

**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013**

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

**DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director**

**CARL LOWE, CGFM
Audit Manager**

**ANITA SCARLETT, CPA
Auditor 4**

**TIM BRASHEARS, CGFM
JAMES HODGES, CFE
GARY RAMSEY, CPA
COURTNEY FLATT
EMILY COPE
KELLEY McNEAL, CPA, CGFM
State Auditors**

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

PUTNAM COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Putnam County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23
Statement of Revenues, Expenditures, and Changes in Fund Balance – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	24-26
Proprietary Fund:		
Statement of Net Position	D-1	27
Statement of Revenues, Expenses, and Changes in Net Position	D-2	28
Statement of Cash Flows	D-3	29
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	30
Index and Notes to the Financial Statements		31-78
REQUIRED SUPPLEMENTARY INFORMATION:		79
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Putnam County School Department	F-1	80
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Putnam County School Department	F-2	81
Notes to the Required Supplementary Information		82

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		83
Nonmajor Governmental Funds:		84-85
Combining Balance Sheet	G-1	86-89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	90-91
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	92
Industrial/Economic Development Fund	G-4	93
Special Purpose Fund	G-5	94
Drug Control Fund	G-6	95
Sports and Recreation Fund	G-7	96
Highway/Public Works Fund	G-8	97
General Capital Projects Fund	G-9	98-99
Major Governmental Fund:		100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	101
Fiduciary Funds:		102
Combining Statement of Fiduciary Assets and Liabilities	I-1	103
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	104-105
Component Unit:		
Discretely Presented Putnam County School Department:		106
Statement of Activities	J-1	107
Balance Sheet – Governmental Funds	J-2	108
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	109
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	110
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	111
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	112
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	113
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	114-115
School Federal Projects Fund	J-9	116
Central Cafeteria Fund	J-10	117
Extended School Program Fund	J-11	118

	Exhibit	Page(s)
Miscellaneous Schedules:		119
Schedule of Changes in Long-term Capital Leases and Bonds	K-1	120
Schedule of Long-term Debt Requirements by Year	K-2	121
Schedule of Notes Receivable	K-3	122
Schedule of Transfers – Primary Government and Discretely Presented Putnam County School Department	K-4	123
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Putnam County School Department	K-5	124
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	125-134
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Putnam County School Department	K-7	135-136
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	137-159
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Putnam County School Department	K-9	160-173
Schedule of Detailed Revenues and Expenses – Self Insurance Fund (Internal Service Fund)	K-10	174-176
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-11	177
 <u>SINGLE AUDIT SECTION</u>		 178
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		179-181
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		182-184
Schedule of Expenditures of Federal Awards and State Grants		185-186
Schedule of Audit Findings Not Corrected		187-188
Schedule of Findings and Questioned Costs		189-199
Auditee Reporting Responsibilities		200

Audit Highlights

Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2013.

Results

Our report on Putnam County's financial statements is unmodified.

Our audit resulted in 11 findings and recommendations, which we have reviewed with Putnam County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

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

OFFICE OF COUNTY EXECUTIVE

- ◆ The General, General Debt Service, and General Capital Projects funds required material audit adjustments for proper financial statement presentation.
- ◆ The General Capital Projects Fund had a deficit in unassigned fund balance.
- ◆ Expenditures exceeded appropriations.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ The Solid Waste Department did not implement adequate controls to protect its information resources.

OFFICE OF ASSESSOR OF PROPERTY

- ◆ The assessor did not prorate new construction.

OFFICE OF COUNTY CLERK

- ◆ Some voluntary donations of money to promote the organ donation awareness program were not receipted and deposited properly.
 - ◆ Usernames and passwords of all employees were known by designated personnel.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ The accounting software did not identify the user that processed transactions.
-

OFFICE OF CLERK AND MASTER

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

OFFICES OF COUNTY EXECUTIVE, ROAD SUPERVISOR, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

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

INTRODUCTORY SECTION

Putnam County Officials

June 30, 2013

Officials

Kim Blaylock, County Executive
Randy Jones, Road Supervisor
Jerry Boyd, Director of Schools
Freddie Nelson, Trustee
Travis Roberts, 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

Mike Atwood, Chairman
Daryl Blair
Marsha Bowman
Kim Bradford
Eris Bryant
Anna Ruth Burroughs
Robert Duncan, Jr.
Scott Ebersole
Jerry Ford
David Gentry
John LudWig
Jim Martin

Kevin Maynard
Michael Medley
Sue Neal
Steve Pierce
Terry Randolph
Cathy Reel
Chris Savage
Reginald Shanks
Tom Short
Joe Trobaugh
Jonathan Williams
Ronald Williamson

Board of Education

Dr. Janet Moore, Chairman
Eric Brown
Kim Cravens

Dawn Fry
Jerry Maynard
David McCormick

Audit Committee

Bob Duncan, Chairman
Danny Brooks
William Clark
Jim Martin
Sue Neal
Greg Rector
Sam Sandlin

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

Putnam County Executive and
Board of County Commissioners
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 1.3 percent, 1.4 percent, and .78 percent, respectively, of the assets, net position, and revenues of the discretely presented component units and the Putnam County Agricultural and Industrial Fair, Inc., which represent .03 percent, .03 percent, and .17 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Putnam County Emergency Communications District and the Putnam County Agricultural and Industrial Fair, Inc., are based solely on the reports of the other auditors. We conducted our audit in accordance

with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our report and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note I.D.8. to the financial statements prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement totaling \$601,380 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Note I.D.9. to the financial statements describes a restatement to the beginning balance of Governmental Activities and of the nonmajor governmental funds totaling \$14,347. This restatement was made to reclassify the District Attorney General Fund from a special revenue fund to an agency fund.

Note I.D.10. to the financial statements describes a net prior-period adjustment in governmental activities totaling \$111,950. This adjustment was made to increase capital assets by \$465,333, to reduce the insurance claims liability by \$95,926, and recognize additional landfill closure/postclosure care costs of (\$449,309).

As described in Note V.B., Putnam County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Putnam County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plan and other postemployment benefits plan on pages 80-82 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Putnam County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service 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 basic 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

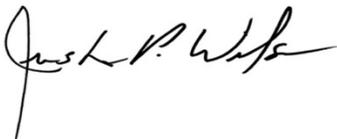
presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2014, on our consideration of Putnam County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Putnam County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Putnam County, Tennessee
Statement of Net Position
June 30, 2013

	Component Units			
	Primary Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc. (1)
<u>ASSETS</u>				
Cash	\$ 989	\$ 7,990	\$ 1,547,327	\$ 61,705
Equity in Pooled Cash and Investments	21,395,066	62,575,649	0	0
Accounts Receivable	2,352,522	114,726	25,493	350
Allowance for Uncollectibles	(260,478)	0	0	0
Due from Other Governments	2,146,345	4,436,420	29,488	0
Property Taxes Receivable	28,172,892	13,861,661	0	0
Allowance for Uncollectible Property Taxes	(1,173,023)	(577,153)	0	0
Accrued Interest Receivable	0	0	152	0
Prepaid Items	0	0	38,461	5,163
Assets Not Depreciated:				
Land	5,517,706	5,145,013	0	0
Intangibles - Indefinite Life	4,822,262	0	0	0
Construction in Progress	0	1,671,595	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	25,660,913	119,316,464	150,373	0
Infrastructure	28,323,556	0	0	0
Other Capital Assets	4,880,556	3,836,290	930,754	0
Total Assets	\$ 121,839,306	\$ 210,388,655	\$ 2,722,048	\$ 67,218
<u>LIABILITIES</u>				
Accounts Payable	\$ 349,586	\$ 283,126	\$ 0	\$ 8,365
Accrued Payroll	42,916	653,001	0	0
Payroll Deductions Payable	198	122,985	0	175
Claims and Judgments Payable	1,000,646	0	0	0
Accrued Interest Payable	1,855,162	0	0	0
Matured Bonds Payable	15,000	0	0	0
Noncurrent Liabilities:				
Due Within One Year	5,879,214	147,978	0	0
Due in More Than One Year	164,482,306	1,101,150	0	0
Total Liabilities	\$ 173,625,028	\$ 2,308,240	\$ 0	\$ 8,540

(Continued)

Exhibit A

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

	Component Units			
	Primary Government Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc. (1)
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Current Property Taxes	\$ 26,116,931	\$ 12,850,085	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 26,116,931</u>	<u>\$ 12,850,085</u>	<u>\$ 0</u>	<u>\$ 0</u>
NET POSITION				
Net Investment in Capital Assets	\$ 46,658,902	\$ 129,969,362	\$ 1,081,127	\$ 58,678
Restricted for:				
Industrial/Economic Development	530,638	0	0	0
Special Purpose	156,946	0	0	0
Drug Control	55,414	0	0	0
Highway/Public Works	928,963	0	0	0
School Federal Projects	0	7,417	0	0
Central Cafeteria	0	1,395,785	0	0
Capital Projects	0	53,745,368	0	0
Self-Insurance	1,261,606	0	0	0
Other Purposes	693,251	97,178	0	0
Unrestricted	<u>(128,188,373)</u>	<u>10,015,220</u>	<u>1,640,921</u>	<u>0</u>
Total Net Position	<u>\$ (77,902,653)</u>	<u>\$ 195,230,330</u>	<u>\$ 2,722,048</u>	<u>\$ 58,678</u>

(1) Financial statements are for the year ended September 30, 2012.

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, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc. (I)		
Primary Government:										
Governmental Activities:										
General Government	\$ 4,342,692	\$ 788,035	\$ 15,164	\$ 0	\$ (3,539,493)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,817,022	2,059,568	0	0	242,546	0	0	0	0	0
Administration of Justice	1,545,907	2,105,774	68,699	0	628,566	0	0	0	0	0
Public Safety	11,269,595	1,896,260	274,006	0	(9,089,329)	0	0	0	0	0
Public Health and Welfare	9,956,431	5,171,088	1,390,686	405,031	(2,989,626)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,532,563	229,570	2,345	86,920	(1,213,728)	0	0	0	0	0
Agriculture and Natural Resources	273,754	34,493.00	0	0	(239,261)	0	0	0	0	0
Other Operations	3,617,404	271,754	0	0	(3,345,650)	0	0	0	0	0
Highways/Public Works	4,996,300	9,238	2,031,137	255,785	(2,700,140)	0	0	0	0	0
Education	54,228,441	693,646	0	0	(53,534,795)	0	0	0	0	0
Interest on Long-term Debt	6,354,958	0	0	0	(6,354,958)	0	0	0	0	0
Other Debt Service	816,252	0	8,099	0	(808,153)	0	0	0	0	0
Total Primary Government	\$ 100,751,319	\$ 13,259,426	\$ 3,790,136	\$ 747,736	\$ (82,954,021)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Putnam County School Department	\$ 92,743,238	\$ 2,652,307	\$ 12,699,815	\$ 54,088,996	\$ 0	\$ (23,302,120)	\$ 0	\$ 0	\$ 0	\$ 0
Putnam County Emergency Communications District	952,697	505,752	258,551	0	0	0	(188,394)	0	0	0
Putnam County Agricultural and Industrial Fair, Inc. (I)	241,748	242,020	0	0	0	0	0	272	0	272
Total Component Units	\$ 93,937,683	\$ 3,400,079	\$ 12,958,366	\$ 54,088,996	\$ 0	\$ (23,302,120)	\$ (188,394)	\$ 272	\$ 0	\$ 272

(Continued)

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues					Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Putnam County School Department	Putnam County Emergency Communications District	Putnam County	
							Agricultural and Industrial Fair, Inc. (1)	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes	\$ 17,437,994	\$ 13,103,185	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service	9,112,055	0	0	0	0	0	0	0
Local Option Sales Taxes	4,021,644	15,490,008	0	0	0	0	0	0
Hotel/Motel Tax	918,265	0	0	0	0	0	0	0
Litigation Taxes	295,491	0	0	0	0	0	0	0
Business Tax	1,109,461	0	0	0	0	0	0	0
Mineral Severance Tax	149,982	0	0	0	0	0	0	0
Wholesale Beer Tax	204,212	0	0	0	0	0	0	0
Other Local Taxes	6,030	2,890	0	0	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs	1,290,485	46,141,543	0	0	348,813	0	0	0
Unrestricted Investment Earnings	282,440	0	0	0	23,245	0	0	0
Miscellaneous	326,822	61,541	0	0	0	0	0	0
Total General Revenues	\$ 35,154,881	\$ 74,799,167	\$ 372,058	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Insurance Recovery Transfers	\$ 52	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	(28,000)	0	0	0	0	0	0	0
Change in Net Position	\$ (47,827,088)	\$ 51,497,047	\$ 183,664	\$ 272	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2012	(29,571,788)	143,733,283	0	0	2,538,384	0	0	58,406
Reclassification - See Note I.D.9.	(14,347)	0	0	0	0	0	0	0
Restatement - See Note I.D.8.	(601,380)	0	0	0	0	0	0	0
Prior-period Adjustments - See Note I.D.10.	111,950	0	0	0	0	0	0	0
Net Position, June 30, 2013	\$ (77,902,653)	\$ 195,230,330	\$ 2,722,048	\$ 58,678	\$ 0	\$ 0	\$ 0	\$ 0

(1) Financial statements are for the year ended September 30, 2012.

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

Putnam County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2013

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Other Govern- mental Funds	
ASSETS				
Cash	\$ 100	\$ 0	\$ 889	\$ 989
Equity in Pooled Cash and Investments	11,356,681	3,794,206	3,981,927	19,132,814
Accounts Receivable	2,133,213	48,284	171,025	2,352,522
Allowance for Uncollectibles	(258,572)	0	(1,906)	(260,478)
Due from Other Governments	795,598	807,058	543,689	2,146,345
Due from Other Funds	889	2,046,334	0	2,047,223
Property Taxes Receivable	12,512,960	9,740,627	5,919,305	28,172,892
Allowance for Uncollectible Property Taxes	(520,997)	(405,567)	(246,459)	(1,173,023)
Total Assets	\$ 26,019,872	\$ 16,030,942	\$ 10,368,470	\$ 52,419,284
LIABILITIES				
Accounts Payable	\$ 43,167	\$ 0	\$ 298,519	\$ 341,686
Accrued Payroll	42,916	0	0	42,916
Payroll Deductions Payable	0	0	198	198
Due to Other Funds	778,180	0	1,276,943	2,055,123
Matured Bonds Payable	0	15,000	0	15,000
Total Liabilities	\$ 864,263	\$ 15,000	\$ 1,575,660	\$ 2,454,923
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 11,599,808	\$ 9,029,789	\$ 5,487,334	\$ 26,116,931
Deferred Delinquent Property Taxes	362,436	282,204	165,311	809,951
Other Deferred/Unavailable Revenue	1,624,172	447,614	277,178	2,348,964
Total Deferred Inflows of Resources	\$ 13,586,416	\$ 9,759,607	\$ 5,929,823	\$ 29,275,846
FUND BALANCES				
Restricted:				
Restricted for General Government	\$ 413,320	\$ 0	\$ 156,946	\$ 570,266
Restricted for Finance	22,888	0	0	22,888
Restricted for Administration of Justice	161,573	0	0	161,573
Restricted for Public Safety	21,384	0	55,414	76,798
Restricted for Other Operations	0	0	518,239	518,239
Restricted for Highways/Public Works	0	0	772,372	772,372
Restricted for Capital Outlay	74,086	0	0	74,086
Committed:				
Committed for Public Health and Welfare	0	0	1,392,753	1,392,753
Committed for Social, Cultural, and Recreational Services	257,273	0	153,551	410,824
Committed for Other Operations	0	0	147,152	147,152
Committed for Debt Service	0	6,256,335	0	6,256,335
Committed for Other Purposes	10,000	0	0	10,000
Assigned:				
Assigned for General Government	50,532	0	80	50,612
Assigned for Finance	346	0	0	346
Assigned for Administration of Justice	1,708	0	0	1,708
Assigned for Public Safety	102,135	0	0	102,135
Assigned for Public Health and Welfare	96,393	0	215,924	312,317
Assigned for Social, Cultural, and Recreational Services	401	0	50,807	51,208
Assigned for Other Operations	312	0	0	312
Unassigned	10,356,842	0	(600,251)	9,756,591
Total Fund Balances	\$ 11,569,193	\$ 6,256,335	\$ 2,862,987	\$ 20,688,515
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,019,872	\$ 16,030,942	\$ 10,368,470	\$ 52,419,284

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 Position
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	20,688,515
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,517,706	
Add: intangible assets		4,822,262	
Add: buildings and improvements net of accumulated depreciation		25,660,913	
Add: infrastructure net of accumulated depreciation		28,323,556	
Add: other capital assets net of accumulated depreciation		<u>4,880,556</u>	69,204,993
(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 position.			1,261,606
(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	\$	(166,965,000)	
Less: landfill postclosure care costs		(339,797)	
Less: compensated absences payable		(366,826)	
Less: accrued interest on bonds		(1,855,162)	
Less: other deferred revenue - premium on debt		(2,239,543)	
Less: other postemployment benefits liability		<u>(450,354)</u>	(172,216,682)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>3,158,915</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(77,902,653)</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, 2013

	Major Funds			Nonmajor	Total
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 13,791,036	\$ 13,614,450	\$ 0	\$ 5,814,832	\$ 33,220,318
Licenses and Permits	416,576	0	0	0	416,576
Fines, Forfeitures, and Penalties	650,232	0	0	21,035	671,267
Charges for Current Services	4,002,523	0	0	975,806	4,978,329
Other Local Revenues	1,226,541	76,000	0	447,449	1,749,990
Fees Received from County Officials	3,811,555	0	0	0	3,811,555
State of Tennessee	3,593,602	0	0	2,309,611	5,903,213
Federal Government	499,863	0	0	126,477	626,340
Other Governments and Citizens Groups	461,371	443,940	0	0	905,311
Total Revenues	\$ 28,453,299	\$ 14,134,390	\$ 0	\$ 9,695,210	\$ 52,282,899
Expenditures					
Current:					
General Government	\$ 4,225,804	\$ 0	\$ 0	\$ 197,186	\$ 4,422,990
Finance	1,800,054	0	0	0	1,800,054
Administration of Justice	2,471,219	0	0	184	2,471,403
Public Safety	10,007,954	0	0	1,261,311	11,269,265
Public Health and Welfare	5,497,477	0	0	4,638,397	10,135,874
Social, Cultural, and Recreational Services	485,986	0	0	986,174	1,472,160
Agriculture and Natural Resources	248,174	0	0	0	248,174
Other Operations	1,349,502	0	0	2,341,309	3,690,811
Highways	0	0	0	3,878,345	3,878,345
Debt Service:					
Principal on Debt	0	12,875,841	0	0	12,875,841
Interest on Debt	0	5,980,808	0	0	5,980,808
Other Debt Service	0	228,843	587,409	0	816,252
Capital Projects - Donated	0	0	53,500,000	0	53,500,000
Total Expenditures	\$ 26,086,170	\$ 19,085,492	\$ 54,087,409	\$ 13,302,906	\$ 112,561,977
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 2,367,129	\$ (4,951,102)	\$ (54,087,409)	\$ (3,607,696)	\$ (60,279,078)
Other Financing Sources (Uses)					
Bonds Issued	\$ 0	\$ 0	\$ 52,235,000	\$ 0	\$ 52,235,000
Premiums on Debt Issued	0	0	1,856,941	0	1,856,941
Insurance Recovery	0	0	0	52	52
Transfers In	0	4,532	0	385,900	390,432
Transfers Out	(385,900)	0	(4,532)	(28,000)	(418,432)
Total Other Financing Sources (Uses)	\$ (385,900)	\$ 4,532	\$ 54,087,409	\$ 357,952	\$ 54,063,993
Net Change in Fund Balances	\$ 1,981,229	\$ (4,946,570)	\$ 0	\$ (3,249,744)	\$ (6,215,085)
Reclassification	0	0	0	(14,347)	(14,347)
Fund Balance, July 1, 2012	9,587,964	11,202,905	0	6,127,078	26,917,947
Fund Balance, June 30, 2013	\$ 11,569,193	\$ 6,256,335	\$ 0	\$ 2,862,987	\$ 20,688,515

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, 2013

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)		\$ (6,215,085)
(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	\$ 2,902,971	
Less: current-year depreciation expense	<u>(2,361,020)</u>	541,951
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: loss on disposal of capital assets		(207,455)
(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, 2013	\$ 3,158,915	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(2,810,859)</u>	348,056
(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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (52,235,000)	
Less: change in premium on debt issuances	(1,805,533)	
Less: change in deferred amount on refunding debt	(2,039)	
Less: contributions from the School Department to primary government	(435,841)	
Add: principal payments on capital lease	435,841	
Add: principal payments on bonds	<u>12,440,000</u>	(41,602,572)
(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	\$ (372,111)	
Change in landfill postclosure care costs	213,759	
Change in compensated absences payable	35,575	
Change in other postemployment benefits liability	<u>(98,354)</u>	(221,131)
(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>(470,852)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (47,827,088)</u></u>

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

Exhibit C-5

Putnam County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,791,036	\$ 0	\$ 0	\$ 13,791,036	\$ 13,193,572	\$ 13,283,572	\$ 507,464
Licenses and Permits	416,576	0	0	416,576	260,500	305,500	111,076
Fines, Forfeitures, and Penalties	650,232	0	0	650,232	632,500	632,500	17,732
Charges for Current Services	4,002,523	0	0	4,002,523	3,107,100	3,193,215	809,308
Other Local Revenues	1,226,541	0	0	1,226,541	879,000	999,360	227,181
Fees Received from County Officials	3,811,555	0	0	3,811,555	3,595,000	3,595,000	216,555
State of Tennessee	3,593,602	0	0	3,593,602	3,138,656	3,210,044	383,558
Federal Government	499,863	0	0	499,863	210,071	526,111	(26,248)
Other Governments and Citizens Groups	461,371	0	0	461,371	335,000	335,000	126,371
Total Revenues	\$ 28,453,299	\$ 0	\$ 0	\$ 28,453,299	\$ 25,351,399	\$ 26,080,302	\$ 2,372,997

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures							
General Government							
County Commission	\$ 152,848	\$ 0	\$ 0	\$ 152,848	\$ 150,596	\$ 160,596	\$ 7,748
Beer Board	1,574	0	0	1,574	1,940	1,940	366
County Mayor/Executive	364,797	0	25	364,822	299,940	384,872	20,050
County Attorney	158,511	0	0	158,511	138,500	159,500	989
Election Commission	403,188	(8,611)	759	395,336	349,313	415,465	20,129
Register of Deeds	248,624	0	0	248,624	205,751	277,432	28,808
Development	0	0	0	0	0	180	180
Codes Compliance	159,778	0	0	159,778	164,075	228,978	69,200
Geographical Information Systems	17,540	0	307	17,847	31,900	31,900	14,053
County Buildings	2,473,204	(16,661)	43,109	2,499,652	2,213,170	2,605,386	105,734
Other Facilities	245,740	(350,749)	351,320	246,311	200,100	253,274	6,963
Finance							
Property Assessor's Office	469,497	0	0	469,497	391,910	510,987	41,490
County Trustee's Office	397,308	(266)	0	397,042	310,136	407,783	10,741
County Clerk's Office	806,748	0	256	807,004	621,350	850,033	43,029
Other Finance	126,501	(208)	90	126,383	120,440	162,500	36,117

