
ANNUAL FINANCIAL REPORT PUTNAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012**

**COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON**

**DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

PUTNAM COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2012.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings and Best Practices

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

OFFICE OF COUNTY EXECUTIVE

- ◆ Appropriations exceeded estimated available funding.
 - ◆ Competitive bids were not solicited for insurance coverage for excess losses.
-

OFFICE OF COUNTY CLERK

- ◆ Usernames and passwords were shared by employees.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The accounting software did not identify the user who processed each transaction.
-

OFFICE OF CLERK AND MASTER

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

ASSESSOR OF PROPERTY

- ◆ The assessor did not prorate new construction.
 - ◆ Mobile homes were assessed to the mobile home owners instead of the land owners where the mobile homes were located.
-

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

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices 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.

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

INTRODUCTORY SECTION

Putnam County Officials
June 30, 2012

Officials

Kim Blaylock, County Executive
Randy Jones, Road Supervisor
Jerry Boyd, 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 of Deeds
David Andrews, Sheriff

Board of County Commissioners

Jerry Ford, 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
Robert Duncan, Jr.	Reginald Shanks
Scott Ebersole	Tom Short
David Gentry	Joe Trobaugh
John LudWig	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 LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

February 28, 2013

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, 2012, which collectively comprise Putnam County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Putnam County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Putnam County Emergency Communications District, which represent 1.6 percent and .9 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 Putnam County Emergency Communications District 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.

The financial statements of the Putnam County Agricultural and Industrial Fair, Inc., a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Putnam County Agricultural and Industrial Fair, Inc., which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Putnam County Agricultural and Industrial Fair, Inc., as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Putnam County, Tennessee, at June 30, 2012, and the results of operations of the aggregate discretely presented component units, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2012, 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 28, 2013, 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.

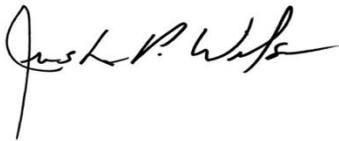
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 69 through 75 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, 2012

	<u>Component Units</u>		
	<u>Primary Government Governmental Activities</u>	<u>Putnam County School Department</u>	<u>Putnam County Emergency Communications District</u>
<u>ASSETS</u>			
Cash	\$ 3,105	\$ 9,532	\$ 1,326,049
Equity in Pooled Cash and Investments	28,802,372	11,609,169	0
Accounts Receivable	2,328,717	15,024	27,497
Allowance for Uncollectibles	(306,549)	0	0
Due from Other Governments	1,774,957	4,744,267	27,856
Property Taxes Receivable	25,238,275	12,993,581	0
Allowance for Uncollectible Property Taxes	(1,010,460)	(503,594)	0
Accrued Interest Receivable	0	0	324
Prepaid Items	0	0	28,583
Unamortized Issuance Costs on Investments	601,380	0	0
Assets Not Depreciated:			
Land	4,933,536	5,145,013	0
Intangibles - Indefinite Life	4,835,875	0	0
Construction in Progress	0	2,871,525	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	24,886,944	118,959,106	160,145
Infrastructure	29,370,514	0	0
Other Capital Assets	4,378,295	3,747,005	969,870
Total Assets	<u>\$ 125,836,961</u>	<u>\$ 159,590,628</u>	<u>\$ 2,540,324</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,053,809	\$ 282,461	\$ 1,940
Accrued Payroll	0	888,490	0
Payroll Deductions Payable	422	757,248	0
Contracts Payable	0	239,307	0
Retainage Payable	0	12,595	0
Claims and Judgments Payable	985,195	0	0
Accrued Interest Payable	1,483,051	4,490	0
Matured Bonds Payable	15,000	0	0
Deferred Revenue - Current Property Taxes	23,410,653	12,059,791	0
Noncurrent Liabilities:			
Due Within One Year	6,550,353	337,021	0
Due in More Than One Year	121,910,266	1,275,942	0
Total Liabilities	<u>\$ 155,408,749</u>	<u>\$ 15,857,345</u>	<u>\$ 1,940</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental</u> Activities	Component Units	
		Putnam County School Department	Putnam County Emergency Communications District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 45,655,938	\$ 130,286,808	\$ 0
Invested in Capital Assets	0	0	1,130,015
Restricted for:			
Industrial/Economic Development	2,311,758	0	0
Special Purpose	127,314	0	0
Drug Control	79,923	0	0
District Attorney General	14,347	0	0
Highway/Public Works	947,933	0	0
School Federal Projects	0	314,420	0
Central Cafeteria	0	1,415,415	0
Capital Projects	726,286	1,526,658	0
Self-Insurance	1,636,532	0	0
Other Purposes	586,988	253,784	0
Unrestricted	<u>(81,658,807)</u>	<u>9,936,198</u>	<u>1,408,369</u>
Total Net Assets (Deficit)	<u>\$ (29,571,788)</u>	<u>\$ 143,733,283</u>	<u>\$ 2,538,384</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, 2012

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													
Primary Government:																				
Governmental Activities:																				
General Government	\$ 4,573,312	\$ 655,110	\$ 74,778	\$ 0	\$ (3,843,424)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,794,535	1,927,079	0	0	132,544	0	0	0	0	132,544	0	0	0	0	0	0	0	0	0	0
Administration of Justice	2,527,024	2,335,037	64,598	0	(127,389)	0	0	0	0	(127,389)	0	0	0	0	0	0	0	0	0	0
Public Safety	10,351,397	1,543,892	67,979	0	(8,739,526)	0	0	0	0	(8,739,526)	0	0	0	0	0	0	0	0	0	0
Public Health and Welfare	9,240,730	4,991,468	1,291,907	262,262	(2,695,093)	0	0	0	0	(2,695,093)	0	0	0	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	2,154,076	191,074	18,500	0	(1,944,502)	0	0	0	0	(1,944,502)	0	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	254,386	31,618,000	0	0	(222,768)	0	0	0	0	(222,768)	0	0	0	0	0	0	0	0	0	0
Other Operations	6,328,411	271,754	73,367	(61,693)	(6,044,983)	0	0	0	0	(6,044,983)	0	0	0	0	0	0	0	0	0	0
Highways/Public Works	4,283,600	8,924	2,201,063	243,058	(1,830,555)	0	0	0	0	(1,830,555)	0	0	0	0	0	0	0	0	0	0
Education (Self-Insurance)	642,408	556,156	0	0	(86,252)	0	0	0	0	(86,252)	0	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	6,173,185	0	0	0	(6,173,185)	0	0	0	0	(6,173,185)	0	0	0	0	0	0	0	0	0	0
Other Debt Service	235,525	0	0	0	(235,525)	0	0	0	0	(235,525)	0	0	0	0	0	0	0	0	0	0
Total Primary Government	\$ 48,558,589	\$ 12,512,112	\$ 3,792,192	\$ 443,627	\$ (31,810,658)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (31,810,658)	\$ 0									
Component Units:																				
Putnam County School Department	\$ 91,232,099	\$ 2,844,241	\$ 12,262,236	\$ 93,596	\$ 0	\$ (76,032,026)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Putnam County Emergency Communications District	761,216	503,098	198,948	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Component Units	\$ 91,993,315	\$ 3,347,339	\$ 12,461,184	\$ 93,596	\$ 0	\$ (76,032,026)	\$ 0	\$ 0	\$ 0	\$ (76,032,026)	\$ 0									

(Continued)

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Component Units	
				Total Governmental Activities	Putnam County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 16,739,051	\$ 12,377,378	\$ 0
Property Taxes Levied for Debt Service			7,260,613	0	0
Local Option Sales Taxes			3,429,451	15,491,400	0
Hotel/Motel Tax			836,709	0	0
Litigation Taxes			353,802	0	0
Business Tax			1,055,439	0	0
Mineral Severance Tax			149,724	0	0
Wholesale Beer Tax			225,016	0	0
Other Local Taxes			3,417	1,872	0
Grants and Contributions Not Restricted to Specific Programs			1,224,075	44,621,099	70,012
Unrestricted Investment Earnings			279,859	0	30,163
Miscellaneous			233,729	68,069	0
			<u>\$ 31,790,885</u>	<u>\$ 72,559,818</u>	<u>\$ 100,175</u>
Change in Net Assets			\$ (19,773)	\$ (3,472,208)	\$ 41,005
Net Assets (Deficit), July 1, 2011			(30,113,405)	147,126,558	2,497,379
Prior-period Adjustment			561,390	78,933	0
			<u>\$ (29,571,788)</u>	<u>\$ 143,733,283</u>	<u>\$ 2,538,384</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, 2012

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	Other Govern- mental Funds	
		General	Debt Service	
ASSETS				
Cash	\$ 100	\$ 0	\$ 3,005	\$ 3,105
Equity in Pooled Cash and Investments	9,814,608	8,802,481	7,571,056	26,188,145
Accounts Receivable	2,085,631	42,855	200,231	2,328,717
Allowance for Uncollectibles	(304,835)	0	(1,714)	(306,549)
Due from Other Governments	698,693	669,516	406,748	1,774,957
Due from Other Funds	3,005	232,334	19,832	255,171
Notes Receivable - Interfund	0	1,805,556	0	1,805,556
Property Taxes Receivable	12,093,860	7,617,126	5,527,289	25,238,275
Allowance for Uncollectible Property Taxes	(497,412)	(295,218)	(217,830)	(1,010,460)
Total Assets	\$ 23,893,650	\$ 18,874,650	\$ 13,508,617	\$ 56,276,917
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 82,370	\$ 0	\$ 971,439	\$ 1,053,809
Payroll Deductions Payable	0	0	422	422
Due to Other Funds	252,166	0	10,505	262,671
Notes Payable - Interfund	972,224	0	833,332	1,805,556
Matured Bonds Payable	0	15,000	0	15,000
Deferred Revenue - Current Property Taxes	11,212,416	7,069,717	5,128,520	23,410,653
Deferred Revenue - Delinquent Property Taxes	368,248	216,006	159,921	744,175
Other Deferred Revenues	1,418,262	371,022	277,400	2,066,684
Total Liabilities	\$ 14,305,686	\$ 7,671,745	\$ 7,381,539	\$ 29,358,970
Fund Balances				
Restricted:				
Restricted for General Government	\$ 397,538	\$ 0	\$ 127,314	\$ 524,852
Restricted for Finance	25,381	0	0	25,381
Restricted for Administration of Justice	62,466	0	14,347	76,813
Restricted for Public Safety	27,517	0	79,923	107,440
Restricted for Other Operations	0	0	2,298,577	2,298,577
Restricted for Highways/Public Works	0	0	796,028	796,028
Restricted for Capital Outlay	74,086	0	717,421	791,507
Committed:				
Committed for Public Health and Welfare	0	0	1,862,063	1,862,063
Committed for Social, Cultural, and Recreational Services	257,036	0	93,368	350,404
Committed for Other Operations	0	0	130,616	130,616
Committed for Debt Service	0	11,202,905	0	11,202,905
Committed for Other Purposes	10,000	0	0	10,000
Assigned:				
Assigned for General Government	31,033	0	0	31,033
Assigned for Finance	474	0	0	474
Assigned for Administration of Justice	1,082	0	0	1,082
Assigned for Public Safety	31,714	0	0	31,714
Assigned for Public Health and Welfare	70,073	0	7,421	77,494
Assigned for Other Operations	386	0	0	386
Unassigned:	8,599,178	0	0	8,599,178
Total Fund Balances	\$ 9,587,964	\$ 11,202,905	\$ 6,127,078	\$ 26,917,947
Total Liabilities and Fund Balances	\$ 23,893,650	\$ 18,874,650	\$ 13,508,617	\$ 56,276,917

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, 2012

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)		\$	26,917,947
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,933,536	
Add: intangible assets		4,835,875	
Add: buildings and improvements net of accumulated depreciation		24,886,944	
Add: infrastructure net of accumulated depreciation		29,370,514	
Add: other capital assets net of accumulated depreciation		<u>4,378,295</u>	68,405,164
(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.			1,636,532
(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	\$	(127,170,000)	
Less: landfill postclosure care costs		(104,247)	
Add: deferred charges - debt issuance costs		601,380	
Add: deferred amount on refunding		2,039	
Less: compensated absences payable		(402,401)	
Less: accrued interest on bonds		(1,483,051)	
Less: other deferred revenue - premium on debt		(434,010)	
Less: other postemployment benefits liability		<u>(352,000)</u>	(129,342,290)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,810,859</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>(29,571,788)</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, 2012

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 13,415,945	\$ 11,240,823	\$ 5,488,466	\$ 30,145,234
Licenses and Permits	307,558	0	0	307,558
Fines, Forfeitures, and Penalties	671,132	0	122,391	793,523
Charges for Current Services	3,694,048	0	1,048,084	4,742,132
Other Local Revenues	1,011,192	47,175	460,095	1,518,462
Fees Received from County Officials	3,770,115	0	0	3,770,115
State of Tennessee	3,133,328	0	2,337,050	5,470,378
Federal Government	365,920	0	215,207	581,127
Other Governments and Citizens Groups	545,049	0	18,500	563,549
Total Revenues	\$ 26,914,287	\$ 11,287,998	\$ 9,689,793	\$ 47,892,078
Expenditures				
Current:				
General Government	\$ 4,136,395	\$ 0	\$ 95,286	\$ 4,231,681
Finance	1,777,568	0	0	1,777,568
Administration of Justice	2,354,883	0	95	2,354,978
Public Safety	9,752,314	0	724,188	10,476,502
Public Health and Welfare	5,283,700	0	3,809,131	9,092,831
Social, Cultural, and Recreational Services	493,622	0	1,015,942	1,509,564
Agriculture and Natural Resources	236,641	0	12,332	248,973
Other Operations	1,191,716	0	4,902,675	6,094,391
Highways	0	0	4,621,988	4,621,988
Debt Service:				
Principal on Debt	0	7,180,000	0	7,180,000
Interest on Debt	0	6,253,514	0	6,253,514
Other Debt Service	0	183,599	0	183,599
Total Expenditures	\$ 25,226,839	\$ 13,617,113	\$ 15,181,637	\$ 54,025,589
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,687,448	\$ (2,329,115)	\$ (5,491,844)	\$ (6,133,511)
Net Change in Fund Balances	\$ 1,687,448	\$ (2,329,115)	\$ (5,491,844)	\$ (6,133,511)
Fund Balance, July 1, 2011	7,900,516	13,532,020	11,618,922	33,051,458
Fund Balance, June 30, 2012	\$ 9,587,964	\$ 11,202,905	\$ 6,127,078	\$ 26,917,947

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, 2012

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)		\$ (6,133,511)
(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	\$ 2,615,408	
Less: current-year depreciation expense	<u>(2,290,686)</u>	324,722
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets	\$ (5,490)	
Less: proceeds from the sale of capital assets	(4,250)	
Less: assets contributed to the library	<u>(618,521)</u>	(628,261)
(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, 2012	\$ 2,810,859	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(2,792,438)</u>	18,421
(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: change in premium on debt issuances	\$ 42,030	
Less: change in deferred debt issuance costs	(49,886)	
Less: change in deferred amount on refunding debt	(2,040)	
Add: principal payments on bonds	<u>7,180,000</u>	7,170,104
(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	\$ 80,329	
Change in landfill postclosure care costs	39,710	
Change in compensated absences payable	616	
Change in other postemployment benefits liability	<u>(128,000)</u>	(7,345)
(6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(763,903)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (19,773)</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, 2012

	<u>Governmental Activities - Internal Service Fund Self-Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,621,727
Total Assets	<u>\$ 2,621,727</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 985,195
Total Liabilities	<u>\$ 985,195</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 1,636,532</u>
Total Net Assets	<u>\$ 1,636,532</u>

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

Exhibit D-2

Putnam County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,059,315
Refunds	22,663
Total Operating Revenues	<u>\$ 1,081,978</u>
<u>Operating Expenses</u>	
General Government	\$ 186,761
Administration of Justice	8,225
Public Safety	66,185
Public Health and Welfare	93,769
Social, Cultural, and Recreational Services	560
Other Operations	558,874
Highways	300,817
Education - Support Services	642,408
Total Operating Expenses	<u>\$ 1,857,599</u>
Operating Income (Loss)	<u>\$ (775,621)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 11,718
Total Nonoperating Revenue	<u>\$ 11,718</u>
Change in Net Assets	\$ (763,903)
Net Assets, July 1, 2011	1,839,045
Prior-period Adjustment	<u>561,390</u>
Net Assets, June 30, 2012	<u>\$ 1,636,532</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, 2012

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,059,315
Receipts for Refunds	107,337
Payments for Administrative Costs and Premiums	(1,711,547)
Payments for Claims	(217,361)
Payments for Legal Costs	(39,746)
Payments for Other Charges	(125,901)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (927,903)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 11,718
Net Cash Provided By (Used In) Investing Activities	<u>\$ 11,718</u>
Net Increase (Decrease) in Cash	\$ (916,185)
Cash, July 1, 2011	<u>3,537,912</u>
Cash, June 30, 2012	<u>\$ 2,621,727</u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (775,621)
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>(152,282)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (927,903)</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, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,333,062
Equity in Pooled Cash and Investments	62,973
Accounts Receivable	11,605
Due from Other Governments	2,159,396
Due from Other Funds	<u>7,500</u>
Total Assets	<u>\$ 4,574,536</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,142,669
Due to Litigants, Heirs, and Others	2,344,667
Due to Joint Venture	<u>87,200</u>
Total Liabilities	<u>\$ 4,574,536</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, 2012

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 financial statements of the Putnam County Agricultural and Industrial Fair, Inc., were not available

from other auditors in time for inclusion in this report due to a change in the organization's fiscal year, which was moved to September 30.

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. Although required by GAAP, the financial statements of the Putnam County Agricultural and Industrial Fair, Inc., were not available in time for inclusion, as previously mentioned. 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 issues contributed by the county to the School Department during the year ended June 30, 2012.

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.

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:

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.

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 regional planning office, the Sixth Congressional District, and the Thirteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Putnam County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

School Federal Projects Fund – This special revenue fund accounts for restricted federal revenues, which must be expended on specific education programs.

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

Capital Projects Funds – These funds are used to account for the receipt of debt issued by Putnam County and contributed to the School Department for building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an internal service fund, to account for the operations of the county's self-insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are self-insurance premiums/contributions. Operating expenses for the internal service fund include insurance, legal fees, and claims.

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 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 two percent of total taxes levied.

Notes Receivable/Payable include \$1,805,556 loaned from the General Debt Service Fund to the General (\$972,224) and Industrial/Economic Development (\$833,332) funds for capital asset purchases. The amount due to the General Debt Service Fund (\$1,805,556) 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.

Retainage payable in the discretely presented Other Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

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.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$586,988, with the primary restrictions being for: (1) capital outlay note proceeds (\$419,074); (2) computer systems for various offices (\$83,669); (3) drug court (\$44,234); courtroom security (\$12,494); sexual offender registry (\$18,527); and (4) grant proceeds (\$8,990). For the discretely presented School Department, the account balance in Restricted for Other Purposes (\$253,784) consists of career ladder extended contracts (\$189,140); career ladder (\$9,167), and drivers' education (\$55,477).

As of June 30, 2012, Putnam County had \$104,470,000 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.

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.

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, and shall remain binding unless removed in the same manner.

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).). The County Commission has authorized the county’s Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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 Adjustments

A prior-period adjustment of \$516,390 was recognized in the Self-Insurance Fund to reduce the outstanding claims liability as of July 1, 2011. Claims included in the estimate of outstanding claims liability at June 30, 2011, were settled without payments by the county.

A prior-period adjustment of \$78,933 was recognized in the discretely presented General Purpose School Fund to correct payroll deduction accounts that were not previously reconciled.

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, 2012, Putnam County and the Putnam County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Circuit and Juvenile Court computer systems	\$ 344,988
"	EMS vehicle	30,709
"	EMS supplies	10,600
General Capital Project	Justice Center repairs	673,582
School Department:		
Major Fund:		
General Purpose School	Books	106,225
School Federal Projects	Math professional development	194,782
"	Computers	164,038
"	Science equipment	96,514
"	Professional development speakers	38,383
"	Smart boards	29,616
Nonmajor Fund:		
Central Cafeteria	Food service equipment	35,919
"	Food supplies and milk	54,488
"	Dishes	19,904

B. Appropriations Exceeded Estimated Available Funding

The budget and subsequent amendments approved by the County Commission for the Industrial/Economic Development and General Capital Projects funds resulted in appropriations exceeding estimated available funding by \$971,672 and \$3,520, respectively.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Putnam County 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, 2012, Putnam County had the following investments carried at cost. Investments were in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for Putnam County and the Putnam County School Department since both pool their deposits and investments through the county trustee.

Investments	Weighted Average Maturity (Days)	Cost
State Treasurer's Investment Pool	6 to 164	\$ 353,050

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, 2012, Putnam County's investment in the State Treasurer's Investment pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Restated			Balance
	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 4,933,533	\$ 3	\$ 0	\$ 4,933,536
Intangibles	4,736,878	98,997	0	4,835,875
Total Capital Assets Not Depreciated	\$ 9,670,411	\$ 99,000	\$ 0	\$ 9,769,411
Capital Assets Depreciated:				
Buildings and Improvements	\$ 30,942,373	\$ 0	\$ 0	\$ 30,942,373
Roads and Bridges	48,554,795	1,334,566	0	49,889,361
Other Capital Assets	11,514,180	1,181,842	(194,811)	12,501,211
Total Capital Assets Depreciated	\$ 91,011,348	\$ 2,516,408	\$ (194,811)	\$ 93,332,945
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,583,654	\$ 471,775	\$ 0	\$ 6,055,429
Roads and Bridges	19,475,953	1,042,894	0	20,518,847
Other Capital Assets	7,531,970	776,017	(185,071)	8,122,916
Total Accumulated Depreciation	\$ 32,591,577	\$ 2,290,686	\$ (185,071)	\$ 34,697,192
Total Capital Assets Depreciated, Net	\$ 58,419,771	\$ 225,722	\$ (9,740)	\$ 58,635,753
Governmental Activities Capital Assets, Net	\$ 68,090,182	\$ 324,722	\$ (9,740)	\$ 68,405,164

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

Governmental Activities:

General Government	\$ 46,725
Finance	16,967
Administration of Justice	166,796
Public Safety	301,022
Public Health and Welfare	522,717
Social, Cultural, and Recreational Services	51,841
Agriculture and Natural Resources	5,413
Highways/Public Works	<u>1,179,205</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,290,686</u>

Discretely Presented Putnam County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 5,143,175	\$ 25,600	\$ (23,762)	\$ 5,145,013
Construction in Progress	31,114,314	2,641,114	(30,883,903)	2,871,525
Total Capital Assets Not Depreciated	<u>\$ 36,257,489</u>	<u>\$ 2,666,714</u>	<u>\$ (30,907,665)</u>	<u>\$ 8,016,538</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 117,409,395	\$ 31,335,115	\$ (54,700)	\$ 148,689,810
Other Capital Assets	5,721,307	1,264,346	(388,820)	6,596,833
Total Capital Assets Depreciated	<u>\$ 123,130,702</u>	<u>\$ 32,599,461</u>	<u>\$ (443,520)</u>	<u>\$ 155,286,643</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 27,014,114	\$ 2,718,128	\$ (1,538)	\$ 29,730,704
Other Capital Assets	2,641,525	583,819	(375,516)	2,849,828
Total Accumulated Depreciation	<u>\$ 29,655,639</u>	<u>\$ 3,301,947</u>	<u>\$ (377,054)</u>	<u>\$ 32,580,532</u>
Total Capital Assets Depreciated, Net	<u>\$ 93,475,063</u>	<u>\$ 29,297,514</u>	<u>\$ (66,466)</u>	<u>\$ 122,706,111</u>
Governmental Activities Capital Assets, Net	<u>\$ 129,732,552</u>	<u>\$ 31,964,228</u>	<u>\$ (30,974,131)</u>	<u>\$ 130,722,649</u>

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

Governmental Activities:

Instruction	\$ 3,010,611
Support Services	277,330
Operation on Non-Instructional Services	<u>14,006</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,301,947</u></u>

C. Construction Commitments

At June 30, 2012, the General Capital Projects Fund had uncompleted construction contracts of approximately \$673,582 for Justice Center repairs. Funding for these future expenditures is held by the county trustee as Equity in Pooled Cash and Investments.

