

ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT
PUTNAM COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014**

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

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

PUTNAM COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Putnam County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Putnam County as of and for the year ended June 30, 2014.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ The General Capital Projects Fund had a deficit in unassigned fund balance.
- ◆ Competitive bids were not solicited for insurance.
- ◆ The county made payments to the landfill contractor in excess of the contract amount.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The General Purpose School and School Federal Projects funds required material audit adjustments for proper financial statement presentation.
- ◆ General ledger payroll liability accounts were not reconciled.

OFFICE OF ASSESSOR OF PROPERTY

- ◆ The former assessor of property misappropriated at least \$2,355.
-

OFFICE OF COUNTY CLERK

- ◆ Usernames and passwords of all employees were known by designated personnel.
-

OFFICES OF COUNTY EXECUTIVE, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.
-

PUTNAM COUNTY COMMISSION

- ◆ The County Commission's Audit Committee is not a functioning committee.

INTRODUCTORY SECTION

Putnam County Officials

June 30, 2014

Officials

Kim Blaylock, County Executive
Randy Jones, Road Supervisor
Jerry Boyd, Director of Schools
Freddie Nelson, Trustee
Barbara Bandy, Interim 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

Chris Savage, Chairman
Mike Atwood
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
Reginald Shanks
Tom Short
Joe Trobaugh
Jonathan Williams
Ronald Williamson

Board of Education

Dr. Janet Moore, Chairman
Eric Brown
Kim Cravens

Dr. Dawn Fry
Jerry Maynard
David McCormick

Audit Committee

Robert Duncan, Jr., 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
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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, 2014, 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 1.31 percent, 1.42 percent, and .89 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the Putnam County Agricultural and Industrial Fair, Inc., which represent .05 percent, .05 percent, and .3 percent, respectively, of the assets, net position, and revenues of the aggregate 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., is 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 audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Putnam County, Tennessee, as of June 30, 2014, 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.

Change in Accounting Principle

As described in Note V.B., Putnam County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

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 79-81 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 by us. In our opinion, based on our audit and the procedures performed as described above, 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

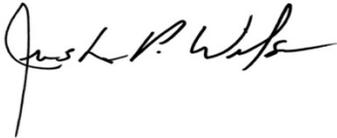
(a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 27, 2015, 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 27, 2015

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Putnam County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Governmental Activities	Component Units		
		Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc. (1)
<u>ASSETS</u>				
Cash	\$ 7,360	\$ 0	\$ 1,855,339	\$ 86,940
Equity in Pooled Cash and Investments	25,371,951	50,809,611	0	0
Accounts Receivable	2,780,350	298,502	18,220	3,911
Allowance for Uncollectibles	(457,081)	0	0	0
Due from Other Governments	2,057,494	4,811,722	30,779	0
Property Taxes Receivable	28,259,628	13,904,338	0	0
Allowance for Uncollectible Property Taxes	(1,444,394)	(710,672)	0	0
Accrued Interest Receivable	0	0	128	0
Prepaid Items	0	0	37,962	5,183
Assets Not Depreciated:				
Land	5,516,854	5,145,013	0	0
Intangibles - Indefinite Life	4,840,504	0	0	0
Construction in Progress	399,178	15,222,894	0	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	25,211,413	116,553,320	140,602	0
Infrastructure	27,514,253	0	704,488	0
Other Capital Assets	4,805,443	3,409,611	0	0
Total Assets	<u>\$ 124,862,953</u>	<u>\$ 209,444,339</u>	<u>\$ 2,787,518</u>	<u>\$ 96,034</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 173,336	\$ 906,971	\$ 639	\$ 4,641
Accrued Payroll	31,047	738,703	0	0
Payroll Deductions Payable	0	321,061	0	380
Due to Fiduciary Funds	9,378	0	0	0
Due to State of Tennessee	0	500	0	0
Claims and Judgments Payable	842,038	0	0	0
Accrued Interest Payable	1,832,741	0	0	0
Matured Bonds Payable	15,000	0	0	0
Noncurrent Liabilities:				
Due Within One Year	6,350,589	113,151	0	0
Due in More Than One Year (net of unamortized premium on debt)	158,103,006	780,927	0	0
Total Liabilities	<u>\$ 167,357,135</u>	<u>\$ 2,861,313</u>	<u>\$ 639</u>	<u>\$ 5,021</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units		
		Putnam County School Department	Putnam County Emergency Communications District	Putnam County Agricultural and Industrial Fair, Inc. (1)
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Revenue - Current Property Taxes	\$ 26,427,731	\$ 13,003,007	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 26,427,731</u>	<u>\$ 13,003,007</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 45,944,690	\$ 140,330,838	\$ 845,090	\$ 0
Restricted for:				
General Government	1,006,752	0	0	0
Finance	42,684	0	0	0
Administration of Justice	192,813	0	0	0
Public Safety	77,147	0	0	0
Highways/Public Works	1,422,616	0	0	0
Education	0	1,561,680	0	0
Capital Projects	516,741	40,224,739	0	0
Unrestricted	<u>(118,125,356)</u>	<u>11,462,762</u>	<u>1,941,789</u>	<u>91,013</u>
Total Net Position	<u>\$ (68,921,913)</u>	<u>\$ 193,580,019</u>	<u>\$ 2,786,879</u>	<u>\$ 91,013</u>

(1) Financial statements are for the year ended September 30, 2013.

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, 2014

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	\$ 6,226,342	\$ 903,578	\$ 52,386	\$ 113,516	\$ (5,156,862)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,882,254	2,108,010	1,272	0	227,028	0	0	0	0	0
Administration of Justice	2,803,669	2,074,869	193,901	0	(534,899)	0	0	0	0	0
Public Safety	10,864,350	1,831,578	463,963	31,200	(8,537,609)	0	0	0	0	0
Public Health and Welfare	10,459,476	5,545,674	1,760,259	304,668	(2,848,875)	0	0	0	0	0
Social, Cultural, and Recreational Services	1,985,466	188,167	92,033	0	(1,705,266)	0	0	0	0	0
Agriculture and Natural Resources	366,035	25,869	0	0	(340,166)	0	0	0	0	0
Highways/Public Works	4,430,949	6,782	2,031,841	782,014	(1,610,312)	0	0	0	0	0
Education	688,321	743,696	0	0	55,375	0	0	0	0	0
Interest on Long-term Debt	6,773,122	0	0	0	(6,773,122)	0	0	0	0	0
Total Primary Government	\$ 46,479,984	\$ 13,428,223	\$ 4,595,655	\$ 1,231,398	\$ (27,224,708)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Putnam County School Department	\$ 92,855,154	\$ 2,497,884	\$ 13,043,094	\$ 92,500	\$ 0	\$ (77,221,676)	\$ 0	\$ 0	\$ 0	\$ 0
Putnam County Emergency Communications District	756,683	268,155	524,690	0	0	0	36,162	0	0	0
Putnam County Agricultural and Industrial Fair, Inc. (I)	245,468	277,803	0	0	0	0	0	32,335	0	0
Total Component Units	\$ 93,857,305	\$ 3,043,842	\$ 13,567,784	\$ 92,500	\$ 0	\$ (77,221,676)	\$ 36,162	\$ 32,335	\$ 0	\$ 0

(Continued)

Exhibit B

Putnam County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Component Units		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	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				\$ 13,079,915	\$ 0	\$ 0
Property Taxes Levied for Debt Service				0	0	0
Local Option Sales Taxes				15,574,006	0	0
Hotel/Motel Tax				0	0	0
Litigation Taxes				0	0	0
Business Tax				0	0	0
Mineral Severance Tax				0	0	0
Wholesale Beer Tax				0	0	0
Other Local Taxes				3,409	0	0
Grants and Contributions Not Restricted to Specific Programs				46,824,667	4,800	0
Unrestricted Investment Earnings				6,337	22,427	0
Miscellaneous				83,031	0	0
Total General Revenues				\$ 75,571,365	\$ 27,227	\$ 0
Insurance Recovery				\$ 0	\$ 1,442	\$ 0
Transfers to Fiduciary Funds				0	0	0
Change in Net Position				\$ (1,650,311)	\$ 64,831	\$ 32,335
Net Position, July 1, 2013				195,230,330	2,722,048	58,678
Prior-period Adjustment				0	0	0
Net Position, June 30, 2014				\$ (68,921,913)	\$ 2,786,879	\$ 91,013

(1) Financial statements are for the year ended September 30, 2013.

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

Putnam County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other	Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 100	\$ 0	\$ 7,260	\$ 7,360	7,360
Equity in Pooled Cash and Investments	12,194,958	6,770,224	4,187,665	23,152,847	23,152,847
Accounts Receivable	2,483,704	71,632	225,014	2,780,350	2,780,350
Allowance for Uncollectibles	(390,650)	0	(66,431)	(457,081)	(457,081)
Due from Other Governments	708,441	940,069	408,984	2,057,494	2,057,494
Due from Other Funds	7,260	1,336,441	0	1,343,701	1,343,701
Property Taxes Receivable	12,551,482	9,770,616	5,937,530	28,259,628	28,259,628
Allowance for Uncollectible Property Taxes	(641,525)	(499,392)	(303,477)	(1,444,394)	(1,444,394)
Total Assets	\$ 26,913,770	\$ 18,389,590	\$ 10,396,545	\$ 55,699,905	
<u>LIABILITIES</u>					
Accounts Payable	\$ 49,616	\$ 0	\$ 123,720	\$ 173,336	173,336
Accrued Payroll	31,047	0	0	31,047	31,047
Due to Other Funds	592,710	0	760,369	1,353,079	1,353,079
Matured Bonds Payable	0	15,000	0	15,000	15,000
Total Liabilities	\$ 673,373	\$ 15,000	\$ 884,089	\$ 1,572,462	
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 11,737,849	\$ 9,137,247	\$ 5,552,635	\$ 26,427,731	26,427,731
Deferred Delinquent Property Taxes	138,494	107,810	64,536	310,840	310,840
Other Deferred/Unavailable Revenue	1,697,095	426,333	216,497	2,339,925	2,339,925
Total Deferred Inflows of Resources	\$ 13,573,438	\$ 9,671,390	\$ 5,833,668	\$ 29,078,496	29,078,496

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other		
			Governmental Funds		
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 72,620	\$ 0	\$ 185,421	\$ 0	\$ 258,041
Restricted for Finance	42,684	0	0	0	42,684
Restricted for Administration of Justice	192,813	0	0	0	192,813
Restricted for Public Safety	25,067	0	52,080	0	77,147
Restricted for Other Operations	0	0	748,711	0	748,711
Restricted for Highways/Public Works	0	0	1,303,555	0	1,303,555
Restricted for Capital Outlay	516,741	0	0	0	516,741
Committed:					
Committed for Public Health and Welfare	0	0	1,232,781	0	1,232,781
Committed for Social, Cultural, and Recreational Services	56,017	0	171,271	0	227,288
Committed for Other Operations	0	0	150,145	0	150,145
Committed for Debt Service	0	8,703,200	0	0	8,703,200
Committed for Other Purposes	10,000	0	0	0	10,000
Assigned:					
Assigned for General Government	185,406	0	2,242	0	187,648
Assigned for Administration of Justice	3,206	0	0	0	3,206
Assigned for Public Safety	163,955	0	0	0	163,955
Assigned for Public Health and Welfare	65,526	0	38,781	0	104,307
Assigned for Social, Cultural, and Recreational Services	66	0	253,108	0	253,174
Unassigned	11,332,858	0	(459,307)	0	10,873,551
Total Fund Balances	\$ 12,666,959	\$ 8,703,200	\$ 3,678,788	\$ 0	\$ 25,048,947
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,913,770	\$ 18,389,590	\$ 10,396,545	\$ 0	\$ 55,699,905