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,215,889	\$ 0	\$ 1,540	\$ 1,217,429	\$ 968,107	\$ 1,362,050	\$ 144,621
General Sessions Court	450,525	0	0	450,525	369,927	459,822	9,297
Drug Court	97,501	0	168	97,669	79,237	107,014	9,345
Chancery Court	347,982	(807)	0	347,175	276,265	367,036	19,861
Juvenile Court	257,074	(275)	0	256,799	207,075	357,365	100,566
Judicial Commissioners	81,429	0	0	81,429	67,810	86,539	5,110
Other Administration of Justice	20,819	0	0	20,819	31,656	34,610	13,791
<u>Public Safety</u>							
Sheriff's Department	4,846,660	(16,452)	37,255	4,867,463	3,381,757	4,911,576	44,113
Jail	3,229,494	(6,707)	8,290	3,231,077	2,690,050	3,292,421	61,344
Workhouse	54,111	0	350	54,461	42,270	59,042	4,581
Juvenile Services	665,385	(200)	2,944	668,129	533,950	734,228	66,099
Commissary	171,199	(988)	960	171,171	115,000	171,500	329
Fire Prevention and Control	614,308	(1,368)	14,374	627,314	248,908	705,263	77,949
Civil Defense	178,770	0	0	178,770	172,420	178,770	0
Other Emergency Management	177,765	(8,991)	15,222	183,996	158,071	184,671	675
County Coroner/Medical Examiner	70,262	(6,000)	22,740	87,002	63,250	95,565	8,563
<u>Public Health and Welfare</u>							
Local Health Center	237,844	(3,013)	15,066	249,897	244,397	260,054	10,157
Ambulance/Emergency Medical Services	3,987,959	(64,255)	74,839	3,998,543	3,154,850	4,310,598	312,055
Other Local Health Services	33,290	(2,303)	4,760	35,747	36,684	36,302	555
Regional Mental Health Center	2,500	0	0	2,500	2,500	2,500	0
General Welfare Assistance	10,670	0	0	10,670	10,670	10,670	0
Aid to Dependent Children	685	0	0	685	7,760	7,760	7,075
Other Public Health and Welfare	1,224,529	(501)	1,728	1,225,756	1,171,600	1,442,776	217,020
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	72,670	0	0	72,670	72,670	72,670	0
Libraries	399,950	0	0	399,950	399,950	399,950	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
Social, Cultural, and Recreational Services (Cont.)							
Parks and Fair Boards	\$ 1,366	\$ 0	\$ 401	\$ 1,767	\$ 11,115	\$ 42,903	\$ 41,136
Other Social, Cultural, and Recreational Agriculture and Natural Resources	12,000	0	0	12,000	12,000	12,000	0
Agriculture Extension Service	194,966	0	0	194,966	178,063	202,377	7,411
Forest Service	1,455	0	0	1,455	1,455	1,455	0
Soil Conservation	51,753	0	0	51,753	55,500	76,087	24,334
<u>Other Operations</u>							
Tourism	155,489	0	0	155,489	148,000	168,000	12,511
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	41,537	0	138	41,675	35,885	45,114	3,439
Contributions to Other Agencies	374,869	0	0	374,869	254,978	374,869	0
Employee Benefits	12,920	0	0	12,920	5,499,293	567,239	554,319
Miscellaneous	736,687	(386)	174	736,475	1,846,400	1,142,612	406,137
Total Expenditures	\$ 26,086,170	\$ (488,741)	\$ 596,815	\$ 26,194,244	\$ 27,776,644	\$ 28,762,234	\$ 2,567,990
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,367,129	\$ 488,741	\$ (596,815)	\$ 2,259,055	\$ (2,425,245)	\$ (2,681,932)	\$ 4,940,987
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600,000	\$ 730,000	\$ (730,000)
Transfers In	0	0	0	0	174,000	174,000	(174,000)
Transfers Out	(385,900)	0	0	(385,900)	(95,000)	(395,000)	9,100
Total Other Financing Sources	\$ (385,900)	\$ 0	\$ 0	\$ (385,900)	\$ 679,000	\$ 509,000	\$ (894,900)
Net Change in Fund Balance	\$ 1,981,229	\$ 488,741	\$ (596,815)	\$ 1,873,155	\$ (1,746,245)	\$ (2,172,932)	\$ 4,046,087
Fund Balance, July 1, 2012	9,587,964	(488,741)	0	9,099,223	8,583,352	8,583,352	515,871
Fund Balance, June 30, 2013	\$ 11,569,193	\$ 0	\$ (596,815)	\$ 10,972,378	\$ 6,837,107	\$ 6,410,420	\$ 4,561,958

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

Exhibit D-1

Putnam County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2013

	<u>Governmental Activities - Internal Service Fund Self-Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,262,252
Total Assets	<u>\$ 2,262,252</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 1,000,646
Total Liabilities	<u>\$ 1,000,646</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 1,261,606</u>
Total Net Position	<u>\$ 1,261,606</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 Position
Proprietary Fund
For the Year Ended June 30, 2013

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,296,445
Refunds	7,226
Total Operating Revenues	<u>\$ 1,303,671</u>
<u>Operating Expenses</u>	
Public Safety	\$ 186,400
Public Health and Welfare	164,883
Social, Cultural, and Recreational Services	60,840
Agriculture and Natural Resources	20,167
Other Operations	310,746
Highways	325,833
Education - Support Services	728,441
Total Operating Expenses	<u>\$ 1,797,310</u>
Operating Income (Loss)	<u>\$ (493,639)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 22,787
Total Nonoperating Revenue	<u>\$ 22,787</u>
Change in Net Position	\$ (470,852)
Net Position, July 1, 2012	1,636,532
Prior-period Adjustment	<u>95,926</u>
Net Position, June 30, 2013	<u><u>\$ 1,261,606</u></u>

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

Exhibit D-3

Putnam County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

	Governmental Activities - Internal Service Fund <u>Self-Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,296,445
Receipts for Refunds	7,226
Payments for Administrative Costs and Premiums	(1,412,422)
Payments for Claims	(31,049)
Payments for Legal Costs	(193,009)
Payments for Other Charges	(49,453)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (382,262)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 22,787
Net Cash Provided By (Used In) Investing Activities	<u>\$ 22,787</u>
Net Increase (Decrease) in Cash	\$ (359,475)
Cash, July 1, 2012	<u>2,621,727</u>
Cash, June 30, 2013	<u>\$ 2,262,252</u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (493,639)
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	15,451
Portion of Change in Claims and Judgments Payable Posted as a Prior-period Adjustment	<u>95,926</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (382,262)</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, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,636,654
Equity in Pooled Cash and Investments	83,097
Accounts Receivable	16,547
Due from Other Governments	2,208,451
Due from Other Funds	<u>7,900</u>
Total Assets	<u>\$ 4,952,649</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,192,498
Due to Litigants, Heirs, and Others	2,679,952
Due to Joint Venture	<u>80,199</u>
Total Liabilities	<u>\$ 4,952,649</u>

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

PUTNAM COUNTY, TENNESSEE
Index of Notes to Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	33
B. Government-wide and Fund Financial Statements	34
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	35
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	38
2. Receivables and Payables	38
3. Capital Assets	39
4. Deferred Outflows/Inflows of Resources	40
5. Compensated Absences	41
6. Long-term Obligations	41
7. Net Position and Fund Balance	42
8. Restatement	44
9. Reclassification	44
10. Prior-period Adjustments	44
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 Position	45
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	45
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	45
B. Fund Deficit	47
C. Expenditures Exceeded Appropriations	47
IV. Detailed Notes on All Funds	
A. Deposits and Investments	47
B. Capital Assets	49
C. Interfund Receivables, Payables, and Transfers	52
D. Long-term Obligations	54
E. On-Behalf Payments	57
F. Internal Financing	57

PUTNAM COUNTY, TENNESSEE
Index of Notes to Financial Statements (Cont.)

Note	Page(s)
V. Other Information	
A. Risk Management	59
B. Accounting Changes	60
C. Subsequent Events	61
D. Contingent Liabilities	61
E. Change in Administration	61
F. Landfill Postclosure Care Costs	62
G. Joint Ventures	62
H. Jointly Governed Organization	65
I. Retirement Commitments	65
J. Other Postemployment Benefits (OPEB)	68
K. Purchasing Laws	73
VI. Other Notes - Discretely Presented Putnam County Emergency Communications District	73
VII. Other Notes - Discretely Presented Putnam County Agricultural and Industrial Fair, Inc.	76

PUTNAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

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 County Commission's approval. The financial statements of the Putnam

County Agricultural and Industrial Fair, Inc., are for the year ended September 30, 2012.

The Putnam County School Department does not issue separate financial statements from those of the county. Therefore, the basic financial statements of the Putnam County School Department are included in this report as listed in the table of contents. Complete financial statements of the Putnam County Emergency Communications District and the Putnam County Agricultural and Industrial Fair, Inc., can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Putnam County Emergency
Communications District
700 County Service Drive
Cookeville, TN 38501

Putnam County Agricultural
and Industrial Fair, Inc.
P.O. Box 1001
Cookeville, TN 38503

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position 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. Net debt issues totaling \$53,500,000 were contributed by the county to the School Department during the year ended June 30, 2013.

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, deferred outflow of resources, liabilities, deferred inflows of resources, 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.

Education Capital Projects Fund – This fund accounts for debt issued by Putnam County that is subsequently contributed to the discretely presented Putnam County School Department for construction and renovation projects.

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.

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 Judicial District Drug Task Force, and the Office of District Attorney General. 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.

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

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, Deferred Outflows/Inflows of Resource, and Net Position/Fund Balance**

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 position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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.

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, solid waste collections, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste receivables allowance for uncollectibles is based on

historical collection data. The allowance for uncollectible property taxes is equal to 2.21 percent of total taxes levied.

Interfund Notes Receivable/Payable include \$2,046,334 loaned from the General Debt Service Fund to the General (\$777,780), Industrial/Economic Development (\$555,554), and General Capital Projects (\$713,000) funds for capital asset purchases. The amount due to the General Debt Service Fund (\$2,046,334) is reflected as committed fund balance.

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 a deferred inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

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

3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the primary

government as assets with an initial, individual cost of \$15,000 (infrastructure \$35,000) or more and an estimated useful life of more than one year. Capital assets are defined by the discretely presented Putnam County School Department as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
<u>Primary Government</u>	
Buildings and Improvements	50
Other Capital Assets	5 - 20
Infrastructure:	
Roads	40
Bridges	40
<u>School Department</u>	
Buildings and Improvements	40

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for

reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. 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 that earns ten days of 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.

6. 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 Position. Debt premiums

and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

7. Net Position and Fund Balance

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$693,251, with the primary restrictions being for: (1) capital outlay note proceeds (\$419,074); (2) computer systems for various offices (\$183,748); (3) drug court (\$50,613); courtroom security (\$18,432); and sexual offender registry (\$21,384). For the discretely presented School Department, the account balance in Restricted for Other Purposes (\$97,178) consists of career ladder extended contracts (\$33,732); career ladder (\$7,969), and drivers' education (\$55,477).

As of June 30, 2013, Putnam County had \$144,465,000 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 position 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 by resolution 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.

8. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board Statement No. 65, debt issuance costs become period costs. A restatement to beginning net position totaling \$601,380 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

9. Reclassification

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the district attorney general.

10. Prior-period Adjustments

A prior-period adjustment of \$465,333 was recognized in the Statement of Activities to increase capital assets that were understated at July 1, 2012.

A prior-period adjustment of \$95,926 was recognized in the Self-Insurance Fund to reduce the outstanding claims liability as of July 1, 2012. Claims included in the estimate of outstanding claims liability at June 30, 2012, were settled without payments by the county.

A prior-period adjustment of \$449,309 was recognized in the Statement of Activities to increase the landfill postclosure care liability because of a change in the estimated postclosure costs.

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 Position**

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 Position.

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 Position.

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 position 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 position or governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. **Budgetary Information**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be

consistent in the presentation of the information for both municipal and county governments in Tennessee.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (a special revenue fund), which is 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, 2013, Putnam County and the Putnam County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Fund:		
General	Circuit and Juvenile Court computer systems	\$ 344,988
Nonmajor Fund:		
Solid Waste/Sanitaion	Roll-off truck	137,509
"	Construction of building cover	50,600
Parks and Recreation	Turf equipment	37,500
General Capital Project	Patrol vehicle	27,323
School Department:		
Major Fund:		
General Purpose School	Buses	168,936
"	Security equipment	54,890
"	Electric repairs	47,500
"	Computers and software	42,733
Nonmajor Fund:		
Central Cafeteria	Food service equipment	17,127

B. Fund Deficit

The General Capital Projects Fund had a negative unassigned fund balance of \$600,251 at June 30, 2013. This negative unassigned fund balance resulted from the recognition of a long-term liability of \$713,000. This negative unassigned fund balance is expected to be liquidated from property tax collections subsequent to June 30, 2013.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the General Capital Projects Fund by \$11,475. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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 position as

Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2013, Putnam County had the following investments carried at fair value. 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)	Fair Value
State Treasurer's Investment Pool	11 to 138	\$ 353,521

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, 2013, 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, 2013, was as follows:

Primary Government

Governmental Activities:

	*Restated			
	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 5,429,578	\$ 88,130	\$ (2)	\$ 5,517,706
Intangibles	4,835,875		(13,613)	4,822,262
Total Capital Assets				
Not Depreciated	\$ 10,265,453	\$ 88,130	\$ (13,615)	\$ 10,339,968

Governmental Activities (Cont.):

	*Restated			
	Balance			Balance
	7-1-12	Increases	Decreases	6-30-13
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 30,942,373	\$ 1,250,262	\$ 0	\$ 32,192,635
Roads and Bridges	49,889,361	48,191	(62,495)	49,875,057
Other Capital Assets	12,470,502	1,516,388	(800,711)	13,186,179
Total Capital Assets				
Depreciated	<u>\$ 93,302,236</u>	<u>\$ 2,814,841</u>	<u>\$ (863,206)</u>	<u>\$ 95,253,871</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 6,055,429	\$ 476,293	\$ 0	\$ 6,531,722
Roads and Bridges	20,518,847	1,062,453	(29,799)	21,551,501
Other Capital Assets	8,122,916	822,274	(639,567)	8,305,623
Total Accumulated				
Depreciation	<u>\$ 34,697,192</u>	<u>\$ 2,361,020</u>	<u>\$ (669,366)</u>	<u>\$ 36,388,846</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 58,605,044</u>	<u>\$ 453,821</u>	<u>\$ (193,840)</u>	<u>\$ 58,865,025</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 68,870,497</u>	<u>\$ 541,951</u>	<u>\$ (207,455)</u>	<u>\$ 69,204,993</u>

* See Note I.D.10. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 49,576
Finance	16,968
Administration of Justice	167,706
Public Safety	316,476
Public Health and Welfare	571,254
Social, Cultural, and Recreational Services	37,963
Agriculture and Natural Resources	5,413
Highways/Public Works	<u>1,195,664</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,361,020</u>

Discretely Presented Putnam County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 5,145,013	\$ 0	\$ 0	\$ 5,145,013
Construction in Progress	<u>2,871,525</u>	<u>1,098,015</u>	<u>(2,297,945)</u>	<u>1,671,595</u>
Total Capital Assets Not Depreciated	<u>\$ 8,016,538</u>	<u>\$ 1,098,015</u>	<u>\$ (2,297,945)</u>	<u>\$ 6,816,608</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 148,689,810	\$ 3,121,033	\$ 0	\$ 151,810,843
Other Capital Assets	<u>6,596,833</u>	<u>824,094</u>	<u>(208,742)</u>	<u>7,212,185</u>
Total Capital Assets Depreciated	<u>\$ 155,286,643</u>	<u>\$ 3,945,127</u>	<u>\$ (208,742)</u>	<u>\$ 159,023,028</u>

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,730,704	\$ 2,763,675	\$ 0	\$ 32,494,379
Other Capital Assets	2,849,828	724,894	(198,827)	3,375,895
Total Accumulated Depreciation	<u>\$ 32,580,532</u>	<u>\$ 3,488,569</u>	<u>\$ (198,827)</u>	<u>\$ 35,870,274</u>
Total Capital Assets Depreciated, Net	<u>\$ 122,706,111</u>	<u>\$ 456,558</u>	<u>\$ (9,915)</u>	<u>\$ 123,152,754</u>
Governmental Activities Capital Assets, Net	<u>\$ 130,722,649</u>	<u>\$ 1,554,573</u>	<u>\$ (2,307,860)</u>	<u>\$ 129,969,362</u>

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

Governmental Activities:

Instruction	\$ 3,163,827
Support Services	302,840
Operation on Non-Instructional Services	<u>21,902</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,488,569</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 889
General Debt Service	General	777,780
"	Nonmajor governmental	1,268,554
Fiduciary funds	General	400
"	Nonmajor governmental	7,500
Discretely Presented Putnam		
County School Department:		
General Purpose School	Nonmajor governmental	80,475
School Federal Projects	General Purpose School	1,622

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 \$27,448 was in transit from the Central Cafeteria Fund at June 30, 2013.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Debt Service Fund	Nonmajor Governmental Funds	Fiduciary Funds
General Fund	\$	\$ 385,900	\$ 0
Education Capital Projects	4,532	0	0
Nonmajor governmental funds	0	0	28,000
Total	\$ 4,532	\$ 385,900	\$ 28,000

Discretely Presented Putnam County School Department

<u>Transfer Out</u>	<u>Transfers In</u>	
	<u>General Purpose School Fund</u>	<u>Nonmajor Governmental Funds</u>
General Purpose School Fund	\$ 0	\$ 54,245
School Federal Projects Fund	135,079	0
Nonmajor governmental funds	465,020	0
Total	\$ 600,099	\$ 54,245

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.

D. Long-term Obligations

Primary Government

General Obligation Bonds

Putnam County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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, 2013, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	2 to 5%	4-1-33	\$ 133,135,000	\$ 129,935,000
General Obligation Bonds - Refunding	4.5 to 5.5	4-1-20	44,825,000	37,030,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2013, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 5,700,000	\$ 6,795,543	\$ 12,495,543
2015	6,185,000	6,827,363	13,012,363
2016	6,915,000	6,528,275	13,443,275
2017	7,615,000	6,193,738	13,808,738
2018	7,910,000	5,833,013	13,743,013
2019-2023	45,995,000	23,155,943	69,150,943
2024-2028	56,650,000	12,218,914	68,868,914
2029-2033	29,995,000	2,983,500	32,978,500
Total	<u>\$ 166,965,000</u>	<u>\$ 70,536,289</u>	<u>\$ 237,501,289</u>

There is \$6,256,335 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,309, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

	Bonds	Capital Leases	Compensated Absences
Balance, July 1, 2012	\$ 127,170,000	\$ 0	\$ 402,401
Additions	52,235,000	435,841	381,687
Reductions	(12,440,000)	(435,841)	(417,262)
Reclassification of School Debt	0	0	0
Balance, June 30, 2013	<u>\$ 166,965,000</u>	<u>\$ 0</u>	<u>\$ 366,826</u>
Balance Due Within One Year	<u>\$ 5,700,000</u>	<u>\$ 0</u>	<u>\$ 149,182</u>

	Other Postemployment Benefits	Landfill Postclosure Care Costs
Balance, July 1, 2012	\$ 352,000	\$ 104,247
Additions	104,777	457,273
Reductions	(6,423)	(221,723)
	<hr/>	<hr/>
Balance, June 30, 2013	\$ 450,354	\$ 339,797
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 30,032
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 168,121,977
Less: Balance Due Within One Year	(5,879,214)
Add: Unamortized Premium on Debt	<u>2,239,543</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 164,482,306</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 Obligations

Long-term obligations activity for the discretely presented Putnam County School Department for the year ended June 30, 2013, was as follows:

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 435,841	\$ 163,284	\$ 1,013,838
Additions	0	178,800	845,507
Reductions	0	(153,382)	(798,919)
Reclassification of School Debt	(435,841)	0	0
Balance, June 30, 2013	\$ 0	\$ 188,702	\$ 1,060,426
Balance Due Within One Year	\$ 0	\$ 147,978	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 1,249,128
Less: Balance Due Within One Year	<u>(147,978)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,101,150</u>

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

E. 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, 2013, were \$218,419 and \$77,512, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

F. 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:

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Software and Paving	\$ 522,000	0 %	6-28-10	6-28-13
	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
Software and Paving	\$ 174,000	\$ 0	\$ (174,000)	\$ 0
Total	\$ 174,000	\$ 0	\$ (174,000)	\$ 0

Also, internally reported notes receivable (\$2,046,334) from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development (\$555,554), General (\$777,780), and General Capital Projects (\$713,000) funds. Amounts financed are presented as an interfund notes payable in the governmental funds. Internally reported notes receivable at June 30, 2013, 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
Emergency Capital Projects	263,000	0	12-28-12	12-28-15
Justice Center Renovations	450,000	0	1-22-13	1-22-16

	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
General Debt Service Fund:				
Land	\$ 833,332	\$ 0	\$ (277,778)	\$ 555,554
Building	972,224	0	(194,444)	777,780
Emergency Capital Projects	0	263,000	0	263,000
Justice Center Renovations	0	450,000	0	450,000
Total	\$ 1,805,556	\$ 713,000	\$ (472,222)	\$ 2,046,334

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 \$360,014,957. 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
2011-2012	\$ 1,698,867	\$ (673,926)	\$ (39,746)	\$ 985,195
2012-2013	985,195	46,499	(31,048)	1,000,646

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Putnam County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB’s literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66, decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Subsequent Events

On December 16, 2013, the County Commission approved a resolution to dissolve the joint venture with the City of Cookeville for the Emergency Management Agency, and to establish the former joint venture as a department of Putnam County, Tennessee.

During the year, the former 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 by approximately \$896,852. These change orders are currently in appeal, and the operations of the office under Rhonda Chaffin's administration are being investigated by state and federal authorities.

D. Contingent Liabilities

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

E. Change in Administration

On August 31, 2012, Rhonda Chaffin left the Office of Assessor of Property and was succeeded by Travis Roberts.

F. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Putnam County closed its sanitary landfill in 2000. The \$339,797 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Cookeville - Putnam County Emergency Management Agency was established in 1951 as a joint venture between the City of Cookeville and Putnam County. The purpose of the Cookeville - Putnam County Emergency Management Agency is to plan and prepare for emergency operations and to assist other emergency services during emergencies or disasters. Putnam County contributed \$125,420 to the Cookeville - Putnam County Emergency Management Agency for the year ended June 30, 2013. This joint venture was dissolved in December 2013.

The Upper Cumberland Regional Airport was established as a joint venture between Putnam County, White County, the City of Cookeville, and the City of Sparta. The airport operates the regional airport for the two-county area. The five-member board of the airport includes one member appointed by each of the four participating governments with the fifth member of the board being the chief executive officer of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport. Putnam County contributed \$28,000 to the Upper Cumberland Regional Airport for the year ended June 30, 2013.

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, 2013.

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 \$125,000 to the Chamber of Commerce for the year ended June 30, 2013.

The Tennessee Central Heritage Rail Trail Authority is operated through an interlocal agreement between Putnam County and the cities of Algood, Cookeville, and Monterey. The agreement created a ten-member board to construct and manage a rail trail on the right-of-way owned by the Nashville Eastern Railroad Authority. The county and cities will each appoint two members, the ninth member will be appointed by the Putnam County Chamber of Commerce, and the tenth member will be appointed by the Upper Cumberland Heritage Association. The county and cities will each approve the budget of the authority. Putnam County did not make appropriations to the Rail Trail Authority for the year ended June 30, 2013.

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, 2013.

The Putnam County Library is a joint venture between Putnam County and 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 \$399,950 to the Putnam County Library for the year ended June 30, 2013.

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

H. Jointly Governed Organization

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

I. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

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

Funding Policy

Putnam County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 10.23 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, 2013, the county's annual pension cost of \$2,648,883 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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, 2011, was seven 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
6-30-13	\$2,648,883	100%	\$0
6-30-12	2,682,933	100	0
6-30-11	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. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

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, 2013, was 8.88 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, 2013, 2012, and 2011, were \$3,540,770, \$3,473,198, and \$3,363,247, respectively, equal to the required contributions for each year.

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.

J. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

	<u>Commercial Plan</u>
ARC	\$ 110,658
Interest on the NOPEBO	14,080
Adjustment to the ARC	<u>(19,961)</u>
Annual OPEB cost	\$ 104,777
Expected Net OPBE Benefits	(6,423)
Amount of contribution	<u>0</u>
Increase/decrease in NOPEBO	\$ 98,354
Net OPEB obligation, 7-1-12	<u>352,000</u>
 Net OPEB obligation, 6-30-13	 <u><u>\$ 450,354</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Commercial Insurance	\$ 140,400	17%	\$ 224,000
6-30-12	"	148,700	14	352,000
6-30-13	"	104,777	6.13	450,354

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-12
Actuarial accrued liability (AAL)	\$ 979,526
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 979,526
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 15,224,939
UAAL as a % of covered payroll	6.43%

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, 2012, 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 eight percent for fiscal year 2013. This rate decreases .5 percent annually until an ultimate rate of five percent is reached in fiscal year 2019. 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 \$798,919 were recognized for postemployment health care by the School Department.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 848,000
Interest on the NOPEBO	40,554
Adjustment to the ARC	(43,047)
Annual OPEB cost	<hr/> \$ 845,507
Amount of contribution	(798,919)
Increase/decrease in NOPEBO	<hr/> \$ 46,588
Net OPEB obligation, 7-1-12	<hr/> 1,013,838
	<hr/>
Net OPEB obligation, 6-30-13	<u><u>\$ 1,060,426</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-11	Local Education Group	\$ 711,506	118%	\$ 924,728
6-30-12	"	837,725	89	1,013,838
6-30-13	"	845,507	94	1,060,426

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 8.75 percent for the fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 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, 2007.

K. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 63, Private Acts of 1981. This statute provides for the county executive to serve as the purchasing agent and for all purchases exceeding \$5,000 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.

