rentals		19,656	
Other Supplies and Materials		1,020	
Total Transportation			39,759

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	2,958	
Teachers		204,836	
Bus Drivers		22,613	
Clerical Personnel		2,748	
Educational Assistants		32,745	
Other Salaries and Wages		19,015	
Certified Substitute Teachers		65	
Social Security		15,760	
State Retirement		24,916	
Employer Medicare		3,962	
Postal Charges		500	
Travel		12,249	
Other Contracted Services		14,939	
Other Supplies and Materials		36,459	
In Service/Staff Development		454	
Other Charges		8,559	
Other Equipment		8,579	
Total Community Services			411,357

Total School Federal Projects Fund \$ 8,722,333

(Continued)

Exhibit K-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 1,369,457	
Social Security	77,242	
State Retirement	106,901	
Medical Insurance	263,754	
Dental Insurance	7,162	
Unemployment Compensation	5,849	
Employer Medicare	18,065	
Communication	12,243	
Maintenance and Repair Services - Equipment	80,513	
Travel	5,098	
Other Contracted Services	37,429	
Food Preparation Supplies	114,925	
Food Supplies	1,893,652	
Office Supplies	7,266	
USDA - Commodities	323,506	
Other Supplies and Materials	3,414	
In Service/Staff Development	7,316	
Other Charges	66,900	
Food Service Equipment	147,823	
Total Food Service		<u>\$ 4,548,515</u>

Total Central Cafeteria Fund \$ 4,548,515

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 519,841
Social Security	31,037
State Retirement	26,402
Life Insurance	260
Medical Insurance	62,689
Dental Insurance	1,242
Unemployment Compensation	2,649
Employer Medicare	7,269
Travel	1,257
Food Supplies	26,930
Other Supplies and Materials	4,087
Refunds	278
Other Charges	29,639

(Continued)

Exhibit K-9

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Equipment	\$ 11,296	
Total Community Services		<u>\$ 724,876</u>

Total Extended School Program Fund \$ 724,876

Prescott Capital Projects Fund

Capital Projects

Education Capital Projects

Other Equipment	\$ 48,477	
Total Education Capital Projects		<u>\$ 48,477</u>

Total Prescott Capital Projects Fund 48,477

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$ 54,193	
Social Security	3,288	
State Retirement	5,696	
Medical Insurance	4,147	
Dental Insurance	145	
Employer Medicare	769	
Architects	511,759	
Consultants	22,326	
Contracts for Development Costs	59,382	
Other Contracted Services	1,219,003	
Library Books/Media	188,709	
Other Charges	60,000	
Building Construction	8,664,769	
Data Processing Equipment	17,902	
Furniture and Fixtures	154,521	
Heating and Air Conditioning Equipment	46,205	
Land	158,948	
Regular Instruction Equipment	1,091,901	
Other Equipment	305,422	
Other Construction	4,866	
Total Education Capital Projects		<u>\$ 12,573,951</u>

Total Other Capital Projects Fund 12,573,951

Total Governmental Funds - Putnam County School Department \$ 96,528,889

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2011

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,058,466
<u>Other Local Revenues</u>	
Miscellaneous Refunds	3,147
Total Operating Revenues	<hr/> \$ 1,061,613 <hr/>
 <u>Nonoperating Revenues</u>	
Insurance Recovery	\$ 96,518
Investment Income	15,774
Total Nonoperating Revenues	<hr/> \$ 112,292 <hr/>
Total Revenues	 <hr/> <hr/> \$ 1,173,905 <hr/> <hr/>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Finance</u>	
<u>Property Assessor's Office</u>	
Workers' Compensation Insurance	\$ 5,224
<u>County Clerk's Office</u>	
Workers' Compensation Insurance	4,516
Total Finance	<hr/> \$ 9,740 <hr/>
 <u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 9,299
Liability Claims	99,688
<u>Jail</u>	
Workers' Compensation Insurance	165,493
<u>Fire Prevention and Control</u>	
Excess Risk Insurance	18,002
Total Public Safety	<hr/> \$ 292,482 <hr/>

(Continued)