At June 30, 2012, the discretely presented Other Capital Projects Fund had uncompleted construction contracts of approximately \$475,546 for Baxter K-8 and \$601,501 for Monterey High School. Funding for these future expenditures is held by the county trustee as Equity in Pooled Cash and Investments.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,005
General Debt Service	General	232,334
Nonmajor governmental	"	19,832
Fiduciary funds	Nonmajor governmental	7,500
Discretely Presented Putnam County School Department:		
General Purpose School	School Federal Projects	57,836
"	Nonmajor governmental	84,647

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

The receivable in the discretely presented General Purpose School Fund of \$20,085 was in transit from the Central Cafeteria Fund at June 30, 2012.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Discretely Presented Putnam County School Department

Transfer Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	\$ 0	\$ 1,000,000
School Federal Projects Fund	98,635	0
Nonmajor governmental funds	428,503	0
Total	\$ 527,138	\$ 1,000,000

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 a one-time transfer of \$1,000,000 from the General Purpose School Fund to the School Federal Projects Fund for cash flow purposes.

E. Capital Lease

Discretely Presented Putnam County School Department

On August 19, 2011, the School Department entered into a three-year lease-purchase agreement for 600 laptop computers. The terms of the agreement require total lease payments of \$649,778 plus interest of 1.2363 percent. Title to the computers transfers to the School Department at the end of the lease period. The lease payments are made from the General Purpose School Fund. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 221,970
2014	<u>221,970</u>
Total Minimum Lease Payments	\$ 443,940
Less: Amount Representing Interest	<u>(8,099)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 435,841</u></u>

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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2012, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	3.6781 to 5%	4-1-30	\$ 80,900,000	\$ 78,600,000
General Obligation Bonds - Refunding	2.125 to 5.5	4-1-20	55,135,000	48,570,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2012, including interest payments, are presented in the following table:

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 128,028,648
Less: Balance Due Within One Year	(6,550,353)
Add: Unamortized Premium on Debt	434,010
Less: Deferred Amount on Refunding	<u>(2,039)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 121,910,266</u></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.

Discretely Presented Putnam County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Putnam County School Department for the year ended June 30, 2012, was as follows:

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 0	\$ 155,464	\$ 924,728
Additions	649,778	128,259	837,726
Reductions	<u>(213,937)</u>	<u>(120,439)</u>	<u>(748,616)</u>
Balance, June 30, 2012	<u>\$ 435,841</u>	<u>\$ 163,284</u>	<u>\$ 1,013,838</u>
Balance Due Within One Year	<u>\$ 216,582</u>	<u>\$ 120,439</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 1,612,963
Less: Balance Due Within One Year	<u>(337,021)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 1,275,942</u></u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Putnam County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Teacher Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$219,624 and \$66,240, 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
			Paid and/or Issued During	Matured During Period
	Outstanding 7-1-11	During Period		Outstanding 6-30-12
Extrication Truck	\$ 58,334	\$ 0	(58,334)	\$ 0
Software and Paving	348,000	0	(174,000)	174,000
Total	\$ 406,334	\$ 0	(232,334)	\$ 174,000

Also, internally reported notes receivable (\$1,805,556) from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development (\$833,332) and General (\$972,224) funds. Amounts financed are

presented as an interfund notes payable in the governmental funds. Internally reported notes receivable at June 30, 2012, are reflected as follows:

Receivable Fund/Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
General Debt Service Fund:				
Land	\$ 5,000,000	0 %	6-29-07	6-29-15
Building	1,750,000	2	6-24-08	6-24-17
			Paid and/or Matured	
		Outstanding	During	Outstanding
		7-1-11	Period	6-30-12
General Debt Service Fund:				
Land	\$ 1,111,110	\$ (277,778)	\$	833,332
Building	1,166,668	(194,444)		972,224
Total	\$ 2,277,778	\$ (472,222)	\$	1,805,556

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 \$311,550,957. 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
2010-2011	\$ 1,239,380	\$ 506,023	\$ (46,536)	\$ 1,698,867
2011-2012	1,698,867	(673,926)	(39,746)	985,195

B. Subsequent Events

On September 27, 2012, the County Commission approved school bonds totaling \$53,500,000 for construction projects. The bonds have not been issued as of the date of this report.

On December 28, 2012, the county issued a \$263,000 interfund capital outlay note for repairs at various county and School Department buildings.

On January 22, 2013, the county issued a \$450,000 interfund capital outlay note for justice center repairs.

On August 31, 2012, Rhonda Chaffin left the Office of Assessor of Property and was succeeded by Travis Roberts. Prior to leaving office, Assessor of Property Rhonda Chaffin submitted 197 change orders to the county Trustee's Office, which increased property taxes for the tax years 2009, 2010, and 2011 years by approximately \$896,852. The operations of the office under Rhonda Chaffin's administration are currently being investigated by state and federal authorities.

C. 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.

D. Change in Administration

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. Mr. Boyd was appointed director of schools effective April 5, 2012.

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Putnam County closed its sanitary landfill in 2000. The \$104,247 reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Cookeville - Putnam County Emergency Management Agency was established in 1951 as a joint venture between the City of Cookeville and Putnam County. The purpose of the Cookeville - Putnam County Emergency Management Agency is to plan and prepare for emergency operations and to assist other emergency services during emergencies or disasters. Putnam County contributed \$123,720 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2012.

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 \$33,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2012.

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, 2012.

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 \$105,000 to the Chamber of Commerce for the year ended June 30, 2012.

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 \$7,244 to the Rail Trail Authority for the year ended June 30, 2012.

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 contributed \$28,000 for Planning Services for the year ended June 30, 2012.

The Putnam County Library is a joint venture between Putnam County the City of Cookeville to provide library services. The board is comprised of four members appointed by the county and three members appointed by the city.

The county and the city will each provide the funding for the board. Putnam County contributed \$390,750 to the Putnam County Library for the year ended June 30, 2012.

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, Planning Services, and the Putnam County Library 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

Putnam County Library
50 East Broad Street
Cookeville, TN 38501

G. Jointly Governed Organization

The Nashville and Eastern Railroad Authority is governed by a board of directors representing Putnam, Davidson, Smith, and Wilson counties. The

board of directors comprises the mayor/county executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

H. Retirement Commitments

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. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, Putnam County’s annual pension cost of \$2,682,933 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$2,682,933	100%	\$0
6-30-11	2,342,450	100	0
6-30-10	2,545,719	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 87.79 percent funded. The actuarial accrued liability for benefits was \$69.12 million, and the actuarial value of assets was \$60.69 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$8.44 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.43 million, and the ratio of the UAAL to the covered payroll was 36.02 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.

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 SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010, were \$3,473,198, \$3,363,247, and \$2,329,182 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 contributing employees and are not presented in the accompanying financial statements. IRC Sections 457(b) and 403(b) plans establish participation, contribution, and withdrawal provisions for the plan.

I. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

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

Funding Policy

The plan is purchased commercially and financed on a pay-as-you-go basis. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligibility is based upon age and years of service. Full-time employees with 30 years 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	\$ 148,700
Interest on the NPO	9,000
Adjustment to the ARC	<u>(9,300)</u>
Annual OPEB cost	\$ 148,400
Amount of contribution	<u>(20,400)</u>
Increase/decrease in NPO	\$ 128,000
Net OPEB obligation, 7-1-11	<u>224,000</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 352,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Commercial Insurance	\$ 74,300	22%	\$ 108,300
6-30-11	"	140,400	17	224,000
6-30-12	"	148,700	14	352,000

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. Prior to reaching the age of 65, all members 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 \$748,616 were recognized for postemployment health care by the School Department.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 840,000
Interest on the NPO	36,989
Adjustment to the ARC	<u>(39,263)</u>
Annual OPEB cost	\$ 837,726
Amount of contribution	<u>(748,616)</u>
Increase/decrease in NPO	\$ 89,110
Net OPEB obligation, 7-1-11	<u>924,728</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 1,013,838</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 681,797	118%	\$ 1,054,692
6-30-11	"	711,506	118	924,728
6-30-12	"	837,725	89	1,013,838

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 7,489,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 7,489,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 48,785,622
UAAL as a % of covered payroll	15%

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, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.5 percent for the fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 63, Private Acts of 1981. This statute provides for the county executive to serve as the purchasing agent and for all purchases exceeding \$10,000 to be made on the basis of competitive bids solicited through advertisement in a local newspaper.

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 122, Private Acts of 1989, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes require purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to the schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED PUTNAM COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Putnam County Emergency Communications District was established on November 21, 1988, to provide an enhanced level of 911 services to Putnam County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of addresses and information. It is a component unit of Putnam County. A board of directors, appointed by Putnam County runs the Putnam County Emergency Communications District. The district must file a budget with Putnam County each year. Any bond issued by the district is subject to approval by Putnam County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial

Accounting Standards Board. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

Depreciation – Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. All assets purchased under \$3,000 are expensed. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

Assets	Method	Estimated Useful Life in Years	2012 Depreciation
Building/Improvements	S/L	5 - 20	\$ 9,772
Furniture and Fixtures	S/L	5	834
Communications Equipment	S/L	4 - 7	151,515
Vehicle	S/L	5	6,597
Total			\$ 168,718

Major Sources of Revenue – The major sources of operating revenue are emergency telephone service, 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, 2012:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	56,049
Certificates of Deposit - Bank of Putnam County	1,250,000
Total	\$ 1,326,049

At June 30, 2012, the carrying amount of the Putnam County Emergency Communications District's cash deposits was \$1,326,049. 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 had a bond covering certain members of the board at June 30, 2012. 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, 2012:

Assets	Cost	Accumulated Depreciation	Net
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,867	\$ 59,722	\$ 160,145
Furniture and Fixtures	8,339	2,293	6,046
Communications Equipment	1,471,415	526,284	945,131
Vehicle	84,730	66,037	18,693
Total Depreciable	<u>\$ 1,784,351</u>	<u>\$ 654,336</u>	<u>\$ 1,130,015</u>
Total	<u>\$ 1,784,351</u>	<u>\$ 654,336</u>	<u>\$ 1,130,015</u>

Assets	Balance 7-1-11	Additions	Balance 6-30-12
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,867	\$ 0	\$ 219,867
Furniture and Fixtures	8,339	0	8,339
Communications Equipment	991,604	479,811	1,471,415
Vehicle	84,730	0	84,730
Total Depreciable	<u>\$ 1,304,540</u>	<u>\$ 479,811</u>	<u>\$ 1,784,351</u>
Total	<u>\$ 1,304,540</u>	<u>\$ 479,811</u>	<u>\$ 1,784,351</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, 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. Ownership of the equipment is retained by the county agencies. The agencies are responsible for operating and maintaining all equipment.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from State Emergency Communications Board

The amounts due to the district from subscriber services and wireless charges include the following:

Citizens Communications	\$ 18,843
Miscellaneous Wireless Charges	<u>8,654</u>
Subtotal	\$ 27,497
State Emergency Communications Board	<u>27,856</u>
Total	<u><u>\$ 55,353</u></u>

G. Compensated Absences

There were no employees entitled to receive compensation at June 30, 2012.

H. Calculation of Invested in Capital Assets

Net Book Value	\$ <u>1,130,015</u>
Invested in Capital Assets	<u><u>\$ 1,130,015</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.

**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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,415,945	\$ 0	\$ 0	\$ 13,415,945	\$ 13,036,340	\$ 13,131,340	\$ 284,605
Licenses and Permits	307,558	0	0	307,558	260,500	285,500	22,058
Fines, Forfeitures, and Penalties	671,132	0	0	671,132	649,000	649,000	22,132
Charges for Current Services	3,694,048	0	0	3,694,048	3,129,000	3,173,745	520,303
Other Local Revenues	1,011,192	0	0	1,011,192	1,084,000	1,112,430	(101,238)
Fees Received from County Officials	3,770,115	0	0	3,770,115	3,575,000	3,575,000	195,115
State of Tennessee	3,133,328	0	0	3,133,328	2,918,589	2,941,613	191,715
Federal Government	365,920	0	0	365,920	359,900	600,486	(234,566)
Other Governments and Citizens Groups	545,049	0	0	545,049	155,000	248,038	297,011
Total Revenues	\$ 26,914,287	\$ 0	\$ 0	\$ 26,914,287	\$ 25,167,329	\$ 25,717,152	\$ 1,197,135
Expenditures							
General Government							
County Commission	\$ 154,329	\$ 0	\$ 0	\$ 154,329	\$ 150,596	\$ 159,709	\$ 5,380
Beer Board	2,025	0	0	2,025	1,940	2,090	65
County Mayor/Executive	368,206	(150)	0	368,056	295,406	389,021	20,965
County Attorney	156,241	0	0	156,241	138,500	165,500	9,259
Election Commission	354,731	0	8,611	363,342	316,753	374,921	11,579
Register of Deeds	237,953	0	0	237,953	200,733	257,840	19,887
Codes Compliance	132,122	0	0	132,122	128,975	191,288	59,166
Geographical Information Systems	17,178	(42)	0	17,136	31,900	31,900	14,764
County Buildings	2,420,312	(21,593)	16,661	2,415,380	2,114,542	2,504,508	89,128
Other Facilities	293,298	(421,456)	350,749	222,591	197,000	243,053	20,462
Finance							
Property Assessor's Office	450,857	(4)	0	450,853	367,624	476,433	25,580

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
County Trustee's Office	\$ 397,213	\$ 0	\$ 266	\$ 397,479	\$ 308,195	\$ 402,093	\$ 4,614
County Clerk's Office	788,891	(474)	0	788,417	601,939	821,912	33,495
Other Finance	140,607	(747)	208	140,068	117,140	150,547	10,479
<u>Administration of Justice</u>							
Circuit Court	1,196,975	(1,311)	0	1,195,664	932,939	1,327,460	131,796
General Sessions Court	442,731	0	0	442,731	358,920	444,311	1,580
Drug Court	28,590	0	0	28,590	35,000	53,150	24,560
Chancery Court	344,648	0	807	345,455	263,364	352,046	6,591
Juvenile Court	243,745	0	275	244,020	196,575	337,730	93,710
Judicial Commissioners	75,183	0	0	75,183	59,650	75,257	74
Other Administration of Justice	23,011	0	0	23,011	31,656	34,778	11,767
<u>Public Safety</u>							
Sheriff's Department	5,042,310	(56,254)	16,452	5,002,508	3,529,202	5,139,801	137,293
Jail	3,123,008	(16,636)	6,707	3,113,079	2,684,913	3,204,773	91,694
Workhouse	69,015	(2,492)	0	66,523	53,770	71,268	4,745
Juvenile Services	656,132	0	200	656,332	546,924	692,426	36,094
Commissary	113,977	(318)	988	114,647	115,000	115,000	353
Fire Prevention and Control	218,083	(730)	1,368	218,721	278,908	310,621	91,900
Civil Defense	175,720	0	0	175,720	170,720	234,054	58,334
Other Emergency Management	276,024	(100,862)	8,991	184,153	334,900	572,236	388,083
County Coroner/Medical Examiner	78,045	(18)	6,000	84,027	63,250	90,095	6,068
<u>Public Health and Welfare</u>							
Local Health Center	241,377	(3,688)	3,013	240,702	242,697	251,540	10,838
Ambulance/Emergency Medical Services	3,849,429	(35,850)	64,255	3,877,834	3,086,210	4,228,123	350,289

(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 7/1/2011	Add: 6/30/2012	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>							
Other Local Health Services	\$ 30,217	\$ (2,649)	\$ 2,303	\$ 29,871	\$ 36,684	\$ 30,198	\$ 327
Regional Mental Health Center	5,000	0	0	5,000	5,000	5,000	0
General Welfare Assistance	10,670	0	0	10,670	10,670	10,670	0
Aid to Dependent Children	7,632	0	0	7,632	7,760	7,760	128
Other Public Health and Welfare	1,139,375	(172)	501	1,139,704	1,060,300	1,352,917	213,213
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	72,670	0	0	72,670	72,670	72,670	0
Libraries	390,750	0	0	390,750	390,750	390,750	0
Parks and Fair Boards	18,202	0	0	18,202	0	42,202	24,000
Other Social, Cultural, and Recreational	12,000	0	0	12,000	12,000	12,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	158,990	0	0	158,990	171,226	177,696	18,706
Forest Service	1,455	0	0	1,455	1,455	1,455	0
Soil Conservation	76,196	0	0	76,196	53,300	76,096	(100)
<u>Other Operations</u>							
Tourism	146,777	0	0	146,777	148,000	148,000	1,223
Airport	33,000	0	0	33,000	33,000	33,000	0
Veterans' Services	38,736	0	0	38,736	34,785	40,660	1,924
Contributions to Other Agencies	334,381	0	0	334,381	222,397	335,835	1,454
Employee Benefits	11,350	0	0	11,350	5,325,314	449,004	437,654
Miscellaneous	627,472	0	386	627,858	1,408,365	663,815	35,957
Total Expenditures	\$ 25,226,839	\$ (665,446)	\$ 488,741	\$ 25,050,134	\$ 26,949,517	\$ 27,555,212	\$ 2,505,078
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,687,448	\$ 665,446	\$ (488,741)	\$ 1,864,153	\$ (1,782,188)	\$ (1,838,060)	\$ 3,702,213

(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 7/1/2011	Add: 6/30/2012	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	0	0	0	0	(229,444)	(279,444)	279,444
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	0 \$	2,890 \$	(47,110) \$	47,110
Net Change in Fund Balance	\$ 1,687,448 \$	665,446 \$	(488,741) \$	1,864,153 \$	(1,779,298) \$	(1,885,170) \$	3,749,323
Fund Balance, July 1, 2011	7,900,516	(665,446)	0	7,235,070	6,863,149	6,863,149	371,921
Fund Balance, June 30, 2012	\$ 9,587,964 \$	0 \$	(488,741) \$	9,099,223 \$	5,083,851 \$	4,977,979 \$	4,121,244

Exhibit F-2

Putnam County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Putnam County School Department
June 30, 2012

(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)
6-30-11	\$ 60,685	\$ 69,123	\$ 8,438	87.79 %	\$ 23,429	36.02 %
6-30-09	47,995	50,405	2,410	95.22	23,301	10.34
6-30-07	43,011	45,727	2,716	94.06	21,066	12.89

Exhibit F-3

Putnam County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Putnam County School Department
June 30, 2012

(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	7-1-09	0	6,317	6,317	0	33,863	19
"	7-1-10	0	6,545	6,545	0	47,050	14
"	7-1-11	0	7,489	7,489	0	48,786	15

* 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, 2012

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, 2012, Putnam County reported the following significant encumbrances in the General Fund:

<u>Description</u>	<u>Amount</u>
Circuit and Juvenile Courts computer systems	\$ 344,988
Emergency Management Service vehicle	30,709
Emergency Management Service supplies	10,600

**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.

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions relating to industrial development projects.

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 (Cont.)