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, 2014

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)		\$	25,048,947
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	5,516,854	
Add: construction in progress		399,178	
Add: intangible assets		4,840,504	
Add: buildings and improvements net of accumulated depreciation		25,211,413	
Add: infrastructure net of accumulated depreciation		27,514,253	
Add: other capital assets net of accumulated depreciation		<u>4,805,443</u>	68,287,645
(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.			1,377,066
(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	\$	(161,265,000)	
Less: landfill postclosure care costs		(104,872)	
Less: compensated absences payable		(433,082)	
Less: accrued interest on bonds		(1,832,741)	
Less: unamortized premium on debt		(2,103,727)	
Less: other postemployment benefits liability		<u>(546,914)</u>	(166,286,336)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,650,765</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(68,921,913)</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, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other Governmental Funds		
			General	Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 13,860,915	\$ 14,928,357	\$ 5,937,496	\$ 0	\$ 34,726,768
Licenses and Permits	504,667	0	0	0	504,667
Fines, Forfeitures, and Penalties	535,362	0	12,651	0	548,013
Charges for Current Services	4,130,200	0	1,003,789	0	5,133,989
Other Local Revenues	1,279,132	257,897	348,987	0	1,886,016
Fees Received from County Officials	3,896,108	0	0	0	3,896,108
State of Tennessee	4,345,226	0	2,781,562	0	7,126,788
Federal Government	640,436	0	70,785	0	711,221
Other Governments and Citizens Groups	196,152	0	27,713	0	223,865
Total Revenues	\$ 29,388,198	\$ 15,186,254	\$ 10,182,983	\$ 0	\$ 54,757,435
<u>Expenditures</u>					
Current:					
General Government	\$ 4,698,838	\$ 0	\$ 67,405	\$ 0	\$ 4,766,243
Finance	1,832,207	0	47	0	1,832,254
Administration of Justice	2,611,243	0	344	0	2,611,587
Public Safety	10,385,635	0	46,207	0	10,431,842
Public Health and Welfare	6,239,622	0	4,143,089	0	10,382,711
Social, Cultural, and Recreational Services	521,746	0	1,099,977	0	1,621,723
Agriculture and Natural Resources	268,834	0	0	0	268,834
Other Operations	1,418,264	0	250,932	0	1,669,196
Highways	0	0	3,953,436	0	3,953,436
Debt Service:					
Principal on Debt	0	5,700,000	0	0	5,700,000
Interest on Debt	0	6,795,543	0	0	6,795,543
Other Debt Service	0	243,846	0	0	243,846

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 91,788	\$ 0	\$ 0	\$ 0	\$ 91,788
Total Expenditures	\$ 28,068,177	\$ 12,739,389	\$ 9,561,437	\$ 0	\$ 50,369,003
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,320,021	\$ 2,446,865	\$ 621,546	\$ 0	\$ 4,388,432
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 337,255	\$ 0	\$ 337,255
Transfers Out	(222,255)	0	(143,000)	0	(365,255)
Total Other Financing Sources (Uses)	\$ (222,255)	\$ 0	\$ 194,255	\$ 0	\$ (28,000)
Net Change in Fund Balances	\$ 1,097,766	\$ 2,446,865	\$ 815,801	\$ 0	\$ 4,360,432
Fund Balance, July 1, 2013	11,569,193	6,256,335	2,862,987	0	20,688,515
Fund Balance, June 30, 2014	\$ 12,666,959	\$ 8,703,200	\$ 3,678,788	\$ 0	\$ 25,048,947

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

Exhibit C-4

Putnam County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

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)		\$ 4,360,432
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,419,392	
Less: current-year depreciation expense	<u>(2,439,212)</u>	(1,019,820)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized	\$ 244,333	
Less: book value of capital assets disposed	<u>(141,861)</u>	102,472
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 2,650,765	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(3,158,915)</u>	(508,150)
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) 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:</p>		
Add: change in premium on debt issuances	\$ 135,816	
Add: principal payments on bonds	<u>5,700,000</u>	5,835,816
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable	\$ 22,421	
Change in landfill postclosure care costs	234,925	
Change in compensated absences payable	(66,256)	
Change in other postemployment benefits liability	<u>(96,560)</u>	94,530
<p>(6) The internal service fund is used by management to charge the cost of liability and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities in the statement of activities.</p>		
		<u>(43,490)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,821,790</u>

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

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 13,860,915	\$ 0	\$ 0	\$ 13,860,915	\$ 13,855,481	\$ 13,853,026	\$ 7,889
Licenses and Permits	504,667	0	0	504,667	373,000	440,373	64,294
Fines, Forfeitures, and Penalties	535,362	0	0	535,362	620,500	620,500	(85,138)
Charges for Current Services	4,130,200	0	0	4,130,200	3,650,000	3,650,000	480,200
Other Local Revenues	1,279,132	0	0	1,279,132	922,000	971,890	307,242
Fees Received from County Officials	3,896,108	0	0	3,896,108	3,630,000	3,630,000	266,108
State of Tennessee	4,345,226	0	0	4,345,226	3,649,189	4,246,990	98,236
Federal Government	640,436	0	0	640,436	195,806	637,317	3,119
Other Governments and Citizens Groups	196,152	0	0	196,152	360,000	179,180	16,972
Total Revenues	\$ 29,388,198	\$ 0	\$ 0	\$ 29,388,198	\$ 27,255,976	\$ 28,229,276	\$ 1,158,922

Expenditures							
General Government							
County Commission	\$ 152,062	\$ 0	\$ 0	\$ 152,062	\$ 150,596	\$ 160,505	\$ 8,443
Beer Board	1,461	0	0	1,461	1,940	1,978	517
County Mayor/Executive	373,114	(25)	289	373,378	307,246	394,399	21,021
County Attorney	131,960	0	0	131,960	167,000	167,000	35,040
Election Commission	437,650	(759)	756	437,647	405,762	473,580	35,933
Register of Deeds	232,812	0	0	232,812	209,943	273,178	40,366
Codes Compliance	181,636	0	0	181,636	216,875	275,481	93,845
Geographical Information Systems	17,635	(307)	3,131	20,459	25,900	25,900	5,441
County Buildings	2,608,419	(43,109)	25,053	2,590,363	2,253,141	2,669,625	79,262
Other Facilities	562,089	(351,320)	156,177	366,946	781,792	826,907	459,961
Finance							
Property Assessor's Office	473,150	0	0	473,150	383,532	544,230	71,080
County Trustee's Office	413,337	0	0	413,337	321,800	417,401	4,064
County Clerk's Office	827,342	(256)	0	827,086	642,232	892,249	65,163
Other Finance	118,378	(90)	0	118,288	124,640	160,990	42,702
Administration of Justice							
Circuit Court	1,270,599	(1,540)	0	1,269,059	995,589	1,351,359	82,300
General Sessions Court	460,046	0	315	460,361	377,463	469,186	8,825

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>Administration of Justice (Cont.)</u>							
Drug Court	\$ 111,347	\$ (168)	925	\$ 112,104	\$ 96,467	\$ 117,243	\$ 5,139
Chancery Court	354,163	0	1,874	356,037	276,320	367,062	11,025
Juvenile Court	267,373	0	0	267,373	212,575	292,870	25,497
District Attorney General	49,473	0	92	49,565	0	73,618	24,053
Judicial Commissioners	78,736	0	0	78,736	68,912	84,687	5,951
Other Administration of Justice	19,506	0	0	19,506	22,400	24,230	4,724
<u>Public Safety</u>							
Sheriff's Department	5,177,143	(37,255)	61,602	5,201,490	3,746,527	5,366,986	165,496
Jail	3,172,007	(8,290)	79,951	3,243,668	2,768,650	3,363,232	119,564
Workhouse	57,147	(350)	250	57,047	43,700	58,933	1,886
Juvenile Services	749,055	(2,944)	1,751	747,862	535,050	771,366	23,504
Commissary	177,265	(960)	782	177,087	195,000	195,000	17,913
Fire Prevention and Control	541,407	(14,374)	19,619	546,652	457,218	561,386	14,734
Civil Defense	186,067	0	0	186,067	180,470	225,623	39,556
Other Emergency Management	221,563	(15,222)	0	206,341	115,975	294,193	87,852
County Coroner/Medical Examiner	103,981	(22,740)	0	81,241	88,250	89,367	8,126
<u>Public Health and Welfare</u>							
Local Health Center	229,873	(15,066)	38,314	253,121	244,897	259,447	6,326
Ambulance/Emergency Medical Services	4,325,670	(74,839)	18,865	4,269,696	3,474,550	4,658,247	388,551
Other Local Health Services	87,403	(4,760)	3,006	85,649	41,800	94,396	8,747
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	45	0	0	45	8,000	8,000	7,955
Other Public Health and Welfare	1,583,461	(1,728)	5,341	1,587,074	1,177,000	1,777,739	190,665
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	72,670	0	0	72,670	72,670	72,670	0
Libraries	414,005	0	0	414,005	414,005	414,005	0
Parks and Fair Boards	23,071	(401)	66	22,736	22,729	22,736	0
Other Social, Cultural, and Recreational	12,000	0	0	12,000	12,000	12,000	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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 191,843	\$ 0	\$ 0	\$ 191,843	\$ 189,220	\$ 198,500	\$ 6,657
Forest Service	1,500	0	0	1,500	1,500	1,500	0
Soil Conservation	75,491	0	0	75,491	56,700	75,491	0
<u>Other Operations</u>							
Tourism	155,000	0	0	155,000	148,000	155,000	0
Airport	28,000	0	0	28,000	28,000	28,000	0
Veterans' Services	43,071	(138)	0	42,933	38,150	44,994	2,061
Contributions to Other Agencies	371,477	0	0	371,477	269,123	371,477	0
Employee Benefits	13,993	0	0	13,993	5,847,418	433,781	419,788
Miscellaneous	806,723	(174)	0	806,549	1,546,948	1,043,709	237,160
<u>Capital Projects</u>							
Other General Government Projects	91,788	0	0	91,788	0	91,788	0
Total Expenditures	\$ 28,068,177	\$ (596,815)	\$ 418,159	\$ 27,889,521	\$ 29,778,845	\$ 30,766,414	\$ 2,876,893
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,320,021	\$ 596,815	\$ (418,159)	\$ 1,498,677	\$ (2,522,869)	\$ (2,537,138)	\$ 4,035,815
<u>Other Financing Sources (Uses)</u>							
Transfers Out	(222,255)	0	0	(222,255)	(125,000)	(222,255)	0
Total Other Financing Sources	(222,255)	0	0	(222,255)	(125,000)	(222,255)	0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 1,097,766	\$ 596,815	\$ (418,159)	\$ 1,276,422	\$ (2,647,869)	\$ (2,759,393)	\$ 4,035,815
Fund Balance, July 1, 2013	11,569,193	(596,815)	0	10,972,378	10,555,072	10,555,072	417,306
Fund Balance, June 30, 2014	\$ 12,666,959	\$ 0	\$ (418,159)	\$ 12,248,800	\$ 7,907,203	\$ 7,795,679	\$ 4,453,121

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, 2014

	Governmental Activities - Internal Service Fund
	<u>Self-Insurance Insurance Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,219,104
Total Assets	<u>\$ 2,219,104</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Claims and Judgments Payable	\$ 842,038
Total Liabilities	<u>\$ 842,038</u>
<u>NET POSITION</u>	
Net Position - Unrestricted	<u>\$ 1,377,066</u>
Total Net Position	<u><u>\$ 1,377,066</u></u>

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

Exhibit D-2

Putnam County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Self-Insurance Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 1,400,965
Refunds	11,465
Total Operating Revenues	<u>\$ 1,412,430</u>
<u>Operating Expenses</u>	
Finance	\$ 50,000
Public Safety	184,330
Public Health and Welfare	76,007
Social, Cultural, and Recreational Services	135,000
Other Operations	352,133
Highways	229,514
Education - Support Services	445,075
Total Operating Expenses	<u>\$ 1,472,059</u>
Operating Income (Loss)	<u>\$ (59,629)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 16,139
Total Nonoperating Revenue	<u>\$ 16,139</u>
Change in Net Position	\$ (43,490)
Net Position, July 1, 2013	1,261,606
Prior-period Adjustment	<u>158,950</u>
Net Position, June 30, 2014	<u>\$ 1,377,066</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, 2014

	Governmental Activities - Internal Service Fund
	<u>Self-Insurance Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-insurance Premiums	\$ 1,400,965
Receipts for Refunds	11,465
Payments for Administrative Costs and Premiums	(689,992)
Payments for Claims	(628,336)
Payments for Legal Costs	(140,444)
Payments for Other Charges	(12,945)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (59,287)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 16,139
Net Cash Provided By (Used In) Investing Activities	<u>\$ 16,139</u>
Net Increase (Decrease) in Cash	\$ (43,148)
Cash, July 1, 2013	<u>2,262,252</u>
Cash, June 30, 2014	<u><u>\$ 2,219,104</u></u>
<u>Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (59,629)
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	(158,608)
Portion of Change in Claims and Judgments Payable Posted as a Prior-period Adjustment	<u>158,950</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (59,287)</u></u>

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

Exhibit E

Putnam County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,283,613
Equity in Pooled Cash and Investments	80,688
Accounts Receivable	17,981
Due from Other Governments	2,337,380
Due from Other Funds	<u>9,378</u>
Total Assets	<u>\$ 4,729,040</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,320,716
Due to Litigants, Heirs, and Others	2,314,795
Due to Joint Venture	<u>93,529</u>
Total Liabilities	<u>\$ 4,729,040</u>

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

PUTNAM COUNTY, TENNESSEE
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PUTNAM COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 2013. On March 17, 2014, the County Commission voted to allow the Putnam County Agricultural and Industrial Fair, Inc., to appoint its own members. The motion becomes effective October 1, 2014.