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	2013 Depreciation
Building/Improvements	S/L	5 - 20	\$ 9,772
Furniture and Fixtures	S/L	5	834
Communications Equipment	S/L	4 - 7	196,084
Vehicle	S/L	5	7,100
Total			\$ 213,790

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, 2013:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	277,327
Certificates of Deposit - Bank of Putnam County	1,250,000
Total	\$ 1,547,327

At June 30, 2013, the carrying amount of the Putnam County Emergency Communications District’s cash deposits was \$1,547,327. 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, 2013. 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 capital assets at June 30, 2013:

Assets	Cost	Accumulated Depreciation	Net
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,867	\$ 69,494	\$ 150,373
Furniture and Fixtures	8,339	3,127	5,212
Communications Equipment	1,606,144	722,367	883,777
Vehicle	114,902	73,137	41,765
Total Depreciable	\$ 1,949,252	\$ 868,125	\$ 1,081,127
Total	\$ 1,949,252	\$ 868,125	\$ 1,081,127

Assets	Balance 7-1-12	Additions	Balance 6-30-13
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,867	\$ 0	\$ 219,867
Furniture and Fixtures	8,339	0	8,339
Communications Equipment	1,471,415	134,729	1,606,144
Vehicle	84,730	30,172	114,902
Total Depreciable	\$ 1,784,351	\$ 164,901	\$ 1,949,252
Total	\$ 1,784,351	\$ 164,901	\$ 1,949,252

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 \$255,807 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:

Frontier Communications	\$ 16,831
Miscellaneous Wireless Charges	<u>8,662</u>
Subtotal	\$ 25,493
State Emergency Communications Board	<u>29,488</u>
Total	<u><u>\$ 54,981</u></u>

G. Compensated Absences

There were no employees at June 30, 2013.

H. Calculation of Invested in Capital Assets

Net Book Value	<u>\$ 1,081,127</u>
Invested in Capital Assets	<u><u>\$ 1,081,127</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 Position.

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.

VII. OTHER NOTES – DISCRETELY PRESENTED PUTNAM COUNTY AGRICULTURAL AND INDUSTRIAL FAIR, INC.

A. Summary of Significant Accounting Policies

1. Organization

The Putnam County Agricultural and Industrial Fair, Inc., was organized to promote agriculture, conduct an annual fair in Putnam

County, Tennessee, and utilize the physical facilities of the fairground. All property and related facilities are owned by Putnam County and administered by the Putnam County Agricultural and Industrial Fair, Inc. Putnam County Agricultural and Industrial Fair, Inc., is a component unit of Putnam County, Tennessee. The Putnam County Commission approves all nominations to the board of directors of the Putnam County Agricultural and Industrial Fair, Inc. The legislative body has the authority to reject all nominations and to make nominations from the floor. Three members of the Putnam County Commission will be on the board of directors at all times. The bylaws do not give the board of directors' permission to borrow money. In addition, all changes to the bylaws are subject to approval by the Putnam County Commission. The organization's major source of revenue comes from the annual fair. As of and for the year ended September 30, 2012, the annual fair represented 98 percent of revenue.

2. Basis of Accounting

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

3. Capital Assets

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

4. Statement of Cash Flows

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

5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and

disclosures. Accordingly, actual results could differ from those estimates.

B. Cash and Investments

Deposits (cash and certificates of deposit) are carried at cost, which approximates market value. At September 30, 2012, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - Operating	\$ 54,621
Checking - Special Events	18
Checking - Premiums	<u>7,066</u>
Total	<u>\$ 61,705</u>

At September 30, 2012, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$61,705. The fair's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. The fair is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*.

C. Commitments

The Putnam County Agricultural and Industrial Fair, Inc., entered into a contract with Geren Rides to provide carnival services for the annual Putnam County Fair. This contract expired in August 2012.

D. Risk Management

The Putnam County Agricultural and Industrial Fair, Inc., is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Putnam County Agricultural and Industrial Fair, Inc., maintains an insurance contract with a local insurance carrier to cover all such claims. All insurance expenses for the past three years are related to the premiums paid to the carrier for the respective years.

E. In-Kind Contributions and Donated Personal Services

No in-kind contributions or donated services for the annual Putnam County Fair are recorded in the financial statements because the amounts are deemed immaterial.

F. Compensated Absences

There was no compensated absences balance at September 30, 2012.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Putnam County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Putnam County School Department
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen 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-2

Putnam County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Putnam County School Department
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (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 Commercial	7-1-10	0	603	603	0	9,618	6
"	7-1-10	0	1,301	1,301	0	(1)	(1)
"	7-1-12	0	979	979	0	15,225	6
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

(1) Payroll information was not provided.

PUTNAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

**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.

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 – In prior years the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has been reclassified as an agency fund to better reflect the control of these funds by the 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.

Pulnam County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds					
	Solid Waste/ Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation
ASSETS					
Cash	0	0	0	0	0
Equity in Pooled Cash and Investments	1,650,882	1,140,988	145,904	55,414	196,261
Accounts Receivable	149,391	0	11,122	0	10,512
Allowance for Uncollectibles	(1,906)	0	0	0	0
Due from Other Governments	6,095	85,766	0	0	0
Property Taxes Receivable	2,847,260	449,568	0	0	824,207
Allowance for Uncollectible Property Taxes	(118,550)	(18,718)	0	0	(34,317)
Total Assets	\$ 4,533,172	\$ 1,657,604	\$ 157,026	\$ 55,414	\$ 996,663
LIABILITIES					
Accounts Payable	115,841	0	0	0	3,395
Payroll Deductions Payable	0	0	0	0	0
Due to Other Funds	0	563,054	0	0	0
Total Liabilities	\$ 115,841	\$ 563,054	\$ 0	\$ 0	\$ 3,395
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	2,639,477	416,760	0	0	764,059
Deferred Delinquent Property Taxes	78,285	12,399	0	0	24,851
Other Deferred/Unavailable Revenue	90,892	0	0	0	0
Total Deferred Inflows of Resources	\$ 2,808,654	\$ 429,159	\$ 0	\$ 0	\$ 788,910
FUND BALANCES					
Restricted:					
Restricted for General Government	0	0	156,946	0	0
Restricted for Public Safety	0	0	0	55,414	0
Restricted for Other Operations	0	518,239	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0
Committed:					
Committed for Public Health and Welfare	1,392,753	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	153,551
Committed for Other Operations	0	147,152	0	0	0
Assigned:					
Assigned for General Government	0	0	80	0	0

(Continued)

Pulnam 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
\$	215,924	0	0	0	0
	0	0	0	0	50,807
	0	0	0	0	0
\$	1,608,677	665,391	157,026	55,414	204,358
\$	4,533,172	1,657,604	157,026	55,414	996,663

FUND BALANCES (Cont.)

Assigned (Cont.):
 Assigned for Public Health and Welfare
 Assigned for Social, Cultural, and Recreational Services
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
Cash	\$ 889	\$ 0	\$ 889	\$ 0	\$ 889	
Equity in Pooled Cash and Investments	0	677,230	3,866,679	115,248	3,981,927	
Accounts Receivable	0	0	171,025	0	171,025	
Allowance for Uncollectibles	0	0	(1,906)	0	(1,906)	
Due from Other Governments	0	451,828	543,689	0	543,689	
Property Taxes Receivable	0	1,498,558	5,619,593	299,712	5,919,305	
Allowance for Uncollectible Property Taxes	0	(62,395)	(233,980)	(12,479)	(246,459)	
Total Assets	\$ 889	\$ 2,565,221	\$ 9,965,989	\$ 402,481	\$ 10,368,470	
Accounts Payable	0	175,687	294,923	3,596	298,519	
Payroll Deductions Payable	0	198	198	0	198	
Due to Other Funds	889	0	563,943	713,000	1,276,943	
Total Liabilities	\$ 889	\$ 175,885	\$ 859,064	\$ 716,596	\$ 1,575,660	

LIABILITIES

<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 1,389,198	\$ 5,209,494	\$ 277,840	\$ 5,487,334	
Deferred Delinquent Property Taxes	0	41,480	157,015	8,296	165,311	
Other Deferred/Unavailable Revenue	0	186,286	277,178	0	277,178	
Total Deferred Inflows of Resources	\$ 0	\$ 1,616,964	\$ 5,643,687	\$ 286,136	\$ 5,929,823	

FUND BALANCES

Restricted:	\$ 0	\$ 0	\$ 156,946	\$ 0	\$ 156,946	
Restricted for General Government	0	0	55,414	0	55,414	
Restricted for Public Safety	0	0	518,239	0	518,239	
Restricted for Other Operations	0	772,372	772,372	0	772,372	
Restricted for Highways/Public Works	0	0	0	0	0	
Committed:	0	0	1,392,753	0	1,392,753	
Committed for Public Health and Welfare	0	0	153,551	0	153,551	
Committed for Social, Cultural, and Recreational Services	0	0	147,152	0	147,152	
Assigned:	0	0	80	0	80	
Assigned for General Government	0	0	80	0	80	

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Constitutional Officers - Fees	Highway / Public Works	Total	General Capital Projects		
\$	0 \$	0 \$	215,924 \$	0 \$	0 \$	215,924
	0	0	50,807	0	0	50,807
	0	0	0	(600,251)	(600,251)	(600,251)
\$	0 \$	772,372 \$	3,463,238 \$	(600,251) \$	(600,251) \$	2,862,987
\$	889 \$	2,565,221 \$	9,965,989 \$	402,481 \$		10,368,470

FUND BALANCES (Cont.)

Assigned (Cont.):
 Assigned for Public Health and Welfare
 Assigned for Social, Cultural, and Recreational Services
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Putnam County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds					
	Solid Waste/ Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation	
Revenues						
Local Taxes	\$ 2,695,263	\$ 427,891	\$ 0	\$ 0	\$ 845,721	
Fines, Forfeitures, and Penalties	0	0	0	21,035	0	
Charges for Current Services	840,134	850	72,884	0	61,546	
Other Local Revenues	317,490	14,022	14,568	13,211	76,587	
State of Tennessee	63,809	0	2,345	0	0	
Federal Government	0	86,920	0	0	0	
Total Revenues	\$ 3,916,696	\$ 529,683	\$ 89,797	\$ 34,246	\$ 983,854	
Expenditures						
Current:						
General Government	0	8,650	60,085	0	0	
Administration of Justice	0	0	0	0	0	
Public Safety	0	0	0	58,752	0	
Public Health and Welfare	4,115,314	0	0	0	0	
Social, Cultural, and Recreational Services	0	0	0	0	942,174	
Other Operations	62,189	2,256,835	0	3	16,590	
Highways	0	0	0	0	0	
Total Expenditures	\$ 4,177,503	\$ 2,265,485	\$ 60,085	\$ 58,755	\$ 958,764	
Excess (Deficiency) of Revenues Over Expenditures	\$ (260,807)	\$ (1,735,802)	\$ 29,712	\$ (24,509)	\$ 25,090	
Other Financing Sources (Uses)						
Insurance Recovery	0	0	0	0	0	
Transfers In	0	0	0	0	85,900	
Transfers Out	0	(28,000)	0	0	0	
Total Other Financing Sources (Uses)	\$ 0	\$ (28,000)	\$ 0	\$ 0	\$ 85,900	
Net Change in Fund Balances	\$ (260,807)	\$ (1,763,802)	\$ 29,712	\$ (24,509)	\$ 110,990	
Reclassification	0	0	0	0	0	
Fund Balance, July 1, 2012	1,869,484	2,429,193	127,314	79,923	93,368	
Fund Balance, June 30, 2013	\$ 1,608,677	\$ 665,391	\$ 157,026	\$ 55,414	\$ 204,358	

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)					Capital Projects Fund		Total Nonmajor Governmental Funds
	District Attorney	Constitutional Officers - Fees	Highway / Public Works	Total	Capital Projects			
					General Capital	Projects		
Revenues								
Local Taxes	\$ 0	\$ 0	\$ 1,561,993	\$ 5,530,868	\$ 283,964	\$ 5,814,832		
Fines, Forfeitures, and Penalties	0	0	0	21,035	0	21,035		
Charges for Current Services	0	392	0	975,806	0	975,806		
Other Local Revenues	0	0	9,630	445,508	1,941	447,449		
State of Tennessee	0	0	2,243,457	2,309,611	0	2,309,611		
Federal Government	0	0	39,557	126,477	0	126,477		
Total Revenues	\$ 0	\$ 392	\$ 3,854,637	\$ 9,409,305	\$ 285,905	\$ 9,695,210		
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 68,735	\$ 128,451	\$ 197,186		
Administration of Justice	0	184	0	184	0	184		
Public Safety	0	208	0	58,960	1,202,351	1,261,311		
Public Health and Welfare	0	0	0	4,115,314	523,083	4,638,397		
Social, Cultural, and Recreational Services	0	0	0	942,174	44,000	986,174		
Other Operations	0	0	0	2,335,617	5,692	2,341,309		
Highways	0	0	3,878,345	3,878,345	0	3,878,345		
Total Expenditures	\$ 0	\$ 392	\$ 3,878,345	\$ 11,399,329	\$ 1,903,577	\$ 13,302,906		
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (23,708)	\$ (1,990,024)	\$ (1,617,672)	\$ (3,607,696)		
Other Financing Sources (Uses)								
Insurance Recovery	\$ 0	\$ 0	\$ 52	\$ 52	\$ 0	\$ 52		
Transfers In	0	0	0	85,900	300,000	385,900		
Transfers Out	0	0	0	(28,000)	0	(28,000)		
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 52	\$ 57,952	\$ 300,000	\$ 357,952		
Net Change in Fund Balances	\$ 0	\$ 0	\$ (23,656)	\$ (1,932,072)	\$ (1,317,672)	\$ (3,249,744)		
Reclassification	(14,347)	0	0	(14,347)	0	(14,347)		
Fund Balance, July 1, 2012	14,347	0	796,028	5,409,657	717,421	6,127,078		
Fund Balance, June 30, 2013	\$ 0	\$ 0	\$ 772,372	\$ 3,463,238	\$ (600,251)	\$ 2,862,987		

Exhibit G-3

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,695,263	\$ 0	\$ 0	\$ 2,695,263	\$ 2,640,208	\$ 2,640,208	\$ 55,055
Charges for Current Services	840,134	0	0	840,134	850,000	850,000	(9,866)
Other Local Revenues	317,490	0	0	317,490	300,000	300,000	17,490
State of Tennessee	63,809	0	0	63,809	23,000	23,000	40,809
Total Revenues	\$ 3,916,696	\$ 0	\$ 0	\$ 3,916,696	\$ 3,813,208	\$ 3,813,208	\$ 103,488
Expenditures							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 3,194,895	(7,421)	195,124	\$ 3,382,598	\$ 3,644,789	\$ 3,644,789	\$ 262,191
Landfill Operation and Maintenance	150,889	0	0	150,889	161,100	161,100	10,211
Other Waste Disposal	547,807	0	20,800	568,607	639,430	639,430	70,823
Postclosure Care Costs	221,723	0	0	221,723	250,500	250,500	28,777
Other Operations							
Miscellaneous	62,189	0	0	62,189	65,000	65,000	2,811
Total Expenditures	\$ 4,177,503	(7,421)	215,924	\$ 4,386,006	\$ 4,760,819	\$ 4,760,819	\$ 374,813
Excess (Deficiency) of Revenues Over Expenditures	\$ (260,807)	\$ 7,421	\$ (215,924)	\$ (469,310)	\$ (947,611)	\$ (947,611)	\$ 478,301
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (260,807)	\$ 7,421	\$ (215,924)	\$ (469,310)	\$ (947,611)	\$ (947,611)	\$ 478,301
	1,869,484	(7,421)	0	1,862,063	1,728,767	1,728,767	133,296
Fund Balance, June 30, 2013	\$ 1,608,677	\$ 0	\$ (215,924)	\$ 1,392,753	\$ 781,156	\$ 781,156	\$ 611,597

Exhibit G-4

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 427,891	\$ 406,296	\$ 406,296	\$ 21,595
Charges for Current Services	850	2,000	2,000	(1,150)
Other Local Revenues	14,022	15,000	15,000	(978)
State of Tennessee	0	88,000	0	0
Federal Government	86,920	0	88,000	(1,080)
Total Revenues	<u>\$ 529,683</u>	<u>\$ 511,296</u>	<u>\$ 511,296</u>	<u>\$ 18,387</u>
<u>Expenditures</u>				
<u>General Government</u>				
Development	\$ 8,650	\$ 9,800	\$ 9,800	\$ 1,150
<u>Other Operations</u>				
Industrial Development	2,139,474	1,554,953	2,161,953	22,479
Other Economic and Community Development	108,850	88,000	108,650	(200)
Miscellaneous	8,511	8,600	8,600	89
Total Expenditures	<u>\$ 2,265,485</u>	<u>\$ 1,661,353</u>	<u>\$ 2,289,003</u>	<u>\$ 23,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,735,802)</u>	<u>\$ (1,150,057)</u>	<u>\$ (1,777,707)</u>	<u>\$ 41,905</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (28,000)	\$ (305,778)	\$ (305,778)	\$ 277,778
Total Other Financing Sources	<u>\$ (28,000)</u>	<u>\$ (305,778)</u>	<u>\$ (305,778)</u>	<u>\$ 277,778</u>
Net Change in Fund Balance	<u>\$ (1,763,802)</u>	<u>\$ (1,455,835)</u>	<u>\$ (2,083,485)</u>	<u>\$ 319,683</u>
Fund Balance, July 1, 2012	<u>2,429,193</u>	<u>2,160,331</u>	<u>2,160,331</u>	<u>268,862</u>
Fund Balance, June 30, 2013	<u>\$ 665,391</u>	<u>\$ 704,496</u>	<u>\$ 76,846</u>	<u>\$ 588,545</u>

Exhibit G-5

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 72,884	0	\$ 72,884	\$ 70,000	\$ 70,000	\$ 2,884
Other Local Revenues	14,568	0	14,568	500	2,500	12,068
State of Tennessee	2,345	0	2,345	0	2,345	0
Total Revenues	\$ 89,797	0	\$ 89,797	\$ 70,500	\$ 74,845	\$ 14,952
<u>Expenditures</u>						
<u>General Government</u>						
Preservation of Records	\$ 60,085	80	\$ 60,165	\$ 76,850	\$ 81,195	\$ 21,030
Total Expenditures	\$ 60,085	80	\$ 60,165	\$ 76,850	\$ 81,195	\$ 21,030
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,712	(80)	\$ 29,632	\$ (6,350)	\$ (6,350)	\$ 35,982
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 29,712	(80)	\$ 29,632	\$ (6,350)	\$ (6,350)	\$ 35,982
	127,314	0	127,314	124,599	124,599	2,715
Fund Balance, June 30, 2013	\$ 157,026	(80)	\$ 156,946	\$ 118,249	\$ 118,249	\$ 38,697

Exhibit G-6

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 21,035	0	21,035	3,000	3,000	\$ 18,035
Other Local Revenues	13,211	0	13,211	0	0	13,211
Total Revenues	\$ 34,246	0	\$ 34,246	3,000	3,000	\$ 31,246
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 58,752	727	59,479	69,500	75,200	\$ 15,721
Other Operations	3	0	3	0	0	(3)
Miscellaneous	58,755	727	59,482	69,500	75,200	15,718
Total Expenditures	\$ (24,509)	(727)	(25,236)	(66,500)	(72,200)	\$ 46,964
Excess (Deficiency) of Revenues Over Expenditures	\$ (24,509)	(727)	(25,236)	(66,500)	(72,200)	\$ 46,964
Net Change in Fund Balance Fund Balance, July 1, 2012	79,923	0	79,923	79,111	79,111	812
Fund Balance, June 30, 2013	\$ 55,414	(727)	54,687	12,611	6,911	\$ 47,776

Exhibit G-7

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 845,721	\$ 0	\$ 0	\$ 845,721	\$ 812,876	\$ 812,876	\$ 32,845
Charges for Current Services	61,546	0	0	61,546	80,500	80,500	(18,954)
Other Local Revenues	76,587	0	0	76,587	70,350	70,350	6,237
Total Revenues	\$ 983,854	\$ 0	\$ 0	\$ 983,854	\$ 963,726	\$ 963,726	\$ 20,128
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	\$ 860,398	(378)	9,211	\$ 869,231	\$ 957,957	\$ 957,957	\$ 88,726
Other Social, Cultural, and Recreational Other Operations	81,776	0	41,596	123,372	128,575	128,575	5,203
Miscellaneous	16,590	0	0	16,590	17,000	17,000	410
Total Expenditures	\$ 958,764	(378)	50,807	\$ 1,009,193	\$ 1,103,532	\$ 1,103,532	\$ 94,339
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,090	\$ 378	(50,807)	\$ (25,339)	\$ (139,806)	\$ (139,806)	\$ 114,467
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 85,900	\$ 0	\$ 0	\$ 85,900	\$ 95,000	\$ 95,000	\$ (9,100)
Total Other Financing Sources	\$ 85,900	\$ 0	\$ 0	\$ 85,900	\$ 95,000	\$ 95,000	\$ (9,100)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 110,990	\$ 378	(50,807)	\$ 60,561	\$ (44,806)	\$ (44,806)	\$ 105,367
Fund Balance, July 1, 2012	93,368	(378)	0	92,990	120,109	120,109	(27,119)
Fund Balance, June 30, 2013	\$ 204,358	\$ 0	(50,807)	\$ 153,551	\$ 75,303	\$ 75,303	\$ 78,248

Exhibit G-8

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,561,993	\$ 1,564,370	\$ 1,564,370	\$ (2,377)
Other Local Revenues	9,630	2,000	2,000	7,630
State of Tennessee	2,243,457	3,121,539	3,121,539	(878,082)
Federal Government	39,557	0	0	39,557
Total Revenues	\$ 3,854,637	\$ 4,687,909	\$ 4,687,909	\$ (833,272)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 291,850	\$ 307,640	\$ 307,640	\$ 15,790
Highway and Bridge Maintenance	2,617,490	2,768,161	2,768,161	150,671
Operation and Maintenance of Equipment	311,495	389,142	389,142	77,647
Other Charges	190,478	198,134	198,134	7,656
Capital Outlay	467,032	1,381,385	1,381,385	914,353
Total Expenditures	\$ 3,878,345	\$ 5,044,462	\$ 5,044,462	\$ 1,166,117
Excess (Deficiency) of Revenues Over Expenditures	\$ (23,708)	\$ (356,553)	\$ (356,553)	\$ 332,845
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 52	\$ 0	\$ 0	\$ 52
Total Other Financing Sources	\$ 52	\$ 0	\$ 0	\$ 52
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (23,656)	\$ (356,553)	\$ (356,553)	\$ 332,897
	796,028	664,536	664,536	131,492
Fund Balance, June 30, 2013	\$ 772,372	\$ 307,983	\$ 307,983	\$ 464,389

Exhibit G-9

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2012	Encumbrances 6/30/2013			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 283,964	\$ 0	\$ 0	\$ 0	\$ 283,964	\$ 274,364	\$ 274,364	\$ 9,600
Other Local Revenues	1,941	0	0	0	1,941	0	0	1,941
Total Revenues	\$ 285,905	\$ 0	\$ 0	\$ 0	\$ 285,905	\$ 274,364	\$ 274,364	\$ 11,541
<u>Expenditures</u>								
General Government								
County Buildings	\$ 128,451	\$ 0	\$ 0	\$ 0	\$ 128,451	\$ 70,000	\$ 218,000	\$ 89,549
Public Safety								
Sheriff's Department	212,588	0	27,323	239,911	239,911	240,000	240,000	89
Jail	972,121	(673,582)	0	298,539	298,539	75,000	195,000	(103,539)
Fire Prevention and Control	378	(378)	0	0	0	0	0	0
Civil Defense	17,264	0	0	17,264	17,264	0	17,265	1
Public Health and Welfare								
Ambulance/Emergency Medical Services	499,226	0	0	499,226	499,226	500,000	500,000	774
Sanitation Management	23,857	0	0	23,857	23,857	25,000	25,000	1,143
Social, Cultural, and Recreational Services								
Libraries	44,000	0	0	44,000	44,000	44,000	44,000	0
Other Operations								
Miscellaneous	5,692	0	0	5,692	5,692	6,200	6,200	508
Total Expenditures	\$ 1,903,577	\$ (673,960)	\$ 27,323	\$ 1,256,940	\$ 1,256,940	\$ 960,200	\$ 1,245,465	\$ (11,475)
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,617,672)	\$ 673,960	\$ (27,323)	\$ (971,035)	\$ (971,035)	\$ (685,836)	\$ (971,101)	\$ 66
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 713,000	\$ (713,000)
Transfers In	300,000	0	0	300,000	300,000	0	300,000	0
Total Other Financing Sources	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 300,000	\$ 0	\$ 1,013,000	\$ (713,000)

(Continued)

Exhibit G-9

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)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (1,317,672) \$ 717,421	673,960 \$ (673,960)	(27,323) \$ 0	(671,035) \$ 43,461	(685,836) \$ 709,021	41,899 \$ 709,021	(712,934) (665,560)
Fund Balance, June 30, 2013	\$ (600,251) \$	0 \$	(27,323) \$	(627,574) \$	23,185 \$	750,920 \$	(1,378,494)

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, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 13,614,450	\$ 12,108,080	\$ 12,108,080	\$ 1,506,370
Other Local Revenues	76,000	652,889	652,889	(576,889)
Other Governments and Citizens Groups	443,940	0	443,940	0
Total Revenues	<u>\$ 14,134,390</u>	<u>\$ 12,760,969</u>	<u>\$ 13,204,909</u>	<u>\$ 929,481</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Education	12,675,841	11,161,561	12,675,841	0
<u>Interest on Debt</u>				
General Government	915,638	0	915,638	0
Education	5,065,170	0	5,065,170	0
<u>Other Debt Service</u>				
General Government	350	0	350	0
Education	228,493	215,000	244,651	16,158
<u>Capital Projects</u>				
Public Safety Projects	0	1,115,638	0	0
Total Expenditures	<u>\$ 19,085,492</u>	<u>\$ 12,492,199</u>	<u>\$ 19,101,650</u>	<u>\$ 16,158</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,951,102)</u>	<u>\$ 268,770</u>	<u>\$ (5,896,741)</u>	<u>\$ 945,639</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,532	\$ 0	\$ 0	\$ 4,532
Transfers Out	0	(774,000)	(1,487,000)	1,487,000
Total Other Financing Sources	<u>\$ 4,532</u>	<u>\$ (774,000)</u>	<u>\$ (1,487,000)</u>	<u>\$ 1,491,532</u>
Net Change in Fund Balance	\$ (4,946,570)	\$ (505,230)	\$ (7,383,741)	\$ 2,437,171
Fund Balance, July 1, 2012	<u>11,202,905</u>	<u>11,673,836</u>	<u>11,673,836</u>	<u>(470,931)</u>
Fund Balance, June 30, 2013	<u>\$ 6,256,335</u>	<u>\$ 11,168,606</u>	<u>\$ 4,290,095</u>	<u>\$ 1,966,240</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.