	Special Revenue Funds				
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
\$	0	0	0	0	0
1,862,063	0	0	0	0	0
0	0	0	0	0	93,368
0	130,616	0	0	0	0
7,421	0	0	0	0	0
<u>\$ 1,869,484</u>	<u>\$ 2,429,193</u>	<u>\$ 127,314</u>	<u>\$ 79,923</u>	<u>\$ 93,368</u>	
\$ 4,595,918	\$ 4,647,660	\$ 127,314	\$ 79,923	\$ 857,092	

(Continued)

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
Restricted (Cont.):
Restricted for Capital Outlay
Committed:
Committed for Public Health and Welfare
Committed for Social, Cultural, and Recreational
Committed for Other Operations
Assigned:
Assigned for Public Health and Welfare
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
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
Cash	\$ 0	\$ 3,005	\$ 0	\$ 3,005	\$ 0	\$ 3,005	
Equity in Pooled Cash and Investments	14,347	0	573,579	6,854,015	717,041	7,571,056	
Accounts Receivable	0	0	0	200,231	0	200,231	
Allowance for Uncollectibles	0	0	0	(1,714)	0	(1,714)	
Due from Other Governments	0	0	399,248	406,748	0	406,748	
Due from Other Funds	0	0	0	19,832	0	19,832	
Property Taxes Receivable	0	0	1,263,265	5,236,128	291,161	5,527,289	
Allowance for Uncollectible Property Taxes	0	0	(48,960)	(205,854)	(11,976)	(217,830)	
Total Assets	\$ 14,347	\$ 3,005	\$ 2,187,132	\$ 12,512,391	\$ 996,226	\$ 13,508,617	

ASSETS

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 971,439	\$ 0	\$ 971,439
Payroll Deductions Payable	0	0	422	422	0	422
Due to Other Funds	0	3,005	0	10,505	0	10,505
Notes Payable - Interfund	0	0	0	833,332	0	833,332
Deferred Revenue - Current Property Taxes	0	0	1,172,480	4,858,580	269,940	5,128,520
Deferred Revenue - Delinquent Property Taxes	0	0	35,824	151,056	8,865	159,921
Other Deferred Revenues	0	0	182,378	277,400	0	277,400
Total Liabilities	\$ 0	\$ 3,005	\$ 1,391,104	\$ 7,102,734	\$ 278,805	\$ 7,381,539
Fund Balances						
Restricted:						
Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 127,314	\$ 0	\$ 127,314
Restricted for Administration of Justice	14,347	0	0	14,347	0	14,347
Restricted for Public Safety	0	0	0	79,923	0	79,923
Restricted for Other Operations	0	0	0	2,298,577	0	2,298,577
Restricted for Highways/Public Works	0	0	796,028	796,028	0	796,028

(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	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$	0	0	0	0	0	717,421	\$ 717,421
	0	0	0	1,862,063	0	0	1,862,063
	0	0	0	93,368	0	0	93,368
	0	0	0	130,616	0	0	130,616
	0	0	0	7,421	0	0	7,421
\$	14,347	0	796,028	5,409,657	717,421	0	6,127,078
\$	14,347	3,005	2,187,132	12,512,391	996,226	0	13,508,617

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Restricted (Cont.):	
Restricted for Capital Outlay Committed:	
Committed for Public Health and Welfare	
Committed for Social, Cultural, and Recreational	
Committed for Other Operations	
Assigned:	
Assigned for Public Health and Welfare	
Total Fund Balances	
Total Liabilities and Fund Balances	

Exhibit G-2

Putnam County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue Funds						
	Public Library	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 2,642,211	\$ 413,040	\$ 0	\$ 0	\$ 0	\$ 795,800
Fines, Forfeitures, and Penalties	0	0	0	0	71,239	0	0
Charges for Current Services	0	903,944	650	74,531	0	0	68,746
Other Local Revenues	0	358,494	25,663	7,141	9,011	0	48,920
State of Tennessee	0	37,624	63,451	0	0	0	0
Federal Government	0	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0	18,500
Total Revenues	\$ 0	\$ 3,942,273	\$ 502,804	\$ 81,672	\$ 80,250	\$ 0	\$ 931,966
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 38,906	\$ 56,380	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	0	0	0
Public Safety	0	0	0	0	35,471	0	0
Public Health and Welfare	0	3,771,567	0	0	0	0	0
Social, Cultural, and Recreational Services	150,407	0	0	0	0	0	865,535
Agriculture and Natural Resources	0	0	0	0	0	0	0
Other Operations	0	60,728	4,820,807	0	0	0	15,627
Highways	0	0	0	0	0	0	0
Total Expenditures	\$ 150,407	\$ 3,832,295	\$ 4,859,713	\$ 56,380	\$ 35,471	\$ 0	\$ 881,162
Excess (Deficiency) of Revenues Over Expenditures	\$ (150,407)	\$ 109,978	\$ (4,356,909)	\$ 25,292	\$ 44,779	\$ 0	\$ 50,804
Net Change in Fund Balances	\$ (150,407)	\$ 109,978	\$ (4,356,909)	\$ 25,292	\$ 44,779	\$ 0	\$ 50,804
Fund Balance, July 1, 2011	150,407	1,759,506	6,786,102	102,022	35,144	0	42,564
Fund Balance, June 30, 2012	\$ 0	\$ 1,869,484	\$ 2,429,193	\$ 127,314	\$ 79,923	\$ 0	\$ 93,368

(Continued)

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	Constitu- tional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 1,360,441	\$ 5,211,492	\$ 276,974	\$ 5,488,466	
Fines, Forfeitures, and Penalties	51,152	0	0	122,391	0	122,391	
Charges for Current Services	0	213	0	1,048,084	0	1,048,084	
Other Local Revenues	909	0	9,957	460,095	0	460,095	
State of Tennessee	0	0	2,235,975	2,337,050	0	2,337,050	
Federal Government	0	0	205,291	205,291	9,916	215,207	
Other Governments and Citizens Groups	0	0	0	18,500	0	18,500	
Total Revenues	\$ 52,061	\$ 213	\$ 3,811,664	\$ 9,402,903	\$ 286,890	\$ 9,689,793	
<u>Expenditures</u>							
Current:							
General Government	\$ 0	\$ 0	\$ 0	\$ 95,286	\$ 0	\$ 95,286	
Administration of Justice	0	95	0	95	0	95	
Public Safety	46,533	118	0	82,122	642,066	724,188	
Public Health and Welfare	0	0	0	3,771,567	37,564	3,809,131	
Social, Cultural, and Recreational Services	0	0	0	1,015,942	0	1,015,942	
Agriculture and Natural Resources	0	0	0	0	12,332	12,332	
Other Operations	0	0	0	4,897,162	5,513	4,902,675	
Highways	0	0	4,621,988	4,621,988	0	4,621,988	
Total Expenditures	\$ 46,533	\$ 213	\$ 4,621,988	\$ 14,484,162	\$ 697,475	\$ 15,181,637	
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,528	\$ 0	\$ (810,324)	\$ (5,081,259)	\$ (410,585)	\$ (5,491,844)	
Net Change in Fund Balances Fund Balance, July 1, 2011	\$ 5,528	\$ 0	\$ (810,324)	\$ (5,081,259)	\$ (410,585)	\$ (5,491,844)	
Fund Balance, July 1, 2011	8,819	0	1,606,352	10,490,916	1,128,006	11,618,922	
Fund Balance, June 30, 2012	\$ 14,347	\$ 0	\$ 796,028	\$ 5,409,657	\$ 717,421	\$ 6,127,078	

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 150,407	\$ 0	\$ 150,407	\$ 0
Total Expenditures	\$ 150,407	\$ 0	\$ 150,407	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ (150,407)	\$ 0	\$ (150,407)	\$ 0
Net Change in Fund Balance	\$ (150,407)	\$ 0	\$ (150,407)	\$ 0
Fund Balance, July 1, 2011	150,407	0	150,407	0
Fund Balance, June 30, 2012	\$ 0	\$ 0	\$ 0	\$ 0

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,642,211	\$ 0	\$ 0	\$ 2,642,211	\$ 2,593,060	\$ 2,593,060	\$ 49,151
Charges for Current Services	903,944	0	0	903,944	815,000	820,230	88,714
Other Local Revenues	358,494	0	0	358,494	260,000	260,000	98,494
State of Tennessee	37,624	0	0	37,624	23,000	23,000	14,624
Total Revenues	\$ 3,942,273	\$ 0	\$ 0	\$ 3,942,273	\$ 3,691,060	\$ 3,696,290	\$ 245,983
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 3,151,542	(5,882)	7,421	\$ 3,153,081	\$ 3,109,610	\$ 3,404,840	\$ 251,759
Landfill Operation and Maintenance	89,379	0	0	89,379	108,600	108,600	19,221
Other Waste Disposal	488,493	0	0	488,493	513,661	513,661	25,168
Postclosure Care Costs	42,153	0	0	42,153	154,050	154,050	111,897
Other Operations	60,728	0	0	60,728	63,500	63,500	2,772
Miscellaneous	3,832,295	(5,882)	7,421	\$ 3,833,834	\$ 3,949,421	\$ 4,244,651	\$ 410,817
Total Expenditures	\$ 109,978	\$ 5,882	\$ (7,421)	\$ 108,439	\$ (258,361)	\$ (548,361)	\$ 656,800
Excess (Deficiency) of Revenues Over Expenditures	\$ 109,978	\$ 5,882	\$ (7,421)	\$ 108,439	\$ (258,361)	\$ (548,361)	\$ 656,800
Net Change in Fund Balance Fund Balance, July 1, 2011	1,759,506	(5,882)	0	1,753,624	1,778,866	1,778,866	(25,242)
Fund Balance, June 30, 2012	\$ 1,869,484	\$ 0	\$ (7,421)	\$ 1,862,063	\$ 1,520,505	\$ 1,230,505	\$ 631,558

Exhibit G-5

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 413,040	\$ 396,220	\$ 396,220	\$ 16,820
Charges for Current Services	650	0	0	650
Other Local Revenues	25,663	50,000	50,000	(24,337)
State of Tennessee	63,451	0	0	63,451
Other Governments and Citizens Groups	0	72,000	0	0
Total Revenues	<u>\$ 502,804</u>	<u>\$ 518,220</u>	<u>\$ 446,220</u>	<u>\$ 56,584</u>
<u>Expenditures</u>				
<u>General Government</u>				
Development	\$ 38,906	\$ 100,000	\$ 36,800	\$ (2,106)
<u>Other Operations</u>				
Industrial Development	4,805,054	6,205,000	6,205,000	1,399,946
Other Economic and Community Development	7,500	0	7,500	0
Miscellaneous	8,253	8,600	8,600	347
Total Expenditures	<u>\$ 4,859,713</u>	<u>\$ 6,313,600</u>	<u>\$ 6,257,900</u>	<u>\$ 1,398,187</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,356,909)</u>	<u>\$ (5,795,380)</u>	<u>\$ (5,811,680)</u>	<u>\$ 1,454,771</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (277,778)	\$ (277,778)	\$ 277,778
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (277,778)</u>	<u>\$ (277,778)</u>	<u>\$ 277,778</u>
Net Change in Fund Balance	\$ (4,356,909)	\$ (6,073,158)	\$ (6,089,458)	\$ 1,732,549
Fund Balance, July 1, 2011	<u>6,786,102</u>	<u>5,117,786</u>	<u>5,117,786</u>	<u>1,668,316</u>
Fund Balance, June 30, 2012	<u>\$ 2,429,193</u>	<u>\$ (955,372)</u>	<u>\$ (971,672)</u>	<u>\$ 3,400,865</u>

Exhibit G-6

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 74,531	0	\$ 74,531	\$ 70,000	\$ 70,000	\$ 4,531
Other Local Revenues	7,141	0	7,141	0	1,000	6,141
Total Revenues	\$ 81,672	0	\$ 81,672	\$ 70,000	\$ 71,000	\$ 10,672
<u>Expenditures</u>						
<u>General Government</u>						
Preservation of Records	\$ 56,380	(2,707)	\$ 53,673	\$ 75,000	\$ 75,200	\$ 21,527
Total Expenditures	\$ 56,380	(2,707)	\$ 53,673	\$ 75,000	\$ 75,200	\$ 21,527
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,292	2,707	\$ 27,999	(5,000)	(4,200)	\$ 32,199
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 25,292	2,707	\$ 27,999	(5,000)	(4,200)	\$ 32,199
	102,022	(2,707)	99,315	99,314	99,314	1
Fund Balance, June 30, 2012	\$ 127,314	0	\$ 127,314	\$ 94,314	\$ 95,114	\$ 32,200

Exhibit G-7

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 71,239	0	\$ 71,239	\$ 2,700	\$ 2,700	\$ 68,539
Other Local Revenues	9,011	0	9,011	0	0	9,011
Total Revenues	\$ 80,250	0	\$ 80,250	\$ 2,700	\$ 2,700	\$ 77,550
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 35,471	(98)	\$ 35,373	\$ 37,500	\$ 37,500	\$ 2,127
Total Expenditures	\$ 35,471	(98)	\$ 35,373	\$ 37,500	\$ 37,500	\$ 2,127
Excess (Deficiency) of Revenues Over Expenditures	\$ 44,779	98	\$ 44,877	\$ (34,800)	\$ (34,800)	\$ 79,677
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 44,779	98	\$ 44,877	\$ (34,800)	\$ (34,800)	\$ 79,677
	35,144	(98)	35,046	35,045	35,045	1
Fund Balance, June 30, 2012	\$ 79,923	0	\$ 79,923	\$ 245	\$ 245	\$ 79,678

Exhibit G-8

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 795,800	\$ 0	\$ 0	\$ 795,800	\$ 794,520	\$ 794,520	\$ 1,280
Charges for Current Services	68,746	0	0	68,746	100,500	100,500	(31,754)
Other Local Revenues	48,920	0	0	48,920	80,950	80,950	(13,530)
Other Governments and Citizens Groups	18,500	0	0	18,500	0	18,500	0
Total Revenues	\$ 931,966	\$ 0	\$ 0	\$ 931,966	\$ 975,970	\$ 975,970	\$ (44,004)
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	\$ 780,759	(740)	378	\$ 780,397	\$ 870,240	\$ 857,840	\$ 77,443
Other Social, Cultural, and Recreational Other Operations	84,776	(550)	0	84,226	91,200	97,600	13,374
Miscellaneous	15,627	0	0	15,627	10,000	16,000	373
Total Expenditures	\$ 881,162	\$ (1,290)	\$ 378	\$ 880,250	\$ 971,440	\$ 971,440	\$ 91,190
Excess (Deficiency) of Revenues Over Expenditures	\$ 50,804	\$ 1,290	\$ (378)	\$ 51,716	\$ 4,530	\$ 4,530	\$ 47,186
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ (50,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,000	\$ (50,000)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 50,804	\$ 1,290	\$ (378)	\$ 51,716	\$ 4,530	\$ 54,530	\$ (2,814)
	42,564	(1,290)	0	41,274	59,397	59,397	(18,123)
Fund Balance, June 30, 2012	\$ 93,368	\$ 0	\$ (378)	\$ 92,990	\$ 63,927	\$ 113,927	\$ (20,937)

Exhibit G-9

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 1,360,441	\$ 0	\$ 1,360,441	\$ 1,417,375	\$ 1,417,375	\$ (56,934)
Other Local Revenues	9,957	0	9,957	2,000	2,000	7,957
State of Tennessee	2,235,975	0	2,235,975	2,989,920	2,989,920	(753,945)
Federal Government	205,291	0	205,291	0	267,000	(61,709)
Total Revenues	\$ 3,811,664	\$ 0	\$ 3,811,664	\$ 4,409,295	\$ 4,676,295	\$ (864,631)
Expenditures						
Highways						
Administration	\$ 287,532	\$ 0	\$ 287,532	\$ 310,636	\$ 308,736	\$ 21,204
Highway and Bridge Maintenance	2,814,334	0	2,814,334	2,684,800	2,994,800	180,466
Operation and Maintenance of Equipment	376,828	0	376,828	334,400	426,400	49,572
Other Charges	151,191	0	151,191	158,246	160,146	8,955
Capital Outlay	992,103	(81,100)	911,003	1,749,766	1,749,766	838,763
Total Expenditures	\$ 4,621,988	\$ (81,100)	\$ 4,540,888	\$ 5,237,848	\$ 5,639,848	\$ 1,098,960
Excess (Deficiency) of Revenues Over Expenditures	\$ (810,324)	\$ 81,100	\$ (729,224)	\$ (828,553)	\$ (963,553)	\$ 234,329
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (810,324)	\$ 81,100	\$ (729,224)	\$ (828,553)	\$ (963,553)	\$ 234,329
	1,606,352	(81,100)	1,525,252	1,462,941	1,462,941	62,311
Fund Balance, June 30, 2012	\$ 796,028	\$ 0	\$ 796,028	\$ 634,388	\$ 499,388	\$ 296,640

Exhibit G-10

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, 2012

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 276,974	\$ 0	\$ 276,974	\$ 268,980	\$ 268,980	\$ 7,994
Federal Government	9,916	0	9,916	0	2,500	7,416
Total Revenues	\$ 286,890	\$ 0	\$ 286,890	\$ 268,980	\$ 271,480	\$ 15,410
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 0	\$ 0	\$ 0	\$ 70,000	\$ 0	\$ 0
Public Safety						
Sheriff's Department						
Jail	89,626	0	89,626	110,000	90,000	374
Fire Prevention and Control	304,583	673,582	978,165	165,000	1,250,000	271,835
Civil Defense	36,424	378	36,802	137,000	37,000	198
Public Health and Welfare	211,433	0	211,433	235,000	235,000	23,567
Sanitation Management	37,564	0	37,564	50,000	50,000	12,436
<u>Agriculture and Natural Resources</u>						
Flood Control	12,332	0	12,332	10,000	12,500	168
<u>Other Operations</u>						
Miscellaneous	5,513	0	5,513	6,200	6,200	687
<u>Capital Projects</u>						
Highway and Street Capital Projects	0	0	0	17,000	17,000	17,000
Total Expenditures	\$ 697,475	\$ 673,960	\$ 1,371,435	\$ 800,200	\$ 1,697,700	\$ 326,265
Excess (Deficiency) of Revenues Over Expenditures	\$ (410,585)	\$ (673,960)	\$ (1,084,545)	\$ (531,220)	\$ (1,426,220)	\$ 341,675

(Continued)

Exhibit G-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000	\$ (450,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000	\$ (450,000)
Net Change in Fund Balance	\$ (410,585)	\$ (673,960)	\$ (1,084,545)	\$ (531,220)	\$ (976,220)	\$ (108,325)
Fund Balance, July 1, 2011	1,128,006	0	1,128,006	972,700	972,700	155,306
Fund Balance, June 30, 2012	\$ 717,421	\$ (673,960)	\$ 43,461	\$ 441,480	\$ (3,520)	\$ 46,981

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,240,823	\$ 10,410,082	\$ 10,410,082	\$ 830,741
Other Local Revenues	47,175	297,334	297,334	(250,159)
Total Revenues	<u>\$ 11,287,998</u>	<u>\$ 10,707,416</u>	<u>\$ 10,707,416</u>	<u>\$ 580,582</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Education	6,980,000	12,310,876	6,980,000	0
<u>Interest on Debt</u>				
General Government	922,638	0	922,638	0
Education	5,330,876	0	5,330,876	0
<u>Other Debt Service</u>				
General Government	694	0	694	0
Education	182,905	200,000	199,306	16,401
<u>Capital Projects</u>				
Public Safety Projects	0	1,122,638	0	0
Total Expenditures	<u>\$ 13,617,113</u>	<u>\$ 13,633,514</u>	<u>\$ 13,633,514</u>	<u>\$ 16,401</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,329,115)</u>	<u>\$ (2,926,098)</u>	<u>\$ (2,926,098)</u>	<u>\$ 596,983</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 500,000	\$ 500,000	\$ (500,000)
Transfers Out	0	(232,334)	(232,334)	232,334
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 267,666</u>	<u>\$ 267,666</u>	<u>\$ (267,666)</u>
Net Change in Fund Balance	<u>\$ (2,329,115)</u>	<u>\$ (2,658,432)</u>	<u>\$ (2,658,432)</u>	<u>\$ 329,317</u>
Fund Balance, July 1, 2011	<u>13,532,020</u>	<u>15,411,618</u>	<u>15,411,618</u>	<u>(1,879,598)</u>
Fund Balance, June 30, 2012	<u><u>\$ 11,202,905</u></u>	<u><u>\$ 12,753,186</u></u>	<u><u>\$ 12,753,186</u></u>	<u><u>\$ (1,550,281)</u></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.

Community Development - Agency Fund – The Community Development – Agency Fund is used to account for transactions related to the operations of the regional planning office, which are held in trust for the benefit of the joint venture created by an interlocal agreement between Putnam and White counties, and the cities of Sparta, Monterey, and Algood.

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. This fund closed during the year.

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, 2012

	Agency Funds					Total
	Cities - Sales Tax	Community Development Agency	Constitu- tional Officers - Agency	Judicial District Drug		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 2,333,062	\$ 0	\$ 2,333,062	
Equity in Pooled Cash and Investments	0	46,835	0	16,138	62,973	
Accounts Receivable	0	0	11,605	0	11,605	
Due from Other Governments	2,142,669	0	0	16,727	2,159,396	
Due from Other Funds	0	7,500	0	0	7,500	
Total Assets	\$ 2,142,669	\$ 54,335	\$ 2,344,667	\$ 32,865	\$ 4,574,536	
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 2,142,669	\$ 0	\$ 0	\$ 0	\$ 2,142,669	
Due to Litigants, Heirs, and Others	0	0	2,344,667	0	2,344,667	
Due to Joint Ventures	0	54,335	0	32,865	87,200	
Total Liabilities	\$ 2,142,669	\$ 54,335	\$ 2,344,667	\$ 32,865	\$ 4,574,536	

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,499,103	\$ 12,499,103	\$ 0
Due from Other Governments	2,055,763	2,142,669	2,055,763	2,142,669
Total Assets	\$ 2,055,763	\$ 14,641,772	\$ 14,554,866	\$ 2,142,669
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,055,763	\$ 14,641,772	\$ 14,554,866	\$ 2,142,669
Total Liabilities	\$ 2,055,763	\$ 14,641,772	\$ 14,554,866	\$ 2,142,669
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,268,289	\$ 24,573,647	\$ 24,508,874	\$ 2,333,062
Accounts Receivable	15,585	11,605	15,585	11,605
Total Assets	\$ 2,283,874	\$ 24,585,252	\$ 24,524,459	\$ 2,344,667
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,283,874	\$ 24,585,252	\$ 24,524,459	\$ 2,344,667
Total Liabilities	\$ 2,283,874	\$ 24,585,252	\$ 24,524,459	\$ 2,344,667
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 130,300	\$ 83,465	\$ 46,835
Due from Other Funds	0	7,500	0	7,500
Total Assets	\$ 0	\$ 137,800	\$ 83,465	\$ 54,335
<u>Liabilities</u>				
Due to Joint Ventures	\$ 0	\$ 137,800	\$ 83,465	\$ 54,335
Total Liabilities	\$ 0	\$ 137,800	\$ 83,465	\$ 54,335
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 9,099	\$ 53,826	\$ 62,925	\$ 0
Total Assets	\$ 9,099	\$ 53,826	\$ 62,925	\$ 0
<u>Liabilities</u>				
Due to Joint Ventures	\$ 9,099	\$ 53,826	\$ 62,925	\$ 0
Total Liabilities	\$ 9,099	\$ 53,826	\$ 62,925	\$ 0

(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>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 24,495	\$ 213,807	\$ 222,164	\$ 16,138
Due from Other Governments	11,794	16,727	11,794	16,727
Total Assets	\$ 36,289	\$ 230,534	\$ 233,958	\$ 32,865
<u>Liabilities</u>				
Due to Joint Ventures	\$ 36,289	\$ 230,534	\$ 233,958	\$ 32,865
Total Liabilities	\$ 36,289	\$ 230,534	\$ 233,958	\$ 32,865
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,268,289	\$ 24,573,647	\$ 24,508,874	\$ 2,333,062
Equity in Pooled Cash and Investments	33,594	12,897,036	12,867,657	62,973
Accounts Receivable	15,585	11,605	15,585	11,605
Due from Other Governments	2,067,557	2,159,396	2,067,557	2,159,396
Due from Other Funds	0	7,500	0	7,500
Total Assets	\$ 4,385,025	\$ 39,649,184	\$ 39,459,673	\$ 4,574,536
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,055,763	\$ 14,641,772	\$ 14,554,866	\$ 2,142,669
Due to Litigants, Heirs, and Others	2,283,874	24,585,252	24,524,459	2,344,667
Due to Joint Ventures	45,388	422,160	380,348	87,200
Total Liabilities	\$ 4,385,025	\$ 39,649,184	\$ 39,459,673	\$ 4,574,536

Putnam County School Department

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

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

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

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

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

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds 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, 2012