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

	Governmental Activities - Internal <u>Service Fund</u> Self- Insurance <u>Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Public Health and Welfare</u>	
<u>Ambulance/Emergency Medical Services</u>	
Handling Charges and Administrative Costs	\$ 514
Excess Risk Insurance	12,432
Liability Insurance	498
Vehicle and Equipment Insurance	9,751
Workers' Compensation Insurance	441,332
Liability Claims	9,645
<u>Sanitation Management</u>	
Liability Claims	5,000
Total Public Health and Welfare	<u>\$ 479,172</u>
<u>Social Cultural and Recreational Services</u>	
<u>Libraries</u>	
Legal Services	\$ 14,406
Liability Claims	1
<u>Parks and Fair Boards</u>	
Workers' Compensation Insurance	6,674
Total Social Cultural and Recreational Services	<u>\$ 21,081</u>
<u>Other Operations</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 15,266
Building and Contents Insurance	76,435
Excess Risk Insurance	93,299
Liability Insurance	95
Premium on Corporate Surety Bonds	4,148
Workers' Compensation Insurance	233,217
Other Charges	4,270
Total Other Operations	<u>\$ 426,730</u>
<u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 8,980
Building and Contents Insurance	44,962
Excess Risk Insurance	50,033
Liability Insurance	3,290
Premium on Corporate Surety Bonds	2,440
Workers' Compensation Insurance	313,117
Liability Claims	2,586
Other Charges	884
Total Highways	<u>\$ 426,292</u>

(Continued)

Exhibit K-10

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

Governmental
 Activities -
 Internal
Service Fund
 Self-
 Insurance
Fund

Expenses (Cont.)

Operating Expenses (Cont.)

Education

Central and Other

Handling Charges and Administrative Costs	\$ 20,654
Legal Services	39,633
Other Contracted Services	1,000
Building and Contents Insurance	111,193
Excess Risk Insurance	117,334
Liability Insurance	7,566
Premium on Corporate Surety Bonds	5,612
Workers' Compensation Insurance	315,365
Other Charges	1,786
Total Education	<u>\$ 620,143</u>
Total Expenses	<u>\$ 2,275,640</u>

Exhibit K-11

Putnam County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 12,098,979
Total Cash Receipts	<u>\$ 12,098,979</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 11,977,989
Trustee's Commission	<u>120,990</u>
Total Cash Disbursements	<u>\$ 12,098,979</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
Cash Balance, June 30, 2011	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

February 23, 2012

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, 2011, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated February 23, 2012. 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: 11.03 and 11.08.

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: 11.04, 11.06, 11.07, and 11.09.

Compliance and Other Matters

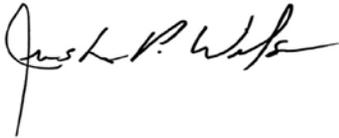
As part of obtaining reasonable assurance about whether Putnam County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01, 11.02, and 11.05.

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/yu



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 THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

February 23, 2012

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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, 2011, and have issued our report thereon dated February 23, 2012. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 fluid and cursive, with a prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Putnam County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 323,506 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	30,500
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	793,546
National School Lunch Program	10.555	N/A	2,302,467 (3)
Total U.S. Department of Agriculture			<u>\$ 3,450,019</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 5,242
Total U.S. Department of the Interior			<u>\$ 5,242</u>
U.S. Department of Justice:			
Passed-through the City of Cookeville, Tennessee:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0240	\$ 3,975
Total U.S. Department of Justice			<u>\$ 3,975</u>
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 15,178
Total U.S. Department of Labor			<u>\$ 15,178</u>
U.S. Department of Energy:			
Passed-through Upper Cumberland Development District:			
Energy Efficiency and Conservation Block Grant Program	81.128	GG-11335-00	\$ 99,965
Total U.S. Department of Energy			<u>\$ 99,965</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 137,099
Passed-through State Department of Education:			
Title I Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,105,154
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,454,866
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,416,596
Special Education - Preschool Grants	84.173	N/A	63,485
Special Education - Grants to States, Recovery Act	84.391	N/A	573,831
Special Education - Preschool Grants, Recovery Act	84.392	N/A	12,785
Career and Technical Education - Basic Grants to States	84.048	N/A	257,725
Safe and Drug-free Schools and Communities - State Grant	84.186	(2)	106,164
Twenty-first Century Community Learning Centers	84.287	(2)	416,580
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	69,495
Education Technology State Grants, Recovery Act	84.386	N/A	52,306
English Language Acquisition Grants	84.365	(2)	91,955
Improving Teacher Quality State Grants	84.367	N/A	393,991
Teacher Incentive Fund	84.374	N/A	8,191
Education of Homeless Children and Youth, Recovery Act	84.387	N/A	2,442
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	N/A	3,557,272
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	(4)	438,240
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	577,686
Education Jobs Fund	84.410	N/A	340,850
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	9,454
Total U.S. Department of Education			<u>\$ 13,086,167</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 Education:			
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714	(2)	\$ 108,268
Passed-through State Department of Health:			
National Bioterrorism Hospital Preparedness Program	93.889	GG-11-33349	40,563
Total U.S. Department of Health and Human Services			<u>\$ 148,831</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	\$ 24,689
Total U.S. Corporation for National and Community Service			<u>\$ 24,689</u>
U.S. Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 17,826
Total U.S. Executive Office of the President			<u>\$ 17,826</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 489,946
Emergency Management Performance Grants	97.042	(2)	2,853
Homeland Security Grant Program	97.067	(2)	680,221
Total U.S. Department of Homeland Security			<u>\$ 1,173,020</u>
Total Expenditures of Federal Awards			<u>\$ 18,024,912</u>