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. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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.

Additionally, Putnam County reports the following fund types:

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

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

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 and General Debt Service funds. 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 2.68 percent of total taxes levied.

Interfund Notes Receivable/Payable include \$1,336,441 loaned from the General Debt Service Fund to the General (\$583,332), Industrial/Economic Development (\$277,776), and General Capital Projects (\$475,333) funds for capital asset purchases. The amount due to the General Debt Service Fund (\$1,336,441) 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.

As of June 30, 2014, Putnam County had \$138,965,000 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. Prior-period Adjustment

A prior-period adjustment of \$158,950 was recognized in the Self-Insurance Fund to reduce the outstanding claims liability as of July 1, 2013. Claims included in the estimate of outstanding claims liability at June 30, 2013, were settled without payments by the county.

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

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, 2014, Putnam County and the Putnam County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government:		
Major Fund:		
General	Juvenile Court Software	\$ 115,000
"	In-car Video System and Software	48,300
"	Electronic Fingerprinting Equipment	32,000
"	Fence at the Jail	25,000
Nonmajor Funds:		
Solid Waste/Sanitation	Forklift	26,776
Sports and Recreation	HVAC for the Community Center	195,617
"	Monterey Pool Repairs	57,255
School Department:		
Major Fund:		
General Purpose School	Buses	449,950
"	Masonry Work	11,938
School Federal Projects	Ipads and Accessories	18,705
Nonmajor Fund:		
Central Cafeteria	Food Supplies and Milk	58,549
"	Floor Removal	34,968
"	Tables	19,995

B. Unassigned Fund Balance Deficit

The General Capital Projects Fund had a deficit unassigned fund balance of \$459,307 at June 30, 2014. This deficit unassigned fund balance resulted from the recognition of a long-term liability of \$475,333. This deficit unassigned fund balance is expected to be liquidated from property tax collections subsequent to June 30, 2014.

C. Cash Shortage

The former assessor of property misappropriated at least \$2,355 from the office from April 1, 2013, through March 15, 2014. The former assessor was indicted by the Putnam County Grand Jury on March 25, 2014, on one count of theft over \$1,000 and one count of official misconduct. The assessor resigned his position on the same day. On December 12, 2014, the former assessor pled guilty to theft, agreed to pay restitution of \$1,957, and agreed to serve three years probation. He also agreed to a two-year suspended jail sentence for the charge of official misconduct. Details of this shortage are discussed in the Schedule of Findings and Questioned Cost section of this report and in a special report issued by the Comptroller's Office, which is available at www.comptroller.tn.gov.

D. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the General Debt Service Fund by \$5,346. Expenditures exceeded appropriations in the discretely presented General Purpose School Fund's Fiscal Services major appropriation category (the legal level of control) by \$7,514. Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balances.

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, 2014, 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.

<u>Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	109	\$ 353,840

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, 2014, 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, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 5,517,706	\$ 23,298	\$ (24,150)	\$ 5,516,854
Intangibles	4,822,262	18,242	0	4,840,504
Construction in Progress	0	399,178	0	399,178
Total Capital Assets Not Depreciated	\$ 10,339,968	\$ 440,718	\$ (24,150)	\$ 10,756,536
Capital Assets Depreciated:				
Buildings and Improvements	\$ 32,192,635	\$ 50,600	\$ 0	\$ 32,243,235
Roads and Bridges	49,875,057	255,112	0	50,130,169
Other Capital Assets	13,186,179	917,295	(687,822)	13,415,652
Total Capital Assets Depreciated	\$ 95,253,871	\$ 1,223,007	\$ (687,822)	\$ 95,789,056
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,531,722	\$ 500,100	\$ 0	\$ 7,031,822
Roads and Bridges	21,551,501	1,064,415	0	22,615,916
Other Capital Assets	8,305,623	874,697	(570,111)	8,610,209
Total Accumulated Depreciation	\$ 36,388,846	\$ 2,439,212	\$ (570,111)	\$ 38,257,947
Total Capital Assets Depreciated, Net	\$ 58,865,025	\$ (1,216,205)	\$ (117,711)	\$ 57,531,109
Governmental Activities Capital Assets, Net	\$ 69,204,993	\$ (775,487)	\$ (141,861)	\$ 68,287,645

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

Governmental Activities:

General Government	\$ 74,904
Administration of Justice	177,728
Public Safety	348,404
Public Health and Welfare	601,098
Social, Cultural, and Recreational Services	40,971
Agriculture and Natural Resources	5,413
Highways/Public Works	<u>1,190,694</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,439,212</u>

Discretely Presented Putnam County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 5,145,013	\$ 0	\$ 5,145,013
Construction in Progress	<u>1,671,595</u>	<u>13,551,299</u>	<u>15,222,894</u>
Total Capital Assets Not Depreciated	<u>\$ 6,816,608</u>	<u>\$ 13,551,299</u>	<u>\$ 20,367,907</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 151,810,843	\$ 0	\$ 151,810,843
Other Capital Assets	<u>7,212,185</u>	<u>337,555</u>	<u>7,549,740</u>
Total Capital Assets Depreciated	<u>\$ 159,023,028</u>	<u>\$ 337,555</u>	<u>\$ 159,360,583</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 32,494,379	\$ 2,763,144	\$ 35,257,523
Other Capital Assets	<u>3,375,895</u>	<u>764,234</u>	<u>4,140,129</u>
Total Accumulated Depreciation	<u>\$ 35,870,274</u>	<u>\$ 3,527,378</u>	<u>\$ 39,397,652</u>
Total Capital Assets Depreciated, Net	<u>\$ 123,152,754</u>	<u>\$ (3,189,823)</u>	<u>\$ 119,962,931</u>
Governmental Activities Capital Assets, Net	<u>\$ 129,969,362</u>	<u>\$ 10,361,476</u>	<u>\$ 140,330,838</u>

There were no decreases in capital assets to report during the year ended June 30, 2014.

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

Governmental Activities:

Instruction	\$ 3,167,863
Support Services	320,298
Operation on Non-instructional Services	<u>39,217</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,527,378</u></u>

C. Construction Commitments

At June 30, 2014, the discretely presented Putnam County School Department had uncompleted construction contracts of approximately \$39,314,366 for the construction of Monterey High School (\$21,351,566) and Upperman Middle School (\$17,962,800). Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 7,260
General Debt Service	General	583,332
"	Nonmajor governmental	753,109
Fiduciary (Judicial District Drug)	General	9,378
Discretely Presented Putnam County School Department:		
General Purpose School	Nonmajor governmental	55,558
"	School Federal Projects	69,615

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.

A receivable in the discretely presented General Purpose School Fund of \$3,467 was in transit from the School Federal Projects Fund at June 30, 2014.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	Nonmajor Governmental Funds	Fiduciary Funds
General Fund	\$ 222,255	\$ 0
Nonmajor governmental funds	115,000	28,000
Total	\$ 337,255	\$ 28,000

Discretely Presented Putnam County School Department

Transfer Out	Transfers In
	General Purpose School Fund
School Federal Projects Fund	\$ 135,864
Nonmajor governmental funds	511,794
Total	\$ 647,658

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.

E. 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, 2014, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2 to 5%	4-1-33	\$ 133,135,000	\$ 128,835,000
General Obligation Bonds - Refunding	4.5 to 5.5	4-1-20	44,825,000	32,430,000

The annual requirements to amortize all general obligation bonds outstanding at June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2020-2024	49,165,000	21,038,906	70,203,906
2025-2029	52,650,000	9,911,276	62,561,276
2030-2033	23,365,000	1,957,375	25,322,375
Total	\$ 161,265,000	\$ 63,740,746	\$ 225,005,746

There is \$8,703,200 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$2,230, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

	<u>Bonds</u>	<u>Compensated Absences</u>
Balance, July 1, 2013	\$ 166,965,000	\$ 366,826
Additions	0	212,656
Reductions	<u>(5,700,000)</u>	<u>(146,400)</u>
Balance, June 30, 2014	<u>\$ 161,265,000</u>	<u>\$ 433,082</u>
Balance Due Within One Year	<u>\$ 6,185,000</u>	<u>\$ 134,252</u>

	<u>Other Postemployment Benefits</u>	<u>Landfill Postclosure Care Costs</u>
Balance, July 1, 2013	\$ 450,354	\$ 339,797
Additions	105,190	1,550
Reductions	<u>(8,630)</u>	<u>(236,475)</u>
Balance, June 30, 2014	<u>\$ 546,914</u>	<u>\$ 104,872</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 31,337</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 162,349,868
Less: Balance Due Within One Year	(6,350,589)
Add: Unamortized Premium on Debt	<u>2,103,727</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 158,103,006</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, 2014, was as follows:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 188,702	\$ 1,060,426
Additions	178,902	526,093
Reductions	(141,454)	(918,591)
	<hr/>	<hr/>
Balance, June 30, 2014	\$ 226,150	\$ 667,928
	<hr/>	<hr/>
Balance Due Within One Year	\$ 113,151	\$ 0
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 894,078
Less: Balance Due Within One Year	<u>(113,151)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 780,927</u>

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

F. 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, 2014, were \$223,621 and \$76,403, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Internal Financing

In-lieu-of issuing debt with financial institutions, Putnam County often chooses to internally finance various projects with idle county funds.

Internally reported notes receivable (\$1,336,441) from idle funds loaned from the General Debt Service Fund will be paid by the Industrial/Economic Development (\$277,776), General (\$583,332), and General Capital Projects (\$475,333) funds. Amounts financed are presented as Due to Other Funds in the governmental funds. Internally reported notes receivable at June 30, 2014, 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
			Paid and/or Matured	
		Outstanding	During	Outstanding
		7-1-13	Period	6-30-14
General Debt Service Fund:				
Land	\$ 555,554	\$ (277,778)	\$ 277,776	
Building	777,780	(194,448)	583,332	
Emergency Capital Projects	263,000	(87,667)	175,333	
Justice Center Renovations	450,000	(150,000)	300,000	
Total	\$ 2,046,334	\$ (709,893)	\$ 1,336,441	

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
2012-2013	\$ 985,195	\$ 46,499	\$ (31,048)	\$ 1,000,646
2013-2014	1,000,646	469,728	(628,336)	842,038

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

On August 31, 2014, Kim Blaylock left the Office of County Executive and was succeeded by Randy Porter, and David Andrews left the Office of Sheriff and was succeeded by Eddie Farris. Steve Pierce was elected Assessor of Property and assumed the duties of the office from the Interim Assessor of Property Barbara Bandy on September 1, 2014.

On October 20, 2014, the County Commission approved a \$498,000 interfund capital outlay note from the General Debt Service Fund to the General Fund to construct a county-wide fueling station.

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 March 25, 2014, Travis Roberts resigned the Office of Assessor of Property, and the County Commission appointed Barbara Bandy as interim assessor of property until the August 2014 election.

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 \$104,872 reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014.

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. 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.

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, 2014.

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, 2014.

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, 2014.