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities	
Governmental Activities:							
Instruction	\$ 53,279,250	\$ 8,337	\$ 7,045,080	\$ 93,596	\$		\$ (46,132,237)
Support Services	29,326,954	1,172,953	690,811	0	0		(27,463,190)
Operation of Non-Instructional Services	8,613,372	1,662,951	4,526,345	0	0		(2,424,076)
Interest on Long-term Debt	12,523	0	0	0	0		(12,523)
Total Governmental Activities	\$ 91,232,099	\$ 2,844,241	\$ 12,262,236	\$ 93,596	\$		\$ (76,032,026)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$		12,377,378
Local Option Sales Taxes							15,491,400
Other Local Taxes							1,872
Grants and Contributions Not Restricted to Specific Programs							44,621,099
Miscellaneous							68,069
Total General Revenues					\$		\$ 72,559,818
Change in Net Assets					\$		\$ (3,472,208)
Net Assets, July 1, 2011							147,126,558
Prior-period Adjustment							78,933
Net Assets, June 30, 2012					\$		\$ 143,733,283

Exhibit J-2

Putnam County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Putnam County School Department
June 30, 2012

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Governmental Funds</u>	
<u>ASSETS</u>				
Cash	\$ 8,673	\$ 0	\$ 859	\$ 9,532
Equity in Pooled Cash and Investments	7,928,915	594,112	3,066,057	11,589,084
Accounts Receivable	14,759	265	0	15,024
Due from Other Governments	3,149,995	1,241,703	352,569	4,744,267
Due from Other Funds	142,483	0	0	142,483
Property Taxes Receivable	12,993,581	0	0	12,993,581
Allowance for Uncollectible Property Taxes	(503,594)	0	0	(503,594)
Total Assets	\$ 23,734,812	\$ 1,836,080	\$ 3,419,485	\$ 28,990,377
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 281,862	\$ 599	\$ 0	\$ 282,461
Accrued Payroll	519,219	369,271	0	888,490
Payroll Deductions Payable	648,498	93,954	14,796	757,248
Contracts Payable	0	0	239,307	239,307
Retainage Payable	0	0	12,595	12,595
Due to Other Funds	0	57,836	64,562	122,398
Deferred Revenue - Current Property Taxes	12,059,791	0	0	12,059,791
Deferred Revenue - Delinquent Property Taxes	368,467	0	0	368,467
Other Deferred Revenues	1,290,834	0	0	1,290,834
Total Liabilities	\$ 15,168,671	\$ 521,660	\$ 331,260	\$ 16,021,591
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 253,784	\$ 314,420	\$ 1,415,415	\$ 1,983,619
Restricted for Capital Projects	0	0	1,526,658	1,526,658
Committed:				
Committed for Education	55,154	0	146,152	201,306
Assigned:				
Assigned for Education	329,352	1,000,000	0	1,329,352
Unassigned	7,927,851	0	0	7,927,851
Total Fund Balances	\$ 8,566,141	\$ 1,314,420	\$ 3,088,225	\$ 12,968,786
Total Liabilities and Fund Balances	\$ 23,734,812	\$ 1,836,080	\$ 3,419,485	\$ 28,990,377

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, 2012

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)		\$	12,968,786
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,145,013	
Add: construction in progress		2,871,525	
Add: buildings and improvements net of accumulated depreciation		118,959,106	
Add: other capital assets net of accumulated depreciation		<u>3,747,005</u>	130,722,649
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital lease payable	\$	(435,841)	
Less: compensated absences payable		(163,284)	
Less: accrued interest on capital lease		(4,490)	
Less: other postemployment benefits liability		<u>(1,013,838)</u>	(1,617,453)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,659,301</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>143,733,283</u></u>

Exhibit J-4

Putnam County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Putnam County School Department
For the Year Ended June 30, 2012

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 27,958,384	\$ 0	\$ 0	\$ 27,958,384
Licenses and Permits	5,064	0	0	5,064
Charges for Current Services	298,289	0	2,537,615	2,835,904
Other Local Revenues	212,442	0	41,160	253,602
State of Tennessee	42,341,993	0	49,648	42,391,641
Federal Government	439,997	10,013,541	3,845,919	14,299,457
Other Governments and Citizens Groups	119,743	0	2,554	122,297
Total Revenues	<u>\$ 71,375,912</u>	<u>\$ 10,013,541</u>	<u>\$ 6,476,896</u>	<u>\$ 87,866,349</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 45,143,041	\$ 5,916,360	\$ 0	\$ 51,059,401
Support Services	26,420,486	3,376,696	0	29,797,182
Operation of Non-Instructional Services	2,308,591	492,624	5,847,996	8,649,211
Debt Service:				
Principal on Debt	213,937	0	0	213,937
Interest on Debt	8,033	0	0	8,033
Capital Projects	0	0	2,679,778	2,679,778
Total Expenditures	<u>\$ 74,094,088</u>	<u>\$ 9,785,680</u>	<u>\$ 8,527,774</u>	<u>\$ 92,407,542</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,718,176)</u>	<u>\$ 227,861</u>	<u>\$ (2,050,878)</u>	<u>\$ (4,541,193)</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 649,778	\$ 0	\$ 0	\$ 649,778
Transfers In	527,138	1,000,000	0	1,527,138
Transfers Out	(1,000,000)	(98,635)	(428,503)	(1,527,138)
Total Other Financing Sources (Uses)	<u>\$ 176,916</u>	<u>\$ 901,365</u>	<u>\$ (428,503)</u>	<u>\$ 649,778</u>
Net Change in Fund Balances	\$ (2,541,260)	\$ 1,129,226	\$ (2,479,381)	\$ (3,891,415)
Fund Balance, July 1, 2011	11,028,468	185,194	5,567,606	16,781,268
Prior Period Adjustment	78,933	0	0	78,933
Fund Balance, June 30, 2012	<u>\$ 8,566,141</u>	<u>\$ 1,314,420</u>	<u>\$ 3,088,225</u>	<u>\$ 12,968,786</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, 2012

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)		\$ (3,891,415)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 4,382,272	
Less: current-year depreciation expense	<u>(3,301,947)</u>	1,080,325
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
Less: loss on disposal of capital assets	\$ (17,399)	
Less: proceeds from the sale of capital assets	<u>(72,829)</u>	(90,228)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 1,659,301	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(1,692,930)</u>	(33,629)
<p>(4) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Less: proceeds from capital lease	\$ (649,778)	
Add: principal payments on capital leases	<u>213,937</u>	(435,841)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable	\$ (4,490)	
Change in compensated absences payable	(7,820)	
Change in other postemployment benefits liability	<u>(89,110)</u>	(101,420)
Change in net assets of governmental activities (Exhibit B)		<u>\$ (3,472,208)</u>

Putnam County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2012

Exhibit J-6

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	General Capital Projects	Education Capital Projects	Other Capital Projects	
\$ 859 \$	0 \$	859 \$	0 \$	0 \$	0 \$	859
1,071,800	150,914	1,222,714	9,408	55,154	1,778,781	3,066,057
352,569	0	352,569	0	0	0	352,569
\$ 1,425,228 \$	150,914 \$	1,576,142 \$	9,408 \$	55,154 \$	1,778,781 \$	3,419,485

ASSETS

Cash	859
Equity in Pooled Cash and Investments	1,071,800
Due from Other Governments	352,569
Total Assets	1,425,228

LIABILITIES AND FUND BALANCES

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	General Capital Projects	Education Capital Projects	Other Capital Projects	
\$ 9,813 \$	4,762 \$	14,575 \$	0 \$	0 \$	221 \$	14,796
0	0	0	0	0	239,307	239,307
0	0	0	0	0	12,595	12,595
0	0	0	9,408	55,154	0	64,562
\$ 9,813 \$	4,762 \$	14,575 \$	9,408 \$	55,154 \$	252,123 \$	331,260
\$ 1,415,415 \$	0 \$	1,415,415 \$	0 \$	0 \$	0 \$	1,415,415
0	0	0	0	0	1,526,658	1,526,658
0	146,152	146,152	0	0	0	146,152
\$ 1,415,415 \$	146,152 \$	1,561,567 \$	0 \$	0 \$	1,526,658 \$	3,088,225
\$ 1,425,228 \$	150,914 \$	1,576,142 \$	9,408 \$	55,154 \$	1,778,781 \$	3,419,485

Liabilities

Payroll Deductions Payable	9,813
Contracts Payable	0
Retainage Payable	0
Due to Other Funds	0
Total Liabilities	9,813

Fund Balances

Restricted:	
Restricted for Education	1,415,415
Restricted for Capital Projects	0
Committed:	
Committed for Education	146,152
Total Fund Balances	1,561,567
Total Liabilities and Fund Balances	1,576,142

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, 2012

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>Central</u>	<u>Extended</u>	<u>Total</u>	<u>Projects</u>	
	<u>Cafeteria</u>	<u>School</u>		<u>Other</u>	<u>Nonmajor</u>
		<u>Program</u>		<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 1,662,951	\$ 874,664	\$ 2,537,615	\$ 0	\$ 2,537,615
Other Local Revenues	37,040	4,120	41,160	0	41,160
State of Tennessee	49,648	0	49,648	0	49,648
Federal Government	3,845,919	0	3,845,919	0	3,845,919
Other Governments and Citizens Groups	571	1,983	2,554	0	2,554
Total Revenues	<u>\$ 5,596,129</u>	<u>\$ 880,767</u>	<u>\$ 6,476,896</u>	<u>\$ 0</u>	<u>\$ 6,476,896</u>
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 4,982,063	\$ 865,933	\$ 5,847,996	\$ 0	\$ 5,847,996
Capital Projects	0	0	0	2,679,778	2,679,778
Total Expenditures	<u>\$ 4,982,063</u>	<u>\$ 865,933</u>	<u>\$ 5,847,996</u>	<u>\$ 2,679,778</u>	<u>\$ 8,527,774</u>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 614,066	\$ 14,834	\$ 628,900	\$ (2,679,778)	\$ (2,050,878)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (428,503)	\$ 0	\$ (428,503)	\$ 0	\$ (428,503)
Total Other Financing Sources (Uses)	<u>\$ (428,503)</u>	<u>\$ 0</u>	<u>\$ (428,503)</u>	<u>\$ 0</u>	<u>\$ (428,503)</u>
Net Change in Fund Balances	\$ 185,563	\$ 14,834	\$ 200,397	\$ (2,679,778)	\$ (2,479,381)
Fund Balance, July 1, 2011	<u>1,229,852</u>	<u>131,318</u>	<u>1,361,170</u>	<u>4,206,436</u>	<u>5,567,606</u>
Fund Balance, June 30, 2012	<u>\$ 1,415,415</u>	<u>\$ 146,152</u>	<u>\$ 1,561,567</u>	<u>\$ 1,526,658</u>	<u>\$ 3,088,225</u>

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 27,958,384	\$ 0	\$ 0	\$ 27,958,384	\$ 27,758,243	\$ 27,758,243	\$ 200,141
Licenses and Permits	5,064	0	0	5,064	5,000	5,000	64
Charges for Current Services	298,289	0	0	298,289	271,167	314,490	(16,201)
Other Local Revenues	212,442	0	0	212,442	122,000	163,829	48,613
State of Tennessee	42,341,993	0	0	42,341,993	41,292,652	42,561,174	(219,181)
Federal Government	439,997	0	0	439,997	370,884	484,746	(44,749)
Other Governments and Citizens Groups	119,743	0	0	119,743	9,000	33,788	85,955
Total Revenues	\$ 71,375,912	\$ 0	\$ 0	\$ 71,375,912	\$ 69,828,946	\$ 71,321,270	\$ 54,642
Expenditures							
Instruction							
Regular Instruction Program	\$ 36,722,253	\$ (1,288,916)	\$ 166,116	\$ 35,599,453	\$ 34,958,453	\$ 36,084,604	\$ 485,151
Alternative Instruction Program	580,715	0	0	580,715	585,785	585,785	5,070
Special Education Program	6,447,973	(82)	43	6,447,934	6,469,441	6,512,468	64,534
Vocational Education Program	1,289,943	(116)	357	1,290,184	1,344,887	1,345,587	55,403
Adult Education Program	102,157	0	119	102,276	94,799	162,226	59,950
Support Services							
Attendance	188,572	(67)	0	188,505	184,976	194,700	6,195
Health Services	673,683	(4,847)	1,031	669,867	645,494	701,572	31,705
Other Student Support	2,247,776	(1,037)	555	2,247,294	2,269,605	2,267,112	19,818
Regular Instruction Program	2,410,591	(10,681)	12,739	2,412,649	2,480,086	2,497,719	85,070
Alternative Instruction Program	114,654	0	0	114,654	115,765	115,765	1,111
Special Education Program	1,015,531	(6,631)	412	1,009,312	1,000,275	1,018,953	9,641
Vocational Education Program	82,008	0	0	82,008	84,288	82,088	80

(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 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 127,520	\$ 0	\$ 0	\$ 127,520	\$ 126,365	\$ 139,970	\$ 12,450
Other Programs	285,864	0	0	285,864	0	285,864	0
Board of Education	1,146,294	(1,520)	5,307	1,150,081	1,241,469	1,254,347	104,266
Director of Schools	120,475	0	0	120,475	133,403	133,403	12,928
Office of the Principal	4,397,485	0	17,013	4,414,498	4,402,725	4,445,591	31,093
Fiscal Services	541,107	(3,531)	1,973	539,549	554,484	559,833	20,284
Human Services/Personnel	191,285	0	156	191,441	189,622	194,449	3,008
Operation of Plant	6,101,017	(3,192)	2,386	6,100,211	6,426,701	6,175,700	75,489
Maintenance of Plant	2,510,680	(380,570)	81,239	2,211,349	1,945,119	2,275,355	64,006
Transportation	3,361,334	(421,605)	20,031	2,959,760	2,913,475	3,056,002	96,242
Central and Other	904,610	(115,269)	15,163	804,504	714,417	847,516	43,012
<u>Operation of Non-Instructional Services</u>							
Food Service	197,224	0	0	197,224	194,980	199,629	2,405
Community Services	424,834	(655)	3,653	427,832	83,627	515,278	87,446
Early Childhood Education	1,686,533	0	0	1,686,533	1,615,741	1,691,449	4,916
<u>Principal on Debt</u>							
Education	213,937	0	0	213,937	0	213,937	0
<u>Interest on Debt</u>							
Education	8,033	0	0	8,033	0	8,033	0
Total Expenditures	\$ 74,094,088	\$ (2,238,719)	\$ 328,293	\$ 72,183,662	\$ 70,775,982	\$ 73,564,935	\$ 1,381,273
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,718,176)	\$ 2,238,719	\$ (328,293)	\$ (807,750)	\$ (947,036)	\$ (2,243,665)	\$ 1,435,915

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 649,778 \$	0 \$	0 \$	649,778 \$	0 \$	649,778 \$	0
Insurance Recovery	0	0	0	0	0	961	(961)
Transfers In	527,138	0	0	527,138	494,980	499,629	27,509
Transfers Out	(1,000,000)	0	0	(1,000,000)	0	(1,000,000)	0
Total Other Financing Sources (Uses)	\$ 176,916 \$	0 \$	0 \$	176,916 \$	494,980 \$	150,368 \$	26,548
Net Change in Fund Balance	\$ (2,541,260) \$	2,238,719 \$	(328,293) \$	(630,834) \$	(452,056) \$	(2,093,297) \$	1,462,463
Fund Balance, July 1, 2011	11,028,468	(2,238,719)	0	8,789,749	9,605,800	9,605,800	(816,051)
Prior Period Adjustment	78,933	0	0	78,933	0	0	78,933
Fund Balance, June 30, 2012	\$ 8,566,141 \$	0 \$	(328,293) \$	8,237,848 \$	9,153,744 \$	7,512,503 \$	725,345

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	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	\$ 1,000	\$ (1,000)
Federal Government	10,013,541	0	0	10,013,541	11,791,044	14,285,932	(4,272,391)
Total Revenues	\$ 10,013,541	\$ 0	\$ 0	\$ 10,013,541	\$ 11,791,044	\$ 14,286,932	\$ (4,273,391)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,357,584	(104,901)	269,112	\$ 3,521,795	\$ 3,907,238	\$ 5,563,039	\$ 2,041,244
Special Education Program	2,382,540	(122)	149	2,382,567	2,319,876	2,514,569	132,002
Vocational Education Program	176,236	(20,040)	20,899	177,095	163,844	178,733	1,638
<u>Support Services</u>							
Health Services	20,167	0	0	20,167	24,327	25,877	5,710
Other Student Support	106,111	(217)	9	105,903	172,793	168,527	62,624
Regular Instruction Program	2,749,739	(13,267)	259,670	2,996,142	3,950,711	4,596,266	1,600,124
Special Education Program	230,039	0	0	230,039	270,641	270,671	40,632
Vocational Education Program	1,827	0	0	1,827	7,200	1,847	20
Office of the Principal	211,275	0	0	211,275	298,391	298,391	87,116
Transportation	57,538	0	0	57,538	47,635	59,560	2,022
<u>Operation of Non-Instructional Services</u>							
Community Services	492,624	(1,079)	2,765	494,310	502,222	548,377	54,067
Total Expenditures	\$ 9,785,680	\$ (139,626)	\$ 552,604	\$ 10,198,658	\$ 11,664,878	\$ 14,225,857	\$ 4,027,199
Excess (Deficiency) of Revenues Over Expenditures	\$ 227,861	\$ 139,626	\$ (552,604)	\$ (185,117)	\$ 126,166	\$ 61,075	\$ (246,192)

(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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000	\$ 197,005	\$ 197,005	\$ 802,995
Transfers Out	(98,635)	0	0	(98,635)	(323,170)	(346,787)	248,152
Total Other Financing Sources (Uses)	\$ 901,365	\$ 0	\$ 0	\$ 901,365	\$ (126,165)	\$ (149,782)	\$ 1,051,147
Net Change in Fund Balance	\$ 1,129,226	\$ 139,626	\$ (552,604)	\$ 716,248	\$ 1	\$ (88,707)	\$ 804,955
Fund Balance, July 1, 2011	185,194	(139,626)	0	45,568	130,304	130,304	(84,736)
Fund Balance, June 30, 2012	\$ 1,314,420	\$ 0	\$ (552,604)	\$ 761,816	\$ 130,305	\$ 41,597	\$ 720,219

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,662,951	\$ 0	\$ 0	\$ 1,662,951	\$ 1,637,583	\$ 1,637,583	\$ 25,368
Other Local Revenues	37,040	0	0	37,040	43,486	45,096	(8,056)
State of Tennessee	49,648	0	0	49,648	49,658	49,658	(10)
Federal Government	3,845,919	0	0	3,845,919	3,145,850	3,507,727	338,192
Other Governments and Citizens Groups	571	0	0	571	0	0	571
Total Revenues	\$ 5,596,129	\$ 0	\$ 0	\$ 5,596,129	\$ 4,876,577	\$ 5,240,064	\$ 356,065
<u>Expenditures</u>							
Operation of Non-Instructional Services							
Food Service	\$ 4,982,063	\$ (127,973)	\$ 188,766	\$ 5,042,856	\$ 4,381,596	\$ 5,206,583	\$ 163,727
Total Expenditures	\$ 4,982,063	\$ (127,973)	\$ 188,766	\$ 5,042,856	\$ 4,381,596	\$ 5,206,583	\$ 163,727
Excess (Deficiency) of Revenues Over Expenditures	\$ 614,066	\$ 127,973	\$ (188,766)	\$ 553,273	\$ 494,981	\$ 33,481	\$ 519,792
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (428,503)	\$ 0	\$ 0	\$ (428,503)	\$ (494,981)	\$ (460,981)	\$ 32,478
Total Other Financing Sources (Uses)	\$ (428,503)	\$ 0	\$ 0	\$ (428,503)	\$ (494,981)	\$ (460,981)	\$ 32,478
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 185,563	\$ 127,973	\$ (188,766)	\$ 124,770	\$ 0	\$ (427,500)	\$ 552,270
	1,229,852	(127,973)	0	1,101,879	1,267,450	1,267,450	(165,571)
Fund Balance, June 30, 2012	\$ 1,415,415	\$ 0	\$ (188,766)	\$ 1,226,649	\$ 1,267,450	\$ 839,950	\$ 386,699

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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 874,664	\$ 0	\$ 0	\$ 874,664	\$ 737,750	\$ 858,030	\$ 16,634
Other Local Revenues	4,120	0	0	4,120	0	3,895	225
Other Governments and Citizens Groups	1,983	0	0	1,983	0	0	1,983
Total Revenues	\$ 880,767	\$ 0	\$ 0	\$ 880,767	\$ 737,750	\$ 861,925	\$ 18,842
<u>Expenditures</u>							
Operation of Non-Instructional Services	\$ 865,933	\$ (8,869)	\$ 3,242	\$ 860,306	\$ 737,750	\$ 861,925	\$ 1,619
Community Services	\$ 865,933	\$ (8,869)	\$ 3,242	\$ 860,306	\$ 737,750	\$ 861,925	\$ 1,619
Total Expenditures	\$ 14,834	\$ 8,869	\$ (3,242)	\$ 20,461	\$ 0	\$ 0	\$ 20,461
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,834	\$ 8,869	\$ (3,242)	\$ 20,461	\$ 0	\$ 0	\$ 20,461
Net Change in Fund Balance Fund Balance, July 1, 2011	131,318	(8,869)	0	122,449	105,002	105,002	17,447
Fund Balance, June 30, 2012	\$ 146,152	\$ 0	\$ (3,242)	\$ 142,910	\$ 105,002	\$ 105,002	\$ 37,908

MISCELLANEOUS SCHEDULES

Exhibit K-1

Putnam County, Tennessee
Schedule of Changes in Long-term Capital Leases and Bonds
Primary Government and Discretely Presented Putnam County School Department
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<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	\$ 33,095,000	\$ 0	\$ 770,000	\$ 32,325,000
School Refunding	30,105,000	3 to 5	12-1-02	6-30-12	4,295,000	0	4,295,000	0
School Refunding	7,970,000	2.125 to 4	8-13-04	4-1-19	7,620,000	0	465,000	7,155,000
School Refunding	9,545,000	4.5	10-11-06	10-11-18	8,845,000	0	175,000	8,670,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	15,700,000	0	100,000	15,600,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	56,500,000	0	600,000	55,900,000
School Refunding, Series 2009	2,340,000	2.78	3-31-09	4-1-13	1,095,000	0	675,000	420,000
General Obligation Public Improvement, Series 2010	7,200,000	3.6781	12-22-10	4-1-30	7,200,000	0	100,000	7,100,000
Total Bonds Payable					\$ 134,350,000	\$ 0	\$ 7,180,000	\$ 127,170,000

<u>DISCRETELY PRESENTED PUTNAM COUNTY SCHOOL DEPARTMENT</u>								
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Purpose School Fund	649,778	1.2363	8-19-11	9-1-13	\$ 0	\$ 649,778	\$ 213,937	\$ 435,841
Laptop Computers								

Exhibit K-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 127,170,000	\$ 51,813,240	\$ 178,983,240

DISCRETELY PRESENTED PUTNAM
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Capital	Capital	Total
	Lease Principal	Lease Interest	Capital Lease Requirements
2013	\$ 216,582	\$ 5,388	\$ 221,970
2014	219,259	2,711	221,970
Total	\$ 435,841	\$ 8,099	\$ 443,940

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2012

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12
<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%	\$ 833,332
Building	General Fund	1,750,000	6-24-08	6-24-17	2	972,224
Total Notes Receivable						<u>\$ 1,805,556</u>

Exhibit K-4

Putnam County, Tennessee
Schedule of Transfers
Discretely Presented Putnam County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs/reimbursements	\$ 98,635
Central Cafeteria	"	Salary reimbursements/direct costs	428,503
General Purpose School	School Federal Projects	Cash flow	1,000,000
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 1,527,138</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, 2012

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	Section 8-24-102, TCA	79,436	100,000	"
Director of Schools: Dr. Kathleen Airhart (7-1-11 to 12-31-11)	State Board of Education and Putnam County Board of Education	49,635	(5)	"
Jerry Boyd (1-1-12 to 6-30-12)	State Board of Education and Putnam County Board of Education	41,242	(5)	"
Trustee	Section 8-24-102, TCA,	72,214	2,900,000	Auto Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	72,214	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	72,214	50,000	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	Section 8-24-102, TCA	72,214	25,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	79,436 (4)	25,000	"
Employee Blanket Bonds Public Employee Dishonesty - Primary Government and the Discretely Presented Putnam County School Department			500,000	Hartford Insurance Company

- (1) Includes additional appropriation of \$1,261.
- (2) Does not include special commissioners fees of \$7,215.
- (3) Does not include special commissioners fees of \$15,549.
- (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 public employee blanket bond.