State Grants		Contract Number	
Intensive Probation - State Commission on Children and Youth	N/A	GG-11-32250	\$ 58,527
Youth Services Program - State Commission on Children and Youth	N/A	GG-10-30734	9,000
Law Enforcement Training Program - State Department of Safety	N/A	(2)	33,000
Local Health Services - State Department of Health	N/A	GG-11-31875	1,037,424
Litter Program - State Department of Transportation	N/A	(2)	41,725
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	(2)	21,963
Local Parks and Recreation Fund (LPRF) Grant - State Department of Environment and Conservation	N/A	Z-07-031407-00	87,671
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	35,480
ConnecTenn Grant - State Department of Education	N/A	(2)	5,738
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	541,387
Pilot and Voluntary State Funded Classrooms Grant - State Department of Education	N/A	(2)	1,556,188
Energy Efficient Schools Initiative Grant - Energy Efficient Schools Initiative	N/A	(2)	170,706
Total State Grants			<u>\$ 3,598,809</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 \$2,625,973.
- (4) Coordinated School Health: \$155,000; Internet Connectivity: \$31,823; Family Resource Center: \$33,300;
Career Ladder - Extended Contract: \$170,817; Safe Schools: \$47,300.

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

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, 2010, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	213	The School Federal Projects Fund required material audit adjustments for proper financial statement presentation
10.08	214	General ledger payroll liability accounts were not reconciled timely

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.10	215	The office had internal control deficiencies related to collections

OFFICES OF COUNTY EXECUTIVE; ROAD SUPERVISOR; DIRECTOR OF SCHOOLS; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.11	216	Duties were not segregated adequately

PUTNAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

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); State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036); and the Homeland Security Grant Program (CFDA No. 97.067) were determined to be major programs.
8. A \$540,747 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, interim director of schools, and clerk and master are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 11.01 **COMPETITIVE BIDS WERE NOT SOLICITED FOR INSURANCE COVERAGE AND AMBULANCES (Noncompliance Under *Government Auditing Standards*)**

Our examination disclosed the following deficiencies in purchasing procedures.

- A. Competitive bids were not solicited for the purchase of excess insurance coverage above self-insured amounts for liability (\$121,443); property and boiler (\$229,564); worker's compensation (\$124,698); employment practices (\$56,734); data breach (\$16,448); and other various (\$24,357) types of insurance.
- B. Competitive bids were not solicited for the purchase of an ambulance and an ambulance remount. According to county officials, the ambulance was purchased from bids solicited by the county in 2007; however, the purchase price for the ambulance exceeded the 2007 bid amount by \$13,459, and the purchase price of the remount exceeded the 2007 bid by \$8,390.

Putnam County is governed by provisions of Chapter 63, Private Acts of 1981. This statute provides for competitive bids to be solicited through advertisement in a local newspaper for all purchases exceeding \$10,000. This deficiency was the result of management's decisions. The failure to solicit competitive bids could result in the county paying more than the competitive price.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by Chapter 63, Private Acts of 1981.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

- A. The county is self-insured, and we contract with the BBT/Legge Agency to administer our self-insurance fund. Our contract with the agency is for professional services in administration of the county's self-insurance plan.
- B. The ambulances were purchased on a bid from 2007. The ambulance company was hit with a new restriction on emissions and was having to make the change to the new ambulances. We would not have been able to get the ambulances in the fiscal year because of this new restriction. They had two ambulances on the lot that they

sold to the county for the bid price plus the price of the increase in the chassis from Ford. The condition of our ambulances forced us to take the two on the lot because we couldn't wait a year to take them off the road.

AUDITOR'S COMMENT

The amounts listed in the finding represent the cost of insurance and do not include amounts paid to BBT/Leggee Agency for professional services. Competitive bids should be solicited for insurance coverage and purchases exceeding \$10,000 as required by Chapter 63, Private Acts of 1981.