The Tennessee Central Heritage Rail Trail Authority is operated through an interlocal agreement between Putnam County and the cities of Algood and Cookeville. The agreement created a ten-member board to construct and manage a rail trail on the right-of-way owned by the Nashville Eastern Railroad Authority. The county and cities will each appoint two members, the ninth member will be appointed by the Putnam County Chamber of Commerce, and the tenth member will be appointed by the Upper Cumberland Heritage Association. The county and cities will each approve the budget of the authority. Putnam County contributed \$6,769 to the Rail Trail Authority for the year ended June 30, 2014. The Town of Monterey withdrew from the authority during the 2013-14 year.

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, 2014.

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 \$414,005 to the Putnam County Library for the year ended June 30, 2014.

Putnam County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the 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:

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, 2014, was 10.4 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, 2014, the county's annual pension cost of \$2,789,750 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
6-30-14	\$2,789,750	100%	\$0
6-30-13	2,648,883	100	0
6-30-12	2,682,933	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 91.59 percent funded. The actuarial accrued liability for benefits was \$76.61 million, and the actuarial value of assets was \$70.16 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.45 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.37 million, and the ratio of the UAAL to the covered payroll was 25.4 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their 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, 2014, 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, 2014, 2013, and 2012, were \$3,539,956, \$3,540,770, and \$3,473,198, respectively, equal to the required contributions for each year.

2. Deferred Compensation

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

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	\$ 112,714
Interest on the NOPEBO	18,014
Adjustment to the ARC	<u>(25,538)</u>
Annual OPEB cost	\$ 105,190
Amount of contribution	<u>(8,630)</u>
Increase/decrease in NOPEBO	\$ 96,560
Net OPEB obligation, 7-1-13	<u>450,354</u>
 Net OPEB obligation, 6-30-14	 <u><u>\$ 546,914</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Commercial Insurance	\$ 148,700	14%	\$ 352,000
6-30-13	"	104,777	6.13	450,354
6-30-14	"	105,190	8.2	546,914

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	<u>Commercial Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 1,041,201
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,041,201
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 15,224,939
UAAL as a % of covered payroll	7%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a four percent investment rate of return and an annual health care 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 health care 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 local education employees. 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 health care 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 provides 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. During the year, expenditures totaling \$918,591 were recognized for postemployment health care by the School Department.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 525,000
Interest on the NOPEBO	42,417
Adjustment to the ARC	(41,324)
Annual OPEB cost	<u>\$ 526,093</u>
Amount of contribution	(918,591)
Increase/decrease in NOPEBO	<u>\$ (392,498)</u>
Net OPEB obligation, 7-1-13	<u>1,060,426</u>
Net OPEB obligation, 6-30-14	<u><u>\$ 667,928</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 837,725	89%	\$ 1,013,838
6-30-13	"	845,507	94	1,060,426
6-30-14	"	526,093	175	667,928

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 4,965,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,965,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 51,440,500
UAAL as a % of covered payroll	10%

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, 2013, 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 health care cost trend rate of 7.5 percent for the fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 \$10,000 to be made on the basis of competitive bids solicited through advertisement in a local newspaper.

Office of Road Supervisor

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

Office of Director of Schools

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

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

A. Summary of Significant Accounting Policies

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

The district uses the accrual basis of accounting and economic resources measurement focus. 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:

<u>Assets</u>	<u>Method</u>	<u>Estimated Useful Life in Years</u>	<u>2014 Depreciation</u>
Building/Improvements	S/L	5 - 20	\$ 9,772
Furniture and Fixtures	S/L	5	834
Communications Equipment	S/L	4 - 7	212,799
Vehicle	S/L	5	<u>12,632</u>
Total			<u>\$ 236,037</u>

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

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2014:

Checking - Bank of Putnam County	\$ 20,000
Money Market - Bank of Putnam County	335,339
Certificates of Deposit - Bank of Putnam County	1,250,000
Certificates of Deposit - Putnam 1st Mercantile	<u>250,000</u>
 Total	 <u><u>\$ 1,855,339</u></u>

At June 30, 2014, the carrying amount of the Putnam County Emergency Communications District’s cash deposits was \$1,855,339. 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, 2014. 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, 2014:

Assets	Cost	Accumulated Depreciation	Net
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,868	\$ 79,266	\$ 140,602
Furniture and Fixtures	8,339	3,961	4,378
Communications Equipment	1,606,144	935,167	670,977
Vehicle	114,902	85,769	29,133
Total Depreciable	<u>\$ 1,949,253</u>	<u>\$ 1,104,163</u>	<u>\$ 845,090</u>
Total	<u>\$ 1,949,253</u>	<u>\$ 1,104,163</u>	<u>\$ 845,090</u>

Assets	Balance 7-1-13	Increases/ Decreases	Balance 6-30-14
<u>Depreciable Assets</u>			
Building/Improvements	\$ 219,868	\$ 0	\$ 219,868
Furniture and Fixtures	8,339		8,339
Communications Equipment	1,606,144	0	1,606,144
Vehicle	114,902	0	114,902
Total Depreciable	<u>\$ 1,949,253</u>	<u>\$ 0</u>	<u>\$ 1,949,253</u>
Total	<u>\$ 1,949,253</u>	<u>\$ 0</u>	<u>\$ 1,949,253</u>

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	\$ 17,096
Miscellaneous Wireless Charges	<u>1,124</u>
Subtotal	\$ 18,220
State Emergency Communications Board	<u>30,779</u>
Total	<u>\$ 48,999</u>

G. Compensated Absences

There were no employees at June 30, 2014.

H. Calculation of Invested in Capital Assets

Net Book Value	\$ 845,090
Invested in Capital Assets	<u>\$ 845,090</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. 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.

K. Subsequent Events

The district has evaluated subsequent events through the date the financial statements were available to be issued.

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, 2013, 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 of accounting and the economic resources measurement focus.

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, 2013, deposits of Putnam County Agricultural and Industrial Fair, Inc., consisted of the following:

Checking - Operating	\$ 79,834
Checking - Special Events	19
Checking - Premiums	<u>7,087</u>
 Total	 <u><u>\$ 86,940</u></u>

At September 30, 2013, the carrying amount of the Putnam County Agricultural and Industrial Fair, Inc.'s, cash deposits was \$86,940. 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 James Gang Amusements, LLC, to provide carnival services for the annual Putnam County Fair. This contract expired in August 2014.

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, 2014.

**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, 2014

(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)
6-30-13	\$ 70,163	\$ 76,608	\$ 6,446	91.59 %	\$ 25,372	25.40 %
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

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, 2014

(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	1,301	1,301	0	(1)	(1)
"	7-1-12	0	979	979	0	15,225	6
"	7-1-13	0	1,041	1,041	0	15,225	7
Local Education Group	7-1-10	0	6,545	6,545	0	47,050	14
"	7-1-11	0	7,489	7,489	0	48,786	15
"	7-1-13	0	4,965	4,965	0	51,441	10

(1) Payroll information was not provided.

PUTNAM COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

**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.

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 of deeds, 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 property taxes for the construction and renovation of various county buildings and the purchase of capital assets.

Exhibit G-1

Putnam County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue Funds						Constituti- onal Officers - Fees
	Solid Waste/ Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation		
<u>ASSETS</u>							
Cash	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	7,260
Equity in Pooled Cash and Investments	1,285,644	1,175,424	181,178	52,080	404,040	404,040	0
Accounts Receivable	201,384	0	6,485	0	17,145	17,145	0
Allowance for Uncollectibles	(66,431)	0	0	0	0	0	0
Due from Other Governments	4,088	0	0	0	0	0	0
Property Taxes Receivable	2,856,026	450,952	0	0	826,745	826,745	0
Allowance for Uncollectible Property Taxes	(145,976)	(23,049)	0	0	(42,256)	(42,256)	0
Total Assets	\$ 4,134,735 \$	1,603,327 \$	187,663 \$	52,080 \$	1,205,674 \$	1,205,674 \$	7,260
<u>LIABILITIES</u>							
Accounts Payable	\$ 123,720 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Due to Other Funds	0	277,776	0	0	0	0	7,260
Total Liabilities	\$ 123,720 \$	277,776 \$	0 \$	0 \$	0 \$	0 \$	7,260
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 2,670,888 \$	421,719 \$	0 \$	0 \$	773,152 \$	773,152 \$	0
Deferred Delinquent Property Taxes	31,513	4,976	0	0	8,143	8,143	0
Other Deferred/Unavailable Revenue	37,052	0	0	0	0	0	0
Total Deferred Inflows of Resources	\$ 2,739,453 \$	426,695 \$	0 \$	0 \$	781,295 \$	781,295 \$	0

(Continued)

Exhibit G-1

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

	Special Revenue Funds							Constituti- onal Officers - Fees
	Solid Waste/ Sanitation	Industrial/ Economic Development	Special Purpose	Drug Control	Sports and Recreation			
FUND BALANCES								
Restricted:								
Restricted for General Government	\$ 0	\$ 0	\$ 185,421	\$ 0	\$ 0	\$ 0	\$ 0	0
Restricted for Public Safety	0	0	0	52,080	0	0	0	0
Restricted for Other Operations	0	748,711	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0	0	0	0
Committed:								
Committed for Public Health and Welfare	1,232,781	0	0	0	0	0	0	0
Committed for Social, Cultural, and Recreational Services	0	0	0	0	171,271	0	0	0
Committed for Other Operations	0	150,145	0	0	0	0	0	0
Assigned:								
Assigned for General Government	0	0	2,242	0	0	0	0	0
Assigned for Public Health and Welfare	38,781	0	0	0	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	0	0	0	0	253,108	0	0	0
Unassigned	0	0	0	0	0	0	0	0
Total Fund Balances	\$ 1,271,562	\$ 898,856	\$ 187,663	\$ 52,080	\$ 424,379	\$ 0	\$ 0	0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,134,735	\$ 1,603,327	\$ 187,663	\$ 52,080	\$ 1,205,674	\$ 7,260	\$ 7,260	0

(Continued)

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Capital Projects Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Highway / Public Works</u>	<u>Total</u>		<u>General Capital Projects</u>		
	\$ 0	\$ 7,260	\$ 0	\$ 0	\$ 7,260	
Cash	1,074,078	4,172,444	15,221	0	4,187,665	
Equity in Pooled Cash and Investments	0	225,014	0	0	225,014	
Accounts Receivable	0	(66,431)	0	0	(66,431)	
Allowance for Uncollectibles	404,896	408,984	0	0	408,984	
Due from Other Governments	1,503,172	5,636,895	300,635	0	5,937,530	
Property Taxes Receivable	(76,830)	(288,111)	(15,366)	0	(303,477)	
Allowance for Uncollectible Property Taxes						
Total Assets	\$ 2,905,316	\$ 10,096,055	\$ 300,490	\$ 10,396,545		
	\$ 0	\$ 123,720	\$ 0	\$ 0	\$ 123,720	
Accounts Payable	0	285,036	475,333	0	760,369	
Due to Other Funds	0	408,756	475,333	0	884,089	
Total Liabilities	\$ 0	\$ 408,756	\$ 475,333	\$ 884,089		
	\$ 1,405,730	\$ 5,271,489	\$ 281,146	\$ 5,552,635		
Deferred Current Property Taxes	16,586	61,218	3,318	64,536		
Deferred Delinquent Property Taxes	179,445	216,497	0	216,497		
Other Deferred/Unavailable Revenue	1,601,761	5,549,204	284,464	5,833,668		
Total Deferred Inflows of Resources	\$ 1,601,761	\$ 5,549,204	\$ 284,464	\$ 5,833,668		

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	16,586	61,218	3,318	64,536
Deferred Delinquent Property Taxes	179,445	216,497	0	216,497
Other Deferred/Unavailable Revenue	1,601,761	5,549,204	284,464	5,833,668
Total Deferred Inflows of Resources	\$ 1,601,761	\$ 5,549,204	\$ 284,464	\$ 5,833,668