Exhibit K-6

Putnam County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 10,803,955	\$ 2,467,678	\$ 388,149	\$ 0	\$ 0	\$ 711,592	0
Trustee's Collections - Prior Year	341,468	82,631	11,016	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	309,729	66,608	9,991	0	0	0	0
Interest and Penalty	64,498	13,871	2,081	0	0	0	1
Payments in-Lieu-of Taxes - T.V.A.	338	77	12	0	0	0	22
Payments in-Lieu-of Taxes - Other	2,739	613	96	0	0	0	128
<u>County Local Option Taxes</u>							
Local Option Sales Tax	4,843	0	0	0	0	0	0
Hotel/Motel Tax	203,531	0	0	0	0	0	80,950
Litigation Tax - General	288,242	0	0	0	0	0	0
Litigation Tax - Special Purpose	65,560	0	0	0	0	0	0
Business Tax	1,055,439	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	47,170	10,733	1,695	0	0	0	3,107
Wholesale Beer Tax	225,016	0	0	0	0	0	0
Interstate Telecommunications Tax	3,417	0	0	0	0	0	0
Total Local Taxes	\$ 13,415,945	\$ 2,642,211	\$ 413,040	\$ 0	\$ 0	\$ 711,592	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 164,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>							
Building Permits	95,692	0	0	0	0	0	0
Electrical Permits	36,721	0	0	0	0	0	0
Plumbing Permits	6,804	0	0	0	0	0	0
Other Permits	3,550	0	0	0	0	0	0
Total Licenses and Permits	\$ 307,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	General	Special Revenue Funds						Sports and Recreation
		Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 60,215	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	19,822	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	1,009	0	0
Drug Court Fees	1,226	0	0	0	0	0	0	0
Jail Fees	43,629	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	1,913	0	0	0	0	0	0	0
DUI Treatment Fines	21,166	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,484	0	0	0	0	0	0	0
Courtroom Security Fee	1,140	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	69,326	0	0	0	0	0	0	0
Officers Costs	124,392	0	0	0	0	0	0	0
Drug Control Fines	344	0	0	0	0	2,160	0	0
Drug Court Fees	10,012	0	0	0	0	0	0	0
Jail Fees	224,205	0	0	0	0	0	0	0
Interpreter Fees	3,974	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0	0
Judicial Commissioner Fees	3,083	0	0	0	0	0	0	0
DUI Treatment Fines	8,803	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	25,045	0	0	0	0	0	0	0
Courtroom Security Fee	6,744	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	2,290	0	0	0	0	0	0	0
Officers Costs	12,426	0	0	0	0	0	0	0
Drug Control Fines	653	0	0	0	0	0	0	0
Jail Fees	14,442	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,592	0	0	0	0	0	0	0
Courtroom Security Fee	294	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs						
Data Entry Fee - Chancery Court	7,163	0	0	0	0	0
Courts in Other District Counties	4,477	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Courtroom Security Fee	383	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	68,070	0
Other Fines, Forfeitures, and Penalties	889	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 671,132	\$ 0	\$ 0	\$ 0	\$ 71,239	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	274	863,944	0	0	0	0
Solid Waste Disposal Fees	0	40,000	0	0	0	0
Patient Charges	3,555,518	0	0	0	0	0
Other General Service Charges	27,834	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	200	0	650	0	0	0
Recreation Fees	4,875	0	0	0	0	68,659
Archives and Records Management Fee - County Clerk	67	0	0	74,531	0	0
Telephone Commissions	61,057	0	0	0	0	0
Vending Machine Collections	0	0	0	0	0	87
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	22,630	0	0	0	0	0
Data Processing Fee - Sheriff	11,104	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,607	0	0	0	0	0
Data Processing Fee - County Clerk	6,882	0	0	0	0	0
Total Charges for Current Services	\$ 3,694,048	\$ 903,944	\$ 650	\$ 74,531	\$ 0	\$ 68,746

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 200,767	\$ 0	\$ 20,199	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	307,172	0	0	0	0	0	38,428
Sale of Materials and Supplies	7,925	5,217	0	0	0	0	0
Commissary Sales	222,670	0	0	0	0	0	0
Sale of Gasoline	110,709	0	0	0	0	0	0
Sale of Recycled Materials	0	351,435	0	0	0	0	0
Miscellaneous Refunds	17,657	1,842	5,464	0	9,011	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	5,000
Damages Recovered from Individuals	57,802	0	0	0	0	0	0
Contributions and Gifts	0	0	0	7,141	0	0	1,065
Performance Bond Forfeitures	11,922	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	74,568	0	0	0	0	0	4,427
Total Other Local Revenues	\$ 1,011,192	\$ 358,494	\$ 25,663	\$ 7,141	\$ 9,011	\$ 0	\$ 48,920
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 667,901	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	315,228	0	0	0	0	0	0
General Sessions Court Clerk	880,756	0	0	0	0	0	0
Clerk and Master	255,605	0	0	0	0	0	0
Juvenile Court Clerk	77,908	0	0	0	0	0	0
Register	284,513	0	0	0	0	0	0
Sheriff	35,908	0	0	0	0	0	0
Trustee	1,252,296	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,770,115	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 64,588	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	37,624	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	36,000	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	1,138,410	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	42,054	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	107,210	0	0	0	0	0	0
Alcoholic Beverage Tax	92,888	0	0	0	0	0	0
State Revenue Sharing - T. V.A.	870,164	0	0	0	0	0	0
Board of Jurors	2,140	0	0	0	0	0	0
Contracted Prisoner Boarding	764,750	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	0	0	63,451	0	0	0	0
Total State of Tennessee	\$ 3,133,328	\$ 37,624	\$ 63,451	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	314,262	0	0	0	0	0	0
Law Enforcement Grants	6,890	0	0	0	0	0	0
Other Federal through State	28,968	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	15,800	0	0	0	0	0	0
Total Federal Government	\$ 365,920	\$ 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	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board Contributions	\$ 359,678	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	0	0	0	0	0	0	18,500
Other	85,000	0	0	0	0	0	0
Other	100,371	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 545,049	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,500
Total	\$ 26,914,287	\$ 3,942,273	\$ 502,804	\$ 81,672	\$ 80,250	\$ 931,966	

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Highway / Public Works	General Debt Service	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees	General Debt Service				
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 1,128,776	\$ 6,833,396	\$ 259,124	\$ 22,592,670	
Trustee's Collections - Prior Year	0	0	40,701	224,481	7,761	708,058	
Circuit/Clerk & Master Collections - Prior Years	0	0	29,874	179,843	7,466	603,511	
Interest and Penalty	0	0	6,107	37,878	1,421	125,857	
Payments in-Lieu-of Taxes - T.V.A.	0	0	35	214	8	706	
Payments in-Lieu-of Taxes - Other	0	0	281	1,690	64	5,611	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	3,381,288	0	3,386,131	
Hotel/Motel Tax	0	0	0	552,228	0	836,709	
Litigation Tax - General	0	0	0	0	0	288,242	
Litigation Tax - Special Purpose	0	0	0	0	0	65,560	
Business Tax	0	0	0	0	0	1,055,439	
Mineral Severance Tax	0	0	149,724	0	0	149,724	
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	4,943	29,805	1,130	98,583	
Wholesale Beer Tax	0	0	0	0	0	225,016	
Interstate Telecommunications Tax	0	0	0	0	0	3,417	
Total Local Taxes	\$ 0	\$ 0	\$ 1,360,441	\$ 11,240,823	\$ 276,974	\$ 30,145,234	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 164,791	
<u>Permits</u>							
Building Permits	0	0	0	0	0	95,692	
Electrical Permits	0	0	0	0	0	36,721	
Plumbing Permits	0	0	0	0	0	6,804	
Other Permits	0	0	0	0	0	3,550	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 307,558	

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service			
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	60,215
Officers Costs	0	0	0	0	0	0	19,822
Drug Control Fines	0	0	0	0	0	0	1,009
Drug Court Fees	0	0	0	0	0	0	1,226
Jail Fees	0	0	0	0	0	0	43,629
District Attorney General Fees	4,205	0	0	0	0	0	4,205
Judicial Commissioner Fees	0	0	0	0	0	0	1,913
DUI Treatment Fines	0	0	0	0	0	0	21,166
Data Entry Fee - Circuit Court	0	0	0	0	0	0	1,484
Courtroom Security Fee	0	0	0	0	0	0	1,140
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	69,326
Officers Costs	0	0	0	0	0	0	124,392
Drug Control Fines	0	0	0	0	0	0	2,504
Drug Court Fees	0	0	0	0	0	0	10,012
Jail Fees	0	0	0	0	0	0	224,205
Interpreter Fees	0	0	0	0	0	0	3,974
District Attorney General Fees	14,156	0	0	0	0	0	14,156
Judicial Commissioner Fees	0	0	0	0	0	0	3,083
DUI Treatment Fines	0	0	0	0	0	0	8,803
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	25,045
Courtroom Security Fee	0	0	0	0	0	0	6,744
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	2,290
Officers Costs	0	0	0	0	0	0	12,426
Drug Control Fines	0	0	0	0	0	0	653
Jail Fees	0	0	0	0	0	0	14,442
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	1,592
Courtroom Security Fee	0	0	0	0	0	0	294

(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
	District Attorney General	Constitu- tional Officers - Fees	General Debt Service				
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	7,163
Data Entry Fee - Chancery Court	0	0	0	0	0	0	4,477
Courts in Other District Counties							
District Attorney General Fees	32,791	0	0	0	0	0	32,791
Judicial District Drug Program							
Courtroom Security Fee	0	0	0	0	0	0	383
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	0	0	68,070
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	889
Total Fines, Forfeitures, and Penalties	\$ 51,152 \$	0 \$	0 \$	0 \$	0 \$	0 \$	793,523
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Tipping Fees	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	864,218
Solid Waste Disposal Fees	0	0	0	0	0	0	40,000
Patient Charges	0	0	0	0	0	0	3,555,518
Other General Service Charges	0	0	0	0	0	0	27,834
Fees							
Subdivision Lot Fees	0	0	0	0	0	0	850
Recreation Fees	0	0	0	0	0	0	73,534
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	74,598
Telephone Commissions	0	0	0	0	0	0	61,057
Vending Machine Collections	0	0	0	0	0	0	87
Constitutional Officers' Fees and Commissions	0	213	0	0	0	0	213
Data Processing Fee - Register	0	0	0	0	0	0	22,630
Data Processing Fee - Sheriff	0	0	0	0	0	0	11,104
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	3,607
Data Processing Fee - County Clerk	0	0	0	0	0	0	6,882
Total Charges for Current Services	\$ 0 \$	213 \$	0 \$	0 \$	0 \$	0 \$	4,742,132

(Continued)

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	Total
	District Attorney General	Constitutional Officers - Fees	Highway / Public Works	General Debt Service			
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 47,175	\$ 0	\$ 0	268,141
Lease/Rentals	0	0	0	0	0	0	345,600
Sale of Materials and Supplies	0	0	8,924	0	0	0	22,066
Commissary Sales	0	0	0	0	0	0	222,670
Sale of Gasoline	0	0	0	0	0	0	110,709
Sale of Recycled Materials	0	0	0	0	0	0	351,435
Miscellaneous Refunds	909	0	1,033	0	0	0	35,916
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	5,000
Damages Recovered from Individuals	0	0	0	0	0	0	57,802
Contributions and Gifts	0	0	0	0	0	0	8,206
Performance Bond Forfeitures	0	0	0	0	0	0	11,922
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	78,995
Total Other Local Revenues	\$ 909	\$ 0	\$ 9,957	\$ 47,175	\$ 0	\$ 0	\$ 1,518,462
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	667,901
Circuit Court Clerk	0	0	0	0	0	0	315,228
General Sessions Court Clerk	0	0	0	0	0	0	880,756
Clerk and Master	0	0	0	0	0	0	255,605
Juvenile Court Clerk	0	0	0	0	0	0	77,908
Register	0	0	0	0	0	0	284,513
Sheriff	0	0	0	0	0	0	35,908
Trustee	0	0	0	0	0	0	1,252,296
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,770,115

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Highway / Public Works	General Debt Service	Capital Projects Fund	Total
	District Attorney General	Constitu- tional Officers - Fees					
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 64,598
Solid Waste Grants	0	0	0	0	0	0	37,624
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	36,000
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	1,138,410
<u>Public Works Grants</u>							
State Aid Program	0	0	243,058	0	0	0	243,058
Litter Program	0	0	0	0	0	0	42,054
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	107,210
Alcoholic Beverage Tax	0	0	0	0	0	0	92,838
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	870,164
Board of Jurors	0	0	0	0	0	0	2,140
Contracted Prisoner Boarding	0	0	0	0	0	0	764,750
Gasoline and Motor Fuel Tax	0	0	1,940,734	0	0	0	1,940,734
Petroleum Special Tax	0	0	52,183	0	0	0	52,183
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	63,451
Total State of Tennessee	\$ 0	\$ 0	\$ 2,235,975	\$ 0	\$ 0	\$ 0	\$ 5,470,378
<u>Federal Government</u>							
<u>Federal Through State</u>							
Disaster Relief	\$ 0	\$ 0	\$ 205,291	\$ 0	\$ 0	\$ 0	\$ 205,291
Homeland Security Grants	0	0	0	0	0	0	314,262
Law Enforcement Grants	0	0	0	0	0	0	6,890
Other Federal through State	0	0	0	0	0	9,916	38,884
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	15,800
Total Federal Government	\$ 0	\$ 0	\$ 205,291	\$ 0	\$ 0	\$ 9,916	\$ 581,127

(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
	District Attorney General	Constitu- tional Officers - Fees	General				
Other Governments and Citizens Groups							
<u>Other Governments</u>							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 359,678
Contributions	0	0	0	0	0	0	18,500
Contracted Services	0	0	0	0	0	0	85,000
<u>Other</u>	0	0	0	0	0	0	100,371
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 563,549
Total	\$ 52,061	\$ 213	\$ 3,811,664	\$ 11,287,998	\$ 286,890	\$ 47,892,078	

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, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,625,087	\$ 0	\$ 0	\$ 0	\$ 11,625,087
Trustee's Collections - Prior Year	409,072	0	0	0	409,072
Circuit/Clerk & Master Collections - Prior Years	313,059	0	0	0	313,059
Interest and Penalty	63,789	0	0	0	63,789
Payments in-Lieu-of Taxes - T.V.A.	364	0	0	0	364
Payments in-Lieu-of Taxes - Other	2,899	0	0	0	2,899
<u>County Local Option Taxes</u>					
Local Option Sales Tax	15,491,400	0	0	0	15,491,400
<u>Statutory Local Taxes</u>					
Bank Excise Tax	50,842	0	0	0	50,842
Interstate Telecommunications Tax	1,872	0	0	0	1,872
Total Local Taxes	\$ 27,958,384	\$ 0	\$ 0	\$ 0	\$ 27,958,384
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,064	\$ 0	\$ 0	\$ 0	\$ 5,064
Total Licenses and Permits	\$ 5,064	\$ 0	\$ 0	\$ 0	\$ 5,064
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 844,340	\$ 0	\$ 844,340
Lunch Payments - Adults	0	0	98,309	0	98,309
Income from Breakfast	0	0	541,714	0	541,714
A la carte Sales	0	0	178,588	0	178,588
Transportation - Other State Systems	15,452	0	0	0	15,452
Transportation from Individuals	106,924	0	0	0	106,924
Contract for Instructional Services with Other LEAs	30,000	0	0	0	30,000
Receipts from Individual Schools	130,903	0	0	0	130,903
Community Service Fees - Children	0	0	0	874,664	874,664
TBI Criminal Background Fees	14,510	0	0	0	14,510
<u>Other Charges for Services</u>					
Other Charges for Services	500	0	0	0	500
Total Charges for Current Services	\$ 298,289	\$ 0	\$ 1,662,951	\$ 874,664	\$ 2,835,904
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 4,376	\$ 0	\$ 4,376
Sale of Materials and Supplies	8,337	0	0	0	8,337
Refund of Telecommunication & Internet Fees (E-Rate)	93,596	0	0	0	93,596
Miscellaneous Refunds	0	0	26,753	225	26,978
Expenditure Credits	0	0	4,194	0	4,194
<u>Nonrecurring Items</u>					
Sale of Equipment	19,870	0	1,717	0	21,587
Sale of Property	57,051	0	0	0	57,051
Damages Recovered from Individuals	74	0	0	0	74
Contributions and Gifts	2,500	0	0	3,895	6,395
<u>Other Local Revenues</u>					
Other Local Revenues	31,014	0	0	0	31,014
Total Other Local Revenues	\$ 212,442	\$ 0	\$ 37,040	\$ 4,120	\$ 253,602

(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	\$ 285,864	\$ 0	\$ 0	\$ 0	\$ 285,864
<u>State Education Funds</u>					
Basic Education Program	38,883,000	0	0	0	38,883,000
Early Childhood Education	1,615,741	0	0	0	1,615,741
School Food Service	0	0	49,648	0	49,648
Energy Efficient School Initiative	57,213	0	0	0	57,213
Other State Education Funds	342,708	0	0	0	342,708
Career Ladder Program	420,738	0	0	0	420,738
Career Ladder - Extended Contract	155,700	0	0	0	155,700
Career Ladder - Extended Contract - ARRA	98,882	0	0	0	98,882
<u>Other State Revenues</u>					
Mixed Drink Tax	141,820	0	0	0	141,820
Other State Grants	333,576	0	0	0	333,576
Other State Revenues	6,751	0	0	0	6,751
Total State of Tennessee	\$ 42,341,993	\$ 0	\$ 49,648	\$ 0	\$ 42,391,641
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,497,454	\$ 0	\$ 2,497,454
USDA - Commodities	0	0	311,877	0	311,877
Breakfast	0	0	960,935	0	960,935
USDA - Other	0	0	75,653	0	75,653
Adult Education State Grant Program	118,237	0	0	0	118,237
Vocational Education - Basic Grants to States	0	191,808	0	0	191,808
Other Vocational	8,540	0	0	0	8,540
Title I Grants to Local Education Agencies	0	3,793,248	0	0	3,793,248
Special Education - Grants to States	174,191	2,402,207	0	0	2,576,398
Special Education Preschool Grants	0	41,299	0	0	41,299
English Language Acquisition Grants	0	97,775	0	0	97,775
Safe and Drug-free Schools - State Grants	0	526,731	0	0	526,731
Education for Homeless Children and Youth	0	5,447	0	0	5,447
Eisenhower Professional Development State Grants	0	534,025	0	0	534,025
Job Training Partnership Act	11,000	0	0	0	11,000
Disaster Relief	34,593	0	0	0	34,593
Race-to-the-Top - ARRA	0	1,065,524	0	0	1,065,524
Other Federal through State	4,471	1,355,477	0	0	1,359,948
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	88,965	0	0	0	88,965
Total Federal Government	\$ 439,997	\$ 10,013,541	\$ 3,845,919	\$ 0	\$ 14,299,457
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 94,887	\$ 0	\$ 571	\$ 1,060	\$ 96,518
<u>Citizens Groups</u>					
Donations	15,759	0	0	0	15,759
<u>Other</u>					
Other	9,097	0	0	923	10,020
Total Other Governments and Citizens Groups	\$ 119,743	\$ 0	\$ 571	\$ 1,983	\$ 122,297
Total	\$ 71,375,912	\$ 10,013,541	\$ 5,596,129	\$ 880,767	\$ 87,866,349

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$ 119,125	
Social Security	9,113	
Audit Services	21,696	
Dues and Memberships	3,078	
Other Charges	1,317	
Total County Commission		\$ 154,329

Beer Board

Board and Committee Members Fees	\$ 2,025	
Total Beer Board		2,025

County Mayor/Executive

County Official/Administrative Officer	\$ 84,668	
Temporary Personnel	11,764	
Longevity Pay	5,200	
Other Salaries and Wages	154,800	
Social Security	18,740	
State Retirement	25,715	
Employee and Dependent Insurance	2,145	
Life Insurance	198	
Medical Insurance	27,721	
Dental Insurance	66	
Unemployment Compensation	373	
Communication	5,774	
Data Processing Services	7,530	
Dues and Memberships	1,650	
Maintenance and Repair Services - Equipment	770	
Office Supplies	10,955	
Premiums on Corporate Surety Bonds	175	
Workers' Compensation Insurance	2,685	
Other Charges	140	
Data Processing Equipment	5,629	
Office Equipment	1,508	
Total County Mayor/Executive		368,206

County Attorney

County Official/Administrative Officer	\$ 144,306	
Legal Services	11,816	
Other Charges	119	
Total County Attorney		156,241

(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		13,640	
Longevity Pay		1,300	
Overtime Pay		2,025	
Other Salaries and Wages		82,300	
Election Commission		7,790	
Election Workers		41,270	
Social Security		12,514	
State Retirement		15,617	
Life Insurance		159	
Medical Insurance		23,167	
Dental Insurance		319	
Unemployment Compensation		522	
Communication		1,015	
Data Processing Services		11,920	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		7,882	
Maintenance and Repair Services - Equipment		2,422	
Printing, Stationery, and Forms		6,486	
Travel		7,841	
Other Contracted Services		5,095	
Office Supplies		38,973	
Liability Insurance		3,858	
Workers' Compensation Insurance		2,148	
Office Equipment		1,225	
Total Election Commission			\$ 354,731

Register of Deeds

County Official/Administrative Officer	\$	72,214
Other Salaries and Wages		82,025
Social Security		11,017
State Retirement		15,336
Life Insurance		198
Medical Insurance		26,942
Dental Insurance		647
Unemployment Compensation		281
Communication		1,867
Dues and Memberships		516
Maintenance Agreements		14,246
Travel		496

(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.)