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.

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

Putnam County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds						Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Community Development Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>							
Cash	\$ 0	\$ 2,636,654	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,636,654
Equity in Pooled Cash and Investments	0	0	39,325	17,021	26,751	0	83,097
Accounts Receivable	0	16,547	0	0	0	0	16,547
Due from Other Governments	2,192,498	0	15,000	953	0	0	2,208,451
Due from Other Funds	0	0	7,900	0	0	0	7,900
Total Assets	\$ 2,192,498	\$ 2,653,201	\$ 62,225	\$ 17,974	\$ 26,751	\$ 0	\$ 4,952,649
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 2,192,498	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,192,498
Due to Litigants, Heirs, and Others	0	2,653,201	0	0	26,751	0	2,679,952
Due to Joint Ventures	0	0	62,225	17,974	0	0	80,199
Total Liabilities	\$ 2,192,498	\$ 2,653,201	\$ 62,225	\$ 17,974	\$ 26,751	\$ 0	\$ 4,952,649

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 12,796,099	\$ 12,796,099	\$ 0
Due from Other Governments	2,142,669	2,192,498	2,142,669	2,192,498
Total Assets	\$ 2,142,669	\$ 14,988,597	\$ 14,938,768	\$ 2,192,498
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,142,669	\$ 14,988,597	\$ 14,938,768	\$ 2,192,498
Total Liabilities	\$ 2,142,669	\$ 14,988,597	\$ 14,938,768	\$ 2,192,498
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,333,062	\$ 25,636,055	\$ 25,332,463	\$ 2,636,654
Accounts Receivable	11,605	16,547	11,605	16,547
Total Assets	\$ 2,344,667	\$ 25,652,602	\$ 25,344,068	\$ 2,653,201
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,344,667	\$ 25,652,602	\$ 25,344,068	\$ 2,653,201
Total Liabilities	\$ 2,344,667	\$ 25,652,602	\$ 25,344,068	\$ 2,653,201
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 46,835	\$ 85,000	\$ 92,510	\$ 39,325
Due from Other Governments	0	15,000	0	15,000
Due from Other Funds	7,500	400	0	7,900
Total Assets	\$ 54,335	\$ 100,400	\$ 92,510	\$ 62,225
<u>Liabilities</u>				
Due to Joint Ventures	\$ 54,335	\$ 100,400	\$ 92,510	\$ 62,225
Total Liabilities	\$ 54,335	\$ 100,400	\$ 92,510	\$ 62,225

(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	\$ 16,138	\$ 169,933	\$ 169,050	\$ 17,021
Due from Other Governments	16,727	953	16,727	953
Total Assets	\$ 32,865	\$ 170,886	\$ 185,777	\$ 17,974
<u>Liabilities</u>				
Due to Joint Ventures	\$ 32,865	\$ 170,886	\$ 185,777	\$ 17,974
Total Liabilities	\$ 32,865	\$ 170,886	\$ 185,777	\$ 17,974
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 65,542	\$ 38,791	\$ 26,751
Total Assets	\$ 0	\$ 65,542	\$ 38,791	\$ 26,751
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 65,542	\$ 38,791	\$ 26,751
Total Liabilities	\$ 0	\$ 65,542	\$ 38,791	\$ 26,751
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,333,062	\$ 25,636,055	\$ 25,332,463	\$ 2,636,654
Equity in Pooled Cash and Investments	62,973	13,116,574	13,096,450	83,097
Accounts Receivable	11,605	16,547	11,605	16,547
Due from Other Governments	2,159,396	2,208,451	2,159,396	2,208,451
Due from Other Funds	7,500	400	0	7,900
Total Assets	\$ 4,574,536	\$ 40,978,027	\$ 40,599,914	\$ 4,952,649
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,142,669	\$ 14,988,597	\$ 14,938,768	\$ 2,192,498
Due to Litigants, Heirs, and Others	2,344,667	25,718,144	25,382,859	2,679,952
Due to Joint Ventures	87,200	271,286	278,287	80,199
Total Liabilities	\$ 4,574,536	\$ 40,978,027	\$ 40,599,914	\$ 4,952,649

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 two 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.

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, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 54,086,118	\$ 7,272	\$ 7,670,465	\$ 54,088,996	\$ 7,680,615
Support Services	30,055,220	1,136,065	209,480	0	(28,709,675)
Operation of Non-Instructional Services	8,598,291	1,508,970	4,819,870	0	(2,269,451)
Interest on Long-term Debt	3,609	0	0	0	(3,609)
Total Governmental Activities	\$ 92,743,238	\$ 2,652,307	\$ 12,699,815	\$ 54,088,996	\$ (23,302,120)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,103,185
Local Option Sales Taxes					15,490,008
Other Local Taxes					2,890
Grants and Contributions Not Restricted to Specific Programs					46,141,543
Miscellaneous					61,541
Total General Revenues					\$ 74,799,167
Change in Net Position					\$ 51,497,047
Net Position, July 1, 2012					143,733,283
Net Position, June 30, 2013					\$ 195,230,330

Exhibit J-2

Putnam County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 6,496	\$ 985	\$ 0	\$ 509	\$ 7,990
Equity in Pooled Cash and Investments	7,248,640	266,382	53,500,000	1,533,179	62,548,201
Accounts Receivable	2,614	112,112	0	0	114,726
Due from Other Governments	3,296,781	782,774	0	356,865	4,436,420
Due from Other Funds	80,475	1,622	0	0	82,097
Property Taxes Receivable	13,861,661	0	0	0	13,861,661
Allowance for Uncollectible Property Taxes	(577,153)	0	0	0	(577,153)
Total Assets	\$ 23,919,514	\$ 1,163,875	\$ 53,500,000	\$ 1,890,553	\$ 80,473,942
<u>LIABILITIES</u>					
Accounts Payable	\$ 263,654	\$ 0	\$ 0	\$ 19,472	\$ 283,126
Accrued Payroll	502,402	150,599	0	0	653,001
Payroll Deductions Payable	106,979	5,859	0	10,147	122,985
Due to Other Funds	1,622	0	0	53,027	54,649
Total Liabilities	\$ 874,657	\$ 156,458	\$ 0	\$ 82,646	\$ 1,113,761
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 12,850,085	\$ 0	\$ 0	\$ 0	\$ 12,850,085
Deferred Delinquent Property Taxes	382,348	0	0	0	382,348
Other Deferred/Unavailable Revenue	1,290,834	0	0	0	1,290,834
Total Deferred Inflows of Resources	\$ 14,523,267	\$ 0	\$ 0	\$ 0	\$ 14,523,267
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 97,178	\$ 7,417	\$ 0	\$ 1,395,785	\$ 1,500,380
Restricted for Capital Projects	0	0	53,500,000	245,368	53,745,368
Committed:					
Committed for Education	55,154	0	0	166,754	221,908
Assigned:					
Assigned for Education	531,870	1,000,000	0	0	1,531,870
Unassigned	7,837,388	0	0	0	7,837,388
Total Fund Balances	\$ 8,521,590	\$ 1,007,417	\$ 53,500,000	\$ 1,807,907	\$ 64,836,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,919,514	\$ 1,163,875	\$ 53,500,000	\$ 1,890,553	\$ 80,473,942

Exhibit J-3

Putnam County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Putnam County School Department
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	64,836,914
(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		1,671,595	
Add: buildings and improvements net of accumulated depreciation		119,316,464	
Add: other capital assets net of accumulated depreciation		<u>3,836,290</u>	129,969,362
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(188,702)	
Less: other postemployment benefits liability		<u>(1,060,426)</u>	(1,249,128)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,673,182</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>195,230,330</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, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 28,634,952	\$ 0	\$ 0	\$ 0	\$ 28,634,952
Licenses and Permits	5,567	0	0	0	5,567
Charges for Current Services	277,021	0	0	2,368,014	2,645,035
Other Local Revenues	139,590	0	0	55,474	195,064
State of Tennessee	44,069,468	0	0	52,208	44,121,676
Federal Government	1,006,600	10,271,504	0	3,798,239	15,076,343
Other Governments and Citizens Groups	60,143	0	53,500,000	0	53,560,143
Total Revenues	<u>\$ 74,193,341</u>	<u>\$ 10,271,504</u>	<u>\$ 53,500,000</u>	<u>\$ 6,273,935</u>	<u>\$ 144,238,780</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 45,119,665	\$ 6,915,413	\$ 0	\$ 0	\$ 52,035,078
Support Services	26,844,896	3,080,845	0	0	29,925,741
Operation of Non-Instructional Services	2,375,245	447,170	0	5,807,943	8,630,358
Debt Service:					
Principal on Debt	435,841	0	0	0	435,841
Interest on Debt	8,099	0	0	0	8,099
Capital Projects	0	0	0	1,335,535	1,335,535
Total Expenditures	<u>\$ 74,783,746</u>	<u>\$ 10,443,428</u>	<u>\$ 0</u>	<u>\$ 7,143,478</u>	<u>\$ 92,370,652</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ (590,405)</u>	<u>\$ (171,924)</u>	<u>\$ 53,500,000</u>	<u>\$ (869,543)</u>	<u>\$ 51,868,128</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 600,099	\$ 0	\$ 0	\$ 54,245	\$ 654,344
Transfers Out	(54,245)	(135,079)	0	(465,020)	(654,344)
Total Other Financing Sources (Uses)	<u>\$ 545,854</u>	<u>\$ (135,079)</u>	<u>\$ 0</u>	<u>\$ (410,775)</u>	<u>\$ 0</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2012	\$ (44,551)	\$ (307,003)	\$ 53,500,000	\$ (1,280,318)	\$ 51,868,128
	<u>8,566,141</u>	<u>1,314,420</u>	<u>0</u>	<u>3,088,225</u>	<u>12,968,786</u>
Fund Balance, June 30, 2013	<u>\$ 8,521,590</u>	<u>\$ 1,007,417</u>	<u>\$ 53,500,000</u>	<u>\$ 1,807,907</u>	<u>\$ 64,836,914</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, 2013

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)		\$ 51,868,128
(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	\$ 2,745,197	
Less: current-year depreciation expense	<u>(3,488,569)</u>	(743,372)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: loss on disposal of capital assets		(9,915)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 1,673,182	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(1,659,301)</u>	13,881
(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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on capital leases for primary government		435,841
(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	\$ 4,490	
Change in compensated absences payable	(25,418)	
Change in other postemployment benefits liability	<u>(46,588)</u>	<u>(67,516)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 51,497,047</u>

Putnam County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Putnam County School Department
June 30, 2013

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Other Capital Projects	Total	
<u>ASSETS</u>						
Cash	\$ 509	\$ 0	\$ 509	\$ 0	\$ 509	509
Equity in Pooled Cash and Investments	1,101,572	168,651	1,270,223	262,956	1,533,179	1,533,179
Due from Other Governments	356,865	0	356,865	0	356,865	356,865
Total Assets	\$ 1,458,946	\$ 168,651	\$ 1,627,597	\$ 262,956	\$ 1,890,553	1,890,553
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 1,884	\$ 1,884	\$ 17,588	\$ 19,472	19,472
Payroll Deductions Payable	10,134	13	10,147	0	10,147	10,147
Due to Other Funds	53,027	0	53,027	0	53,027	53,027
Total Liabilities	\$ 63,161	\$ 1,897	\$ 65,058	\$ 17,588	\$ 82,646	82,646
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	\$ 1,395,785	\$ 0	\$ 1,395,785	\$ 0	\$ 1,395,785	1,395,785
Restricted for Capital Projects	0	0	0	245,368	245,368	245,368
Committed:						
Committed for Education	0	166,754	166,754	0	166,754	166,754
Total Fund Balances	\$ 1,395,785	\$ 166,754	\$ 1,562,539	\$ 245,368	\$ 1,807,907	1,807,907
Total Liabilities and Fund Balances	\$ 1,458,946	\$ 168,651	\$ 1,627,597	\$ 262,956	\$ 1,890,553	1,890,553

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, 2013

	Special Revenue Funds			Capital	Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Other Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 1,508,970	\$ 859,044	\$ 2,368,014	\$ 0	\$ 2,368,014
Other Local Revenues	55,474	0	55,474	0	55,474
State of Tennessee	52,208	0	52,208	0	52,208
Federal Government	3,798,239	0	3,798,239	0	3,798,239
Total Revenues	\$ 5,414,891	\$ 859,044	\$ 6,273,935	\$ 0	\$ 6,273,935
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 4,969,501	\$ 838,442	\$ 5,807,943	\$ 0	\$ 5,807,943
Capital Projects	0	0	0	1,335,535	1,335,535
Total Expenditures	\$ 4,969,501	\$ 838,442	\$ 5,807,943	\$ 1,335,535	\$ 7,143,478
Excess (Deficiency) of Revenues Over Expenditures	\$ 445,390	\$ 20,602	\$ 465,992	\$ (1,335,535)	\$ (869,543)
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 54,245	\$ 54,245
Transfers Out	(465,020)	0	(465,020)	0	(465,020)
Total Other Financing Sources (Uses)	\$ (465,020)	\$ 0	\$ (465,020)	\$ 54,245	\$ (410,775)
Net Change in Fund Balances	\$ (19,630)	\$ 20,602	\$ 972	\$ (1,281,290)	\$ (1,280,318)
Fund Balance, July 1, 2012	1,415,415	146,152	1,561,567	1,526,658	3,088,225
Fund Balance, June 30, 2013	\$ 1,395,785	\$ 166,754	\$ 1,562,539	\$ 245,368	\$ 1,807,907

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 28,634,952	\$ 0	\$ 0	\$ 28,634,952	\$ 28,459,104	\$ 28,459,104	\$ 175,848
Licenses and Permits	5,567	0	0	5,567	5,000	5,000	567
Charges for Current Services	277,021	0	0	277,021	275,997	325,997	(48,976)
Other Local Revenues	139,590	0	0	139,590	159,500	161,782	(22,192)
State of Tennessee	44,069,468	0	0	44,069,468	42,778,775	44,707,913	(638,445)
Federal Government	1,006,600	0	0	1,006,600	409,455	1,012,819	(6,219)
Other Governments and Citizens Groups	60,143	0	0	60,143	9,000	60,750	(607)
Total Revenues	\$ 74,193,341	\$ 0	\$ 0	\$ 74,193,341	\$ 72,096,831	\$ 74,733,365	\$ (540,024)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 36,323,539	\$ (166,116)	\$ 132,512	\$ 36,289,935	\$ 35,753,836	\$ 36,585,648	\$ 295,713
Alternative Instruction Program	600,110	0	0	600,110	598,016	608,136	8,026
Special Education Program	6,831,644	(43)	0	6,831,601	6,814,354	6,898,514	66,913
Vocational Education Program	1,254,909	(357)	461	1,255,013	1,441,053	1,386,772	131,759
Adult Education Program	109,463	(119)	0	109,344	136,135	156,611	47,267
<u>Support Services</u>							
Attendance	244,695	0	0	244,695	245,042	245,042	347
Health Services	761,254	(1,031)	0	760,223	745,872	775,540	15,317
Other Student Support	2,357,669	(555)	378	2,357,492	2,432,482	2,432,482	74,990
Regular Instruction Program	2,753,048	(12,739)	9,235	2,749,544	2,608,176	2,807,975	58,431
Alternative Instruction Program	116,698	0	0	116,698	116,854	116,854	156
Special Education Program	1,122,623	(412)	0	1,122,211	1,097,137	1,137,137	14,926
Vocational Education Program	88,532	0	0	88,532	85,913	90,030	1,498
Adult Programs	125,209	0	0	125,209	129,722	129,920	4,711
Other Programs	295,931	0	0	295,931	0	295,931	0
Board of Education	1,297,446	(5,307)	54	1,292,193	1,304,692	1,294,692	2,499
Director of Schools	128,080	0	0	128,080	143,349	143,349	15,269

(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 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 4,653,885	\$ (17,013)	\$ 0	\$ 4,636,872	\$ 4,749,486	\$ 4,749,486	\$ 112,614
Fiscal Services	718,762	(1,973)	3,300	720,089	569,015	799,060	78,971
Human Services/Personnel	191,076	(156)	2,806	193,726	202,941	202,941	9,215
Operation of Plant	6,163,151	(2,386)	1,462	6,162,227	6,354,887	6,354,887	192,660
Maintenance of Plant	2,256,716	(81,239)	125,930	2,301,407	2,040,336	2,376,825	75,418
Transportation	2,822,058	(20,031)	171,398	2,973,425	2,779,970	3,086,970	113,545
Central and Other	748,063	(15,163)	73,930	806,830	743,392	867,652	60,822
<u>Operation of Non-Instructional Services</u>							
Food Service	241,277	0	0	241,277	199,127	241,281	4
Community Services	456,371	(3,653)	0	452,718	137,697	498,606	45,888
Early Childhood Education	1,677,597	0	0	1,677,597	1,674,852	1,685,728	8,131
Principal on Debt							
Education	435,841	0	0	435,841	0	435,841	0
Interest on Debt							
Education	8,099	0	0	8,099	0	8,099	0
Total Expenditures	\$ 74,783,746	\$ (328,293)	\$ 521,466	\$ 74,976,919	\$ 73,104,336	\$ 76,412,009	\$ 1,435,090
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (590,405)	\$ 328,293	\$ (521,466)	\$ (783,578)	\$ (1,007,505)	\$ (1,678,644)	\$ 895,066
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 600,099	\$ 0	\$ 0	\$ 600,099	\$ 604,674	\$ 604,674	\$ (4,575)
Transfers Out	(54,245)	0	0	(54,245)	0	(54,245)	0
Total Other Financing Sources	\$ 545,854	\$ 0	\$ 0	\$ 545,854	\$ 604,674	\$ 550,429	\$ (4,575)
Net Change in Fund Balance	\$ (44,551)	\$ 328,293	\$ (521,466)	\$ (237,724)	\$ (402,831)	\$ (1,128,215)	\$ 890,491
Fund Balance, July 1, 2012	8,566,141	(328,293)	0	8,237,848	8,158,469	8,158,469	79,379
Fund Balance, June 30, 2013	\$ 8,521,590	\$ 0	\$ (521,466)	\$ 8,000,124	\$ 7,755,638	\$ 7,030,254	\$ 969,870

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 10,271,504	\$ 0	\$ 0	\$ 10,271,504	\$ 10,697,823	\$ 13,131,255	\$ (2,859,751)
Total Revenues	\$ 10,271,504	\$ 0	\$ 0	\$ 10,271,504	\$ 10,697,823	\$ 13,131,255	\$ (2,859,751)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 4,569,227	\$ (269,112)	\$ 0	\$ 4,300,115	\$ 4,919,014	\$ 6,240,749	\$ 1,940,634
Special Education Program	2,193,487	(149)	0	2,193,338	2,263,229	2,267,173	73,835
Vocational Education Program	152,699	(20,899)	0	131,800	130,123	131,922	122
<u>Support Services</u>							
Other Student Support	73,056	(9)	2,163	75,210	239,991	92,606	17,396
Regular Instruction Program	2,762,248	(259,670)	0	2,502,578	2,814,426	3,433,214	930,636
Special Education Program	195,958	0	0	195,958	198,761	198,761	2,803
Vocational Education Program	4,387	0	0	4,387	5,500	4,387	0
Office of the Principal	30,100	0	0	30,100	74	47,028	16,928
Transportation	15,096	0	0	15,096	20,495	16,461	1,365
<u>Operation of Non-Instructional Services</u>							
Community Services	447,170	(2,765)	0	444,405	0	564,163	119,758
Total Expenditures	\$ 10,443,428	\$ (552,604)	\$ 2,163	\$ 9,892,987	\$ 10,591,613	\$ 12,996,464	\$ 3,103,477
Excess (Deficiency) of Revenues Over Expenditures	\$ (171,924)	\$ 552,604	\$ (2,163)	\$ 378,517	\$ 106,210	\$ 134,791	\$ 243,726
<u>Other Financing Sources (Uses)</u>							
Transfers In	0	0	0	0	215,685	215,685	(215,685)
Transfers Out	(135,079)	0	0	(135,079)	(321,893)	(350,467)	215,388
Total Other Financing Sources	\$ (135,079)	\$ 0	\$ 0	\$ (135,079)	\$ (106,208)	\$ (134,782)	\$ (297)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (307,003)	\$ 552,604	\$ (2,163)	\$ 243,438	\$ 2	\$ 9	\$ 243,429
Fund Balance, July 1, 2012	1,314,420	(552,604)	0	761,816	0	0	761,816
Fund Balance, June 30, 2013	\$ 1,007,417	\$ 0	\$ (2,163)	\$ 1,005,254	\$ 2	\$ 9	\$ 1,005,245

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,508,970	\$ 0	\$ 0	\$ 1,508,970	\$ 1,690,700	\$ 1,690,700	\$ (181,730)
Other Local Revenues	55,474	0	0	55,474	32,600	32,600	22,874
State of Tennessee	52,208	0	0	52,208	49,658	49,658	2,550
Federal Government	3,798,239	0	0	3,798,239	3,618,000	3,902,608	(104,369)
Total Revenues	\$ 5,414,891	\$ 0	\$ 0	\$ 5,414,891	\$ 5,390,958	\$ 5,675,566	\$ (260,675)
<u>Expenditures</u>							
Operation of Non-Instructional Services							
Food Service	\$ 4,969,501	\$ (188,766)	\$ 154,241	\$ 4,934,976	\$ 4,892,492	\$ 5,177,100	\$ 242,124
Total Expenditures	\$ 4,969,501	\$ (188,766)	\$ 154,241	\$ 4,934,976	\$ 4,892,492	\$ 5,177,100	\$ 242,124
Excess (Deficiency) of Revenues Over Expenditures	\$ 445,390	\$ 188,766	\$ (154,241)	\$ 479,915	\$ 498,466	\$ 498,466	\$ (18,551)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (465,020)	\$ 0	\$ 0	\$ (465,020)	\$ (498,466)	\$ (498,466)	\$ 33,446
Total Other Financing Sources	\$ (465,020)	\$ 0	\$ 0	\$ (465,020)	\$ (498,466)	\$ (498,466)	\$ 33,446
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (19,630)	\$ 188,766	\$ (154,241)	\$ 14,895	\$ 0	\$ 0	\$ 14,895
Fund Balance, July 1, 2012	1,415,415	(188,766)	0	1,226,649	1,484,476	1,484,476	(257,827)
Fund Balance, June 30, 2013	\$ 1,395,785	\$ 0	\$ (154,241)	\$ 1,241,544	\$ 1,484,476	\$ 1,484,476	\$ (242,932)