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Highway / Public Works	Total		General Capital Projects		
\$	0	\$ 185,421	\$	0	\$	185,421
	0	52,080		0		52,080
	0	748,711		0		748,711
	1,303,555	1,303,555		0		1,303,555
	0	1,232,781		0		1,232,781
	0	171,271		0		171,271
	0	150,145		0		150,145
	0	2,242		0		2,242
	0	38,781		0		38,781
	0	253,108		0		253,108
	0	0		(459,307)		(459,307)
\$	1,303,555	4,138,095	\$	(459,307)	\$	3,678,788
\$	2,905,316	10,096,055	\$	300,490	\$	10,396,545

FUND BALANCES

Restricted:
 Restricted for General Government
 Restricted for Public Safety
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Committed:
 Committed for Public Health and Welfare
 Committed for Social, Cultural, and Recreational Services
 Committed for Other Operations
 Assigned:
 Assigned for General Government
 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

Exhibit G-2

Putnam County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	Special Revenue Funds						Constitu- tional Officers - Fees
	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation		
Revenues							
Local Taxes	\$ 2,747,906	\$ 433,664	\$ 0	\$ 0	\$ 872,847	\$ 0	0
Fines, Forfeitures, and Penalties	0	0	0	12,651	0	0	0
Charges for Current Services	864,857	700	74,427	0	63,348	457	457
Other Local Revenues	200,511	471	11,283	3,104	63,712	0	0
State of Tennessee	55,099	0	4,265	0	0	0	0
Federal Government	0	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	0	0
Total Revenues	\$ 3,868,373	\$ 434,835	\$ 89,975	\$ 15,755	\$ 999,907	\$ 457	457
Expenditures							
Current:							
General Government	\$ 0	\$ 8,500	\$ 58,868	\$ 0	\$ 0	\$ 0	37
Finance	0	0	0	0	0	0	47
Administration of Justice	0	0	0	0	0	0	344
Public Safety	0	0	0	18,855	0	0	29
Public Health and Welfare	4,143,089	0	0	0	0	0	0
Social, Cultural, and Recreational Services	0	0	0	0	1,099,977	0	0
Other Operations	62,399	164,870	470	234	17,164	0	0
Highways	0	0	0	0	0	0	0
Total Expenditures	\$ 4,205,488	\$ 173,370	\$ 59,338	\$ 19,089	\$ 1,117,141	\$ 457	457
Excess (Deficiency) of Revenues Over Expenditures	\$ (337,115)	\$ 261,465	\$ 30,637	\$ (3,334)	\$ (117,234)	\$ 0	0
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 337,255	\$ 0	0
Transfers Out	0	(28,000)	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ (28,000)	\$ 0	\$ 0	\$ 337,255	\$ 0	0
Net Change in Fund Balances	\$ (337,115)	\$ 233,465	\$ 30,637	\$ (3,334)	\$ 220,021	\$ 0	0
Fund Balance, July 1, 2013	1,608,677	665,391	157,026	55,414	204,358	0	0
Fund Balance, June 30, 2014	\$ 1,271,562	\$ 898,856	\$ 187,663	\$ 52,080	\$ 424,379	\$ 0	0

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Fund		Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Total	
<u>Revenues</u>					
Local Taxes	\$ 1,594,017	\$ 5,648,434	\$ 289,062	\$ 5,937,496	
Fines, Forfeitures, and Penalties	0	12,651	0	12,651	
Charges for Current Services	0	1,003,789	0	1,003,789	
Other Local Revenues	69,906	348,987	0	348,987	
State of Tennessee	2,722,198	2,781,562	0	2,781,562	
Federal Government	70,785	70,785	0	70,785	
Other Governments and Citizens Groups	27,713	27,713	0	27,713	
Total Revenues	\$ 4,484,619	\$ 9,893,921	\$ 289,062	\$ 10,182,983	
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 67,405	\$ 0	\$ 67,405	
Finance	0	47	0	47	
Administration of Justice	0	344	0	344	
Public Safety	0	18,884	27,323	46,207	
Public Health and Welfare	0	4,143,089	0	4,143,089	
Social, Cultural, and Recreational Services	0	1,099,977	0	1,099,977	
Other Operations	0	245,137	5,795	250,932	
Highways	3,953,436	3,953,436	0	3,953,436	
Total Expenditures	\$ 3,953,436	\$ 9,528,319	\$ 33,118	\$ 9,561,437	
Excess (Deficiency) of Revenues Over Expenditures	\$ 531,183	\$ 365,602	\$ 255,944	\$ 621,546	
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 337,255	\$ 0	\$ 337,255	
Transfers Out	0	(28,000)	(115,000)	(143,000)	
Total Other Financing Sources (Uses)	\$ 0	\$ 309,255	\$ (115,000)	\$ 194,255	
Net Change in Fund Balances	\$ 531,183	\$ 674,857	\$ 140,944	\$ 815,801	
Fund Balance, July 1, 2013	772,372	3,463,238	(600,251)	2,862,987	
Fund Balance, June 30, 2014	\$ 1,303,555	\$ 4,138,095	\$ (459,307)	\$ 3,678,788	

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,747,906	\$ 0	\$ 0	\$ 2,747,906	\$ 2,734,834	\$ 2,734,834	\$ 13,072
Charges for Current Services	864,857	0	0	864,857	850,000	850,000	14,857
Other Local Revenues	200,511	0	0	200,511	300,000	300,000	(99,489)
State of Tennessee	55,099	0	0	55,099	35,000	35,000	20,099
Total Revenues	\$ 3,868,373	\$ 0	\$ 0	\$ 3,868,373	\$ 3,919,834	\$ 3,919,834	\$ (51,461)
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 3,158,577	(195,124)	\$ 38,781	\$ 3,002,234	\$ 3,424,432	\$ 3,424,432	\$ 422,198
Landfill Operation and Maintenance	138,088	0	0	138,088	153,600	153,600	15,512
Other Waste Disposal	609,949	(20,800)	0	589,149	683,843	683,843	94,694
Postclosure Care Costs	236,475	0	0	236,475	266,000	266,000	29,525
Other Operations							
Miscellaneous	62,399	0	0	62,399	70,000	70,000	7,601
Total Expenditures	\$ 4,205,488	\$ (215,924)	\$ 38,781	\$ 4,028,345	\$ 4,597,875	\$ 4,597,875	\$ 569,530
Excess (Deficiency) of Revenues Over Expenditures	\$ (337,115)	\$ 215,924	\$ (38,781)	\$ (159,972)	\$ (678,041)	\$ (678,041)	\$ 518,069
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 1,608,677	\$ 215,924	\$ (38,781)	\$ (159,972)	\$ (678,041)	\$ (678,041)	\$ 518,069
Fund Balance, June 30, 2014	\$ 1,271,562	\$ 0	\$ (38,781)	\$ 1,232,781	\$ 850,703	\$ 850,703	\$ 382,078

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 433,664	\$ 424,658	\$ 424,658	\$ 9,006
Charges for Current Services	700	2,000	2,000	(1,300)
Other Local Revenues	471	0	0	471
Total Revenues	<u>\$ 434,835</u>	<u>\$ 426,658</u>	<u>\$ 426,658</u>	<u>\$ 8,177</u>
<u>Expenditures</u>				
<u>General Government</u>				
Development	\$ 8,500	\$ 9,800	\$ 9,800	\$ 1,300
<u>Other Operations</u>				
Industrial Development	155,344	155,000	155,500	156
Miscellaneous	9,526	9,100	9,600	74
Total Expenditures	<u>\$ 173,370</u>	<u>\$ 173,900</u>	<u>\$ 174,900</u>	<u>\$ 1,530</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 261,465</u>	<u>\$ 252,758</u>	<u>\$ 251,758</u>	<u>\$ 9,707</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (28,000)	\$ (305,779)	\$ (305,779)	\$ 277,779
Total Other Financing Sources	<u>\$ (28,000)</u>	<u>\$ (305,779)</u>	<u>\$ (305,779)</u>	<u>\$ 277,779</u>
Net Change in Fund Balance	\$ 233,465	\$ (53,021)	\$ (54,021)	\$ 287,486
Fund Balance, July 1, 2013	<u>665,391</u>	<u>387,454</u>	<u>387,454</u>	<u>277,937</u>
Fund Balance, June 30, 2014	<u>\$ 898,856</u>	<u>\$ 334,433</u>	<u>\$ 333,433</u>	<u>\$ 565,423</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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 74,427	\$ 0	\$ 0	\$ 74,427	\$ 70,000	\$ 70,000	\$ 4,427
Other Local Revenues	11,283	0	0	11,283	2,000	2,000	9,283
State of Tennessee	4,265	0	0	4,265	0	0	4,265
Total Revenues	\$ 89,975	\$ 0	\$ 0	\$ 89,975	\$ 72,000	\$ 72,000	\$ 17,975
<u>Expenditures</u>							
<u>General Government</u>							
Preservation of Records	\$ 58,868	\$ (80)	\$ 2,242	\$ 61,030	\$ 79,850	\$ 79,250	\$ 18,220
Other Operations	470	0	0	470	0	600	130
Miscellaneous	59,338	(80)	2,242	61,500	79,850	79,850	18,350
Total Expenditures	\$ 30,637	\$ 80	\$ (2,242)	\$ 28,475	\$ (7,850)	\$ (7,850)	\$ 36,325
Excess (Deficiency) of Revenues Over Expenditures	\$ 30,637	\$ 80	\$ (2,242)	\$ 28,475	\$ (7,850)	\$ (7,850)	\$ 36,325
Net Change in Fund Balance Fund Balance, July 1, 2013	157,026	(80)	0	156,946	156,947	156,947	(1)
Fund Balance, June 30, 2014	\$ 187,663	\$ 0	\$ (2,242)	\$ 185,421	\$ 149,097	\$ 149,097	\$ 36,324

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 12,651 \$	0 \$	12,651 \$	0 \$	6,500 \$	6,151
Other Local Revenues	3,104	0	3,104	0	0	3,104
Total Revenues	\$ 15,755 \$	0 \$	15,755 \$	0 \$	6,500 \$	9,255
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 18,855 \$	(727) \$	18,128 \$	0 \$	54,000 \$	35,872
Other Operations	234	0	234	0	500	266
Miscellaneous						
Total Expenditures	\$ 19,089 \$	(727) \$	18,362 \$	0 \$	54,500 \$	36,138
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,334) \$	727 \$	(2,607) \$	0 \$	(48,000) \$	45,393
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (3,334) \$	727 \$	(2,607) \$	0 \$	(48,000) \$	45,393
	55,414	(727)	54,687	54,687	54,687	0
Fund Balance, June 30, 2014	\$ 52,080 \$	0 \$	52,080 \$	54,687 \$	6,687 \$	45,393

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 872,847	\$ 0	\$ 0	\$ 872,847	\$ 855,323	\$ 855,323	\$ 17,524
Charges for Current Services	63,348	0	0	63,348	60,000	60,000	3,348
Other Local Revenues	63,712	0	0	63,712	65,000	65,000	(1,288)
Total Revenues	\$ 999,907	\$ 0	\$ 0	\$ 999,907	\$ 980,323	\$ 980,323	\$ 19,584
<u>Expenditures</u>							
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	\$ 970,931	\$ (9,211)	\$ 253,108	\$ 1,214,828	\$ 1,226,925	\$ 1,244,180	\$ 29,352
Other Social, Cultural, and Recreational	129,046	(41,596)	0	87,450	95,585	95,585	8,135
Other Operations	17,164	0	0	17,164	17,200	17,200	36
Miscellaneous	1,117,141	(50,807)	253,108	1,319,442	1,339,710	1,356,965	37,523
Total Expenditures	\$ 1,117,141	\$ (50,807)	\$ 253,108	\$ 1,319,442	\$ 1,339,710	\$ 1,356,965	\$ 37,523
Excess (Deficiency) of Revenues Over Expenditures	\$ (117,234)	\$ 50,807	\$ (253,108)	\$ (319,535)	\$ (359,387)	\$ (376,642)	\$ 57,107
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 337,255	\$ 0	\$ 0	\$ 337,255	\$ 320,000	\$ 337,255	\$ 0
Total Other Financing Sources	\$ 337,255	\$ 0	\$ 0	\$ 337,255	\$ 320,000	\$ 337,255	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 220,021	\$ 50,807	\$ (253,108)	\$ 17,720	\$ (39,387)	\$ (39,387)	\$ 57,107
	204,358	(50,807)	0	153,551	170,531	170,531	(16,980)
Fund Balance, June 30, 2014	\$ 424,379	\$ 0	\$ (253,108)	\$ 171,271	\$ 131,144	\$ 131,144	\$ 40,127