Data Processing Supplies	\$	5,097	
Office Supplies		4,286	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		2,685	
Total Register of Deeds			\$ 237,953

Codes Compliance

Assistant(s)	\$	30,817	
Longevity Pay		900	
Other Salaries and Wages		29,950	
In-Service Training		1,293	
Social Security		4,006	
State Retirement		6,474	
Life Insurance		119	
Medical Insurance		16,894	
Dental Insurance		548	
Unemployment Compensation		144	
Communication		2,767	
Printing, Stationery, and Forms		609	
Other Contracted Services		26,701	
Gasoline		4,550	
Office Supplies		2,290	
Periodicals		127	
Uniforms		621	
Refunds		489	
Workers' Compensation Insurance		1,611	
Office Equipment		1,212	
Total Codes Compliance			132,122

Geographical Information Systems

In-Service Training	\$	375	
Maintenance Agreements		8,750	
Travel		115	
Office Supplies		4,038	
Other Equipment		3,900	
Total Geographical Information Systems			17,178

County Buildings

Supervisor/Director	\$	53,800	
Secretary(ies)		28,350	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Personnel	\$ 86,827	
Part-time Personnel	28,114	
Longevity Pay	17,000	
Overtime Pay	6,384	
Other Salaries and Wages	552,238	
In-Service Training	658	
Social Security	54,487	
State Retirement	76,499	
Life Insurance	922	
Medical Insurance	152,010	
Dental Insurance	2,212	
Unemployment Compensation	2,004	
Communication	12,492	
Maintenance Agreements	68,345	
Maintenance and Repair Services - Buildings	276,588	
Maintenance and Repair Services - Equipment	6,000	
Maintenance and Repair Services - Vehicles	227,770	
Rentals	1,371	
Custodial Supplies	21,608	
Gasoline	28,742	
Office Supplies	2,947	
Small Tools	2,634	
Uniforms	14,965	
Utilities	645,113	
Workers' Compensation Insurance	12,530	
Other Charges	3,114	
Interest on Notes	23,333	
Other Equipment	11,255	
Total County Buildings		\$ 2,420,312

Other Facilities

Computer Programmer(s)	\$ 114,600
Longevity Pay	2,700
Overtime Pay	17,367
In-Service Training	5,810
Social Security	9,537
State Retirement	12,328
Life Insurance	119
Medical Insurance	18,933
Dental Insurance	209

(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.)

Unemployment Compensation	\$	216	
Communication		3,036	
Maintenance and Repair Services - Office Equipment		53,044	
Office Supplies		1,167	
Small Tools		223	
Workers' Compensation Insurance		1,611	
Other Charges		213	
Data Processing Equipment		52,185	
Total Other Facilities			\$ 293,298

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	72,214	
Part-time Personnel		19,827	
Longevity Pay		4,400	
Other Salaries and Wages		196,596	
Board and Committee Members Fees		1,550	
In-Service Training		665	
Social Security		20,919	
State Retirement		29,763	
Life Insurance		355	
Medical Insurance		47,303	
Dental Insurance		410	
Unemployment Compensation		626	
Audit Services		25,185	
Communication		3,955	
Data Processing Services		10,000	
Dues and Memberships		1,650	
Maintenance and Repair Services - Equipment		200	
Travel		727	
Office Supplies		8,079	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		4,833	
Office Equipment		1,500	
Total Property Assessor's Office			450,857

County Trustee's Office

County Official/Administrative Officer	\$	72,214
Longevity Pay		10,300
Other Salaries and Wages		180,738

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Social Security	\$	19,288	
State Retirement		23,805	
Life Insurance		277	
Medical Insurance		33,324	
Dental Insurance		603	
Unemployment Compensation		432	
Communication		2,688	
Data Processing Services		17,312	
Dues and Memberships		676	
Legal Notices, Recording, and Court Costs		197	
Maintenance and Repair Services - Equipment		110	
Travel		1,245	
Office Supplies		16,834	
Premiums on Corporate Surety Bonds		4,265	
Workers' Compensation Insurance		3,759	
Office Equipment		9,146	
Total County Trustee's Office			\$ 397,213

County Clerk's Office

County Official/Administrative Officer	\$	72,214	
Longevity Pay		8,700	
Overtime Pay		1,245	
Other Salaries and Wages		444,491	
Social Security		37,381	
State Retirement		55,233	
Life Insurance		843	
Medical Insurance		91,051	
Dental Insurance		986	
Unemployment Compensation		1,323	
Communication		5,276	
Data Processing Services		1,855	
Dues and Memberships		716	
Maintenance Agreements		14,977	
Travel		918	
Office Supplies		29,637	
Premiums on Corporate Surety Bonds		123	
Workers' Compensation Insurance		11,456	
Other Charges		467	
Office Equipment		9,999	
Total County Clerk's Office			788,891

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Other Finance

Longevity Pay	\$	800	
Overtime Pay		2,234	
Other Salaries and Wages		80,700	
Social Security		5,482	
State Retirement		8,565	
Life Insurance		79	
Medical Insurance		14,155	
Dental Insurance		187	
Unemployment Compensation		234	
Communication		924	
Data Processing Services		8,794	
Travel		21	
Gasoline		2,831	
Office Supplies		1,669	
Workers' Compensation Insurance		1,074	
Motor Vehicles		11,039	
Office Equipment		1,819	
Total Other Finance			\$ 140,607

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,214
Part-time Personnel		7,926
Longevity Pay		24,300
Other Salaries and Wages		689,774
Jury and Witness Expense		21,604
Other Per Diem and Fees		31,400
Social Security		59,370
State Retirement		75,049
Life Insurance		790
Medical Insurance		119,132
Dental Insurance		1,954
Unemployment Compensation		2,017
Communication		4,634
Data Processing Services		11,192
Dues and Memberships		636
Maintenance Agreements		15,036
Maintenance and Repair Services - Equipment		269
Travel		1,747
Data Processing Supplies		3,706

(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.)

Office Supplies	\$	43,135	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		10,740	
Total Circuit Court			\$ 1,196,975

General Sessions Court

Judge(s)	\$	296,900	
Longevity Pay		1,800	
Other Salaries and Wages		53,679	
Social Security		21,640	
State Retirement		37,035	
Life Insurance		119	
Medical Insurance		18,201	
Dental Insurance		746	
Unemployment Compensation		66	
Data Processing Services		2,332	
Dues and Memberships		335	
Maintenance and Repair Services - Equipment		3,640	
Travel		2,302	
Gasoline		533	
Office Supplies		1,792	
Workers' Compensation Insurance		1,611	
Total General Sessions Court			442,731

Drug Court

Social Security	\$	35	
State Retirement		49	
Medical Insurance		64	
Unemployment Compensation		2	
Other Contracted Services		28,440	
Total Drug Court			28,590

Chancery Court

County Official/Administrative Officer	\$	72,214	
Longevity Pay		3,300	
Other Salaries and Wages		152,700	
Other Per Diem and Fees		10,300	
Social Security		16,534	
State Retirement		23,985	
Life Insurance		237	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Medical Insurance	\$ 38,415	
Dental Insurance	853	
Unemployment Compensation	430	
Communication	1,521	
Data Processing Services	6,245	
Dues and Memberships	516	
Legal Notices, Recording, and Court Costs	1,817	
Maintenance Agreements	1,132	
Maintenance and Repair Services - Equipment	1,105	
Data Processing Supplies	2,180	
Office Supplies	6,952	
Premiums on Corporate Surety Bonds	350	
Workers' Compensation Insurance	3,222	
Office Equipment	640	
Total Chancery Court		\$ 344,648

Juvenile Court

Probation Officer(s)	\$ 25,800	
Youth Service Officer(s)	96,600	
Longevity Pay	1,800	
Other Salaries and Wages	22,050	
In-Service Training	2,239	
Social Security	10,347	
State Retirement	15,875	
Life Insurance	198	
Medical Insurance	34,900	
Unemployment Compensation	360	
Communication	6,460	
Data Processing Services	1,925	
Dues and Memberships	490	
Travel	1,172	
Other Contracted Services	17,399	
Office Supplies	1,610	
Workers' Compensation Insurance	2,685	
Office Equipment	1,835	
Total Juvenile Court		243,745

Judicial Commissioners

Part-time Personnel	\$ 4,440	
Longevity Pay	1,100	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Other Salaries and Wages	\$ 52,800	
In-Service Training	2,496	
Social Security	4,419	
State Retirement	3,425	
Life Insurance	79	
Medical Insurance	4,627	
Dental Insurance	21	
Unemployment Compensation	262	
Workers' Compensation Insurance	1,074	
Other Charges	440	
Total Judicial Commissioners		\$ 75,183

Other Administration of Justice

Probation Officer(s)	\$ 18,000	
Social Security	1,352	
State Retirement	315	
Life Insurance	40	
Medical Insurance	800	
Unemployment Compensation	78	
Travel	1,136	
Other Contracted Services	300	
Office Supplies	453	
Workers' Compensation Insurance	537	
Total Other Administration of Justice		23,011

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 79,436
Deputy(ies)	1,933,504
Investigator(s)	360,750
Salary Supplements	36,000
Dispatchers/Radio Operators	245,076
Secretary(ies)	159,409
Longevity Pay	64,467
Overtime Pay	187,890
Other Salaries and Wages	75,872
In-Service Training	52,176
Other Per Diem and Fees	60,679
Social Security	232,058
State Retirement	314,820

(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.)

Life Insurance	\$	2,390	
Medical Insurance		429,628	
Dental Insurance		2,962	
Unemployment Compensation		5,579	
Communication		33,657	
Contributions		9,610	
Data Processing Services		6,280	
Maintenance and Repair Services - Equipment		16,277	
Transportation - Other than Students		1,338	
Travel		1,858	
Other Contracted Services		650	
Animal Food and Supplies		7,124	
Gasoline		277,132	
Instructional Supplies and Materials		1,044	
Uniforms		29,595	
Other Supplies and Materials		15,328	
Premiums on Corporate Surety Bonds		7,100	
Workers' Compensation Insurance		33,115	
Communication Equipment		55,939	
Law Enforcement Equipment		5,000	
Motor Vehicles		279,162	
Traffic Control Equipment		4,291	
Other Equipment		15,114	
Total Sheriff's Department			\$ 5,042,310

Jail

Medical Personnel	\$	1,393
Guards		1,282,779
Cafeteria Personnel		62,065
Part-time Personnel		25,799
Longevity Pay		14,200
Overtime Pay		45,162
Other Per Diem and Fees		32,892
Social Security		106,898
State Retirement		144,633
Life Insurance		1,594
Medical Insurance		227,934
Dental Insurance		2,487
Unemployment Compensation		3,955
Contracts with Government Agencies		175,105

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical and Dental Services	\$ 577,749	
Custodial Supplies	33,818	
Food Supplies	263,433	
Office Supplies	21,640	
Other Supplies and Materials	7,446	
Workers' Compensation Insurance	21,659	
Other Charges	20,144	
Data Processing Equipment	13,780	
Office Equipment	13,015	
Other Equipment	23,428	
Total Jail		\$ 3,123,008

Workhouse

Supervisor/Director	\$ 1,200	
Guards	34,928	
Part-time Personnel	9,373	
Longevity Pay	2,000	
Social Security	3,333	
State Retirement	3,980	
Life Insurance	40	
Medical Insurance	7,097	
Dental Insurance	338	
Unemployment Compensation	173	
Uniforms	1,337	
Workers' Compensation Insurance	537	
Other Charges	4,679	
Total Workhouse		69,015

Juvenile Services

Supervisor/Director	\$ 21,844
Guards	378,119
Secretary(ies)	30,387
Longevity Pay	10,925
Overtime Pay	15,390
In-Service Training	497
Other Per Diem and Fees	11,196
Social Security	33,646
State Retirement	47,290
Life Insurance	606
Medical Insurance	73,302

(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.)

Dental Insurance	\$	450	
Unemployment Compensation		1,029	
Communication		2,537	
Medical and Dental Services		620	
Travel		386	
Food Supplies		4,280	
Gasoline		1,129	
Office Supplies		4,628	
Uniforms		2,540	
Workers' Compensation Insurance		7,634	
Other Charges		6,818	
Office Equipment		879	
Total Juvenile Services			\$ 656,132

Commissary

Food Supplies	\$	84,524	
Other Supplies and Materials		29,453	
Total Commissary			113,977

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Other Salaries and Wages		39,813	
In-Service Training		15,041	
Social Security		2,929	
State Retirement		4,024	
Life Insurance		119	
Unemployment Compensation		216	
Communication		4,271	
Maintenance and Repair Services - Equipment		580	
Gasoline		22,472	
Office Supplies		418	
Uniforms		1,938	
Workers' Compensation Insurance		1,611	
Other Charges		588	
Communication Equipment		1,519	
Other Equipment		84,260	
Total Fire Prevention and Control			218,083

Civil Defense

Contributions	\$	123,720	
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(Continued)

Exhibit K-8

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Civil Defense (Cont.)</u>		
Other Contracted Services	\$ 52,000	
Total Civil Defense		\$ 175,720
 <u>Other Emergency Management</u>		
Communication Equipment	\$ 21,819	
Health Equipment	185,681	
Other Equipment	68,524	
Total Other Emergency Management		276,024
 <u>County Coroner/Medical Examiner</u>		
Other Per Diem and Fees	\$ 6,800	
Other Contracted Services	66,315	
Premiums on Corporate Surety Bonds	200	
Other Charges	4,730	
Total County Coroner/Medical Examiner		78,045
 <u>Public Health and Welfare</u>		
<u>Local Health Center</u>		
Other Salaries and Wages	\$ 20,950	
Social Security	1,585	
State Retirement	2,202	
Life Insurance	40	
Medical Insurance	4,407	
Unemployment Compensation	72	
Communication	19,830	
Contracts with Government Agencies	130,973	
Contributions	3,302	
Travel	100	
Other Contracted Services	7,602	
Custodial Supplies	8,600	
Drugs and Medical Supplies	10,400	
Office Supplies	10,922	
Periodicals	833	
Workers' Compensation Insurance	537	
Other Charges	13,022	
Motor Vehicles	6,000	
Total Local Health Center		241,377
 <u>Ambulance/Emergency Medical Services</u>		
Supervisor/Director	\$ 55,000	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Deputy(ies)	\$ 54,000	
Accountants/Bookkeepers	36,750	
Paraprofessionals	1,724,410	
Secretary(ies)	31,950	
Part-time Personnel	263,723	
Longevity Pay	47,400	
Overtime Pay	144,796	
In-Service Training	20,376	
Social Security	172,989	
State Retirement	224,138	
Life Insurance	1,923	
Medical Insurance	321,436	
Dental Insurance	1,988	
Unemployment Compensation	4,477	
Communication	10,337	
Data Processing Services	5,079	
Maintenance and Repair Services - Equipment	23,159	
Medical and Dental Services	9,481	
Travel	428	
Permits	4,539	
Drugs and Medical Supplies	118,261	
Gasoline	185,099	
Office Supplies	13,316	
Uniforms	23,712	
Other Supplies and Materials	9,008	
Workers' Compensation Insurance	26,134	
Other Charges	1,622	
Communication Equipment	23,433	
Furniture and Fixtures	2,263	
Motor Vehicles	231,160	
Office Equipment	1,687	
Other Equipment	55,355	
Total Ambulance/Emergency Medical Services		\$ 3,849,429

Other Local Health Services

Supervisor/Director	\$ 600
Social Security	42
State Retirement	63
Life Insurance	40
Medical Insurance	81

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Unemployment Compensation	\$	1	
Drugs and Medical Supplies		20,973	
Other Supplies and Materials		7,880	
Workers' Compensation Insurance		537	
Total Other Local Health Services			\$ 30,217

Regional Mental Health Center

Contributions	\$	5,000	
Total Regional Mental Health Center			5,000

General Welfare Assistance

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

Aid to Dependent Children

Contributions	\$	7,632	
Total Aid to Dependent Children			7,632

Other Public Health and Welfare

Longevity Pay	\$	5,100	
Other Salaries and Wages		873,752	
Social Security		65,311	
State Retirement		67,815	
Employee and Dependent Insurance		429	
Life Insurance		843	
Medical Insurance		91,399	
Dental Insurance		2,749	
Unemployment Compensation		2,515	
Travel		11,962	
Office Supplies		5,644	
Excess Risk Insurance		400	
Workers' Compensation Insurance		11,456	
Total Other Public Health and Welfare			1,139,375

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	72,670	
Total Senior Citizens Assistance			72,670

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Contributions	\$ 390,750	
Total Libraries		\$ 390,750

Parks and Fair Boards

Gasoline	\$ 18,202	
Total Parks and Fair Boards		18,202

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	\$ 97,142	
Longevity Pay	600	
Other Salaries and Wages	23,950	
Social Security	1,809	
State Retirement	2,580	
Life Insurance	40	
Dental Insurance	80	
Unemployment Compensation	72	
Other Fringe Benefits	21,873	
Communication	4,044	
Maintenance and Repair Services - Equipment	752	
Matching Share	1,278	
Travel	2,433	
Workers' Compensation Insurance	537	
Other Charges	800	
Office Equipment	1,000	
Total Agriculture Extension Service		158,990

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 28,950	
Longevity Pay	600	
Other Salaries and Wages	24,350	
Social Security	3,823	

(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.)

State Retirement	\$	5,665	
Life Insurance		40	
Medical Insurance		11,587	
Dental Insurance		500	
Unemployment Compensation		144	
Workers' Compensation Insurance		537	
Total Soil Conservation			\$ 76,196

Other Operations

Tourism

Contributions	\$	146,777	
Total Tourism			146,777

Airport

Contributions	\$	5,000	
Matching Share		28,000	
Total Airport			33,000

Veterans' Services

Supervisor/Director	\$	28,950	
Social Security		2,183	
State Retirement		3,043	
Life Insurance		40	
Unemployment Compensation		72	
Communication		1,664	
Travel		1,163	
Office Supplies		1,084	
Workers' Compensation Insurance		537	
Total Veterans' Services			38,736

Contributions to Other Agencies

Contracts with Government Agencies	\$	15,175	
Contributions		220,943	
Gasoline		98,263	
Total Contributions to Other Agencies			334,381

Employee Benefits

Employee and Dependent Insurance	\$	715	
Life Insurance		724	
Workers' Compensation Insurance		9,911	
Total Employee Benefits			11,350

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Dues and Memberships	\$	9,746	
Legal Notices, Recording, and Court Costs		1,644	
Other Contracted Services		7,841	
Library Books/Media		20,000	
Building and Contents Insurance		35,392	
Excess Risk Insurance		53,904	
Liability Insurance		7,750	
Refunds		247	
Trustee's Commission		337,817	
Tax Relief Program		100,142	
Other Charges		50,700	
Disabilities Act Improvements		2,289	
Total Miscellaneous			\$ 627,472

Total General Fund \$ 25,226,839

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	150,407	
Total Libraries			\$ 150,407

Total Public Library Fund 150,407

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	52,000	
Attendants		189,705	
Part-time Personnel		24,490	
Overtime Pay		35,000	
Other Salaries and Wages		436,846	
Other Fringe Benefits		201,466	
Communication		17,241	
Engineering Services		7,103	
Legal Services		1,087	
Maintenance and Repair Services - Buildings		112,139	
Maintenance and Repair Services - Equipment		99,384	
Maintenance and Repair Services - Vehicles		76,797	
Travel		2,724	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Disposal Fees	\$ 1,404,249	
Permits	150	
Other Contracted Services	59,402	
Crushed Stone	23,966	
Gasoline	123,059	
Office Supplies	3,911	
Uniforms	8,924	
Utilities	44,137	
Refunds	5,230	
Other Charges	15,520	
Motor Vehicles	206,000	
Office Equipment	1,012	
Total Sanitation Management		\$ 3,151,542

Landfill Operation and Maintenance

Engineering Services	\$ 15,177	
Other Charges	3,202	
Other Construction	71,000	
Total Landfill Operation and Maintenance		89,379

Other Waste Disposal

Engineering Services	\$ 64,482	
Contracts for Landfill Facilities	62,700	
Other Contracted Services	242,311	
Wood Products	28,000	
Other Construction	91,000	
Total Other Waste Disposal		488,493

Postclosure Care Costs

Engineering Services	\$ 12,153	
Other Contracted Services	30,000	
Total Postclosure Care Costs		42,153

Other Operations

Miscellaneous

Trustee's Commission	\$ 60,728	
Total Miscellaneous		60,728

Total Solid Waste/Sanitation Fund \$ 3,832,295

(Continued)

Exhibit K-8

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

Industrial/Economic Development Fund

General Government

Development

Communication	\$ 1,513	
Contributions	28,000	
Engineering Services	1,350	
Printing, Stationery, and Forms	31	
Other Contracted Services	5,850	
Office Supplies	652	
Other Charges	742	
Office Equipment	768	
Total Development		\$ 38,906

Other Operations

Industrial Development

Contracts with Government Agencies	\$ 4,700,047	
Contributions	105,000	
Other Charges	7	
Total Industrial Development		4,805,054

Other Economic and Community Development

Refunds	\$ 7,500	
Total Other Economic and Community Development		7,500

Miscellaneous

Trustee's Commission	\$ 8,253	
Total Miscellaneous		8,253

Total Industrial/Economic Development Fund \$ 4,859,713

Special Purpose Fund

General Government

Preservation of Records

Supervisor/Director	\$ 26,000	
Part-time Personnel	4,245	
Other Fringe Benefits	9,778	
Communication	2,249	
Office Supplies	2,768	
Other Supplies and Materials	11,340	
Total Preservation of Records		\$ 56,380

Total Special Purpose Fund 56,380

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	695	
Confidential Drug Enforcement Payments		25,000	
Rentals		7,175	
Other Supplies and Materials		1,159	
Office Equipment		1,442	
Total Drug Enforcement			<u>\$ 35,471</u>

Total Drug Control Fund \$ 35,471

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Supervisor/Director	\$	46,800	
Secretary(ies)		25,350	
Temporary Personnel		62,626	
Part-time Personnel		9,500	
Longevity Pay		11,770	
Other Salaries and Wages		270,942	
Social Security		27,704	
State Retirement		37,595	
Medical Insurance		38,670	
Dental Insurance		393	
Unemployment Compensation		1,681	
Audit Services		3,500	
Communication		6,750	
Data Processing Services		4,925	
Maintenance and Repair Services - Buildings		31,134	
Maintenance and Repair Services - Equipment		26	
Maintenance and Repair Services - Vehicles		4,397	
Gasoline		19,374	
Office Supplies		2,101	
Small Tools		989	
Utilities		126,911	
Other Supplies and Materials		22,308	
Workers' Compensation Insurance		9,715	
Other Charges		13,654	
Other Equipment		1,944	
Total Parks and Fair Boards			<u>\$ 780,759</u>

(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.)