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, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 859,044	\$ 0	\$ 0	\$ 859,044	\$ 980,572	\$ 980,572	\$ (121,528)
Total Revenues	\$ 859,044	\$ 0	\$ 0	\$ 859,044	\$ 980,572	\$ 980,572	\$ (121,528)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 838,442	\$ (3,242)	\$ 1,929	\$ 837,129	\$ 980,572	\$ 980,572	\$ 143,443
Total Expenditures	\$ 838,442	\$ (3,242)	\$ 1,929	\$ 837,129	\$ 980,572	\$ 980,572	\$ 143,443
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,602	\$ 3,242	\$ (1,929)	\$ 21,915	\$ 0	\$ 0	\$ 21,915
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 20,602	\$ 3,242	\$ (1,929)	\$ 21,915	\$ 0	\$ 0	\$ 21,915
	\$ 146,152	\$ (3,242)	\$ 0	\$ 142,910	\$ 146,032	\$ 146,032	\$ (3,122)
Fund Balance, June 30, 2013	\$ 166,754	\$ 0	\$ (1,929)	\$ 164,825	\$ 146,032	\$ 146,032	\$ 18,793

MISCELLANEOUS SCHEDULES

Exhibit K-1

Putnam County, Tennessee
Schedule of Changes in Long-term Capital Leases and Bonds
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	%	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
<u>CAPITAL LEASES PAYABLE</u>									
<u>Payable by School Department Contributions from the</u>									
<u>General Purpose School Fund to the General Debt Service Fund</u>									
Laptop Computers	\$ 649,778	1.2363	%	8-19-11	6-7-13	\$ 435,841	\$ 0	\$ 435,841	\$ 0
<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	\$ 32,325,000	\$ 0	\$ 2,665,000	\$ 29,660,000
School Refunding	7,970,000	2.125 to 4		8-13-04	5-29-13	7,155,000	0	7,155,000	0
School Refunding	9,545,000	4.5		10-11-06	10-11-18	8,670,000	0	1,300,000	7,370,000
Public Improvement	16,000,000	4.38		6-7-07	4-1-28	15,600,000	0	100,000	15,500,000
School Bonds, Series 2007	57,700,000	4 to 5		9-12-07	4-1-28	55,900,000	0	700,000	55,200,000
School Refunding, Series 2009	2,340,000	2.78		3-31-09	4-1-13	420,000	0	420,000	0
General Obligation Public Improvement, Series 2010	7,200,000	3.6781		12-22-10	4-1-30	7,100,000	0	100,000	7,000,000
School Bonds, Series 2013	52,235,000	2 to 3.5		6-6-13	4-1-33	0	52,235,000	0	52,235,000
Total Bonds Payable						\$ 127,170,000	\$ 52,235,000	\$ 12,440,000	\$ 166,965,000

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 5,700,000	\$ 6,795,543	\$ 12,495,543
2015	6,185,000	6,827,363	13,012,363
2016	6,915,000	6,528,275	13,443,275
2017	7,615,000	6,193,738	13,808,738
2018	7,910,000	5,833,013	13,743,013
2019	7,460,000	5,450,800	12,910,800
2020	9,045,000	5,078,404	14,123,404
2021	9,530,000	4,634,788	14,164,788
2022	9,830,000	4,214,588	14,044,588
2023	10,130,000	3,777,363	13,907,363
2024	10,630,000	3,333,763	13,963,763
2025	11,130,000	2,908,588	14,038,588
2026	11,630,000	2,462,788	14,092,788
2027	11,630,000	1,999,325	13,629,325
2028	11,630,000	1,514,450	13,144,450
2029	6,630,000	1,026,125	7,656,125
2030	6,630,000	820,925	7,450,925
2031	6,000,000	585,725	6,585,725
2032	5,735,000	375,725	6,110,725
2033	5,000,000	175,000	5,175,000
Total	\$ 166,965,000	\$ 70,536,289	\$ 237,501,289

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2013

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-13
<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%	\$ 555,554
Building	General Fund	1,750,000	6-24-08	6-24-17	2	777,780
Emergency Capital Projects	General Capital Projects Fund	263,000	12-28-12	12-28-15	0	263,000
Justice Center Renovations	"	450,000	1-22-13	1-22-16	0	450,000
Total Notes Receivable						<u>\$ 2,046,334</u>

Exhibit K-4

Putnam County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Putnam County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Parks and Recreation	Operations	\$ 85,900
"	General Capital Projects	"	300,000
Industrial/Economic Development	Community Development	"	28,000
Education Capital Projects	General Debt Service	Rounding amount from bond issue	<u>4,532</u>
Total Transfers Primary Government			<u>\$ 418,432</u>
<u>DISCRETELY PRESENTED PUTNAM</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs/reimbursements	\$ 135,079
Central Cafeteria	"	Salary reimbursements/direct costs	465,020
General Purpose School	Other Capital Projects	Prior year revenue misclassification	<u>54,245</u>
Total Transfers Discretely Presented Putnam County School Department			<u>\$ 654,344</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, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA, and County Commission	\$ 86,002 (1)	\$ 50,000	Western Surety Company
Road Supervisor	Section 8-24-102, TCA	80,707	100,000	"
Director of Schools	State Board of Education and Putnam County Board of Education	96,500 (5)	(6)	"
Trustee	Section 8-24-102, TCA	73,370	2,900,000	Auto Owners Mutual Insurance Company
Assessor of Property:				
Rhonda Chaffin (7-1-12 through 8-31-12)	Section 8-24-102, TCA	12,228	10,000	Western Surety Company
Travis Roberts (9-1-12 through 6-30-13)	Section 8-24-102, TCA	61,142	50,000	"
County Clerk	Section 8-24-102, TCA	73,370	50,000	Travelers Casualty and Surety Company of America
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, and Probate Judge	73,370 (2)	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	73,370 (3)	85,000	"
Register of Deeds	Section 8-24-102, TCA	73,370	25,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	82,507 (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 \$1,260.
- (2) Does not include special commissioners fees of \$13,789.
- (3) Does not include special commissioners fees of \$2,130.
- (4) Includes a payment of \$1,200 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (5) Includes \$1,000 paid from Regular Instruction - Career Ladder Program.
- (6) 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, 2013

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	
Local Taxes								
<u>County Property Taxes</u>								
Current Property Tax	\$ 11,053,787	\$ 2,522,781	\$ 397,727	\$ 0	\$ 0	\$ 728,101	\$ 0	\$ 1,317,820
Trustee's Collections - Prior Year	414,372	85,507	14,911	0	0	27,084	0	47,200
Trustee's Collections - Bankruptcy	627	73	22	0	0	35	0	34
Circuit/Clerk & Master Collections - Prior Years	338,726	60,164	11,030	0	0	1,853	0	33,586
Interest and Penalty	69,944	15,899	2,072	0	0	4,560	0	7,678
Payments in-Lieu-of Taxes - T.V.A.	319	72	11	0	0	21	0	38
Payments in-Lieu-of Taxes - Other	1,835	417	454	0	0	121	0	208
<u>County Local Option Taxes</u>								
Local Option Sales Tax	10,826	0	0	0	0	0	0	0
Hotel/Motel Tax	239,921	0	0	0	0	80,950	0	0
Litigation Tax - General	240,487	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	55,004	0	0	0	0	0	0	0
Business Tax	1,109,461	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0	149,982
<u>Statutory Local Taxes</u>								
Bank Excise Tax	45,484	10,350	1,664	0	0	2,996	0	5,447
Wholesale Beer Tax	204,212	0	0	0	0	0	0	0
Interstate Telecommunications Tax	6,031	0	0	0	0	0	0	0
Total Local Taxes	\$ 13,791,036	\$ 2,695,263	\$ 427,891	\$ 0	\$ 0	\$ 845,721	\$ 0	\$ 1,561,993
Licenses and Permits								
<u>Licenses</u>								
Cable TV Franchise	\$ 228,269	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>								
Building Permits	106,769	0	0	0	0	0	0	0
Electrical Permits	69,561	0	0	0	0	0	0	0
Plumbing Permits	8,077	0	0	0	0	0	0	0
Other Permits	3,900	0	0	0	0	0	0	0
Total Licenses and Permits	\$ 416,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties								
<u>Circuit Court</u>								
Fines	\$ 63,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	18,790	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	265	0	0	0
Drug Court Fees	815	0	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							Highway / Public Works
	General	Solid Waste / Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Circuit Court (Cont.)</u>								
Jail Fees	\$ 56,045	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Judicial Commissioner Fees	1,767	0	0	0	0	0	0	0
DUI Treatment Fines	21,111	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,333	0	0	0	0	0	0	0
Courtroom Security Fee	1,466	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	70,315	0	0	0	0	0	0	0
Officers Costs	114,999	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	2,893	0	0	0
Drug Court Fees	10,104	0	0	0	0	0	0	0
Jail Fees	193,280	0	0	0	0	0	0	0
Interpreter Fees	1,323	0	0	0	0	0	0	0
Judicial Commissioner Fees	2,548	0	0	0	0	0	0	0
DUI Treatment Fines	9,349	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	33,472	0	0	0	0	0	0	0
Courtroom Security Fee	6,155	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	960	0	0	0	0	0	0	0
Officers Costs	11,585	0	0	0	0	0	0	0
Drug Control Fines	257	0	0	0	0	0	0	0
Jail Fees	12,813	0	0	0	0	0	0	0
Interpreter Fees	25	0	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	2,147	0	0	0	0	0	0	0
Courtroom Security Fee	327	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	7,504	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	6,262	0	0	0	0	0	0	0
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	7,302	0	0	0
Courtroom Security Fee	452	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	10,575	0	0	0
Other Fines, Forfeitures, and Penalties	781	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 650,232	\$ 0	\$ 0	\$ 0	\$ 21,035	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Tipping Fees	0	800,134	0	0	0	0	0	0
Solid Waste Disposal Fees	0	40,000	0	0	0	0	0	0
Patient Charges	3,863,628	0	0	0	0	0	0	0
Other General Service Charges	6,767	0	0	0	0	0	0	0
<u>Fees</u>								
Subdivision Lot Fees	0	0	850	0	0	0	0	0
Recreation Fees	1,825	0	0	0	0	61,546	0	0
Archives and Records Management Fee - County Clerk	4,916	0	0	72,884	0	0	0	0
Telephone Commissions	54,004	0	0	0	0	0	0	0
Vending Machine Collections	550	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	392	0
Data Processing Fee - Register	48,367	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	11,157	0	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,157	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	7,152	0	0	0	0	0	0	0
<u>Total Charges for Current Services</u>	<u>4,002,823</u>	<u>840,134</u>	<u>850</u>	<u>72,884</u>	<u>0</u>	<u>61,546</u>	<u>392</u>	<u>0</u>
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	208,467	0	62	0	0	0	0	0
Lease/Rentals	314,939	0	0	0	0	43,063	0	0
Sale of Materials and Supplies	3,813	0	0	25	0	0	0	9,258
Commissary Sales	323,948	0	0	0	0	0	0	0
Sale of Gasoline	121,774	0	0	0	0	0	0	0
Sale of Recycled Materials	250	305,759	0	0	0	0	0	0
Miscellaneous Refunds	81,096	31	0	0	1,036	1,400	0	392
<u>Nonrecurring Items</u>								
Sale of Equipment	0	11,700	0	0	0	0	0	0
Sale of Property	39,976	0	13,960	0	9,675	0	0	0
Damages Recovered from Individuals	62,542	0	0	0	0	0	0	0
Contributions and Gifts	3,300	0	0	14,543	2,500	7,000	0	0
Performance Bond Forfeitures	26,932	0	0	0	0	0	0	0
<u>Other Local Revenues</u>								
Other Local Revenues	39,504	0	0	0	0	25,124	0	0
<u>Total Other Local Revenues</u>	<u>1,226,541</u>	<u>317,490</u>	<u>14,022</u>	<u>14,568</u>	<u>13,211</u>	<u>76,587</u>	<u>0</u>	<u>9,650</u>

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	
Fees Received from County Officials								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 671,298	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	302,286	0	0	0	0	0	0	0
General Sessions Court Clerk	785,268	0	0	0	0	0	0	0
Clerk and Master	242,961	0	0	0	0	0	0	0
Juvenile Court Clerk	76,876	0	0	0	0	0	0	0
Register	306,171	0	0	0	0	0	0	0
Sheriff	45,577	0	0	0	0	0	0	0
Trustee	1,381,118	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,811,555	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 68,699	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	63,809	0	0	0	0	0	0
Other General Government Grants	0	0	0	2,345	0	0	0	0
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	37,800	0	0	0	0	0	0	0
Drug Control Grants	47,550	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>								
Health Department Programs	1,223,639	0	0	0	0	0	0	0
Public Works Grants	0	0	0	0	0	0	0	0
State Aid Program	49,888	0	0	0	0	0	0	255,785
Litter Program	0	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	146,024	0	0	0	0	0	0	0
Beer Tax	8,786	0	0	0	0	0	0	0
Alcoholic Beverage Tax	95,991	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	860,410	0	0	0	0	0	0	0
Board of Jurors	321	0	0	0	0	0	0	0
Contracted Prisoner Boarding	1,039,330	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	1,935,489
Petroleum Special Tax	0	0	0	0	0	0	0	52,183
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0
Total State of Tennessee	\$ 3,593,602	\$ 63,809	\$ 0	\$ 2,345	\$ 0	\$ 0	\$ 0	\$ 2,243,457

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Highway / Public Works
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	Constitu- tional Officers - Fees	
Federal Government								
<u>Federal Through State</u>								
Community Development	\$ 273,599	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	0	0	0	39,557
Homeland Security Grants	158,182	0	0	0	0	0	0	0
Other Federal through State	27,596	0	86,920	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	40,486	0	0	0	0	0	0	0
Total Federal Government	\$ 499,863	\$ 0	\$ 86,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,557
Other Governments and Citizens Groups								
<u>Other Governments</u>								
Prisoner Board	\$ 332,879	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	0	0	0	0	0	0
Other	128,492	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 461,371	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 28,453,299	\$ 3,916,696	\$ 529,683	\$ 89,797	\$ 34,246	\$ 983,854	\$ 392	\$ 3,854,637

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	Debt Service	General Capital Projects	Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,604,736	\$	265,497	\$	24,890,449
Trustee's Collections - Prior Year	212,690		8,997		810,761
Trustee's Collections - Bankruptcy	434		8		1,233
Circuit/Clerk & Master Collections - Prior Years	181,706		6,648		633,713
Interest and Penalty	46,292		1,673		148,118
Payments in-Lieu-of Taxes - T.V.A.	248		8		717
Payments in-Lieu-of Taxes - Other	1,317		44		4,396
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,934,226		0		3,945,052
Hotel/Motel Tax	597,394		0		918,265
Litigation Tax - General	0		0		240,487
Litigation Tax - Special Purpose	0		0		55,004
Business Tax	0		0		1,109,461
Mineral Severance Tax	0		0		149,982
<u>Statutory Local Taxes</u>					
Bank Excise Tax	35,407		1,089		102,437
Wholesale Beer Tax	0		0		204,212
Interstate Telecommunications Tax	0		0		6,031
Total Local Taxes	\$ 13,614,450	\$	283,964	\$	33,220,318
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	0		0		228,269
<u>Permits</u>					
Building Permits	0		0		106,769
Electrical Permits	0		0		69,561
Plumbing Permits	0		0		8,077
Other Permits	0		0		3,900
Total Licenses and Permits	\$ 0	\$	0	\$	416,576
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	0		0		63,247
Officers Costs	0		0		18,790
Drug Control Fines	0		0		265
Drug Court Fees	0		0		815

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Circuit Court (Cont.)</u>					
Jail Fees	\$	0	\$	0	56,045
Judicial Commissioner Fees		0		0	1,767
DUI Treatment Fines		0		0	21,111
Data Entry Fee - Circuit Court		0		0	2,333
Courtroom Security Fee		0		0	1,466
<u>General Sessions Court</u>					
Fines		0		0	70,315
Officers Costs		0		0	114,999
Drug Control Fines		0		0	2,893
Drug Court Fees		0		0	10,104
Jail Fees		0		0	193,280
Interpreter Fees		0		0	1,323
Judicial Commissioner Fees		0		0	2,548
DUI Treatment Fines		0		0	9,349
Data Entry Fee - General Sessions Court		0		0	33,472
Courtroom Security Fee		0		0	6,155
<u>Juvenile Court</u>					
Fines		0		0	960
Officers Costs		0		0	11,585
Drug Control Fines		0		0	257
Jail Fees		0		0	12,813
Interpreter Fees		0		0	25
Data Entry Fee - Juvenile Court		0		0	2,147
Courtroom Security Fee		0		0	327
<u>Chancery Court</u>					
Officers Costs		0		0	7,504
Data Entry Fee - Chancery Court		0		0	6,262
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures		0		0	7,302
Courtroom Security Fee		0		0	452
Other Fines, Forfeitures, and Penalties		0		0	10,575
Proceeds from Confiscated Property		0		0	781
Other Fines, Forfeitures, and Penalties		0		0	
Total Fines, Forfeitures, and Penalties	\$	0	\$	0	671,267

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	Debt Service	General Capital Projects	Capital Projects	
Charges for Current Services					
<u>General Service Charges</u>					
Tipping Fees	\$	0	\$	0	800,134
Solid Waste Disposal Fees		0		0	40,000
Patient Charges		0		0	3,863,628
Other General Service Charges		0		0	6,767
<u>Fees</u>					
Subdivision Lot Fees		0		0	850
Recreation Fees		0		0	63,371
Archives and Records Management Fee - County Clerk		0		0	77,800
Telephone Commissions		0		0	54,004
Vending Machine Collections		0		0	550
Constitutional Officers' Fees and Commissions		0		0	392
Data Processing Fee - Register		0		0	48,367
Sexual Offender Registration Fees - Sheriff		0		0	11,157
Data Processing Fee - County Clerk		0		0	4,157
Total Charges for Current Services	\$	0	\$	0	7,152
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$	51,124	\$	0	259,653
Lease/Rentals		0		0	358,002
Sale of Materials and Supplies		0		1,941	15,017
Commissary Sales		0		0	323,948
Sale of Gasoline		0		0	121,774
Sale of Recycled Materials		0		0	306,009
Miscellaneous Refunds		24,876		0	108,831
<u>Nonrecurring Items</u>					
Sale of Equipment		0		0	11,700
Sale of Property		0		0	63,611
Damages Recovered from Individuals		0		0	62,542
Contributions and Gifts		0		0	27,343
Performance Bond Forfeitures		0		0	26,932
<u>Other Local Revenues</u>					
Other Local Revenues	\$	0	\$	0	64,628
Total Other Local Revenues	\$	76,000	\$	1,941	1,749,990

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	Debt Service	General Capital Projects	Capital Projects	
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$	0 \$	0 \$	0 \$	671,298
Circuit Court Clerk		0	0	0	302,286
General Sessions Court Clerk		0	0	0	785,268
Clerk and Master		0	0	0	242,961
Juvenile Court Clerk		0	0	0	76,876
Register		0	0	0	306,171
Sheriff		0	0	0	45,577
Trustee		0	0	0	1,381,118
Total Fees Received from County Officials	\$	0 \$	0 \$	0 \$	3,811,555
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$	0 \$	0 \$	0 \$	68,699
Solid Waste Grants		0	0	0	63,809
Other General Government Grants		0	0	0	2,345
<u>Public Safety Grants</u>					
Law Enforcement Training Programs		0	0	0	37,800
Drug Control Grants		0	0	0	47,550
<u>Health and Welfare Grants</u>					
Health Department Programs		0	0	0	1,223,639
Public Works Grants		0	0	0	255,785
State Aid Program		0	0	0	49,888
Litter Program		0	0	0	146,024
<u>Other State Revenues</u>					
Income Tax		0	0	0	8,786
Beer Tax		0	0	0	95,991
Alcoholic Beverage Tax		0	0	0	860,410
State Revenue Sharing - T.V.A.		0	0	0	321
Board of Jurors		0	0	0	1,039,330
Contracted Prisoner Boarding		0	0	0	1,935,489
Gasoline and Motor Fuel Tax		0	0	0	52,183
Petroleum Special Tax		0	0	0	15,164
Registrar's Salary Supplement		0	0	0	15,164
Total State of Tennessee	\$	0 \$	0 \$	0 \$	5,903,213

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	Debt Service	General Capital Projects	Capital Projects	
Federal Government					
<u>Federal Through State</u>					
Community Development	\$	0 \$	0 \$	0 \$	273,599
Disaster Relief		0	0	0	39,557
Homeland Security Grants		0	0	0	158,182
Other Federal through State		0	0	0	114,516
<u>Direct Federal Revenue</u>		0	0	0	40,486
Other Direct Federal Revenue		0 \$	0 \$	0 \$	626,340
Total Federal Government		0 \$	0 \$	0 \$	
Other Governments and Citizens Groups					
<u>Other Governments</u>					
Prisoner Board	\$	443,940	0 \$	0 \$	332,879
Contributions		0	0	0	443,940
Other		0	0	0	128,492
<u>Total Other Governments and Citizens Groups</u>		443,940 \$	0 \$	0 \$	905,311
Total		14,134,390 \$	285,905 \$	285,905 \$	52,282,899

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, 2013

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Projects Education Capital	
Local Taxes						
<u>County Property Taxes</u>						
Current Property Tax	\$ 12,245,197	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,245,197
Trustee's Collections - Prior Year	421,308	0	0	0	0	421,308
Trustee's Collections - Bankruptcy	346	0	0	0	0	346
Circuit/Clerk & Master Collections - Prior Years	345,099	0	0	0	0	345,099
Interest and Penalty	77,354	0	0	0	0	77,354
Payments in-Lieu-of Taxes - T.V.A.	353	0	0	0	0	353
Payments in-Lieu-of Taxes - Other	2,010	0	0	0	0	2,010
<u>County Local Option Taxes</u>						
Local Option Sales Tax	15,490,008	0	0	0	0	15,490,008
<u>Statutory Local Taxes</u>						
Bank Excise Tax	50,387	0	0	0	0	50,387
Interstate Telecommunications Tax	2,890	0	0	0	0	2,890
Total Local Taxes	\$ 28,634,952	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,634,952
Licenses and Permits						
<u>Licenses</u>						
Marriage Licenses	\$ 5,567	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,567
Total Licenses and Permits	\$ 5,567	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,567
Charges for Current Services						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 852,608	\$ 0	\$ 0	\$ 852,608
Lunch Payments - Adults	0	0	25,730	0	0	25,730
Income from Breakfast	0	0	492,521	0	0	492,521
A la carte Sales	0	0	138,111	0	0	138,111
Transportation - Other State Systems	11,438	0	0	0	0	11,438
Transportation from Individuals	88,186	0	0	0	0	88,186
Contract for Instructional Services with Other LEAs	30,000	0	0	0	0	30,000
Receipts from Individual Schools	131,949	0	0	0	0	131,949
Community Service Fees - Children	0	0	0	859,044	0	859,044
TBI Criminal Background Fees	15,448	0	0	0	0	15,448
Total Charges for Current Services	\$ 277,021	\$ 0	\$ 1,508,970	\$ 859,044	\$ 0	\$ 2,645,035
Other Local Revenues						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 3,236	\$ 0	\$ 0	\$ 3,236
Sale of Materials and Supplies	7,272	0	0	0	0	7,272
Refund of Telecommunication & Internet Fees (E-Rate)	108,357	0	0	0	0	108,357
Miscellaneous Refunds	1,415	0	37,750	0	0	39,165
<u>Nonrecurring Items</u>						
Sale of Equipment	18,241	0	14,488	0	0	32,729
Damages Recovered from Individuals	291	0	0	0	0	291
Contributions and Gifts	2,282	0	0	0	0	2,282
<u>Other Local Revenues</u>						
Other Local Revenues	1,732	0	0	0	0	1,732
Total Other Local Revenues	\$ 139,590	\$ 0	\$ 55,474	\$ 0	\$ 0	\$ 195,064
State of Tennessee						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 295,931	\$ 0	\$ 0	\$ 0	\$ 0	\$ 295,931
<u>State Education Funds</u>						
Basic Education Program	40,707,832	0	0	0	0	40,707,832
Early Childhood Education	1,703,652	0	0	0	0	1,703,652
School Food Service	0	0	52,208	0	0	52,208
Other State Education Funds	710,711	0	0	0	0	710,711
Career Ladder Program	376,147	0	0	0	0	376,147
Career Ladder - Extended Contract	98,600	0	0	0	0	98,600
<u>Other State Revenues</u>						
Mixed Drink Tax	176,595	0	0	0	0	176,595
Total State of Tennessee	\$ 44,069,468	\$ 0	\$ 52,208	\$ 0	\$ 0	\$ 44,121,676
Federal Government						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,457,827	\$ 0	\$ 0	\$ 2,457,827
USDA - Commodities	0	0	284,608	0	0	284,608
Breakfast	0	0	904,560	0	0	904,560
USDA - Other	0	0	85,360	0	0	85,360
Adult Education State Grant Program	140,735	0	0	0	0	140,735
Vocational Education - Basic Grants to States	0	156,442	0	0	0	156,442
Other Vocational	4,163	0	0	0	0	4,163