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,594,017	\$ 1,613,965	\$ 1,613,965	\$ (19,948)
Other Local Revenues	69,906	2,100	84,253	(14,347)
State of Tennessee	2,722,198	3,253,668	3,253,668	(531,470)
Federal Government	70,785	0	155,685	(84,900)
Other Governments and Citizens Groups	27,713	0	0	27,713
Total Revenues	<u>\$ 4,484,619</u>	<u>\$ 4,869,733</u>	<u>\$ 5,107,571</u>	<u>\$ (622,952)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 289,165	\$ 305,375	\$ 305,375	\$ 16,210
Highway and Bridge Maintenance	2,392,820	2,562,725	2,616,725	223,905
Operation and Maintenance of Equipment	332,753	329,165	343,165	10,412
Other Charges	213,085	219,354	219,354	6,269
Capital Outlay	725,613	1,445,517	1,615,355	889,742
Total Expenditures	<u>\$ 3,953,436</u>	<u>\$ 4,862,136</u>	<u>\$ 5,099,974</u>	<u>\$ 1,146,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 531,183</u>	<u>\$ 7,597</u>	<u>\$ 7,597</u>	<u>\$ 523,586</u>
Net Change in Fund Balance	\$ 531,183	\$ 7,597	\$ 7,597	\$ 523,586
Fund Balance, July 1, 2013	<u>772,372</u>	<u>172,107</u>	<u>172,107</u>	<u>600,265</u>
Fund Balance, June 30, 2014	<u>\$ 1,303,555</u>	<u>\$ 179,704</u>	<u>\$ 179,704</u>	<u>\$ 1,123,851</u>

Exhibit G-9

Putnam County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 289,062	\$ 0	\$ 289,062	\$ 284,272	\$ 284,272	\$ 4,790
Total Revenues	\$ 289,062	\$ 0	\$ 289,062	\$ 284,272	\$ 284,272	\$ 4,790
<u>Expenditures</u>						
<u>Public Safety</u>						
Sheriff's Department	\$ 27,323	\$ (27,323)	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Operations</u>						
Miscellaneous	5,795	0	5,795	243,867	243,867	238,072
Total Expenditures	\$ 33,118	\$ (27,323)	\$ 5,795	\$ 243,867	\$ 243,867	\$ 238,072
Excess (Deficiency) of Revenues Over Expenditures	\$ 255,944	\$ 27,323	\$ 283,267	\$ 40,405	\$ 40,405	\$ 242,862
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (115,000)	\$ 0	\$ (115,000)	\$ (195,000)	\$ (195,000)	\$ 80,000
Total Other Financing Sources	\$ (115,000)	\$ 0	\$ (115,000)	\$ (195,000)	\$ (195,000)	\$ 80,000
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 140,944	\$ 27,323	\$ 168,267	\$ (154,595)	\$ (154,595)	\$ 322,862
Fund Balance, June 30, 2014	\$ (600,251)	\$ (27,323)	\$ (627,574)	\$ 268,582	\$ 268,582	\$ (896,156)
	\$ (459,307)	\$ 0	\$ (459,307)	\$ 113,987	\$ 113,987	\$ (573,294)

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 14,928,357	\$ 12,727,590	\$ 12,727,590	\$ 2,200,767
Other Local Revenues	257,897	30,000	30,000	227,897
Total Revenues	<u>\$ 15,186,254</u>	<u>\$ 12,757,590</u>	<u>\$ 12,757,590</u>	<u>\$ 2,428,664</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 200,000	\$ 0	\$ 200,000	\$ 0
Education	5,500,000	11,386,905	5,500,000	0
<u>Interest on Debt</u>				
General Government	908,638	0	908,638	0
Education	5,886,905	0	5,886,905	0
<u>Other Debt Service</u>				
General Government	600	0	600	0
Education	243,246	238,500	237,900	(5,346)
<u>Capital Projects</u>				
Public Safety Projects	0	1,108,638	0	0
Total Expenditures	<u>\$ 12,739,389</u>	<u>\$ 12,734,043</u>	<u>\$ 12,734,043</u>	<u>\$ (5,346)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,446,865</u>	<u>\$ 23,547</u>	<u>\$ 23,547</u>	<u>\$ 2,423,318</u>
Net Change in Fund Balance	\$ 2,446,865	\$ 23,547	\$ 23,547	\$ 2,423,318
Fund Balance, July 1, 2013	<u>6,256,335</u>	<u>6,051,743</u>	<u>6,051,743</u>	<u>204,592</u>
Fund Balance, June 30, 2014	<u>\$ 8,703,200</u>	<u>\$ 6,075,290</u>	<u>\$ 6,075,290</u>	<u>\$ 2,627,910</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 of deeds, 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.

Exhibit I-1

Putnam County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds						Total
	Cities - Sales Tax	Constitu- tional Officers - Agency	Community Development Agency	Judicial District Drug	District Attorney General		
<u>ASSETS</u>							
Cash	\$ 0	\$ 2,283,613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,283,613
Equity in Pooled Cash and Investments	0	0	59,184	8,303	13,201	0	80,688
Accounts Receivable	0	17,981	0	0	0	0	17,981
Due from Other Governments	2,320,716	0	7,500	9,164	0	0	2,337,380
Due from Other Funds	0	0	0	9,378	0	0	9,378
Total Assets	\$ 2,320,716	\$ 2,301,594	\$ 66,684	\$ 26,845	\$ 13,201	\$ 13,201	\$ 4,729,040
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 2,320,716	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,320,716
Due to Litigants, Heirs, and Others	0	2,301,594	0	0	13,201	0	2,314,795
Due to Joint Ventures	0	0	66,684	26,845	0	0	93,529
Total Liabilities	\$ 2,320,716	\$ 2,301,594	\$ 66,684	\$ 26,845	\$ 13,201	\$ 13,201	\$ 4,729,040

Exhibit I-2

Putnam County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,218,013	\$ 13,218,013	\$ 0
Due from Other Governments	2,192,498	2,320,716	2,192,498	2,320,716
Total Assets	\$ 2,192,498	\$ 15,538,729	\$ 15,410,511	\$ 2,320,716
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,192,498	\$ 15,538,729	\$ 15,410,511	\$ 2,320,716
Total Liabilities	\$ 2,192,498	\$ 15,538,729	\$ 15,410,511	\$ 2,320,716
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,636,654	\$ 28,456,254	\$ 28,809,295	\$ 2,283,613
Accounts Receivable	16,547	17,981	16,547	17,981
Total Assets	\$ 2,653,201	\$ 28,474,235	\$ 28,825,842	\$ 2,301,594
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,653,201	\$ 28,474,235	\$ 28,825,842	\$ 2,301,594
Total Liabilities	\$ 2,653,201	\$ 28,474,235	\$ 28,825,842	\$ 2,301,594
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 39,325	\$ 115,481	\$ 95,622	\$ 59,184
Due from Other Governments	15,000	7,500	15,000	7,500
Due from Other Funds	7,900	0	7,900	0
Total Assets	\$ 62,225	\$ 122,981	\$ 118,522	\$ 66,684
<u>Liabilities</u>				
Due to Joint Ventures	\$ 62,225	\$ 122,981	\$ 118,522	\$ 66,684
Total Liabilities	\$ 62,225	\$ 122,981	\$ 118,522	\$ 66,684

(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
Judicial District Drug Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 17,021	\$ 106,022	\$ 114,740	\$ 8,303
Due from Other Governments	953	9,164	953	9,164
Due from Other Funds	0	9,378	0	9,378
Total Assets	\$ 17,974	\$ 124,564	\$ 115,693	\$ 26,845
<u>Liabilities</u>				
Due to Joint Ventures	\$ 17,974	\$ 124,564	\$ 115,693	\$ 26,845
Total Liabilities	\$ 17,974	\$ 124,564	\$ 115,693	\$ 26,845
District Attorney General Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 26,751	\$ 44,771	\$ 58,321	\$ 13,201
Total Assets	\$ 26,751	\$ 44,771	\$ 58,321	\$ 13,201
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 26,751	\$ 44,771	\$ 58,321	\$ 13,201
Total Liabilities	\$ 26,751	\$ 44,771	\$ 58,321	\$ 13,201
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 2,636,654	\$ 28,456,254	\$ 28,809,295	\$ 2,283,613
Equity in Pooled Cash and Investments	83,097	13,484,287	13,486,696	80,688
Accounts Receivable	16,547	17,981	16,547	17,981
Due from Other Governments	2,208,451	2,337,380	2,208,451	2,337,380
Due from Other Funds	7,900	9,378	7,900	9,378
Total Assets	\$ 4,952,649	\$ 44,305,280	\$ 44,528,889	\$ 4,729,040
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,192,498	\$ 15,538,729	\$ 15,410,511	\$ 2,320,716
Due to Litigants, Heirs, and Others	2,679,952	28,519,006	28,884,163	2,314,795
Due to Joint Ventures	80,199	247,545	234,215	93,529
Total Liabilities	\$ 4,952,649	\$ 44,305,280	\$ 44,528,889	\$ 4,729,040

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, 2014

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	\$ 54,534,053	\$ 19,213	\$ 5,836,426	\$ 92,500	\$ (48,585,914)
Support Services	29,660,785	1,096,100	1,997,043	0	(26,567,642)
Operation of Non-instructional Services	8,660,316	1,382,571	5,209,625	0	(2,068,120)
Total Governmental Activities	\$ 92,855,154	\$ 2,497,884	\$ 13,043,094	\$ 92,500	\$ (77,221,676)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,079,915
Local Option Sales Taxes					15,574,006
Other Local Taxes					3,409
Grants and Contributions Not Restricted to Specific Programs					46,824,667
Unrestricted Investment Earnings					6,337
Miscellaneous					83,031
Total General Revenues					\$ 75,571,365
Change in Net Position					\$ (1,650,311)
Net Position, July 1, 2013					195,230,330
Net Position, June 30, 2014					\$ 193,580,019

Putnam County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other	Governmental Funds	
ASSETS						
Equity in Pooled Cash and Investments	\$ 8,811,882	\$ 128,364	\$ 40,247,053	\$ 1,618,845	\$ 50,806,144	
Accounts Receivable	139,009	149,985	0	9,508	298,502	
Due from Other Governments	3,525,766	1,231,328	0	54,628	4,811,722	
Due from Other Funds	125,173	0	0	0	125,173	
Property Taxes Receivable	13,904,338	0	0	0	13,904,338	
Allowance for Uncollectible Property Taxes	(710,672)	0	0	0	(710,672)	
Total Assets	\$ 25,795,496	\$ 1,509,677	\$ 40,247,053	\$ 1,682,981	\$ 69,235,207	

LIABILITIES

Accounts Payable	\$ 343,389	\$ 536,586	\$ 25,814	\$ 1,182	\$ 906,971
Accrued Payroll	521,380	217,323	0	0	738,703
Payroll Deductions Payable	295,892	21,107	0	4,062	321,061
Due to Other Funds	0	66,148	0	55,558	121,706
Other Current Liabilities	500	0	0	0	500
Total Liabilities	\$ 1,161,161	\$ 841,164	\$ 25,814	\$ 60,802	\$ 2,088,941

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 13,003,007	\$ 0	\$ 0	\$ 0	\$ 13,003,007
Deferred Delinquent Property Taxes	153,421	0	0	0	153,421
Other Deferred/Unavailable Revenue	1,374,834	0	0	0	1,374,834
Total Deferred Inflows of Resources	\$ 14,531,262	\$ 0	\$ 0	\$ 0	\$ 14,531,262

(Continued)