FINDING 11.02 **THE COUNTY PAID TWO FULL-TIME EMPLOYEES ADDITIONAL AMOUNTS AS INDEPENDENT CONTRACTORS** (Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies related to a network systems installation:

- A. The county paid two employees \$9,300 each as independent contractors for network systems installation for the period April 13, 2009, through August 6, 2010. These amounts were not paid through the county's payroll system and were in addition to the employees' regular salaries. Furthermore, there was no documentation on file to support the time worked; therefore, we could not determine if the work was performed during or after regular work hours. Since these supplemental payments were not paid through the county's payroll system, the payments were not subjected to income tax, social security, and Medicare deductions. Also, the county did not report and pay its required matching social security and Medicare associated with these supplemental payments.

- B. The county issued both employees an Internal Revenue Service (IRS) Form 1099 for \$5,000 for 2009; however, both employees received \$6,800 in 2009. The county did not report any expenditures to the IRS for 2010; however, both employees received \$2,500 in 2010. Therefore, both employees received compensation of \$4,300 that was not reported to the IRS.

RECOMMENDATION

Full-time employees should not be compensated by the county as independent contractors in addition to the employee's regular salary. All payroll related payments to employees should be paid through the county's payroll system to properly reflect the employee's total salary. Also, all wages should be subjected to the proper employee payroll taxes and the county's matching portions. Documentation should be on file to support the time worked by all employees. Disbursements to employees should be reported properly to the Internal Revenue Service in compliance with federal regulations.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

- A. I concur with this finding. Both were paid for two separate projects, \$6,800 for one and \$2,500 for the other. We paid them as contractors to save money. We checked with the county attorney, and he said that IT personnel are exempt from overtime. The employees hours were kept by the IT supervisor in an excel worksheet on a computer that has been taken out of service. The work was done two years ago. The IT supervisor has a calendar that he wrote their hours down on for most of the work. He still has it.

- B. I have no idea what happened with both employees' Form 1099, but I will investigate further to find out. We print our Form 1099 through our software application.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 11.03 **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, 2011, 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 its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – INTERIM DIRECTOR OF SCHOOLS JERRY BOYD

This finding was due to several receivables that were not booked at the end of the year in the School Federal Projects Fund. We will try to be more vigilant at the end of the year to ensure all receivables are booked in the correct year.

FINDING 11.04 GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments. 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 – INTERIM DIRECTOR OF SCHOOLS JERRY BOYD

Due to personnel changes at the end of the year, several liability accounts were not reconciled. Workload has been reallocated to different personnel to ensure all payroll liability accounts can be reconciled monthly.

FINDING 11.05 EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Food Service major appropriation category (the legal level of control) of the Central Cafeteria Fund by \$66,498. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending within limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – INTERIM DIRECTOR OF SCHOOLS JERRY BOYD

Due to a glitch in our accounting software, appropriations previously entered into the software were altered. We rely on our software to produce accurate reports, and if we cannot rely on the software, we have to consider switching to a different software system, which we are currently evaluating.

OFFICE OF COUNTY CLERK

FINDING 11.06 **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.

OFFICES OF CLERK AND MASTER AND REGISTER

FINDING 11.07 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Clerk and Master and Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's

receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets.

RECOMMENDATION

The clerk and master and register should assign each employee their own cash drawer.

MANAGEMENT’S RESPONSE – CLERK AND MASTER

I concur with the finding. We will work to see how we can correct this situation to make our office efficient.

PUTNAM COUNTY

FINDING 11.08 **PUTNAM COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Putnam County has a material audit finding that has been reported in its Annual Financial Report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
11.03, 10.06, 09.05	The School Federal Projects Fund required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, *Tennessee Code Annotated (TCA)*, encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under *Government Auditing Standards*. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Putnam County should establish an Audit Committee to address financial and other reporting practices, internal controls, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur, Putnam County may be required to establish an Audit Committee under the provisions of Section 9-3-405, *TCA*.

MANAGEMENT'S RESPONSE – INTERIM DIRECTOR OF SCHOOLS JERRY BOYD

We will try to be more vigilant at the end of the year to ensure all receivables are booked in the correct year.

OFFICES OF COUNTY EXECUTIVE; ROAD SUPERVISOR; DIRECTOR OF SCHOOLS; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; REGISTER, AND SHERIFF

FINDING 11.09

DUTIES WERE NOT SEGREGATED ADEQUATELY

(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; 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 – INTERIM DIRECTOR OF SCHOOLS JERRY BOYD

This finding was due to a lack of segregation in the payroll department. We have started working with the state Comptroller's Office to come up with practical ways to ensure segregation of duty issues are eliminated within this department. We will work on eliminating this finding in the future.

BEST PRACTICE

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. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Putnam County. Therefore, 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.

**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, 2011**

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