(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	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Title I Grants to Local Education Agencies	\$ 0	\$ 3,432,722	\$ 0	\$ 0	\$ 0	\$ 3,432,722
Special Education - Grants to States	226,809	2,400,590	0	0	0	2,627,399
Special Education Preschool Grants	39,040	46,354	0	0	0	85,394
English Language Acquisition Grants	0	105,063	0	0	0	105,063
Eisenhower Professional Development State Grants	0	509,928	0	0	0	509,928
Job Training Partnership Act	11,000	0	0	0	0	11,000
Race-to-the-Top - ARRA	0	2,333,448	0	0	0	2,333,448
Other Federal through State	10,850	1,286,957	65,884	0	0	1,363,691
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	93,364	0	0	0	0	93,364
Other Direct Federal Revenue	480,639	0	0	0	0	480,639
Total Federal Government	\$ 1,006,600	\$ 10,271,504	\$ 3,798,239	\$ 0	\$ 0	\$ 15,076,343
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,500,000	\$ 53,500,000
<u>Citizens Groups</u>						
Donations	60,143	0	0	0	0	60,143
Total Other Governments and Citizens Groups	\$ 60,143	\$ 0	\$ 0	\$ 0	\$ 53,500,000	\$ 53,560,143
Total	\$ 74,193,341	\$ 10,271,504	\$ 5,414,891	\$ 859,044	\$ 53,500,000	\$ 144,238,780

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	116,750	
Social Security		8,931	
Medical Insurance		139	
Audit Services		21,696	
Dues and Memberships		3,078	
Printing, Stationery, and Forms		489	
Other Charges		1,765	
Total County Commission			\$ 152,848

Beer Board

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

County Mayor/Executive

County Official/Administrative Officer	\$	86,002	
Temporary Personnel		12,434	
Longevity Pay		5,500	
Other Salaries and Wages		158,000	
Social Security		19,226	
State Retirement		25,524	
Employee and Dependent Insurance		715	
Life Insurance		206	
Medical Insurance		26,780	
Dental Insurance		76	
Unemployment Compensation		451	
Communication		4,231	
Data Processing Services		7,963	
Dues and Memberships		1,850	
Maintenance and Repair Services - Equipment		157	
Office Supplies		10,919	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		2,626	
Other Charges		1,323	
Office Equipment		639	
Total County Mayor/Executive			364,797

County Attorney

County Official/Administrative Officer	\$	142,827	
Legal Services		15,432	
Other Charges		252	
Total County Attorney			158,511

Election Commission

County Official/Administrative Officer	\$	66,033	
Part-time Personnel		18,635	
Longevity Pay		1,400	
Overtime Pay		6,000	
Other Salaries and Wages		79,950	
Election Commission		5,950	
Election Workers		90,329	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	15,223	
State Retirement		15,078	
Life Insurance		165	
Medical Insurance		24,047	
Dental Insurance		160	
Unemployment Compensation		822	
Communication		935	
Data Processing Services		12,357	
Dues and Memberships		275	
Legal Notices, Recording, and Court Costs		11,024	
Maintenance and Repair Services - Equipment		504	
Printing, Stationery, and Forms		14,854	
Travel		7,152	
Other Contracted Services		8,455	
Office Supplies		15,874	
Liability Insurance		3,866	
Workers' Compensation Insurance		2,100	
Office Equipment		2,000	
Total Election Commission			\$ 403,188

Register of Deeds

County Official/Administrative Officer	\$	73,370	
Other Salaries and Wages		79,524	
Social Security		10,975	
State Retirement		15,525	
Life Insurance		206	
Medical Insurance		26,396	
Dental Insurance		274	
Unemployment Compensation		361	
Communication		1,502	
Dues and Memberships		681	
Maintenance Agreements		14,553	
Maintenance and Repair Services - Equipment		214	
Travel		465	
Data Processing Supplies		18,031	
Office Supplies		3,821	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		2,626	
Total Register of Deeds			248,624

Codes Compliance

Assistant(s)	\$	31,850	
Longevity Pay		1,000	
Other Salaries and Wages		31,050	
In-Service Training		630	
Social Security		4,130	
State Retirement		6,537	
Life Insurance		124	
Medical Insurance		17,295	
Dental Insurance		40	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Unemployment Compensation	\$	180	
Communication		2,555	
Printing, Stationery, and Forms		704	
Other Contracted Services		54,366	
Gasoline		4,688	
Office Supplies		2,198	
Periodicals		253	
Uniforms		333	
Refunds		15	
Workers' Compensation Insurance		1,576	
Office Equipment		254	
Total Codes Compliance			\$ 159,778

Geographical Information Systems

Maintenance Agreements	\$	4,576	
Office Supplies		4,378	
Other Equipment		8,586	
Total Geographical Information Systems			17,540

County Buildings

Supervisor/Director	\$	54,900	
Secretary(ies)		29,450	
Custodial Personnel		98,950	
Part-time Personnel		22,336	
Longevity Pay		18,400	
Overtime Pay		7,220	
Other Salaries and Wages		572,950	
In-Service Training		1,066	
Social Security		56,547	
State Retirement		78,104	
Life Insurance		859	
Medical Insurance		161,874	
Dental Insurance		2,049	
Unemployment Compensation		2,511	
Communication		11,867	
Maintenance Agreements		75,801	
Maintenance and Repair Services - Buildings		292,054	
Maintenance and Repair Services - Equipment		1,960	
Maintenance and Repair Services - Vehicles		229,179	
Rentals		2,816	
Custodial Supplies		24,933	
Gasoline		27,101	
Office Supplies		1,734	
Small Tools		5,142	
Uniforms		13,394	
Utilities		634,770	
Workers' Compensation Insurance		12,253	
Other Charges		3,886	
Interest on Notes		19,445	
Other Equipment		9,653	
Total County Buildings			2,473,204

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Other Facilities

Computer Programmer(s)	\$	117,300	
Longevity Pay		2,900	
Overtime Pay		17,650	
In-Service Training		3,479	
Social Security		9,839	
State Retirement		12,296	
Life Insurance		124	
Medical Insurance		19,237	
Dental Insurance		138	
Unemployment Compensation		270	
Communication		4,504	
Maintenance and Repair Services - Equipment		3,758	
Maintenance and Repair Services - Office Equipment		44,738	
Gasoline		69	
Office Supplies		983	
Small Tools		1,671	
Workers' Compensation Insurance		1,576	
Other Charges		402	
Data Processing Equipment		3,168	
Other Equipment		1,638	
Total Other Facilities			\$ 245,740

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	73,370	
Part-time Personnel		20,876	
Longevity Pay		4,000	
Other Salaries and Wages		202,390	
Board and Committee Members Fees		4,840	
In-Service Training		150	
Social Security		21,813	
State Retirement		29,754	
Life Insurance		372	
Medical Insurance		47,299	
Dental Insurance		304	
Unemployment Compensation		787	
Audit Services		23,860	
Communication		3,885	
Data Processing Services		16,898	
Dues and Memberships		1,850	
Maintenance and Repair Services - Equipment		297	
Travel		726	
Gasoline		2,289	
Office Supplies		8,064	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		4,727	
Office Equipment		771	
Total Property Assessor's Office			469,497

(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

County Official/Administrative Officer	\$	73,370	
Longevity Pay		10,600	
Other Salaries and Wages		186,425	
Social Security		20,160	
State Retirement		23,851	
Life Insurance		289	
Medical Insurance		27,620	
Dental Insurance		1,128	
Unemployment Compensation		540	
Communication		2,290	
Data Processing Services		19,144	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		263	
Maintenance and Repair Services - Equipment		90	
Travel		658	
Office Supplies		20,416	
Premiums on Corporate Surety Bonds		4,265	
Workers' Compensation Insurance		3,676	
Office Equipment		2,373	
Total County Trustee's Office			\$ 397,308

County Clerk's Office

County Official/Administrative Officer	\$	73,370	
Longevity Pay		10,300	
Overtime Pay		13	
Other Salaries and Wages		457,020	
Social Security		38,247	
State Retirement		55,312	
Employee and Dependent Insurance		574	
Life Insurance		880	
Medical Insurance		93,167	
Dental Insurance		728	
Unemployment Compensation		1,497	
Communication		4,091	
Data Processing Services		855	
Dues and Memberships		746	
Maintenance Agreements		15,133	
Travel		719	
Office Supplies		24,036	
Premiums on Corporate Surety Bonds		123	
Workers' Compensation Insurance		11,204	
Other Charges		467	
Office Equipment		18,266	
Total County Clerk's Office			806,748

Other Finance

Longevity Pay	\$	500	
Overtime Pay		675	
Other Salaries and Wages		79,059	
Social Security		5,042	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

State Retirement	\$	8,139	
Life Insurance		83	
Medical Insurance		20,838	
Dental Insurance		150	
Unemployment Compensation		277	
Communication		1,428	
Data Processing Services		2,590	
Office Supplies		3,348	
Workers' Compensation Insurance		1,050	
Motor Vehicles		1,420	
Office Equipment		1,902	
Total Other Finance			\$ 126,501

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,370	
Part-time Personnel		13,617	
Longevity Pay		25,100	
Other Salaries and Wages		705,003	
Jury and Witness Expense		18,288	
Other Per Diem and Fees		26,500	
Social Security		60,149	
State Retirement		74,690	
Life Insurance		825	
Medical Insurance		122,534	
Dental Insurance		172	
Unemployment Compensation		2,422	
Communication		2,604	
Data Processing Services		10,685	
Dues and Memberships		666	
Maintenance Agreements		14,995	
Maintenance and Repair Services - Equipment		400	
Travel		2,071	
Data Processing Supplies		3,112	
Office Supplies		49,660	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		1,024	
Data Processing Equipment		7,652	
Total Circuit Court			1,215,889

General Sessions Court

Judge(s)	\$	306,442	
Longevity Pay		1,900	
Other Salaries and Wages		54,900	
Social Security		22,346	
State Retirement		37,159	
Life Insurance		124	
Medical Insurance		18,206	
Dental Insurance		212	
Unemployment Compensation		83	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Data Processing Services	\$	2,202	
Dues and Memberships		535	
Travel		2,503	
Office Supplies		2,337	
Workers' Compensation Insurance		1,576	
Total General Sessions Court			\$ 450,525

Drug Court

Supervisor/Director	\$	40,500	
Social Security		3,081	
State Retirement		4,226	
Medical Insurance		4,219	
Dental Insurance		500	
Unemployment Compensation		169	
Communication		2,923	
Rentals		4,205	
Travel		5,544	
Other Contracted Services		26,289	
Office Supplies		3,694	
Workers' Compensation Insurance		525	
Other Charges		581	
Office Equipment		1,045	
Total Drug Court			97,501

Chancery Court

County Official/Administrative Officer	\$	73,370	
Longevity Pay		3,600	
Other Salaries and Wages		150,351	
Other Per Diem and Fees		11,200	
Social Security		16,903	
State Retirement		23,164	
Life Insurance		248	
Medical Insurance		35,212	
Dental Insurance		642	
Unemployment Compensation		646	
Communication		1,052	
Data Processing Services		6,620	
Dues and Memberships		666	
Legal Notices, Recording, and Court Costs		1,019	
Maintenance Agreements		1,205	
Maintenance and Repair Services - Equipment		483	
Travel		195	
Data Processing Supplies		3,221	
Office Supplies		8,689	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,151	
Office Equipment		5,995	
Total Chancery Court			347,982

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Probation Officer(s)	\$	26,900	
Youth Service Officer(s)		104,900	
Longevity Pay		2,000	
Other Salaries and Wages		23,150	
In-Service Training		2,967	
Social Security		11,009	
State Retirement		16,509	
Life Insurance		207	
Medical Insurance		36,414	
Unemployment Compensation		457	
Communication		5,259	
Data Processing Services		2,060	
Travel		1,456	
Other Contracted Services		19,587	
Office Supplies		1,573	
Workers' Compensation Insurance		2,626	
Total Juvenile Court	\$		257,074

Judicial Commissioners

Part-time Personnel	\$	9,160	
Longevity Pay		1,200	
Other Salaries and Wages		53,900	
In-Service Training		2,424	
Social Security		4,887	
State Retirement		3,258	
Life Insurance		83	
Medical Insurance		4,563	
Dental Insurance		36	
Unemployment Compensation		360	
Workers' Compensation Insurance		1,050	
Other Charges		374	
Communication Equipment		134	
Total Judicial Commissioners			81,429

Other Administration of Justice

Probation Officer(s)	\$	15,000	
Social Security		1,172	
State Retirement		38	
Life Insurance		42	
Medical Insurance		138	
Unemployment Compensation		87	
Travel		1,694	
Office Supplies		1,135	
Workers' Compensation Insurance		525	
Office Equipment		988	
Total Other Administration of Justice			20,819

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	80,707	
--	----	--------	--

(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.)

Deputy(ies)	\$	1,983,706	
Investigator(s)		341,950	
Salary Supplements		37,800	
Dispatchers/Radio Operators		254,335	
Secretary(ies)		150,206	
Longevity Pay		69,900	
Overtime Pay		203,771	
Other Salaries and Wages		82,381	
In-Service Training		47,209	
Other Per Diem and Fees		68,604	
Social Security		236,809	
State Retirement		312,313	
Life Insurance		2,444	
Medical Insurance		434,898	
Dental Insurance		2,609	
Unemployment Compensation		6,789	
Communication		41,007	
Contributions		10,173	
Data Processing Services		5,736	
Maintenance and Repair Services - Equipment		15,815	
Transportation - Other than Students		2,449	
Travel		1,709	
Animal Food and Supplies		6,617	
Gasoline		276,682	
Instructional Supplies and Materials		3,065	
Uniforms		23,381	
Other Supplies and Materials		15,764	
Premiums on Corporate Surety Bonds		7,450	
Workers' Compensation Insurance		34,388	
Communication Equipment		34,111	
Data Processing Equipment		1,204	
Law Enforcement Equipment		2,075	
Motor Vehicles		28,105	
Traffic Control Equipment		6,007	
Other Equipment		14,491	
Total Sheriff's Department			\$ 4,846,660

Jail

Guards	\$	1,345,046
Cafeteria Personnel		71,512
Part-time Personnel		24,316
Longevity Pay		18,900
Overtime Pay		142,020
Other Per Diem and Fees		46,265
Social Security		121,326
State Retirement		150,795
Life Insurance		1,664
Medical Insurance		210,900
Dental Insurance		1,982
Unemployment Compensation		5,312

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Contracts with Government Agencies	\$	84,285	
Maintenance and Repair Services - Equipment		1,262	
Medical and Dental Services		559,493	
Custodial Supplies		39,925	
Food Supplies		295,414	
Office Supplies		20,261	
Other Supplies and Materials		8,805	
Workers' Compensation Insurance		21,249	
Other Charges		18,374	
Data Processing Equipment		11,804	
Office Equipment		14,771	
Other Equipment		13,813	
Total Jail			\$ 3,229,494

Workhouse

Supervisor/Director	\$	1,200	
Guards		27,500	
Part-time Personnel		8,528	
Social Security		2,561	
State Retirement		2,936	
Life Insurance		42	
Medical Insurance		7,084	
Dental Insurance		40	
Unemployment Compensation		165	
Uniforms		705	
Workers' Compensation Insurance		525	
Other Charges		2,202	
Other Equipment		623	
Total Workhouse			54,111

Juvenile Services

Supervisor/Director	\$	47,250	
Guards		344,952	
Secretary(ies)		31,850	
Longevity Pay		10,900	
Overtime Pay		13,464	
In-Service Training		496	
Other Per Diem and Fees		17,709	
Social Security		33,437	
State Retirement		46,328	
Life Insurance		585	
Medical Insurance		84,535	
Dental Insurance		30	
Unemployment Compensation		1,170	
Communication		2,442	
Laundry Service		990	
Medical and Dental Services		591	
Travel		253	
Food Supplies		5,889	
Gasoline		1,515	

(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.)

Office Supplies	\$	3,119	
Uniforms		3,076	
Workers' Compensation Insurance		8,078	
Other Charges		6,726	
Total Juvenile Services			\$ 665,385

Commissary

Food Supplies	\$	90,504	
Other Supplies and Materials		80,695	
Total Commissary			171,199

Fire Prevention and Control

Supervisor/Director	\$	38,284	
Part-time Personnel		25,171	
Other Salaries and Wages		77,535	
In-Service Training		15,372	
Social Security		8,028	
Handling Charges and Administrative Costs		15,000	
State Retirement		10,736	
Life Insurance		123	
Medical Insurance		7,923	
Unemployment Compensation		919	
Communication		5,725	
Maintenance and Repair Services - Equipment		412	
Gasoline		23,350	
Office Supplies		1,624	
Uniforms		5,404	
Workers' Compensation Insurance		1,576	
Other Charges		695	
Communication Equipment		633	
Motor Vehicles		299,640	
Other Equipment		76,158	
Total Fire Prevention and Control			614,308

Civil Defense

Contributions	\$	125,420	
Other Contracted Services		53,350	
Total Civil Defense			178,770

Other Emergency Management

Health Equipment	\$	26,600	
Other Equipment		151,165	
Total Other Emergency Management			177,765

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	6,000	
Other Contracted Services		61,020	
Premiums on Corporate Surety Bonds		200	
Other Charges		3,042	
Total County Coroner/Medical Examiner			70,262

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	22,050	
Social Security		1,614	
State Retirement		2,256	
Life Insurance		42	
Medical Insurance		6,941	
Unemployment Compensation		90	
Communication		17,603	
Contracts with Government Agencies		130,973	
Contributions		2,283	
Travel		166	
Other Contracted Services		9,818	
Custodial Supplies		8,472	
Drugs and Medical Supplies		10,638	
Office Supplies		10,162	
Workers' Compensation Insurance		525	
Other Charges		14,211	
Total Local Health Center			\$ 237,844

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,500
Deputy(ies)		54,500
Accountants/Bookkeepers		37,250
Paraprofessionals		1,761,550
Secretary(ies)		52,219
Part-time Personnel		274,534
Longevity Pay		48,900
Overtime Pay		152,498
In-Service Training		16,002
Social Security		180,465
State Retirement		225,605
Life Insurance		1,907
Medical Insurance		344,093
Dental Insurance		4,780
Unemployment Compensation		6,877
Communication		8,671
Data Processing Services		6,383
Maintenance and Repair Services - Equipment		2,724
Medical and Dental Services		9,500
Travel		615
Permits		5,321
Drugs and Medical Supplies		136,537
Gasoline		187,230
Office Supplies		17,095
Uniforms		27,757
Other Supplies and Materials		7,056
Workers' Compensation Insurance		25,649
Other Charges		1,369
Communication Equipment		6,166
Furniture and Fixtures		6,231
Motor Vehicles		278,833

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Office Equipment	\$	794	
Other Equipment		43,348	
Total Ambulance/Emergency Medical Services			\$ 3,987,959

Other Local Health Services

Supervisor/Director	\$	600	
Social Security		42	
State Retirement		61	
Life Insurance		42	
Medical Insurance		75	
Unemployment Compensation		1	
Drugs and Medical Supplies		23,715	
Other Supplies and Materials		8,229	
Workers' Compensation Insurance		525	
Total Other Local Health Services			33,290

Regional Mental Health Center

Contributions	\$	2,500	
Total Regional Mental Health Center			2,500

General Welfare Assistance

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

Aid to Dependent Children

Contributions	\$	685	
Total Aid to Dependent Children			685

Other Public Health and Welfare

Longevity Pay	\$	6,100	
Other Salaries and Wages		945,136	
Social Security		70,451	
State Retirement		71,191	
Life Insurance		880	
Medical Insurance		96,314	
Dental Insurance		1,874	
Unemployment Compensation		3,121	
Travel		11,873	
Office Supplies		2,989	
Excess Risk Insurance		400	
Workers' Compensation Insurance		14,200	
Total Other Public Health and Welfare			1,224,529

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Contributions	\$	399,950	
Total Libraries			399,950

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Other Construction	\$ 1,366	
Total Parks and Fair Boards		\$ 1,366

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	\$ 116,796	
Longevity Pay	700	
Other Salaries and Wages	24,568	
Social Security	1,865	
State Retirement	2,585	
Life Insurance	42	
Dental Insurance	475	
Unemployment Compensation	90	
Other Fringe Benefits	37,396	
Communication	3,188	
Maintenance and Repair Services - Equipment	503	
Matching Share	1,293	
Travel	3,140	
Workers' Compensation Insurance	525	
Other Charges	800	
Office Equipment	1,000	
Total Agriculture Extension Service		194,966

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 9,707	
Longevity Pay	700	
Other Salaries and Wages	25,450	
Social Security	2,531	
State Retirement	3,668	
Life Insurance	42	
Medical Insurance	8,811	
Dental Insurance	229	
Unemployment Compensation	90	
Workers' Compensation Insurance	525	
Total Soil Conservation		51,753

Other Operations

Tourism

Contributions	\$ 155,489	
Total Tourism		155,489

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

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

Veterans' Services

Supervisor/Director	\$ 30,050	
Longevity Pay	500	
Social Security	2,256	
State Retirement	3,125	
Life Insurance	42	
Unemployment Compensation	90	
Communication	1,765	
Maintenance Agreements	399	
Maintenance and Repair Services - Equipment	72	
Travel	1,158	
Office Supplies	955	
Workers' Compensation Insurance	525	
Other Charges	600	
Total Veterans' Services		41,537

Contributions to Other Agencies

Contracts with Government Agencies	\$ 15,175	
Contributions	239,803	
Gasoline	119,891	
Total Contributions to Other Agencies		374,869

Employee Benefits

Medical Insurance	\$ 12,341	
Unemployment Compensation	579	
Total Employee Benefits		12,920

Miscellaneous

Dues and Memberships	\$ 9,746	
Legal Notices, Recording, and Court Costs	1,888	
Maintenance and Repair Services - Equipment	85	
Other Contracted Services	4,026	
Gasoline	3	
Library Books/Media	20,000	
Building and Contents Insurance	38,020	
Excess Risk Insurance	57,334	
Liability Insurance	76,750	
Trustee's Commission	365,387	
Tax Relief Program	104,627	
Other Charges	56,549	
Disabilities Act Improvements	2,272	
Total Miscellaneous		736,687

Total General Fund		\$ 26,086,170
--------------------	--	---------------

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	53,100	
Attendants		197,991	
Part-time Personnel		10,619	
Overtime Pay		35,215	
Other Salaries and Wages		449,384	
Other Fringe Benefits		210,000	
Communication		19,352	
Engineering Services		5,953	
Maintenance and Repair Services - Buildings		41,217	
Maintenance and Repair Services - Equipment		87,300	
Maintenance and Repair Services - Vehicles		74,587	
Travel		1,881	
Disposal Fees		1,586,133	
Permits		150	
Other Contracted Services		87,608	
Crushed Stone		20,208	
Gasoline		112,906	
Office Supplies		4,008	
Uniforms		5,682	
Utilities		46,472	
Other Charges		16,068	
Motor Vehicles		12,539	
Office Equipment		1,322	
Solid Waste Equipment		115,200	
Total Sanitation Management			\$ 3,194,895

Landfill Operation and Maintenance

Engineering Services	\$	41,350	
Other Charges		4,539	
Other Construction		105,000	
Total Landfill Operation and Maintenance			150,889

Other Waste Disposal

Engineering Services	\$	22,127	
Contracts for Landfill Facilities		99,000	
Other Contracted Services		246,430	
Wood Products		5,250	
Other Construction		175,000	
Total Other Waste Disposal			547,807

Postclosure Care Costs

Engineering Services	\$	7,223	
Other Contracted Services		95,000	
Other Construction		119,500	
Total Postclosure Care Costs			221,723

Other Operations

Miscellaneous

Trustee's Commission	\$	62,189	
Total Miscellaneous			62,189

Total Solid Waste/Sanitation Fund \$ 4,177,503

(Continued)

Exhibit K-8

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

Industrial/Economic Development Fund

General Government

Development

Engineering Services	\$	850	
Other Contracted Services		<u>7,800</u>	
Total Development			\$ 8,650

Other Operations

Industrial Development

Contracts with Government Agencies	\$	2,011,945	
Contributions		125,000	
Other Charges		<u>2,529</u>	
Total Industrial Development			2,139,474