Other Social, Cultural, and Recreational

Foremen	\$	30,350	
Social Security		2,401	
State Retirement		3,299	
Unemployment Compensation		121	
Communication		908	
Maintenance and Repair Services - Buildings		4,162	
Maintenance and Repair Services - Vehicles		622	
Small Tools		870	
Utilities		21,433	
Other Supplies and Materials		20,095	
Other Charges		515	
Total Other Social, Cultural, and Recreational			\$ 84,776

Other Operations

Miscellaneous

Trustee's Commission	\$	15,627	
Total Miscellaneous			15,627

Total Sports and Recreation Fund \$ 881,162

District Attorney General Fund

Public Safety

Other Public Safety

Part-time Personnel	\$	4,387	
Jury and Witness Expense		1,268	
Unemployment Compensation		959	
Other Fringe Benefits		5,405	
Communication		1,796	
Data Processing Services		500	
Dues and Memberships		745	
Travel		4,713	
Permits		77	
Penalties		1,371	
Other Contracted Services		21,440	
Office Supplies		1,474	
Other Charges		1,576	
Office Equipment		822	
Total Other Public Safety			\$ 46,533

Total District Attorney General Fund 46,533

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

Administration of Justice

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 15		
Total General Sessions Court Clerk		\$	15

Chancery Court

Constitutional Officers' Operating Expenses	\$ 23		
Total Chancery Court			23

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$ 57		
Total Juvenile Court Clerk			57

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 118		
Total Sheriff's Department			<u>118</u>

Total Constitutional Officers - Fees Fund		\$	213
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 79,436
Assistant(s)	43,600
Accountants/Bookkeepers	40,500
Longevity Pay	4,700
Other Salaries and Wages	30,750
Social Security	11,682
Employee and Dependent Insurance	20,792
Life Insurance	169
Unemployment Compensation	540
Local Retirement	20,703
Employer Medicare	2,732
Data Processing Services	4,850
Dues and Memberships	3,963
Legal Services	7,145
Legal Notices, Recording, and Court Costs	70
Maintenance and Repair Services - Office Equipment	61
Postal Charges	459
Printing, Stationery, and Forms	500
Travel	500

(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.)

Data Processing Supplies	\$	786	
Drugs and Medical Supplies		447	
Office Supplies		500	
Workers' Compensation Insurance		10,979	
Other Charges		563	
Communication Equipment		803	
Data Processing Equipment		302	
Total Administration			\$ 287,532

Highway and Bridge Maintenance

Foremen	\$	38,000	
Equipment Operators		517,149	
Truck Drivers		216,314	
Laborers		79,821	
Longevity Pay		23,500	
Overtime Pay		8,618	
Other Salaries and Wages		30,251	
Social Security		53,193	
Employee and Dependent Insurance		163,995	
Life Insurance		1,105	
Dental Insurance		2,586	
Unemployment Compensation		6,000	
Local Retirement		95,047	
Employer Medicare		12,440	
Other Contracted Services		894,131	
Asphalt - Hot Mix		30,458	
Asphalt - Liquid		312,916	
Crushed Stone		160,984	
Electricity		862	
Pipe - Metal		28,784	
Road Signs		16,609	
Salt		29,999	
Small Tools		2,509	
Other Supplies and Materials		4,978	
Workers' Compensation Insurance		82,342	
Other Charges		1,743	
Total Highway and Bridge Maintenance			2,814,334

Operation and Maintenance of Equipment

Mechanic(s)	\$	68,500	
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(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Longevity Pay	\$	1,700	
Overtime Pay		80	
Social Security		3,996	
Employee and Dependent Insurance		13,660	
Life Insurance		98	
Unemployment Compensation		360	
Local Retirement		7,378	
Employer Medicare		934	
Laundry Service		3,127	
Licenses		100	
Maintenance and Repair Services - Equipment		10,550	
Diesel Fuel		94,405	
Equipment and Machinery Parts		67,301	
Garage Supplies		7,753	
Gasoline		54,986	
Lubricants		12,470	
Small Tools		956	
Tires and Tubes		18,541	
Other Supplies and Materials		2,000	
Workers' Compensation Insurance		5,489	
Other Charges		2,444	
Total Operation and Maintenance of Equipment			\$ 376,828

Other Charges

Communication	\$	5,103	
Contributions		4,000	
Evaluation and Testing		1,150	
Electricity		5,875	
Natural Gas		2,814	
Water and Sewer		197	
Building and Contents Insurance		969	
Excess Risk Insurance		38,750	
Liability Insurance		32,377	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		51,350	
Other Charges		8,256	
Total Other Charges			151,191

Capital Outlay

Engineering Services	\$	46,071	
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(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Bridge Construction	\$ 1,000	
Highway Equipment	228,381	
State Aid Projects	230,000	
Other Construction	486,651	
Total Capital Outlay		<u>\$ 992,103</u>

Total Highway/Public Works Fund \$ 4,621,988

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 200,000	
Total General Government		\$ 200,000

Education

Principal on Bonds	\$ 6,980,000	
Total Education		6,980,000

Interest on Debt

General Government

Interest on Bonds	\$ 922,638	
Total General Government		922,638

Education

Interest on Bonds	\$ 5,330,876	
Total Education		5,330,876

Other Debt Service

General Government

Other Debt Service	\$ 694	
Total General Government		694

Education

Trustee's Commission	\$ 180,435	
Other Debt Service	2,470	
Total Education		<u>182,905</u>

Total General Debt Service Fund 13,617,113

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund</u>		
<u>Public Safety</u>		
<u>Sheriff's Department</u>		
Communication Equipment	\$ 89,626	
Total Sheriff's Department		\$ 89,626
<u>Jail</u>		
Building Improvements	\$ 183,447	
Plant Operation Equipment	<u>121,136</u>	
Total Jail		304,583
<u>Fire Prevention and Control</u>		
Motor Vehicles	\$ 36,424	
Total Fire Prevention and Control		36,424
<u>Civil Defense</u>		
Motor Vehicles	\$ 211,433	
Total Civil Defense		211,433
<u>Public Health and Welfare</u>		
<u>Sanitation Management</u>		
Building Construction	\$ 37,564	
Total Sanitation Management		37,564
<u>Agriculture and Natural Resources</u>		
<u>Flood Control</u>		
Other Capital Outlay	\$ 12,332	
Total Flood Control		12,332
<u>Other Operations</u>		
<u>Miscellaneous</u>		
Trustee's Commission	\$ 5,509	
Other Charges	<u>4</u>	
Total Miscellaneous		<u>5,513</u>
Total General Capital Projects Fund		<u>\$ 697,475</u>
Total Governmental Funds - Primary Government		<u>\$ 54,025,589</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, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 22,622,164	
Career Ladder Program	225,808	
Career Ladder Extended Contracts	124,481	
Homebound Teachers	23,124	
Social Workers	500	
Salary Supplements	397,215	
Educational Assistants	1,051,984	
Other Salaries and Wages	500	
Certified Substitute Teachers	225,719	
Non-certified Substitute Teachers	213,529	
Social Security	1,462,158	
State Retirement	2,202,916	
Life Insurance	11,894	
Medical Insurance	4,629,462	
Dental Insurance	74,523	
Unemployment Compensation	40,615	
Employer Medicare	344,802	
Maintenance and Repair Services - Equipment	11,183	
Other Contracted Services	28,922	
Instructional Supplies and Materials	562,655	
Textbooks	944,746	
Other Supplies and Materials	1,938	
In Service/Staff Development	498	
Fee Waivers	56,640	
Other Charges	8,118	
Regular Instruction Equipment	1,163,522	
Other Equipment	292,637	
Total Regular Instruction Program		\$ 36,722,253

Alternative Instruction Program

Teachers	\$ 411,350
Career Ladder Program	4,000
Educational Assistants	14,216
Social Security	25,614
State Retirement	39,080
Life Insurance	205
Medical Insurance	74,618
Dental Insurance	1,156
Unemployment Compensation	545

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Alternative Instruction Program (Cont.)

Employer Medicare	\$	5,990	
Travel		848	
Other Contracted Services		576	
Instructional Supplies and Materials		1,363	
Other Supplies and Materials		1,154	
Total Alternative Instruction Program			\$ 580,715

Special Education Program

Teachers	\$	3,170,509	
Career Ladder Program		36,082	
Career Ladder Extended Contracts		9,387	
Homebound Teachers		69,371	
Educational Assistants		1,048,230	
Temporary Personnel		17,272	
Other Salaries and Wages		170,892	
Certified Substitute Teachers		5,175	
Non-certified Substitute Teachers		6,490	
Social Security		265,235	
State Retirement		418,687	
Life Insurance		2,914	
Medical Insurance		935,504	
Dental Insurance		16,371	
Unemployment Compensation		8,548	
Employer Medicare		62,045	
Contracts with Private Agencies		109,581	
Instructional Supplies and Materials		53,855	
Other Supplies and Materials		1,890	
Special Education Equipment		39,935	
Total Special Education Program			6,447,973

Vocational Education Program

Teachers	\$	937,575	
Career Ladder Program		6,500	
Certified Substitute Teachers		3,055	
Non-certified Substitute Teachers		3,310	
Social Security		56,690	
State Retirement		83,973	
Life Insurance		393	
Medical Insurance		161,133	

(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.)

Dental Insurance	\$	2,227	
Unemployment Compensation		1,163	
Employer Medicare		13,261	
Maintenance and Repair Services - Equipment		2,104	
Instructional Supplies and Materials		17,689	
Vocational Instruction Equipment		870	
Total Vocational Education Program			\$ 1,289,943

Adult Education Program

Teachers	\$	51,875	
Other Salaries and Wages		23,747	
Social Security		4,211	
State Retirement		3,400	
Life Insurance		22	
Medical Insurance		4,168	
Dental Insurance		147	
Unemployment Compensation		381	
Employer Medicare		1,079	
Travel		680	
Instructional Supplies and Materials		6,690	
Other Equipment		5,757	
Total Adult Education Program			102,157

Support Services

Attendance

Supervisor/Director	\$	64,494	
Career Ladder Program		1,000	
Clerical Personnel		13,996	
Other Salaries and Wages		65,108	
Social Security		8,737	
State Retirement		13,288	
Life Insurance		47	
Medical Insurance		18,732	
Dental Insurance		368	
Unemployment Compensation		191	
Employer Medicare		2,043	
Other Supplies and Materials		568	
Total Attendance			188,572

(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

Supervisor/Director	\$	56,755	
Medical Personnel		196,763	
Secretary(ies)		19,992	
Other Salaries and Wages		188,109	
Non-certified Substitute Teachers		218	
Social Security		25,631	
State Retirement		44,150	
Life Insurance		310	
Medical Insurance		118,827	
Dental Insurance		2,064	
Unemployment Compensation		1,147	
Employer Medicare		6,020	
Travel		3,615	
Other Contracted Services		4,242	
Drugs and Medical Supplies		4,694	
Other Supplies and Materials		261	
Other Charges		885	
Total Health Services			\$ 673,683

Other Student Support

Career Ladder Program	\$	14,166
Guidance Personnel		1,307,447
Psychological Personnel		32,517
Career Ladder Extended Contracts		2,275
Social Workers		148,864
Assessment Personnel		7,957
Social Security		84,679
State Retirement		130,732
Life Insurance		639
Medical Insurance		217,914
Dental Insurance		3,925
Unemployment Compensation		1,842
Employer Medicare		20,993
Contracts with Government Agencies		85,000
Evaluation and Testing		71,495
Travel		9,068
Other Contracted Services		93,412
Other Supplies and Materials		1,009
In Service/Staff Development		235

(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	\$ 13,607	
Total Other Student Support		\$ 2,247,776

Regular Instruction Program

Supervisor/Director	\$ 325,264	
Career Ladder Program	29,916	
Librarians	912,151	
Materials Supervisor	22,083	
Instructional Computer Personnel	71,921	
Secretary(ies)	122,004	
Clerical Personnel	39,966	
Educational Assistants	2,945	
Other Salaries and Wages	112,695	
Social Security	97,453	
State Retirement	150,010	
Life Insurance	658	
Medical Insurance	242,798	
Dental Insurance	4,645	
Unemployment Compensation	1,928	
Employer Medicare	22,832	
Travel	13,949	
Other Contracted Services	85,776	
Library Books/Media	70,100	
Office Supplies	3,976	
Periodicals	2,819	
Other Supplies and Materials	6,851	
In Service/Staff Development	36,885	
Other Charges	28,169	
Other Equipment	2,797	
Total Regular Instruction Program		2,410,591

Alternative Instruction Program

Supervisor/Director	\$ 69,403
Career Ladder Program	1,000
Secretary(ies)	27,160
Social Security	6,017
State Retirement	9,220
Life Insurance	44
Dental Insurance	294

(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.)

Alternative Instruction Program (Cont.)

Unemployment Compensation	\$	109	
Employer Medicare		1,407	
Total Alternative Instruction Program			\$ 114,654

Special Education Program

Supervisor/Director	\$	68,210	
Career Ladder Program		11,000	
Psychological Personnel		243,397	
Assessment Personnel		71,666	
Secretary(ies)		37,206	
Other Salaries and Wages		168,876	
Other Per Diem and Fees		1,440	
Social Security		35,906	
State Retirement		55,021	
Life Insurance		249	
Medical Insurance		106,828	
Dental Insurance		1,445	
Unemployment Compensation		632	
Employer Medicare		8,395	
Travel		29,890	
Other Contracted Services		116,894	
Other Supplies and Materials		14,761	
In Service/Staff Development		15,247	
Other Charges		28,210	
Other Equipment		258	
Total Special Education Program			1,015,531

Vocational Education Program

Supervisor/Director	\$	64,734	
Social Security		3,991	
State Retirement		5,858	
Life Insurance		22	
Medical Insurance		5,494	
Dental Insurance		147	
Unemployment Compensation		54	
Employer Medicare		933	
Other Contracted Services		375	
Other Supplies and Materials		400	
Total Vocational Education Program			82,008

(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

Supervisor/Director	\$	56,874	
Career Ladder Program		1,000	
Clerical Personnel		26,483	
Social Security		4,926	
State Retirement		8,021	
Life Insurance		44	
Medical Insurance		21,701	
Dental Insurance		294	
Unemployment Compensation		109	
Employer Medicare		1,152	
Travel		2,942	
Other Equipment		3,974	
Total Adult Programs			\$ 127,520

Other Programs

On-Behalf Payments to OPEB	\$	285,864	
Total Other Programs			285,864

Board of Education

Secretary to Board	\$	50,709	
Other Salaries and Wages		6,752	
Board and Committee Members Fees		25,500	
Social Security		4,961	
State Retirement		6,002	
Life Insurance		51	
Medical Insurance		8,356	
Dental Insurance		152	
Unemployment Compensation		56	
Employer Medicare		1,160	
Audit Services		12,000	
Communication		52,486	
Dues and Memberships		18,459	
Legal Services		46,454	
Travel		5,088	
Other Contracted Services		22,111	
Office Supplies		1,400	
Other Supplies and Materials		543	
Liability Insurance		32,500	
Trustee's Commission		466,874	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Workers' Compensation Insurance	\$	195,179	
In Service/Staff Development		1,290	
Criminal Investigation of Applicants - TBI		10,082	
Other Charges		178,129	
Total Board of Education			\$ 1,146,294

Director of Schools

County Official/Administrative Officer	\$	90,877	
Social Security		5,616	
State Retirement		8,222	
Life Insurance		20	
Medical Insurance		5,700	
Dental Insurance		76	
Unemployment Compensation		109	
Employer Medicare		1,313	
Travel		5,388	
Office Supplies		1,144	
Other Charges		1,760	
Administration Equipment		250	
Total Director of Schools			120,475

Office of the Principal

Principals	\$	1,238,910	
Career Ladder Program		25,499	
Accountants/Bookkeepers		507,707	
Assistant Principals		640,898	
Secretary(ies)		661,360	
Social Security		175,970	
State Retirement		289,616	
Life Insurance		1,647	
Medical Insurance		601,657	
Dental Insurance		10,392	
Unemployment Compensation		4,227	
Employer Medicare		41,154	
Communication		177,026	
Dues and Memberships		985	
Postal Charges		10,000	
Office Supplies		437	
Other Charges		10,000	
Total Office of the Principal			4,397,485

(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	\$	75,922	
Accountants/Bookkeepers		183,206	
Purchasing Personnel		35,658	
Clerical Personnel		40,234	
Social Security		19,487	
State Retirement		35,210	
Life Insurance		165	
Medical Insurance		53,702	
Dental Insurance		1,119	
Unemployment Compensation		436	
Employer Medicare		4,558	
Travel		642	
Other Contracted Services		67,866	
Office Supplies		12,064	
In Service/Staff Development		1,360	
Other Charges		5,512	
Administration Equipment		3,966	
Total Fiscal Services			\$ 541,107

Human Services/Personnel

Supervisor/Director	\$	74,142	
Other Salaries and Wages		72,692	
Social Security		8,767	
State Retirement		15,432	
Life Insurance		64	
Medical Insurance		12,821	
Dental Insurance		281	
Unemployment Compensation		163	
Employer Medicare		2,050	
Dues and Memberships		490	
Travel		1,210	
Other Contracted Services		923	
Office Supplies		918	
In Service/Staff Development		105	
Administration Equipment		1,227	
Total Human Services/Personnel			191,285

Operation of Plant

Custodial Personnel	\$	9,396	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Social Security	\$	583	
Unemployment Compensation		54	
Employer Medicare		136	
Janitorial Services		2,126,891	
Other Contracted Services		134,319	
Custodial Supplies		75,365	
Electricity		2,780,674	
Natural Gas		398,459	
Water and Sewer		310,759	
Other Supplies and Materials		55,337	
Building and Contents Insurance		206,044	
Other Equipment		3,000	
Total Operation of Plant			\$ 6,101,017

Maintenance of Plant

Supervisor/Director	\$	100,403	
Secretary(ies)		78,299	
Maintenance Personnel		626,032	
Other Salaries and Wages		349	
Social Security		47,161	
State Retirement		83,750	
Life Insurance		463	
Medical Insurance		131,980	
Dental Insurance		2,951	
Unemployment Compensation		1,242	
Employer Medicare		11,030	
Travel		1,878	
Other Contracted Services		601,955	
Other Supplies and Materials		552,095	
Building Improvements		144,512	
Maintenance Equipment		20,495	
Transportation Equipment		27,900	
Other Equipment		78,185	
Total Maintenance of Plant			2,510,680

Transportation

Supervisor/Director	\$	60,975
Mechanic(s)		139,810
Bus Drivers		812,428

(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.)

Clerical Personnel	\$	44,956	
Attendants		192,834	
Part-time Personnel		68,062	
Social Security		75,174	
State Retirement		134,106	
Life Insurance		1,403	
Medical Insurance		288,734	
Dental Insurance		7,993	
Unemployment Compensation		4,489	
Employer Medicare		17,941	
Contracts with Parents		915	
Laundry Service		2,127	
Travel		1,075	
Other Contracted Services		37,123	
Diesel Fuel		359,903	
Gasoline		85,029	
Lubricants		6,309	
Tires and Tubes		29,106	
Vehicle Parts		100,960	
Other Supplies and Materials		3,946	
Other Charges		6,331	
Transportation Equipment		879,605	
Total Transportation			\$ 3,361,334

Central and Other

Supervisor/Director	\$	63,955
Career Ladder Program		2,000
Computer Programmer(s)		304,403
Clerical Personnel		34,832
Social Security		23,927
State Retirement		39,014
Life Insurance		175
Medical Insurance		58,432
Dental Insurance		1,029
Unemployment Compensation		436
Employer Medicare		5,596
Maintenance and Repair Services - Equipment		7,989
Travel		5,762
Other Contracted Services		28,084

(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.)

Central and Other (Cont.)

Office Supplies	\$	397	
Other Supplies and Materials		22,046	
Communication Equipment		197,180	
Other Equipment		109,353	
Total Central and Other			\$ 904,610

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	71,509	
Career Ladder Program		1,000	
Accountants/Bookkeepers		39,282	
Clerical Personnel		54,987	
Social Security		9,939	
State Retirement		16,463	
Life Insurance		964	
Dental Insurance		539	
Unemployment Compensation		216	
Employer Medicare		2,325	
Total Food Service			197,224

Community Services

Supervisor/Director	\$	2,478	
Teachers		144,144	
Clerical Personnel		10,669	
Educational Assistants		32,959	
Other Salaries and Wages		55,769	
Social Security		13,579	
State Retirement		21,549	
Life Insurance		42	
Medical Insurance		11,390	
Dental Insurance		147	
Unemployment Compensation		109	
Employer Medicare		3,429	
Travel		4,212	
Other Contracted Services		82,466	
Other Supplies and Materials		31,957	
In Service/Staff Development		1,072	
Other Charges		3,595	
Other Equipment		5,268	
Total Community Services			424,834

(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

Supervisor/Director	\$	36,805	
Teachers		753,427	
Clerical Personnel		16,652	
Educational Assistants		314,487	
Social Security		64,543	
State Retirement		105,354	
Life Insurance		812	
Medical Insurance		264,132	
Dental Insurance		4,599	
Unemployment Compensation		2,398	
Employer Medicare		15,095	
Travel		489	
Other Contracted Services		85,038	
Food Supplies		651	
Instructional Supplies and Materials		6,462	
Other Supplies and Materials		5,909	
Other Charges		2,194	
Other Equipment		7,486	
Total Early Childhood Education			\$ 1,686,533

Principal on Debt

Education

Principal on Capital Leases	\$	213,937	
Total Education			213,937

Interest on Debt

Education

Interest on Capital Leases	\$	8,033	
Total Education			8,033

Total General Purpose School Fund \$ 74,094,088

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,752,568	
Educational Assistants		275,642	
Other Salaries and Wages		12,764	
Certified Substitute Teachers		16,805	

(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.)