Putnam County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Putnam County School Department (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other	Governmental Funds	
FUND BALANCES						
Restricted:						
Restricted for Education	\$ 105,531	\$ 0	\$ 0	\$ 1,456,149	\$ 1,561,680	
Restricted for Capital Outlay	0	0	0	3,500	3,500	
Restricted for Capital Projects	0	0	40,221,239	0	40,221,239	
Committed:						
Committed for Education	55,154	0	0	162,530	217,684	
Assigned:						
Assigned for Education	565,945	668,513	0	0	1,234,458	
Unassigned	9,376,443	0	0	0	9,376,443	
Total Fund Balances	\$ 10,103,073	\$ 668,513	\$ 40,221,239	\$ 1,622,179	\$ 52,615,004	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,795,496	\$ 1,509,677	\$ 40,247,053	\$ 1,682,981	\$ 69,235,207	

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, 2014

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)		\$	52,615,004
(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		15,222,894	
Add: buildings and improvements net of accumulated depreciation		116,553,320	
Add: other capital assets net of accumulated depreciation		<u>3,409,611</u>	140,330,838
(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	\$	(226,150)	
Less: other postemployment benefits liability		<u>(667,928)</u>	(894,078)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,528,255</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>193,580,019</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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Education Capital Projects	Other	Governmental Funds	
Revenues						
Local Taxes	\$ 28,862,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,862,510
Licenses and Permits	5,804	0	0	0	0	5,804
Charges for Current Services	272,292	0	0	2,206,379	0	2,478,671
Other Local Revenues	135,576	0	0	65,505	0	201,081
State of Tennessee	46,323,899	0	0	51,130	0	46,375,029
Federal Government	510,282	8,925,908	0	3,969,080	0	13,405,270
Other Governments and Citizens Groups	21,405	0	0	0	0	21,405
Total Revenues	\$ 76,131,768	\$ 8,925,908	\$ 0	\$ 6,292,094	\$ 0	\$ 91,349,770
Expenditures						
Current:						
Instruction	\$ 45,972,299	\$ 5,451,069	\$ 0	\$ 0	\$ 0	\$ 51,423,368
Support Services	26,771,127	3,164,455	0	0	0	29,935,582
Operation of Non-instructional Services	2,454,517	513,424	0	5,720,660	0	8,688,601
Capital Projects	0	0	13,278,761	245,368	0	13,524,129
Total Expenditures	\$ 75,197,943	\$ 9,128,948	\$ 13,278,761	\$ 5,966,028	\$ 0	\$ 103,571,680
Excess (Deficiency) of Revenues Over Expenditures	\$ 933,825	\$ (203,040)	\$ (13,278,761)	\$ 326,066	\$ 0	\$ (12,221,910)
Other Financing Sources (Uses)						
Transfers In	\$ 647,658	\$ 0	\$ 0	\$ 0	\$ 0	\$ 647,658
Transfers Out	0	(135,864)	0	(511,794)	0	(647,658)
Total Other Financing Sources (Uses)	\$ 647,658	\$ (135,864)	\$ 0	\$ (511,794)	\$ 0	\$ 0
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ 1,581,483	\$ (338,904)	\$ (13,278,761)	\$ (185,728)	\$ (185,728)	\$ (12,221,910)
Fund Balance, July 1, 2013	8,521,590	1,007,417	53,500,000	1,807,907	1,807,907	64,836,914
Fund Balance, June 30, 2014	\$ 10,103,073	\$ 668,513	\$ 40,221,239	\$ 1,622,179	\$ 0	\$ 52,615,004

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, 2014

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)		\$ (12,221,910)
(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	\$ 13,888,854	
Less: current-year depreciation expense	<u>(3,527,378)</u>	10,361,476
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 1,528,255	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(1,673,182)</u>	(144,927)
(3) 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 compensated absences payable	\$ (37,448)	
Change in other postemployment benefits liability	<u>392,498</u>	<u>355,050</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,650,311)</u>

Putnam County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Putnam County School Department
 June 30, 2014

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Other Capital Projects	Total	
ASSETS						
Equity in Pooled Cash and Investments	\$ 1,451,761	\$ 163,589	\$ 1,615,350	\$ 3,495	\$ 1,618,845	
Accounts Receivable	8,946	557	9,503	5	9,508	
Due from Other Governments	54,628	0	54,628	0	54,628	
Total Assets	\$ 1,515,335	\$ 164,146	\$ 1,679,481	\$ 3,500	\$ 1,682,981	
LIABILITIES						
Accounts Payable	\$ 0	\$ 1,182	\$ 1,182	\$ 0	\$ 1,182	
Payroll Deductions Payable	3,628	434	4,062	0	4,062	
Due to Other Funds	55,558	0	55,558	0	55,558	
Total Liabilities	\$ 59,186	\$ 1,616	\$ 60,802	\$ 0	\$ 60,802	
FUND BALANCES						
Restricted:						
Restricted for Education	\$ 1,456,149	\$ 0	\$ 1,456,149	\$ 0	\$ 1,456,149	
Restricted for Capital Outlay	0	0	0	3,500	3,500	
Committed:						
Committed for Education	0	162,530	162,530	0	162,530	
Total Fund Balances	\$ 1,456,149	\$ 162,530	\$ 1,618,679	\$ 3,500	\$ 1,622,179	
Total Liabilities and Fund Balances	\$ 1,515,335	\$ 164,146	\$ 1,679,481	\$ 3,500	\$ 1,682,981	

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, 2014

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Central Cafeteria	Extended School Program	Total	Other Capital Projects	Total	
<u>Revenues</u>						
Charges for Current Services	\$ 1,382,524	\$ 823,855	\$ 2,206,379	\$ 0	\$ 2,206,379	
Other Local Revenues	62,005	0	62,005	3,500	65,505	
State of Tennessee	51,130	0	51,130	0	51,130	
Federal Government	3,969,080	0	3,969,080	0	3,969,080	
Total Revenues	\$ 5,464,739	\$ 823,855	\$ 6,288,594	\$ 3,500	\$ 6,292,094	
<u>Expenditures</u>						
Current:						
Operation of Non-instructional Services	\$ 4,892,581	\$ 828,079	\$ 5,720,660	\$ 0	\$ 5,720,660	
Capital Projects	0	0	0	245,368	245,368	
Total Expenditures	\$ 4,892,581	\$ 828,079	\$ 5,720,660	\$ 245,368	\$ 5,966,028	
Excess (Deficiency) of Revenues Over Expenditures	\$ 572,158	\$ (4,224)	\$ 567,934	\$ (241,868)	\$ 326,066	
<u>Other Financing Sources (Uses)</u>						
Transfers Out	(511,794)	0	(511,794)	0	(511,794)	
Total Other Financing Sources (Uses)	(511,794)	0	(511,794)	0	(511,794)	
Net Change in Fund Balances	\$ 60,364	\$ (4,224)	\$ 56,140	\$ (241,868)	\$ (185,728)	
Fund Balance, July 1, 2013	1,395,785	166,754	1,562,539	245,368	1,807,907	
Fund Balance, June 30, 2014	\$ 1,456,149	\$ 162,530	\$ 1,618,679	\$ 3,500	\$ 1,622,179	

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 28,862,510	\$ 0	\$ 0	\$ 28,862,510	\$ 28,871,500	\$ 28,871,500	\$ (8,990)
Licenses and Permits	5,804	0	0	5,804	5,000	5,000	804
Charges for Current Services	272,292	0	0	272,292	288,497	317,285	(44,993)
Other Local Revenues	135,576	0	0	135,576	115,200	115,200	20,376
State of Tennessee	46,323,899	0	0	46,323,899	44,860,588	46,402,189	(78,290)
Federal Government	510,282	0	0	510,282	504,886	439,454	70,828
Other Governments and Citizens Groups	21,405	0	0	21,405	9,000	21,450	(45)
Total Revenues	\$ 76,131,768	\$ 0	\$ 0	\$ 76,131,768	\$ 74,654,671	\$ 76,172,078	\$ (40,310)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 37,123,328	\$ (132,512)	\$ 26,878	\$ 37,017,694	\$ 37,499,148	\$ 37,663,264	\$ 645,570
Alternative Instruction Program	629,382	0	0	629,382	627,330	629,830	448
Special Education Program	6,828,794	0	11,413	6,840,207	7,185,333	6,919,272	79,065
Vocational Education Program	1,273,609	(461)	0	1,273,148	1,288,768	1,303,768	30,620
Adult Education Program	117,186	0	0	117,186	126,053	132,337	15,151
<u>Support Services</u>							
Attendance	253,866	0	0	253,866	278,670	270,670	16,804
Health Services	787,978	0	0	787,978	778,949	819,799	31,821
Other Student Support	2,397,904	(378)	602	2,398,128	2,412,318	2,412,318	14,190
Regular Instruction Program	2,462,424	(9,235)	7,930	2,461,119	2,491,107	2,597,161	136,042
Alternative Instruction Program	120,416	0	0	120,416	116,887	122,887	2,471
Special Education Program	1,107,393	0	45	1,107,438	1,158,238	1,136,001	28,563
Vocational Education Program	88,482	0	0	88,482	90,744	90,744	2,262
Adult Programs	133,902	0	0	133,902	145,103	138,156	4,254
Other Programs	300,024	0	0	300,024	0	300,024	0
Board of Education	1,373,215	(54)	0	1,373,161	1,383,599	1,383,599	10,438
Director of Schools	135,501	0	0	135,501	142,116	142,116	6,615
Office of the Principal	5,105,674	0	0	5,105,674	5,241,480	5,225,480	119,806
Fiscal Services	607,461	(3,300)	10,309	614,470	581,685	606,956	(7,514)

(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 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 203,566	\$ (2,806)	\$ 1,251	\$ 202,011	\$ 203,701	\$ 203,701	\$ 1,690
Operation of Plant	5,804,231	(1,462)	4,476	5,807,245	6,024,076	6,024,076	216,831
Maintenance of Plant	1,844,702	(125,930)	45,377	1,764,149	1,908,960	1,923,960	159,811
Transportation	2,829,077	(171,398)	454,884	3,112,563	3,065,323	3,335,273	222,710
Central and Other	1,215,311	(73,930)	2,300	1,143,681	767,725	1,229,719	86,038
<u>Operation of Non-instructional Services</u>							
Food Service	291,703	0	0	291,703	286,083	296,083	4,380
Community Services	433,174	0	480	433,654	114,754	516,769	83,115
Early Childhood Education	1,729,640	0	0	1,729,640	1,716,132	1,738,132	8,492
Total Expenditures	\$ 75,197,943	\$ (521,466)	\$ 565,945	\$ 75,242,422	\$ 75,634,282	\$ 77,162,095	\$ 1,919,673
Excess (Deficiency) of Revenues Over Expenditures	\$ 933,825	\$ 521,466	\$ (565,945)	\$ 889,346	\$ (979,611)	\$ (990,017)	\$ 1,879,363
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 647,658	\$ 0	\$ 0	\$ 647,658	\$ 604,675	\$ 604,675	\$ 42,983
Total Other Financing Sources	\$ 647,658	\$ 0	\$ 0	\$ 647,658	\$ 604,675	\$ 604,675	\$ 42,983
Net Change in Fund Balance	\$ 1,581,483	\$ 521,466	\$ (565,945)	\$ 1,537,004	\$ (374,936)	\$ (385,342)	\$ 1,922,346
Fund Balance, July 1, 2013	8,521,590	(521,466)	0	8,000,124	8,502,461	8,502,461	(502,337)
Fund Balance, June 30, 2014	\$ 10,103,073	\$ 0	\$ (565,945)	\$ 9,537,128	\$ 8,127,525	\$ 8,117,119	\$ 1,420,009