Other Economic and Community Development

Other Construction	\$	<u>108,850</u>	
Total Other Economic and Community Development			108,850

Miscellaneous

Trustee's Commission	\$	<u>8,511</u>	
Total Miscellaneous			<u>8,511</u>

Total Industrial/Economic Development Fund \$ 2,265,485

Special Purpose Fund

General Government

Preservation of Records

Supervisor/Director	\$	26,663	
Part-time Personnel		5,220	
Other Fringe Benefits		10,519	
Communication		2,009	
Other Supplies and Materials		14,544	
Other Charges		<u>1,130</u>	
Total Preservation of Records			\$ <u>60,085</u>

Total Special Purpose Fund 60,085

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	1,696	
Communication		481	
Confidential Drug Enforcement Payments		16,000	
Rentals		7,800	
Other Supplies and Materials		1,513	
Law Enforcement Equipment		12,125	
Motor Vehicles		<u>19,137</u>	
Total Drug Enforcement			\$ 58,752

Other Operations

Miscellaneous

Trustee's Commission	\$	<u>3</u>	
Total Miscellaneous			<u>3</u>

Total Drug Control Fund 58,755

(Continued)

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

Sports and Recreation Fund

Social, Cultural, and Recreational Services

Parks and Fair Boards

Supervisor/Director	\$	47,900	
Secretary(ies)		26,450	
Temporary Personnel		55,000	
Part-time Personnel		14,549	
Other Salaries and Wages		284,465	
Other Fringe Benefits		136,917	
Advertising		500	
Communication		5,789	
Maintenance and Repair Services - Buildings		34,171	
Maintenance and Repair Services - Equipment		647	
Maintenance and Repair Services - Vehicles		3,982	
Permits		50	
Custodial Supplies		4,428	
Food Supplies		1,684	
Gasoline		17,745	
Office Supplies		1,968	
Small Tools		2,629	
Utilities		143,866	
Chemicals		1,350	
Other Supplies and Materials		12,558	
Refunds		960	
Workers' Compensation Insurance		4,751	
Other Charges		10,156	
Office Equipment		529	
Other Equipment		1,155	
Other Capital Outlay		46,199	
Total Parks and Fair Boards			\$ 860,398

Other Social, Cultural, and Recreational

Foremen	\$	31,450	
Other Fringe Benefits		7,009	
Communication		1,045	
Maintenance and Repair Services - Buildings		5,753	
Maintenance and Repair Services - Vehicles		1,361	
Custodial Supplies		344	
Small Tools		49	
Utilities		20,858	
Other Supplies and Materials		13,337	
Other Charges		570	
Total Other Social, Cultural, and Recreational			81,776

Other Operations

Miscellaneous

Trustee's Commission	\$	16,590	
Total Miscellaneous			16,590

Total Sports and Recreation Fund \$ 958,764

(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	\$ 73	
Total Chancery Court		73

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$ 96	
Total Juvenile Court Clerk		96

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 208	
Total Sheriff's Department		<u>208</u>

Total Constitutional Officers - Fees Fund		\$ 392
---	--	--------

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 80,707	
Assistant(s)	44,700	
Accountants/Bookkeepers	41,000	
Longevity Pay	4,900	
Other Salaries and Wages	31,850	
Social Security	12,098	
Employee and Dependent Insurance	19,547	
Life Insurance	156	
Dental Insurance	846	
Unemployment Compensation	432	
Local Retirement	20,783	
Employer Medicare	2,829	
Data Processing Services	4,992	
Dues and Memberships	4,290	
Legal Services	5,126	
Legal Notices, Recording, and Court Costs	96	
Maintenance and Repair Services - Office Equipment	476	
Postal Charges	376	
Printing, Stationery, and Forms	478	
Travel	198	
Data Processing Supplies	800	
Drugs and Medical Supplies	599	
Office Supplies	495	
Workers' Compensation Insurance	10,582	
Other Charges	998	
Communication Equipment	1,996	
Data Processing Equipment	500	
Total Administration		\$ 291,850

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	38,500	
Equipment Operators		557,363	
Truck Drivers		221,303	
Laborers		70,872	
Longevity Pay		25,000	
Overtime Pay		10,959	
Other Salaries and Wages		34,531	
Social Security		55,711	
Employee and Dependent Insurance		171,634	
Life Insurance		1,172	
Medical Insurance		641	
Dental Insurance		2,273	
Unemployment Compensation		4,570	
Local Retirement		96,932	
Employer Medicare		13,029	
Other Contracted Services		887,539	
Asphalt - Hot Mix		30,160	
Asphalt - Liquid		140,107	
Crushed Stone		109,261	
Electricity		818	
Pipe - Metal		7,735	
Road Signs		18,327	
Salt		29,959	
Small Tools		2,581	
Other Supplies and Materials		4,502	
Workers' Compensation Insurance		82,011	
Total Highway and Bridge Maintenance			\$ 2,617,490

Operation and Maintenance of Equipment

Mechanic(s)	\$	61,037	
Longevity Pay		1,800	
Overtime Pay		40	
Social Security		3,646	
Employee and Dependent Insurance		9,972	
Life Insurance		52	
Unemployment Compensation		182	
Local Retirement		6,428	
Employer Medicare		853	
Laundry Service		2,878	
Licenses		58	
Maintenance and Repair Services - Equipment		5,168	
Diesel Fuel		95,514	
Equipment and Machinery Parts		47,485	
Garage Supplies		5,609	
Gasoline		42,143	
Lubricants		4,647	
Small Tools		1,617	
Tires and Tubes		12,933	
Other Supplies and Materials		1,670	
Workers' Compensation Insurance		5,291	
Other Charges		2,472	
Total Operation and Maintenance of Equipment			311,495

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	5,954	
Evaluation and Testing		1,090	
Electricity		6,589	
Natural Gas		3,744	
Water and Sewer		285	
Building and Contents Insurance		1,041	
Excess Risk Insurance		35,093	
Liability Insurance		76,750	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		49,614	
Other Charges		9,968	
Total Other Charges			\$ 190,478

Capital Outlay

Engineering Services	\$	35,660	
Bridge Construction		60,286	
Highway Equipment		194,162	
State Aid Projects		176,924	
Total Capital Outlay			467,032

Total Highway/Public Works Fund \$ 3,878,345

General Debt Service Fund

Principal on Debt

General Government

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

Education

Principal on Bonds	\$	12,240,000	
Principal on Capital Leases		435,841	
Total Education			12,675,841

Interest on Debt

General Government

Interest on Bonds	\$	915,638	
Total General Government			915,638

Education

Interest on Bonds	\$	5,057,071	
Interest on Capital Leases		8,099	
Total Education			5,065,170

Other Debt Service

General Government

Other Debt Service	\$	350	
Total General Government			350

Education

Trustee's Commission	\$	226,812	
Other Debt Service		1,681	
Total Education			228,493

Total General Debt Service Fund 19,085,492

(Continued)

Exhibit K-8

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

General Capital Projects Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	9,791	
Building Improvements		<u>118,660</u>	
Total County Buildings			\$ 128,451

Public Safety

Sheriff's Department

Motor Vehicles	\$	<u>212,588</u>	
Total Sheriff's Department			212,588

Jail

Building Improvements	\$	931,121	
Plant Operation Equipment		<u>41,000</u>	
Total Jail			972,121

Fire Prevention and Control

Motor Vehicles	\$	<u>378</u>	
Total Fire Prevention and Control			378

Civil Defense

Motor Vehicles	\$	<u>17,264</u>	
Total Civil Defense			17,264

Public Health and Welfare

Ambulance/Emergency Medical Services

Motor Vehicles	\$	130,000	
Health Equipment		<u>369,226</u>	
Total Ambulance/Emergency Medical Services			499,226

Sanitation Management

Building Construction	\$	<u>23,857</u>	
Total Sanitation Management			23,857

Social, Cultural, and Recreational Services

Libraries

Building Improvements	\$	<u>44,000</u>	
Total Libraries			44,000

Other Operations

Miscellaneous

Trustee's Commission	\$	<u>5,692</u>	
Total Miscellaneous			<u>5,692</u>

Total General Capital Projects Fund \$ 1,903,577

Education Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$	446,805	
Other Debt Issuance Charges		<u>140,604</u>	
Total Education			\$ 587,409

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund (Cont.)</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 53,500,000	
Total Capital Projects Donated to School Department		<u>\$ 53,500,000</u>
Total Education Capital Projects Fund		<u>\$ 54,087,409</u>
Total Governmental Funds - Primary Government		<u><u>\$ 112,561,977</u></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, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	23,094,121	
Career Ladder Program		200,994	
Career Ladder Extended Contracts		190,371	
Homebound Teachers		23,640	
Salary Supplements		391,225	
Educational Assistants		1,090,658	
Other Salaries and Wages		225	
Certified Substitute Teachers		219,088	
Non-certified Substitute Teachers		175,942	
Social Security		1,490,536	
State Retirement		2,208,441	
Life Insurance		14,230	
Medical Insurance		4,907,886	
Dental Insurance		78,443	
Unemployment Compensation		44,062	
Employer Medicare		351,432	
Maintenance and Repair Services - Equipment		9,651	
Other Contracted Services		30,751	
Instructional Supplies and Materials		282,026	
Textbooks		699,398	
Other Supplies and Materials		11,321	
Fee Waivers		65,759	
Other Charges		78,634	
Regular Instruction Equipment		608,344	
Other Equipment		56,361	
Total Regular Instruction Program			\$ 36,323,539

Alternative Instruction Program

Teachers	\$	423,702	
Career Ladder Program		3,000	
Educational Assistants		10,532	
Social Security		25,785	
State Retirement		38,968	
Life Insurance		246	
Medical Insurance		86,795	
Dental Insurance		1,323	
Unemployment Compensation		646	
Employer Medicare		6,030	
Travel		22	
Other Supplies and Materials		1,822	
Other Equipment		1,239	
Total Alternative Instruction Program			600,110

Special Education Program

Teachers	\$	3,387,597	
Career Ladder Program		36,068	
Career Ladder Extended Contracts		27,606	
Homebound Teachers		70,860	
Educational Assistants		957,955	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Temporary Personnel	\$	14,363	
Speech Pathologist		179,355	
Other Salaries and Wages		173,754	
Certified Substitute Teachers		3,478	
Non-certified Substitute Teachers		3,878	
Social Security		285,790	
State Retirement		439,730	
Life Insurance		3,421	
Medical Insurance		983,660	
Dental Insurance		17,042	
Unemployment Compensation		9,995	
Employer Medicare		66,839	
Contracts with Private Agencies		63,028	
Instructional Supplies and Materials		55,055	
Other Supplies and Materials		3,483	
Special Education Equipment		48,687	
Total Special Education Program			\$ 6,831,644

Vocational Education Program

Teachers	\$	882,710	
Career Ladder Program		6,000	
Certified Substitute Teachers		2,242	
Non-certified Substitute Teachers		2,598	
Social Security		52,923	
State Retirement		77,964	
Life Insurance		476	
Medical Insurance		188,494	
Dental Insurance		2,754	
Unemployment Compensation		1,576	
Employer Medicare		12,381	
Maintenance and Repair Services - Equipment		115	
Other Contracted Services		6,823	
Instructional Supplies and Materials		17,853	
Total Vocational Education Program			1,254,909

Adult Education Program

Teachers	\$	63,220	
Other Salaries and Wages		23,915	
Social Security		5,281	
State Retirement		4,340	
Life Insurance		24	
Medical Insurance		4,806	
Dental Insurance		153	
Unemployment Compensation		387	
Employer Medicare		1,240	
Travel		1,618	
Instructional Supplies and Materials		4,479	
Total Adult Education Program			109,463

(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

Attendance

Supervisor/Director	\$	66,755	
Career Ladder Program		1,000	
Clerical Personnel		14,303	
Other Salaries and Wages		66,767	
Social Security		8,926	
State Retirement		13,411	
Life Insurance		51	
Medical Insurance		20,046	
Dental Insurance		382	
Unemployment Compensation		161	
Employer Medicare		2,088	
Other Contracted Services		46,800	
Other Supplies and Materials		498	
Attendance Equipment		3,507	
Total Attendance			\$ 244,695

Health Services

Supervisor/Director	\$	67,114	
Medical Personnel		235,660	
Secretary(ies)		20,888	
Other Salaries and Wages		194,320	
Social Security		29,067	
State Retirement		48,679	
Life Insurance		375	
Medical Insurance		128,498	
Dental Insurance		2,295	
Unemployment Compensation		1,359	
Employer Medicare		6,825	
Travel		5,363	
Other Contracted Services		11,223	
Drugs and Medical Supplies		1,817	
Office Supplies		280	
Other Supplies and Materials		3,487	
In Service/Staff Development		140	
Other Charges		1,498	
Health Equipment		2,366	
Total Health Services			761,254

Other Student Support

Career Ladder Program	\$	13,000	
Guidance Personnel		1,383,924	
Psychological Personnel		32,519	
Social Workers		153,648	
Assessment Personnel		7,503	
Other Salaries and Wages		28,477	
Social Security		94,470	
State Retirement		142,846	
Life Insurance		804	
Medical Insurance		243,020	

(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.)

Dental Insurance	\$	4,580	
Unemployment Compensation		2,247	
Employer Medicare		22,721	
Contracts with Government Agencies		85,000	
Evaluation and Testing		57,127	
Travel		5,493	
Other Contracted Services		75,199	
Other Supplies and Materials		711	
In Service/Staff Development		290	
Other Equipment		4,090	
Total Other Student Support			\$ 2,357,669

Regular Instruction Program

Supervisor/Director	\$	310,416	
Career Ladder Program		26,007	
Librarians		942,311	
Materials Supervisor		22,460	
Instructional Computer Personnel		70,187	
Secretary(ies)		119,748	
Clerical Personnel		38,569	
Educational Assistants		6,420	
Other Salaries and Wages		120,053	
Social Security		98,908	
State Retirement		147,903	
Life Insurance		726	
Medical Insurance		247,868	
Dental Insurance		4,631	
Unemployment Compensation		2,241	
Employer Medicare		23,131	
Travel		13,389	
Other Contracted Services		385,145	
Instructional Supplies and Materials		99	
Library Books/Media		69,091	
Office Supplies		4,275	
Periodicals		6,106	
Other Supplies and Materials		9,418	
In Service/Staff Development		46,900	
Other Charges		34,271	
Other Equipment		2,775	
Total Regular Instruction Program			2,753,048

Alternative Instruction Program

Supervisor/Director	\$	70,733
Career Ladder Program		1,000
Secretary(ies)		27,706
Social Security		6,132
State Retirement		9,204
Life Insurance		55
Dental Insurance		305

(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	\$	129	
Employer Medicare		1,434	
Total Alternative Instruction Program			\$ 116,698

Special Education Program

Supervisor/Director	\$	65,879	
Career Ladder Program		10,000	
Psychological Personnel		292,674	
Assessment Personnel		67,531	
Secretary(ies)		36,248	
Other Salaries and Wages		190,563	
Other Per Diem and Fees		1,360	
Social Security		38,632	
State Retirement		58,290	
Life Insurance		316	
Medical Insurance		115,458	
Dental Insurance		1,745	
Unemployment Compensation		807	
Employer Medicare		9,264	
Travel		29,999	
Other Contracted Services		117,757	
Other Supplies and Materials		34,411	
In Service/Staff Development		30,553	
Other Charges		18,300	
Other Equipment		2,836	
Total Special Education Program			1,122,623

Vocational Education Program

Supervisor/Director	\$	66,001	
Social Security		3,943	
State Retirement		5,861	
Life Insurance		26	
Medical Insurance		9,756	
Dental Insurance		153	
Unemployment Compensation		65	
Employer Medicare		922	
Travel		1,047	
Other Contracted Services		375	
Other Supplies and Materials		383	
Total Vocational Education Program			88,532

Adult Programs

Supervisor/Director	\$	58,602	
Career Ladder Program		1,000	
Clerical Personnel		26,567	
Social Security		4,952	
State Retirement		8,010	
Life Insurance		51	
Medical Insurance		21,323	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Dental Insurance	\$	305	
Unemployment Compensation		129	
Employer Medicare		1,158	
Travel		3,112	
Total Adult Programs			\$ 125,209

Other Programs

On-Behalf Payments to OPEB	\$	295,931	
Total Other Programs			295,931

Board of Education

Secretary to Board	\$	49,837	
Other Salaries and Wages		21,209	
Board and Committee Members Fees		23,100	
Social Security		5,601	
State Retirement		7,023	
Life Insurance		37	
Medical Insurance		8,081	
Dental Insurance		158	
Unemployment Compensation		65	
Employer Medicare		1,310	
Audit Services		12,000	
Communication		72,631	
Dues and Memberships		19,814	
Legal Services		35,605	
Travel		3,891	
Other Contracted Services		14,676	
Other Supplies and Materials		1,413	
Liability Insurance		155,500	
Trustee's Commission		516,491	
Workers' Compensation Insurance		183,472	
In Service/Staff Development		869	
Criminal Investigation of Applicants - TBI		21,550	
Other Charges		143,113	
Total Board of Education			1,297,446

Director of Schools

County Official/Administrative Officer	\$	95,500	
Social Security		5,703	
State Retirement		8,466	
Life Insurance		26	
Medical Insurance		6,066	
Unemployment Compensation		65	
Employer Medicare		1,373	
Travel		3,950	
Office Supplies		990	
Other Supplies and Materials		80	
Other Charges		5,861	
Total Director of Schools			128,080

(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.)

Office of the Principal

Principals	\$	1,198,427	
Career Ladder Program		21,749	
Accountants/Bookkeepers		478,837	
Assistant Principals		838,055	
Secretary(ies)		680,696	
Social Security		187,026	
State Retirement		301,054	
Life Insurance		2,013	
Medical Insurance		663,774	
Dental Insurance		10,680	
Unemployment Compensation		5,202	
Employer Medicare		43,740	
Communication		163,759	
Dues and Memberships		12,035	
Postal Charges		9,500	
Other Charges		37,338	
Total Office of the Principal			\$ 4,653,885

Fiscal Services

Supervisor/Director	\$	75,523	
Accountants/Bookkeepers		183,048	
Purchasing Personnel		35,818	
Clerical Personnel		40,290	
Social Security		19,303	
State Retirement		34,238	
Life Insurance		201	
Medical Insurance		64,579	
Dental Insurance		1,247	
Unemployment Compensation		517	
Employer Medicare		4,515	
Travel		233	
Other Contracted Services		150,321	
Office Supplies		12,653	
In Service/Staff Development		590	
Administration Equipment		450	
Other Capital Outlay		95,236	
Total Fiscal Services			718,762

Human Services/Personnel

Supervisor/Director	\$	66,405	
Other Salaries and Wages		69,261	
Social Security		7,953	
State Retirement		13,879	
Life Insurance		67	
Medical Insurance		23,301	
Dental Insurance		343	
Unemployment Compensation		194	
Employer Medicare		1,860	
Travel		201	

(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.)

Human Services/Personnel (Cont.)

Other Contracted Services	\$	6,225	
Office Supplies		1,092	
In Service/Staff Development		295	
Total Human Services/Personnel			\$ 191,076

Operation of Plant

Unemployment Compensation	\$	65	
Communication		112,064	
Janitorial Services		2,126,403	
Other Contracted Services		211,492	
Custodial Supplies		59,183	
Electricity		2,581,580	
Natural Gas		534,545	
Water and Sewer		260,777	
Other Supplies and Materials		55,693	
Building and Contents Insurance		221,349	
Total Operation of Plant			6,163,151

Maintenance of Plant

Supervisor/Director	\$	97,206	
Secretary(ies)		77,595	
Maintenance Personnel		593,787	
Social Security		44,824	
State Retirement		77,082	
Life Insurance		532	
Medical Insurance		143,739	
Dental Insurance		2,704	
Unemployment Compensation		1,472	
Employer Medicare		10,483	
Travel		2,275	
Other Contracted Services		757,556	
Other Supplies and Materials		443,361	
Maintenance Equipment		4,100	
Total Maintenance of Plant			2,256,716

Transportation

Supervisor/Director	\$	59,952	
Mechanic(s)		121,053	
Bus Drivers		836,369	
Clerical Personnel		49,462	
Part-time Personnel		98,438	
Other Salaries and Wages		199,089	
Social Security		74,793	
State Retirement		129,131	
Life Insurance		1,650	
Medical Insurance		344,873	
Dental Insurance		8,299	
Unemployment Compensation		5,254	
Employer Medicare		17,897	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Contracts with Parents	\$	138	
Laundry Service		1,870	
Travel		1,353	
Other Contracted Services		24,158	
Diesel Fuel		345,030	
Gasoline		74,825	
Lubricants		3,840	
Tires and Tubes		30,088	
Vehicle Parts		103,192	
Other Supplies and Materials		3,541	
Other Charges		7,359	
Transportation Equipment		275,704	
Other Equipment		4,700	
Total Transportation			\$ 2,822,058

Central and Other

Supervisor/Director	\$	66,332	
Career Ladder Program		2,000	
Computer Programmer(s)		359,474	
Clerical Personnel		31,921	
Social Security		27,074	
State Retirement		42,999	
Life Insurance		234	
Medical Insurance		74,141	
Dental Insurance		1,208	
Unemployment Compensation		646	
Employer Medicare		6,332	
Maintenance and Repair Services - Equipment		3,800	
Travel		5,805	
Other Contracted Services		82,410	
Office Supplies		368	
Other Supplies and Materials		43,319	
Total Central and Other			748,063

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	70,380	
Career Ladder Program		1,000	
Accountants/Bookkeepers		39,774	
Clerical Personnel		58,744	
Maintenance Personnel		35,517	
Social Security		12,028	
State Retirement		20,051	
Life Insurance		107	
Dental Insurance		605	
Unemployment Compensation		258	
Employer Medicare		2,813	
Total Food Service			241,277

(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.)

Community Services

Teachers	\$	161,519	
Clerical Personnel		9,989	
Educational Assistants		34,397	
Other Salaries and Wages		66,204	
Social Security		15,957	
State Retirement		25,147	
Life Insurance		71	
Medical Insurance		12,183	
Dental Insurance		210	
Unemployment Compensation		161	
Employer Medicare		3,756	
Printing, Stationery, and Forms		230	
Travel		2,591	
Other Contracted Services		65,897	
Instructional Supplies and Materials		24,999	
Other Supplies and Materials		30,788	
Other Charges		2,272	
Total Community Services			\$ 456,371

Early Childhood Education

Supervisor/Director	\$	37,433	
Teachers		735,986	
Clerical Personnel		16,744	
Educational Assistants		320,423	
Social Security		64,318	
State Retirement		102,434	
Life Insurance		916	
Medical Insurance		265,440	
Dental Insurance		4,363	
Unemployment Compensation		2,324	
Employer Medicare		15,042	
Travel		622	
Other Contracted Services		86,533	
Food Supplies		723	
Instructional Supplies and Materials		5,351	
Other Supplies and Materials		10,670	
Other Charges		2,100	
Other Equipment		6,175	
Total Early Childhood Education			1,677,597

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	435,841	
Total Education			435,841

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	8,099	
Total Education			8,099

Total General Purpose School Fund \$ 74,783,746

(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

Instruction

Regular Instruction Program

Teachers	\$	2,436,791	
Educational Assistants		316,987	
Certified Substitute Teachers		11,862	
Non-certified Substitute Teachers		8,942	
Social Security		160,734	
State Retirement		234,765	
Life Insurance		1,158	
Medical Insurance		318,286	
Dental Insurance		5,822	
Unemployment Compensation		1,664	
Employer Medicare		38,629	
Other Contracted Services		85,409	
Instructional Supplies and Materials		136,741	
Regular Instruction Equipment		811,437	
Total Regular Instruction Program			\$ 4,569,227

Special Education Program

Teachers	\$	19,239	
Educational Assistants		1,269,312	
Speech Pathologist		194,472	
Other Salaries and Wages		15,567	
Social Security		83,433	
State Retirement		140,597	
Life Insurance		1,651	
Medical Insurance		415,690	
Dental Insurance		6,726	
Unemployment Compensation		640	
Employer Medicare		19,757	
Instructional Supplies and Materials		4,516	
Other Supplies and Materials		3,928	
Special Education Equipment		17,959	
Total Special Education Program			2,193,487

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	300	
Instructional Supplies and Materials		21,425	
Vocational Instruction Equipment		130,974	
Total Vocational Education Program			152,699

Support Services

Other Student Support

Certified Substitute Teachers	\$	910	
Non-certified Substitute Teachers		1,055	
Social Security		118	
Employer Medicare		29	
Transportation - Other than Students		8,106	
Travel		7,687	
Other Contracted Services		500	
Other Supplies and Materials		1,379	

(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.)

Other Student Support (Cont.)