Non-certified Substitute Teachers	\$	11,420	
Social Security		122,620	
State Retirement		184,840	
Life Insurance		983	
Medical Insurance		323,107	
Dental Insurance		7,064	
Unemployment Compensation		3,215	
Employer Medicare		28,821	
Other Contracted Services		125,622	
Instructional Supplies and Materials		93,877	
Other Supplies and Materials		3,334	
Regular Instruction Equipment		394,902	
Total Regular Instruction Program			\$ 3,357,584

Special Education Program

Teachers	\$	108,612	
Educational Assistants		1,172,410	
Speech Pathologist		365,364	
Other Salaries and Wages		14,616	
Social Security		93,190	
State Retirement		160,242	
Life Insurance		1,484	
Medical Insurance		393,026	
Dental Insurance		7,670	
Unemployment Compensation		4,352	
Employer Medicare		22,364	
Contracts with Private Agencies		1,090	
Instructional Supplies and Materials		22,891	
Special Education Equipment		15,229	
Total Special Education Program			2,382,540

Vocational Education Program

Teachers	\$	38,631
Social Security		2,326
State Retirement		3,496
Life Insurance		22
Medical Insurance		12,011
Unemployment Compensation		54
Employer Medicare		544

(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.)

Instructional Supplies and Materials	\$	31,590	
Other Supplies and Materials		3,131	
Vocational Instruction Equipment		84,431	
Total Vocational Education Program			\$ 176,236

Support Services

Health Services

Medical Personnel	\$	17,757	
Social Security		1,073	
State Retirement		955	
Life Insurance		22	
Unemployment Compensation		109	
Employer Medicare		251	
Total Health Services			20,167

Other Student Support

Guidance Personnel	\$	43,864	
Other Salaries and Wages		852	
Social Security		2,734	
State Retirement		4,053	
Life Insurance		22	
Medical Insurance		6,123	
Dental Insurance		147	
Unemployment Compensation		54	
Employer Medicare		639	
Travel		16,725	
In Service/Staff Development		400	
Other Charges		30,498	
Total Other Student Support			106,111

Regular Instruction Program

Supervisor/Director	\$	109,810
Secretary(ies)		55,515
Other Salaries and Wages		831,636
In-Service Training		97,537
Social Security		61,831
State Retirement		93,957
Life Insurance		333
Medical Insurance		122,455

(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.)

Dental Insurance	\$	2,245	
Unemployment Compensation		1,178	
Employer Medicare		15,395	
Consultants		60,140	
Travel		70,492	
Other Contracted Services		777,073	
Instructional Supplies and Materials		1,365	
Office Supplies		136	
Other Supplies and Materials		64,844	
In Service/Staff Development		87,641	
Other Charges		151,647	
Other Equipment		144,509	
Total Regular Instruction Program			\$ 2,749,739

Special Education Program

Psychological Personnel	\$	49,321	
Clerical Personnel		37,897	
Other Salaries and Wages		80,974	
Social Security		10,009	
State Retirement		15,775	
Life Insurance		55	
Medical Insurance		30,543	
Dental Insurance		533	
Unemployment Compensation		163	
Employer Medicare		2,341	
Travel		378	
Other Charges		2,050	
Total Special Education Program			230,039

Vocational Education Program

Travel	\$	1,794	
Other Supplies and Materials		33	
Total Vocational Education Program			1,827

Office of the Principal

Assistant Principals	\$	148,059	
In-Service Training		17,888	
Social Security		10,076	
State Retirement		14,997	

(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 (Cont.)

Life Insurance	\$	66	
Medical Insurance		17,343	
Dental Insurance		324	
Unemployment Compensation		163	
Employer Medicare		2,359	
Total Office of the Principal			\$ 211,275

Transportation

Bus Drivers	\$	25,229	
Social Security		1,528	
State Retirement		2,646	
Dental Insurance		294	
Unemployment Compensation		109	
Employer Medicare		357	
Rentals		18,275	
Gasoline		100	
Other Equipment		9,000	
Total Transportation			57,538

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	3,082	
Teachers		219,500	
Bus Drivers		18,165	
Clerical Personnel		10,669	
Educational Assistants		52,636	
Other Salaries and Wages		17,481	
Certified Substitute Teachers		390	
Social Security		18,114	
State Retirement		28,689	
Life Insurance		1	
Unemployment Compensation		54	
Employer Medicare		4,492	
Postal Charges		439	
Travel		3,355	
Other Contracted Services		49,058	
Other Supplies and Materials		27,381	
In Service/Staff Development		681	
Other Charges		3,535	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Equipment	\$ 34,902	
Total Community Services		\$ 492,624

Total School Federal Projects Fund \$ 9,785,680

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 1,578,377	
Social Security	90,213	
State Retirement	124,269	
Medical Insurance	295,424	
Dental Insurance	6,428	
Unemployment Compensation	5,424	
Employer Medicare	21,098	
Communication	11,598	
Maintenance and Repair Services - Equipment	74,080	
Travel	14,994	
Other Contracted Services	52,134	
Food Preparation Supplies	105,139	
Food Supplies	2,060,057	
Office Supplies	8,759	
USDA - Commodities	311,877	
Other Supplies and Materials	710	
In Service/Staff Development	3,930	
Other Charges	63,952	
Food Service Equipment	153,600	
Total Food Service		\$ 4,982,063

Total Central Cafeteria Fund 4,982,063

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 634,592
Social Security	37,966
State Retirement	29,152
Life Insurance	195
Medical Insurance	66,347

(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.)

Dental Insurance	\$	1,104	
Unemployment Compensation		2,765	
Employer Medicare		8,879	
Travel		2,064	
Food Supplies		31,833	
Other Supplies and Materials		1,106	
Refunds		1,141	
Other Charges		30,104	
Other Equipment		18,685	
Total Community Services			<u>\$ 865,933</u>

Total Extended School Program Fund \$ 865,933

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$	14,457	
Social Security		878	
State Retirement		1,519	
Medical Insurance		1,705	
Dental Insurance		61	
Unemployment Compensation		11	
Employer Medicare		205	
Architects		298,135	
Other Contracted Services		72,381	
Building Construction		2,233,904	
Regular Instruction Equipment		7,142	
Other Equipment		49,380	
Total Education Capital Projects			<u>\$ 2,679,778</u>

Total Other Capital Projects Fund 2,679,778

Total Governmental Funds - Putnam County School Department \$ 92,407,542

Exhibit K-10

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2012

	<u>Governmental Activities - Internal Service Fund Self- Insurance Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,059,315
<u>Other Local Revenues</u>	
Miscellaneous Refunds	22,663
Total Operating Revenues	<u>\$ 1,081,978</u>
<u>Nonoperating Revenues</u>	
Investment Income	<u>\$ 11,718</u>
Total Nonoperating Revenues	<u>\$ 11,718</u>
Total Revenues	<u><u>\$ 1,093,696</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>General Government</u>	
<u>Election Commission</u>	
Legal Services	\$ 122,398
<u>County Buildings</u>	
Workers' Compensation Insurance	64,363
Total General Government	<u>\$ 186,761</u>
<u>Finance</u>	
<u>Property Assessor's Office</u>	
Workers' Compensation Insurance	\$ 2,975
<u>General Sessions Court</u>	
Workers' Compensation Insurance	5,250
Total Finance	<u>\$ 8,225</u>
<u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 55,178
Liability Claims	8,666
<u>Fire Prevention and Control</u>	
Liability Claims	2,341
Total Public Safety	<u>\$ 66,185</u>

(Continued)

Exhibit K-10

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

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Public Health and Welfare</u>	
<u>Ambulance/Emergency Medical Services</u>	
Legal Services	\$ 4,738
Excess Risk Insurance	22,096
Liability Insurance	8,138
Refunds	6,507
Liability Claims	20,875
<u>Sanitation Management</u>	
Liability Claims	31,415
Total Public Health and Welfare	<hr/> <u>\$ 93,769</u>
 <u>Social Cultural and Recreational Services</u>	
<u>Soil Conservation</u>	
Workers' Compensation Insurance	\$ 560
Total Social Cultural and Recreational Services	<hr/> <u>\$ 560</u>
 <u>Other Operations</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 17,720
Building and Contents Insurance	82,418
Excess Risk Insurance	81,698
Liability Insurance	6,120
Premium on Corporate Surety Bonds	4,148
Workers' Compensation Insurance	358,155
Other Charges	8,615
Total Other Operations	<hr/> <u>\$ 558,874</u>
 <u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 8,665
Building and Contents Insurance	188,539
Liability Insurance	3,600
Premium on Corporate Surety Bonds	2,440
Workers' Compensation Insurance	96,296
Liability Claims	877
Other Charges	400
Total Highways	<hr/> <u>\$ 300,817</u>

(Continued)

Exhibit K-10

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

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Education</u>	
<u>Central and Other</u>	
Handling Charges and Administrative Costs	\$ 16,940
Contributions	52,848
Legal Services	35,047
Building and Contents Insurance	19,506
Excess Risk Insurance	110,533
Liability Insurance	8,280
Premium on Corporate Surety Bonds	5,612
Workers' Compensation Insurance	377,439
Liability Claims	14,542
Other Charges	1,661
Total Education	<hr/> \$ 642,408 <hr/>
Total Expenses	<hr/> \$ 1,857,599 <hr/> <hr/>

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, 2012

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 12,499,103
Total Cash Receipts	<u>\$ 12,499,103</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 12,374,112
Trustee's Commission	<u>124,991</u>
Total Cash Disbursements	<u>\$ 12,499,103</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2011	<u>0</u>
Cash Balance, June 30, 2012	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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 28, 2013

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, 2012, which collectively comprise Putnam County's basic financial statements and have issued our report thereon dated February 28, 2013. Our report was modified to include a reference to other auditors. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Putnam County Agricultural and Industrial Fair, Inc., which were not available from other auditors as of the date of this report. 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 Putnam County Emergency Communications District, a discretely presented component unit, 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 12.03, 12.04, 12.05, and 12.08. 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.

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 12.01, 12.02, 12.06, and 12.07.

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 prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

Independent Auditor's Report

February 28, 2013

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, 2012. 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, 2012.

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, 2012, and have issued our report thereon dated February 28, 2013. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Putnam County Agricultural and Industrial Fair, Inc., which were not available from other auditors as of the date of this report. 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 long vertical stroke extending downwards from 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, 2012

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	\$ 311,877 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	31,500
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	960,935
National School Lunch Program	10.555	N/A	2,541,607 (3)
Total U.S. Department of Agriculture			<u>\$ 3,845,919</u>
U.S. Department of Labor:			
Passed-through Upper Cumberland Human Resource Agency:			
WIA Youth Activities	17.259	(2)	\$ 11,000
Total U.S. Department of Labor			<u>\$ 11,000</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 118,237
Passed-through State Department of Education:			
Title I Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	3,620,009
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	76,907
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,617,601
Special Education - Preschool Grants	84.173	N/A	40,632
Career and Technical Education - Basic Grants to States	84.048	N/A	166,651
Safe and Drug-free Schools and Communities - State Grant	84.186	(2)	5,970
Twenty-first Century Community Learning Centers	84.287	(2)	498,520
State Grants for Innovative Programs	84.298	N/A	13,234
Education Technology Cluster:			
Education Technology State Grants	84.318	N/A	44,212
Education Technology State Grants, Recovery Act	84.386	N/A	20,143
English Language Acquisition Grants	84.365	(2)	80,717
Improving Teacher Quality State Grants	84.367	N/A	528,007
Teacher Incentive Fund	84.374	N/A	259,592
Education of Homeless Children and Youth, Recovery Act	84.387	N/A	3,301
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	(2)	98,882
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	964,036
Education Jobs Fund	84.410	N/A	1,054,766
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	8,540
Total U.S. Department of Education			<u>\$ 10,219,957</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
National Bioterrorism Hospital Preparedness Program	93.889	GG-11-33349	\$ 21,819
Total U.S. Department of Health and Human Services			<u>\$ 21,819</u>
U.S. Corporation for National and Community Service:			
Passed-through State Department Education:			
Learn and Serve America - School and Community Based Programs	94.004	N/A	\$ 4,471
Total U.S. Corporation for National and Community Service			<u>\$ 4,471</u>
U.S. Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 6,890
Total U.S. Executive Office of the President			<u>\$ 6,890</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 Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 239,884
Emergency Management Performance Grants	97.042	(2)	52,000
Homeland Security Grant Program	97.067	(2)	<u>262,262</u>
Total U.S. Department of Homeland Security			<u>\$ 554,146</u>
Total Expenditures of Federal Awards			<u>\$ 14,664,202</u>

State Grants		Contract Number	
Intensive Probation - State Commission on Children and Youth	N/A	(2)	\$ 55,598
State Supplement Juvenile Court Improvements Funds - State Commission on Children and Youth	N/A	17668-GG1030734	9,000
Law Enforcement Training Program - State Department of Safety	N/A	(2)	36,000
Local Health Services - State Department of Health	N/A	Z-1243675-XX	1,138,410
Litter Program - State Department of Transportation	N/A	(2)	42,054
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	Z-008-020212-00	37,624
Local Parks and Recreation Fund (LPRF) Grant - State Department of Environment and Conservation	N/A	Z-07-031407-01	63,451
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	65,419
Underage Drinking Laws Grant - State Commission on Children and Youth	N/A	(2)	6,010
ConnecTenn Grant - State Department of Education	N/A	(2)	37,004
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	327,566
Voluntary PreK for Tennessee - State Department of Education	N/A	(2)	1,615,741
Family Resource Center - State Department of Education	N/A	(2)	29,612
Coordinated School Health Project - State Department of Education	N/A	(2)	155,001
Safe Schools Act - State Department of Education	N/A	(2)	43,600
Energy Efficient Schools Initiative Grant - Energy Efficient Schools Initiative	N/A	(2)	<u>57,213</u>
Total State Grants			<u>\$ 3,719,303</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 \$2,853,484.

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.01(A)	209	Competitive bids were not solicited for insurance

OFFICE OF CLERK AND MASTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.07	213	Multiple employees operated from the same cash drawer

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.09	215	Duties were not segregated adequately

PUTNAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units was qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Putnam County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), 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 (CFDA Nos. 84.027 and 84.173), Twenty-first Century Community Learning Center (CFDA No. 84.287), Improving Teacher Quality State Grants (CFDA No. 84.367), State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) and the Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$439,926 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, clerk and master, and assessor of property are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 12.01 **APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING**

(Material Noncompliance Under Government Auditing Standards)

The budget and subsequent amendments approved by the County Commission for the Industrial/Economic Development and General Capital Projects funds resulted in appropriations exceeding estimated available funding by \$971,672 and \$3,520, respectively. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Management does not concur. Due to GASB Statement No. 34, the Division of Local Government Audit adjusted our records for a long-term receivable from the City of Cookeville and reflected it as a short-term receivable. Because of this adjustment, the Industrial/Economic Development Fund has appeared to have a deficit balance since the inception of the loan. Also, appropriations appeared to have exceeded funding for those same years. The City of Cookeville has repaid the note in full and the 2012-13 fund balance and appropriations reflect the true financial position of this fund.

AUDITOR'S REBUTTAL

The audited fund balance for the Industrial/Economic Development Fund was \$6,786,102 at June 30, 2011. The budgeted fund balance for this fund at July 1, 2011, was \$5,117,786; therefore, management underestimated the beginning fund balance by \$1,668,316. Management has the responsibility to ensure that receivables are presented in accordance with generally accepted accounting principles.

FINDING 12.02 **COMPETITIVE BIDS WERE NOT SOLICITED FOR INSURANCE COVERAGE FOR EXCESS LOSSES**
(Noncompliance Under *Government Auditing Standards*)

Putnam County is self-insured for liability; property and boiler; worker's compensation; employment practices; and other various types of insurance; however, competitive bids were not solicited for the purchase of insurance coverage managed by a contracted insurance consultant to insure against excessive losses. 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 is the result of management's failure to correct the finding noted in the prior-year audit report. 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

Putnam County is self-insured. Since its inception, the county has had a professional services contract with BBT/Legge Agency. We only buy reinsurance for excessive claims. Our agent takes quotes for this reinsurance and has documentation as evidence of this process.

AUDITOR'S REBUTTAL

Excess loss insurance should be competitively bid. Chapter 63, Private Acts of 1981 requires competitive bids to be solicited through advertisement in a local newspaper for all purchases exceeding \$10,000.

OFFICE OF COUNTY CLERK

FINDING 12.03 **USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Each employee had been assigned a unique username and password for accessing the office's accounting software. However, because of the method used to assign passwords, this information was known by all employees. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Management should discontinue the current method used to assign passwords. Instead, each user should select a unique password that remains confidential. Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 12.04 THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED EACH TRANSACTION
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user that performed each transaction.

OFFICE OF CLERK AND MASTER

FINDING 12.05 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 Office of Clerk and Master. 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 is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – CLERK AND MASTER

I concur with the finding regarding multiple employees operating from the same cash drawer. After considering and studying this matter, I have decided to leave the cash drawer as it is.

AUDITOR'S COMMENT

Since this finding is considered a significant deficiency in internal controls, failure to correct the finding will result in the finding being repeatedly cited as a deficiency in future reporting periods.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 12.06 **THE ASSESSOR DID NOT PRORATE NEW CONSTRUCTION** (Noncompliance Under *Government Auditing Standards*)

The assessor did not pick up and prorate new construction or improvements. Section 67-5-603, *Tennessee Code Annotated (TCA)*, provides that for the year in which an improvement or building is completed, the assessment, or increase in assessment, shall be prorated for the portion of the year following the date of its completion. This deficiency can be attributed to the lack of management oversight resulting in new construction not being properly assessed and the potential loss of county tax revenue.

RECOMMENDATION

The assessor should pick up and prorate new construction and improvements as required by statute.

MANAGEMENT'S RESPONSE – FORMER ASSESSOR OF PROPERTY RHONDA CHAFFIN

TCA, Section 67-5-603(b)(1) states that if, after January 1 and before September 1 of any year, an improvement or new building is completed and ready for use or occupancy, or the property has been sold or leased, the assessor of property shall make or correct the assessment of such property, on the basis of the value of the improvement at the time of its completion, notwithstanding the status of the property as of the assessment date of January 1; provided, that for the year in which such improvement or building is completed, the assessment, or increase in assessment, or the improvement shall be prorated for the portion of the year following the date of its completion.

TCA, Section 67-5-508, states that all assessment changes must be completed by April 20. The Putnam County Assessor's Office attempted to prorate any completed buildings. This

law section says that before September 1 of the current year all assessment change notices have to be mailed to the taxpayer before June 1 and those property owners have until June 30 to appeal. No changes can be made after June 30 unless they are clerical errors.

The Putnam County Assessor's Office has always used the same policy if the new construction is finished between January 1 and April 20, we add the changes to the current tax year. If after that date, we add the changes for the next year, because the owner cannot be notified of his right to appeal before the county board adjourns on June 30.

REBUTTAL – DIVISION OF PROPERTY ASSESSMENTS

TCA, Section 67-5-603 (b)(1) requires, ... If after January 1 and before September 1 of any year, an improvement or new building is completed and ready for use or occupancy, or the property has been sold or leased, the assessor of property shall make or correct the assessment of such property, on the basis of the value of the property as of the assessment date of January 1 provided that for the year in which such improvement or building is completed, the assessment or increase in assessment, of the improvement shall be prorated for the portion of the year following the date of its completion.

As to Ms. Chaffin's statement that... "The Putnam County Assessor's Office has always used the same policy if the new construction is finished between January 1 and April 20 we add to the current tax year. If after that date, we add for the next year because the owner cannot be notified of his right to appeal before the county board adjourns on June 30." Ms. Chaffin's office policy does not comply with the requirements of the statute quoted above. The statute clearly requires proration to be completed on improvements and new construction for the portion of the year following the date of completion of a given year. The statute does not provide for an office policy, which is in direct conflict or contradiction with its requirements. The result of this deficiency is caused by a lack of management oversight and knowledge of the requirements of the statute by the assessor. This "office policy" results in the potential over-assessment of those properties, which have not been prorated correctly resulting in possible over-assessment of taxes to the property owner. For those properties not assessed and prorated to the correct year, the result is a loss of tax revenue to Putnam County.

FINDING 12.07 MOBILE HOMES WERE ASSESSED TO THE MOBILE HOME OWNERS INSTEAD OF THE LAND OWNERS WHERE THE MOBILE HOMES WERE LOCATED
(Noncompliance Under *Government Auditing Standards*)

Mobile homes were assessed to the mobile home owners instead of to the owners of the land where the mobile homes were located. Section 67-5-802, *Tennessee Code Annotated (TCA)*, requires the assessor to furnish a schedule to each land owner of a mobile home park by March 1 each year. It is the land owner's responsibility to complete the schedule to report the number of mobile homes, make, serial number, size, original cost, and any other information necessary for proper assessment of the mobile homes. This deficiency occurred because the assessors assessed the mobile homes to the wrong person, which could result in property taxes becoming delinquent without sending notification to the land owner.

RECOMMENDATION

The assessor should provide to land owners, where mobile homes are located, a schedule of assessed values of each mobile home before July 1 of each tax year.

MANAGEMENT'S RESPONSE – FORMER ASSESSOR OF PROPERTY RHONDA CHAFFIN

There are currently, on the tax roll, 46 mobile home parks and approximately 2,993 mobile homes in Putnam County. All property appraisal cards for mobile home parks are listed in the land owner's name. One mobile home park owner requested, in 2005, the actual tax notice be addressed and mailed to the owner of the mobile home. Listing the mobile home park and land owner first, we addressed the property card in-care-of the actual mobile home owner. In May, the Division of Property Assessments advised us not to address the card in-care-of the mobile home owner. We immediately changed these ten mobile homes to the land owner's mailing address. All mobile home park owners receive a mobile home schedule around January 1 of the current year and then receive a new assessment change notice, if there has been any change, around April of the current year.

REBUTTAL – DIVISION OF PROPERTY ASSESSMENTS

TCA, Section 67-5-802(a)(1) provides that any movable structure and appurtenance that is attached to real property by virtue of being on a foundation, or being underpinned, or connected with any one utility service...shall be assessed for tax purposes as real property as an improvement to the land where located.

TCA, Section 67-5-802 (b)(1) and (2) also requires the assessor to provide the land owner a schedule to list all moveable structures as defined in Section 67-5-501, that were located on the land as of the assessment date, and it is the duty of the owner of the land to return the list identifying each such structure to the assessor.

Although the Assessor's Office may have changed the parcels, which were incorrectly assessed to the mobile home owner rather than to the land owner on or about May 2012, at the date the audit was compiled by the Division of Property Assessments for 2012, this finding was noted that the assessor had failed to comply with this statute. The assessor has been made aware of this issue over the last several years, but continued to assess these improvements, contrary to Section 67-5-802(a)(1).

This deficiency occurred because the assessor mailed notices to the mobile home owner(s) rather than to the land owner who is responsible for the payment of taxes on any improvement(s) on their property, which could result in property taxes becoming delinquent due to a lack of notification to the land owner.

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

FINDING 12.08

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; Circuit, General Sessions, and Juvenile Courts Clerk; Register of Deeds; 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.

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices 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.

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

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

ITEM 2. PUTNAM COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

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

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

There were no findings and questioned costs for federal awards.

**PUTNAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2012**

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