In Service/Staff Development	\$	6,205	
Other Charges		47,067	
Total Other Student Support			\$ 73,056

Regular Instruction Program

Principals	\$	5,925	
Supervisor/Director		57,348	
Teachers		93,289	
Secretary(ies)		69,134	
Clerical Personnel		4,987	
Other Salaries and Wages		723,801	
Certified Substitute Teachers		3,868	
In-Service Training		86,275	
Non-certified Substitute Teachers		3,878	
Social Security		61,194	
State Retirement		90,634	
Life Insurance		372	
Medical Insurance		121,446	
Dental Insurance		2,239	
Unemployment Compensation		1,088	
Employer Medicare		14,692	
Consultants		2,960	
Postal Charges		755	
Travel		57,311	
Other Contracted Services		841,490	
Instructional Supplies and Materials		47,148	
Office Supplies		2,006	
Other Supplies and Materials		35,789	
In Service/Staff Development		53,181	
Other Charges		176,157	
Other Equipment		205,281	
Total Regular Instruction Program			2,762,248

Special Education Program

Clerical Personnel	\$	37,534	
Other Salaries and Wages		101,721	
Social Security		8,176	
State Retirement		12,873	
Life Insurance		65	
Medical Insurance		31,492	
Dental Insurance		445	
Unemployment Compensation		128	
Employer Medicare		1,912	
Travel		412	
Other Charges		1,200	
Total Special Education Program			195,958

Vocational Education Program

Travel	\$	3,313	
Other Equipment		1,074	
Total Vocational Education Program			4,387

(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

In-Service Training	\$	4,900	
Social Security		293	
State Retirement		435	
Employer Medicare		68	
Other Contracted Services		12,532	
Other Supplies and Materials		1,000	
In Service/Staff Development		10,872	
Total Office of the Principal			\$ 30,100

Transportation

Rentals	\$	14,996	
Gasoline		100	
Total Transportation			15,096

Operation of Non-Instructional Services

Community Services

Teachers	\$	179,211	
Bus Drivers		30,388	
Clerical Personnel		11,359	
Educational Assistants		44,152	
Other Salaries and Wages		26,566	
Social Security		17,175	
State Retirement		26,364	
Dental Insurance		57	
Employer Medicare		4,061	
Printing, Stationery, and Forms		440	
Travel		4,933	
Other Contracted Services		63,236	
Other Supplies and Materials		34,478	
In Service/Staff Development		172	
Other Charges		4,578	
Total Community Services			447,170

Total School Federal Projects Fund \$ 10,443,428

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,525,024	
Social Security		86,843	
State Retirement		112,236	
Life Insurance		912	
Medical Insurance		351,763	
Dental Insurance		8,525	
Unemployment Compensation		6,148	
Employer Medicare		20,310	
Communication		13,182	
Maintenance and Repair Services - Equipment		87,326	
Travel		8,983	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$	26,490	
Food Preparation Supplies		112,157	
Food Supplies		2,043,867	
Office Supplies		11,035	
USDA - Commodities		284,608	
Other Supplies and Materials		7,634	
In Service/Staff Development		7,023	
Other Charges		56,404	
Food Service Equipment		199,031	
Total Food Service			\$ 4,969,501

Total Central Cafeteria Fund \$ 4,969,501

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	632,031	
Social Security		37,846	
State Retirement		27,113	
Life Insurance		200	
Medical Insurance		59,801	
Dental Insurance		1,142	
Unemployment Compensation		3,050	
Employer Medicare		8,851	
Travel		1,057	
Food Supplies		31,169	
Refunds		1,415	
Other Charges		28,528	
Other Equipment		6,239	
Total Community Services			\$ 838,442

Total Extended School Program Fund 838,442

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$	12,760	
Social Security		771	
State Retirement		1,299	
Medical Insurance		961	
Dental Insurance		30	
Employer Medicare		180	
Architects		881,218	
Permits		1,261	
Other Contracted Services		50,707	
Building Construction		332,536	
Other Equipment		53,812	
Total Education Capital Projects			\$ 1,335,535

Total Other Capital Projects Fund 1,335,535

Total Governmental Funds - Putnam County School Department \$ 92,370,652

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2013

	Governmental Activities - Internal Service Fund <hr/> Self- Insurance Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,296,445
<u>Other Local Revenues</u>	
Miscellaneous Refunds	7,226
Total Operating Revenues	<hr/> \$ 1,303,671
 <u>Nonoperating Revenues</u>	
Investment Income	\$ 22,787
Total Nonoperating Revenues	<hr/> \$ 22,787
Total Revenues	<hr/> <hr/> \$ 1,326,458
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 164,962
Liability Claims	6,657
Other Charges	412
<u>Jail</u>	
Worker's Compensation Insurance	2,475
<u>Fire Prevention and Control</u>	
Liability Insurance	9,661
Liability Claims	2,233
Total Public Safety	<hr/> \$ 186,400
 <u>Public Health and Welfare</u>	
<u>Ambulance/Emergency Medical Services</u>	
Legal Services	\$ 16,552
Excess Risk Insurance	20,967
Liability Insurance	678
Refunds	25,854
Liability Claims	60,546
<u>Alcohol and Drug Programs</u>	
Workers' Compensation Insurance	38,947
<u>Sanitation Management</u>	
Liability Claims	1,339
Total Public Health and Welfare	<hr/> \$ 164,883

(Continued)

Exhibit K-10

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

	Governmental Activities - Internal Service Fund <u>Self- Insurance Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Social Cultural and Recreational Services</u>	
<u>Libraries</u>	
Liability Claims	\$ 640
<u>Parks and Fair Boards</u>	
Workers' Compensation Insurance	56,794
Other Charges	3,406
Total Social Cultural and Recreational Services	<u>\$ 60,840</u>
 <u>Agriculture and Natural Resources</u>	
<u>Soil Conservation</u>	
Workers' Compensation Insurance	\$ 20,167
Total Agricultural and Natural Resources	<u>\$ 20,167</u>
 <u>Other Operations</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 16,826
Building and Contents Insurance	88,539
Excess Risk Insurance	49,512
Liability Insurance	22,977
Premium on Corporate Surety Bonds	4,148
Workers' Compensation Insurance	128,064
Other Charges	680
Total Other Operations	<u>\$ 310,746</u>
 <u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 8,795
Building and Contents Insurance	52,082
Excess Risk Insurance	29,125
Liability Insurance	13,640
Premium on Corporate Surety Bonds	2,440
Workers' Compensation Insurance	216,968
Liability Claims	2,383
Other Charges	400
Total Highways	<u>\$ 325,833</u>

(Continued)

Exhibit K-10

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

	Governmental Activities - Internal Service Fund
	<u>Self- Insurance Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Education</u>	
<u>Central and Other</u>	
Handling Charges and Administrative Costs	\$ 20,228
Legal Services	11,495
Other Contracted Services	4,817
Building and Contents Insurance	119,789
Excess Risk Insurance	66,988
Liability Insurance	30,962
Premium on Corporate Surety Bonds	5,612
Workers' Compensation Insurance	431,827
Liability Claims	35,039
Other Charges	1,684
Total Education	<u>\$ 728,441</u>
Total Expenses	<u>\$ 1,797,310</u>

Exhibit K-11

Putnam County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 12,796,099
Total Cash Receipts	<u>\$ 12,796,099</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 12,668,138
Trustee's Commission	127,961
Total Cash Disbursements	<u>\$ 12,796,099</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2012	<u>0</u>
Cash Balance, June 30, 2013	<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***

Independent Auditor's Report

Putnam County Executive and
Board of County Commissioners
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2013, and the related notes to the financial statements, which collectively comprise Putnam County's basic financial statements, and have issued our report thereon dated February 26, 2014. Our report includes a reference to other auditors who audited the financial statements of the Putnam County Emergency Communications District and the Putnam County Agricultural and Industrial Fair, Inc., 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 of the financial statements, we considered Putnam County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Putnam County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2013-001 and 2013-002.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2013-005, 2013-008, 2013-009, 2013-010, and 2013-011.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County's financial statements are free from 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: 2013-003, 2013-004, 2013-006, and 2013-007.

Putnam County's Responses to Findings

Putnam County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Putnam County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Putnam County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
Nashville, Tennessee

February 26, 2014

JPW/kp



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 for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

Putnam County Executive and
Board of County Commissioners
Putnam County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Putnam County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Putnam County's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Putnam County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Putnam County's compliance.

Opinion on Each Major Federal Program

In our opinion, Putnam County complied, in all material respects, with the types of compliance 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, 2013.

Report on Internal Control Over Compliance

Management of Putnam County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Putnam County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we

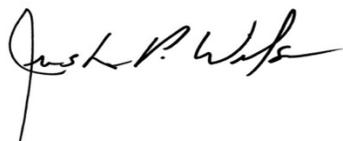
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise Putnam County's basic financial statements. We issued our report thereon dated February 26, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 Schedule of Expenditure of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 26, 2014

JPW/kp

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

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, 2012, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.02	198	Competitive bids were not solicited for insurance coverage for excess losses

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.03	198	Usernames and passwords were shared by employees

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.04	199	The accounting software did not identify the user who processed each transaction

OFFICE OF CLERK AND MASTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.05	199	Multiple employees operated from the same cash drawer

OFFICE OF ASSESSOR OF PROPERTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.06	200	The assessor did not prorate new construction

OFFICES OF COUNTY EXECUTIVE, ROAD SUPERVISOR, REGISTER OF DEEDS, AND SHERIFF

Finding Number	Page Number	Subject
12.08	203	Duties were not segregated adequately

Putnam County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1)
 For the Year Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Distance Learning and Telemedicine Loans and Grants	10.855	N/A	\$ 480,639
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	284,608 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	31,200
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	904,560
National School Lunch Program	10.555	N/A	2,511,987 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	65,884
Total U.S. Department of Agriculture			<u>\$ 4,278,878</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-11-37153-00	\$ 273,599
Total U.S. Department of Housing and Urban Development			<u>\$ 273,599</u>
U.S. Department of Justice:			
Direct Program:			
Joint Law Enforcement Operations (JLEO)	16.111	N/A	\$ 22,207
Passed-through State Commission on Children and Youth:			
Enforcing Underage Drinking Laws Program	16.727	N/A	10,850
Passed-through State Administrative Office of the Courts:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	996
Total U.S. Department of Justice			<u>\$ 34,053</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 Transportation:			
Passed-through State Department of Environment and Conservation:			
Recreation Trails Program	20.219	GG-1134622-00	\$ 86,920
Total U.S. Department of Transportation			<u>\$ 86,920</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 140,735
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	3,634,964
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,625,869
Special Education - Preschool Grants	84.173	N/A	85,394
Career and Technical Education - Basic Grants to States	84.048	N/A	177,123
Safe and Drug-free Schools and Communities National Programs	84.184	(2)	8,731
Twenty-first Century Community Learning Centers	84.287	(2)	454,823
English Language Acquisition Grants	84.365	(2)	106,755
Improving Teacher Quality State Grants	84.367	N/A	512,042
Teacher Incentive Fund	84.374	N/A	525,806
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants,			
Recovery Act	84.395	N/A	1,545,999 (4)
Education Jobs Fund	84.410	N/A	649,557
Passed-through Battelle Memorial Institution:			
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants,			
Recovery Act	84.395	N/A	518,342 (4)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	4,163
Total U.S. Department of Education			<u>\$ 10,990,303</u>

(Continued)

Putnam County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
National Bioterrorism Hospital Preparedness Program	93.889	(2)	\$ 26,600
Total U.S. Department of Health and Human Services			\$ 26,600
U.S. Executive Office of the President:			
Passed-through Laurel County Fiscal Court:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 7,479
Total U.S. Executive Office of the President			\$ 7,479
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 39,557
Emergency Management Performance Grants	97.042	(2)	53,350
Homeland Security Grant Program	97.067	(2)	104,832
Total U.S. Department of Homeland Security			\$ 197,739
Total Expenditures of Federal Awards			\$ 15,906,571
<u>State Grants</u>		<u>Contract Number</u>	
Intensive Probation - State Commission on Children and Youth	N/A	(2)	\$ 59,699
State Supplement Juvenile Court Improvements Funds - State Commission on Children and Youth	N/A	(2)	9,000
Law Enforcement Training Program - State Department of Safety	N/A	(2)	37,800
Local Health Services - State Department of Health	N/A	GG-13-38963-00	1,223,639
Tennessee Certified Drug Court Program - State Department of Mental Health	N/A	(2)	47,550
Litter Program - State Department of Transportation	N/A	Z-13-LIT071-00	49,888
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	(2)	63,809
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	46,912
ConnecTenn Grant - State Department of Education	N/A	(2)	34,583
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	383,929
Voluntary PreK for Tennessee - State Department of Education	N/A	(2)	1,703,652
Family Resource Center - State Department of Education	N/A	(2)	29,612
Coordinated School Health Project - State Department of Education	N/A	(2)	154,999
Safe Schools Act - State Department of Education	N/A	(2)	45,300
Total State Grants			\$ 3,890,372

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 \$2,796,595.
- (4) Total for CFDA No. 84.395 is \$2,064,341.

PUTNAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Putnam County is unmodified.
2. The audit of the financial statements of Putnam County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Putnam County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified 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, National School Lunch Program and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Difference Learning and Telemedicine Loans and Grants (CFDA No. 10.855); the Special Education Cluster: Special Education - Grants to States, and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); Teacher Incentive Fund (CFDA No. 84.374); and the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$477,197 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 and the annual monitoring by the state Department of Property Assessments on assessors of property, 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, county clerk, and clerk and master are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 2013-001

THE GENERAL, GENERAL DEBT SERVICE, AND GENERAL CAPITAL PROJECTS FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness *Under Government
Auditing Standards*)

At June 30, 2013, certain general ledger account balances in the General, General Debt Service, and General Capital Projects funds were not materially correct and audit adjustments totaling \$646,754, \$1,185,222, and \$713,000, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Putnam County to have adequate controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report

RECOMMENDATION

Putnam County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I do not concur fully with this finding. I do not agree with the interpretation of the standard, which caused it. The majority of these adjustments were to reclassify long-term interest free interfund loans and payments on those loans for needed projects budgeted by the County Commission to short-term loans and payments reflected on the balance sheet. If the county had borrowed this money from the bank and paid interest, it would be treated as long-term debt, but because they are interfund loans, they are treated as short-term. All long-term debt should be reported in the same way. Counties with strong reserves that can make interfund loans and eliminate interest cost to save taxpayer dollars are penalized by this accounting treatment. Our financial reporting system does not have a material weakness nor is it ineffective. The loans and payments were budgeted and approved by the

County Commission. It is a matter of accounting treatment. The adjustments will be made, and further interfund loans will be accounted for as short-term.

AUDITOR'S COMMENT

During the current and prior years, the county issued long-term interfund loans for capital outlay purposes; however, the county did not record the loan activity as assets and liabilities in the related governmental funds. According to generally accepted accounting principles, interfund loans should be reported as a receivable in the lending fund and as a liability of the borrowing fund in the governmental funds. These interfund loans are not reported at the government-wide level.

FINDING 2013-002

THE GENERAL CAPITAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE

(Internal Control – Material Weakness Under *Government Auditing Standards*)

The General Capital Projects Fund had a deficit in unassigned fund balance of \$600,251 at June 30, 2013. This deficit resulted from the recognition of a long-term liability of \$713,000 due to the General Debt Service Fund, which consisted of two interfund loans; \$450,000 for justice center renovations and \$263,000 for jail upgrades and roof repairs at Avery Trace Middle School. This deficit is expected to be liquidated from property tax collections subsequent to June 30, 2013.

RECOMMENDATION

County officials should liquidate the deficit in unassigned fund balance.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

Again, I do not concur fully with this finding. I do not agree with the interpretation of the standard, which caused it. This deficit was caused by the reclassification of a long-term, interest free interfund loan for needed projects budgeted by the County Commission to short-term loan status reflected on the balance sheet. If the county had borrowed this money from the bank and paid interest, it would be treated as long-term debt, but because it was an interfund loan it was treated as short-term. All long-term debt should be reported in the same way. Counties with strong reserves that can make interfund loans and eliminate interest cost to save taxpayer dollars are penalized by this accounting treatment. Steps will be taken in the upcoming budget year to eliminate the appearance of a deficit in this fund.

AUDITOR'S COMMENT

The county issued long-term interfund loans, but did not record the asset and liability in the governmental funds. According to generally accepted accounting principles, interfund loans should be reported in the governmental funds as a receivable in the lending fund and as a liability of the borrowing fund.

FINDING 2013-003

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

Expenditures exceeded total appropriations approved by the County Commission in the General Capital Projects Fund by \$11,475. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending within limits authorized by the County Commission. These deficiencies resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE

I do not fully concur with this finding. Expenditures did not exceed appropriations because management failed to hold spending within approved limits. Expenditures associated with a change order were improperly posted to accounts payable. Audit adjustments to correct the error caused expenditures to exceed appropriations. The appropriations would have been properly amended if the error had been caught sooner.

AUDITOR’S COMMENT

The county posted expenditures to accounts payable causing the account to have a debit balance of \$138,906 at June 30, 2013. When these expenditures were properly reclassified in the financial statements as current-year expenditures as approved by management, total expenditures of the General Capital Projects Fund exceeded the appropriations by \$11,475.

FINDING 2013-004

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES
(Noncompliance Under *Government Auditing Standards*)

Purchasing procedures for the County Executive’s Office are governed by provisions of Chapter 63, Private Acts of 1981, as amended. This statute provides for all purchases exceeding \$5,000 to be made on the basis of competitive bids solicited through advertisement in a local newspaper. During our examination of bid procedures, we noted the following deficiencies:

- A. Putnam County is self-insured for liability, property and boiler, workers’ compensation, employment practices, and other various types of insurance, and this insurance is managed by a contracted insurance consultant; however, competitive bids were not solicited for the purchase of excessive

claims insurance. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports.

- B. The county solicited bids for items purchased in excess of \$10,000 based upon a resolution approved by the County Commission; however, the county's private act requires all purchases in excess of \$5,000 to be solicited on the basis of competitive bids. The County Commission does not have the authority to amend the requirements of a private act without the approval of the state legislature. We noted the following purchases that were not bid based upon the \$5,000 bid limit:

<u>Asset Purchased</u>	<u>Amount</u>
Network Printer	\$ 5,697
Upgrades at the Parks and Recreation Department	5,900
Fencing	9,890
Six laser printers	5,210

- C. Competitive bids were not solicited for carpet (\$27,000) and security cameras (\$7,400) for the library. Disbursements for these expenditures were paid by the library and reimbursed by the county.
- D. Written requests for proposals were not solicited for the construction manager overseeing the jail renovations. Section 12-4-106, *Tennessee Code Annotated*, requires construction management services to be procured for each project through a written request for proposals process through advertisement for construction and renovations of local correctional facilities.

The failure to solicit competitive bids could result in the county paying more than the competitive price.

RECOMMENDATION

Chapter 63, Private Acts of 1981, requires competitive bids to be solicited through advertisement in a local newspaper for all purchases exceeding \$5,000. The County Commission should petition the state legislature to amend its private act from \$5,000 to \$10,000 if that is their intent. Written requests for proposals should be solicited for construction management services for correctional facilities building or renovation projects as required by state statutes.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

- A. Putnam County is self-insured. Since its inception, the County Commission has had a professional services contract with BBT/Legge Agency. The county only buys reinsurance for excessive claims. The agent takes quotes for this reinsurance and has documentation as evidence of this process. The agent and the County Commission are aware of this finding.

- B. In 2008, the County Commission passed a resolution to raise the county bid limit to \$10,000. During the 2012-13 audit, it was brought to our attention that the private act had not been revised. The County Commission has passed a private act that should be corrected during this year's legislative session.
- C. This was due to a miscommunication between the library board and maintenance department. It should not happen again.
- D. On September 1, 2011, the County Commission, in a special called session, voted to hire J&S Construction. The contracts were signed in the 2011-12 fiscal year. To my knowledge, construction management had never been discussed prior to that night. I was not in attendance at that meeting due to a family member being in the hospital. If construction management is ever considered again, it should be done in accordance with statute.

FINDING 2013-005

THE SOLID WASTE DEPARTMENT DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES
 (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Department did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency was corrected in July 2013.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2013-006

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

The assessor did not prorate new construction. Section 67-5-603(b)(1), *Tennessee Code Annotated*, provides for assessors to pick up new construction or improvements and prorate their values for the portion of the year following their date of completion. This deficiency can be attributed to management's failure to properly comply with this statute and resulted in an incorrect assessed value to the affected properties.

RECOMMENDATION

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

OFFICE OF COUNTY CLERK

FINDING 2013-007

SOME VOLUNTARY DONATIONS OF MONEY TO PROMOTE THE ORGAN DONATION AWARENESS PROGRAM WERE NOT RECEIPTED AND DEPOSITED PROPERLY

(Noncompliance Under *Government Auditing Standards*)

The county clerk participates in the voluntary program to promote organ donation awareness as provided by Sections 55-4-601 through 55-4-603, *Tennessee Code Annotated*. Upon registration or renewal of any motor vehicle, the registrant has the opportunity to make a voluntary donation of \$1 to promote organ donations. The voluntary contribution is recorded on state provided motor vehicle forms, retained and deposited by the clerk, and paid over to the not-for-profit entity at least quarterly. In addition to this process, the clerk has several boxes in the office for individuals to make monetary donations to support the organ donation awareness program. An employee of the office removes donations from the boxes and receipts the funds monthly. The practice of issuing receipts once a month increases the risk that collections will not be accounted for properly. Furthermore, Section 5-8-207, *TCA*, requires all public funds be deposited within three days of collection. Since collections are removed from the donation boxes only once per month, those collections are not deposited in compliance with state statutes. These deficiencies can be attributed to a lack of oversight by management and a lack of understanding of state statutes.

RECOMMENDATION

Receipts should be issued for funds placed in these collection boxes at least every three days. All receipts should be deposited to the official bank account within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY CLERK

I totally disagree with this finding. The contributions made in the donation boxes are not county clerk funds since they do not derive from a computerized transaction that would generate a receipt. All computerized transactions generate a receipt and are deposited within three days of collection. The monies from those boxes are emptied, and a receipt is written by my office at the end of each month so those monies can be sent to Tennessee Organ Donor Awareness. I am not responsible for those boxes on a daily basis. I do not agree that this is my responsibility to remove those monies from charitable collections boxes and receipt accordingly on a daily basis as it is not county clerk monies.

AUDITOR'S RESPONSE

The county clerk is acting as an agent for the Tennessee County Clerks Organ Donor Awareness Foundation by collecting donations in his office through his computerized system and from the donation boxes. There should be no distinction between the two methods of collecting, receipting, and depositing the funds. All collections for the organ donation program should be receipted and deposited to the office bank account within three days of collection.

FINDING 2013-008

USERNAMES AND PASSWORDS OF ALL EMPLOYEES WERE KNOWN BY DESIGNATED PERSONNEL

(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, a listing of the passwords was maintained by designated personnel. If inappropriate activity were to occur, determining which employee was responsible for this activity could be difficult because these designated personnel had access to others' passwords. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

RECOMMENDATION

Management should discontinue the maintenance of the password listing. Each employee's password should remain confidential.

MANAGEMENT'S RESPONSE – COUNTY CLERK

The usernames and passwords of all of my employees are maintained in a confidential file known only to me as county clerk and my chief deputy and no other personnel. Each employee creates their own password, and it is used by them to access their designated computer for their daily performance of transactions. They must also enter a designated port number, which is assigned to them before any transactions are completed. Each and every transaction completed is printed on a port return each afternoon for a checking out of their day and the computation of checks and money collected. This also includes any errors that might have occurred and were corrected. All of these are brought to me and are signed off by me personally. All of their transactions are completed under this port number, and accountability is documented by said port number and initials.

To summarize, every transaction completed by that employee is strictly tied to that employee only and cannot be accessed by another employee. An employee's password is used and known only by them, and no one else may access the same for any transactions.

AUDITOR'S COMMENT

To ensure proper accountability for each transaction, each employee's username and password should not be accessible to anyone other than that employee.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2013-009

THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER THAT PROCESSED TRANSACTIONS

(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. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The office changed software applications in November 2013. The application currently used adequately records user activity; therefore, this deficiency has been corrected.

OFFICE OF CLERK AND MASTER

FINDING 2013-010

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. I understand that I am responsible for my office and after considering and studying this matter, I have decided to leave the cash drawer as it is at this time.

OFFICES OF COUNTY EXECUTIVE, ROAD SUPERVISOR, REGISTER OF DEEDS, AND SHERIFF

FINDING 2013-011

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, 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 PRACTICE

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

Putnam County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Putnam County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

**PUTNAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013**

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