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 117,538	\$ 0	\$ 0
Federal Government	8,925,908	0	0	8,925,908	8,402,451	12,160,419	(3,234,511)
Total Revenues	\$ 8,925,908	\$ 0	\$ 0	\$ 8,925,908	\$ 8,519,989	\$ 12,160,419	\$ (3,234,511)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,272,876	\$ 0	\$ 823	\$ 3,273,699	\$ 3,442,263	\$ 5,022,706	\$ 1,749,007
Special Education Program	2,045,387	0	0	2,045,387	2,079,851	2,157,742	112,355
Vocational Education Program	132,806	0	0	132,806	123,872	132,806	0
<u>Support Services</u>							
Other Student Support	139,574	(2,163)	5,756	143,167	159,263	151,006	7,839
Regular Instruction Program	2,758,582	0	35,844	2,794,426	2,286,957	3,656,912	862,486
Special Education Program	233,695	0	0	233,695	238,866	238,866	5,171
Vocational Education Program	3,249	0	0	3,249	5,158	3,249	0
Office of the Principal	14,062	0	0	14,062	16,927	22,973	8,911
Transportation	15,293	0	0	15,293	16,358	16,358	1,065
<u>Operation of Non-instructional Services</u>							
Community Services	513,424	0	155	513,579	0	564,520	50,941
Total Expenditures	\$ 9,128,948	\$ (2,163)	\$ 42,578	\$ 9,169,363	\$ 8,369,515	\$ 11,967,138	\$ 2,797,775
Excess (Deficiency) of Revenues Over Expenditures	\$ (203,040)	\$ 2,163	\$ (42,578)	\$ (243,455)	\$ 150,474	\$ 193,281	\$ (436,736)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 168,635	\$ 168,635	\$ (168,635)
Transfers Out	(135,864)	0	0	(135,864)	(319,109)	(361,916)	226,052
Total Other Financing Sources	\$ (135,864)	\$ 0	\$ 0	\$ (135,864)	\$ (150,474)	\$ (193,281)	\$ 57,417
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (338,904)	\$ 2,163	\$ (42,578)	\$ (379,319)	\$ 0	\$ 0	\$ (379,319)
Fund Balance, June 30, 2014	1,007,417	(2,163)	0	1,005,254	0	0	1,005,254
Fund Balance, June 30, 2014	\$ 668,513	\$ 0	\$ (42,578)	\$ 625,935	\$ 0	\$ 0	\$ 625,935

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,382,524	\$ 0	\$ 0	\$ 1,382,524	\$ 1,800,000	\$ 1,800,000	\$ (417,476)
Other Local Revenues	62,005	0	0	62,005	49,000	49,000	13,005
State of Tennessee	51,130	0	0	51,130	53,000	53,000	(1,870)
Federal Government	3,969,080	0	0	3,969,080	4,044,548	4,044,548	(75,468)
Total Revenues	\$ 5,464,739	\$ 0	\$ 0	\$ 5,464,739	\$ 5,946,548	\$ 5,946,548	\$ (481,809)
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	\$ 4,892,581	\$ (154,241)	\$ 147,858	\$ 4,886,198	\$ 5,445,664	\$ 5,405,664	\$ 519,466
Total Expenditures	\$ 4,892,581	\$ (154,241)	\$ 147,858	\$ 4,886,198	\$ 5,445,664	\$ 5,405,664	\$ 519,466
Excess (Deficiency) of Revenues Over Expenditures	\$ 572,158	\$ 154,241	\$ (147,858)	\$ 578,541	\$ 500,884	\$ 540,884	\$ 37,657
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (511,794)	\$ 0	\$ 0	\$ (511,794)	\$ (500,884)	\$ (540,884)	\$ 29,090
Total Other Financing Sources	\$ (511,794)	\$ 0	\$ 0	\$ (511,794)	\$ (500,884)	\$ (540,884)	\$ 29,090
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 60,364	\$ 154,241	\$ (147,858)	\$ 66,747	\$ 0	\$ 0	\$ 66,747
Fund Balance, June 30, 2014	\$ 1,395,785	\$ (154,241)	\$ 0	\$ 1,241,544	\$ 583,438	\$ 583,438	\$ 658,106
Fund Balance, June 30, 2014	\$ 1,456,149	\$ 0	\$ (147,858)	\$ 1,308,291	\$ 583,438	\$ 583,438	\$ 724,853

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 823,855 \$	0 \$	0 \$	823,855 \$	980,572 \$	980,572 \$	(156,717)
Total Revenues	\$ 823,855 \$	0 \$	0 \$	823,855 \$	980,572 \$	980,572 \$	(156,717)
<u>Expenditures</u>							
<u>Operation of Non-instructional Services</u>							
Community Services	\$ 828,079 \$	(1,929) \$	1,092 \$	827,242 \$	980,572 \$	980,572 \$	153,330
Total Expenditures	\$ 828,079 \$	(1,929) \$	1,092 \$	827,242 \$	980,572 \$	980,572 \$	153,330
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,224) \$	1,929 \$	(1,092) \$	(3,387) \$	0 \$	0 \$	(3,387)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (4,224) \$	1,929 \$	(1,092) \$	(3,387) \$	0 \$	0 \$	(3,387)
	166,754	(1,929)	0	164,825	166,754	166,754	(1,929)
Fund Balance, June 30, 2014	\$ 162,530 \$	0 \$	(1,092) \$	161,438 \$	166,754 \$	166,754 \$	(5,316)

MISCELLANEOUS SCHEDULES

Exhibit K-1

Putnam County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or	
						Matured During Period	Outstanding 6-30-14
<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	\$ 29,660,000	\$ 3,250,000	\$ 26,410,000
School Refunding	9,545,000	4.5	10-11-06	10-11-18	7,370,000	1,350,000	6,020,000
Public Improvement	16,000,000	4.38	6-7-07	4-1-28	15,500,000	100,000	15,400,000
School Bonds, Series 2007	57,700,000	4 to 5	9-12-07	4-1-28	55,200,000	800,000	54,400,000
General Obligation Public Improvement, Series 2010	7,200,000	3.6781	12-22-10	4-1-30	7,000,000	100,000	6,900,000
School Bonds, Series 2013	52,235,000	2 to 3.5	6-6-13	4-1-33	52,235,000	100,000	52,135,000
Total Bonds Payable					<u>\$ 166,965,000</u>	<u>\$ 5,700,000</u>	<u>\$ 161,265,000</u>

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
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	\$ 161,265,000	\$ 63,740,746	\$ 225,005,746

Exhibit K-3

Putnam County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2014

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14
<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%	\$ 277,776
Building	General Fund	1,750,000	6-24-08	6-24-17	2	583,332
Emergency Capital Projects	General Capital Projects Fund	263,000	12-28-12	12-28-15	0	175,333
Justice Center Renovations	"	450,000	1-22-13	1-22-16	0	300,000
Total Notes Receivable						<u>\$ 1,336,441</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, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General		Operations	\$ 222,255
General Capital Projects	Parks and Recreation	Capital Projects	115,000
Industrial/Economic Development	"	Operations	28,000
	Community Development		
Total Transfers Primary Government			<u>\$ 365,255</u>
<u>DISCRETELY PRESENTED PUTNAM</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs/Reimbursements	\$ 135,864
Central Cafeteria	"	Salary Reimbursements/Direct Costs	511,794
Total Transfers Discretely Presented			
Putnam County School Department			<u>\$ 647,658</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA, and County Commission	\$ 89,908 (1)	\$ 50,000	Western Surety Company
Road Supervisor	Section 8-24-102, TCA	84,427	100,000	"
Director of Schools	State Board of Education and Putnam County Board of Education	95,500 (2)	(6)	"
Trustee	Section 8-24-102, TCA	76,752	2,900,000	Auto Owners Mutual Insurance Company
Assessor of Property:				
Travis Roberts (7-1-13 through 3-25-14)	Section 8-24-102, TCA	56,137	50,000	Western Surety Company
Barbara Bandy (Interim - 4-21-14 through 6-30-14)	Section 8-24-102, TCA	15,402	50,000	Nationwide Mutual
County Clerk	Section 8-24-102, TCA and County Commission	76,752 (3)	50,000	Travelers Casualty and Surety Company of America
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, Section 8-24-102, TCA, and Chancery Court Judge	76,752	60,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA	76,752 (4)	85,000	"
Register of Deeds	Section 8-24-102, TCA	76,752	25,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	86,227 (5)	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 \$1,259.
- (2) Includes \$1,000 paid from Regular Instruction - Career Ladder Program and \$1,000 for chief executive officer training.
- (3) Does not include \$100 for serving as the Beer Board secretary.
- (4) Does not include special commissioners fees of \$1,401.
- (5) Includes a payment of \$1,200 for serving as superintendent of the workhouse and a law enforcement training supplement of \$600.
- (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, 2014

Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 11,362,185	\$ 2,585,393	\$ 408,214	\$ 0	\$ 0	\$ 749,396
Trustee's Collections - Prior Year	319,540	68,716	10,849	0	0	20,300
Trustee's Collections - Bankruptcy	128	29	5	0	0	7
Circuit/Clerk and Master Collections - Prior Years	292,139	67,121	10,417	0	0	15,128
Interest and Penalty	61,850	14,271	2,224	0	0	3,483
Payments in-Lieu-of Taxes - T.V.A.	1,184	269	43	0	0	78
Payments in-Lieu-of Taxes - Other	2,492	567	90	0	0	164
<u>County Local Option Taxes</u>						
Local Option Sales Tax	11,396	0	0	0	0	0
Hotel/Motel Tax	253,245	0	0	0	0	80,950
Litigation Tax - General	266,522	0	0	0	0	0
Litigation Tax - Special Purpose	22,155	0	0	0	0	0
Business Tax	1,009,868	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	50,715	11,540	1,822	0	0	3,341
Wholesale Beer Tax	200,191	0	0	0	0	0
Interstate Telecommunications Tax	7,305	0	0	0	0	0
Total Local Taxes	\$ 13,860,915	\$ 2,747,906	\$ 433,664	\$ 0	\$ 0	\$ 872,847
<u>Licenses and Permits</u>						
Cable TV Franchise Permits	\$ 240,492	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	165,165	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Electrical Permits	\$ 85,929	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plumbing Permits	9,256	0	0	0	0	0
Other Permits	3,825	0	0	0	0	0
Total Licenses and Permits	\$ 504,667	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 63,320	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	16,005	0	0	0	0	0
Drug Control Fines	331	0	0	0	1,438	0
Drug Court Fees	1,229	0	0	0	0	0
Jail Fees	32,762	0	0	0	0	0
Judicial Commissioner Fees	1,183	0	0	0	0	0
DUI Treatment Fines	5,116	0	0	0	1,970	0
Data Entry Fee - Circuit Court	2,747	0	0	0	0	0
Courtroom Security Fee	792	0	0	0	0	0
<u>Criminal Court</u>						
Fines	2,095	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	47,778	0	0	0	0	0
Officers Costs	121,074	0	0	0	0	0
Game and Fish Fines	202	0	0	0	0	0
Drug Control Fines	424	0	0	0	1,226	0
Drug Court Fees	8,944	0	0	0	0	0
Jail Fees	131,650	0	0	0	0	0

(Continued)

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

		Special Revenue Funds						
		General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court (Cont.)</u>								
Interpreter Fee	\$	425	0	0	0	0	0	
Judicial Commissioner Fees		1,496	0	0	0	0	0	
DUI Treatment Fines		6,408	0	0	0	0	0	
Data Entry Fee - General Sessions Court		35,580	0	0	0	0	0	
Courtroom Security Fee		8,414	0	0	0	0	0	
<u>Juvenile Court</u>								
Fines		1,207	0	0	0	0	0	
Officers Costs		13,222	0	0	0	0	0	
Drug Control Fines		150	0	0	0	0	0	
Jail Fees		14,424	0	0	0	0	0	
Data Entry Fee - Juvenile Court		2,795	0	0	0	0	0	
Courtroom Security Fee		270	0	0	0	0	0	
<u>Chancery Court</u>								
Officers Costs		6,643	0	0	0	0	0	
Data Entry Fee - Chancery Court		7,622	0	0	0	0	0	
<u>Judicial District Drug Program</u>								
Courtroom Security Fee		566	0	0	0	0	0	
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property		0	0	0	0	8,017	0	
Other Fines, Forfeitures, and Penalties		488	0	0	0	0	0	
Total Fines, Forfeitures, and Penalties	\$	535,362	0	0	0	12,651	0	
<u>Charges for Current Services</u>								
General Service Charges	\$	0	824,857	0	0	0	0	
Tipping Fees								

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Charges for Current Services (Cont.)</u>							
<u>General Service Charges (Cont.)</u>							
Solid Waste Disposal Fee	\$ 0	\$ 40,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Patient Charges	4,030,942	0	0	0	0	0	0
Other General Service Charges	3,228	0	0	0	0	0	0
Service Charges	1,100	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	0	0	700	0	0	0	0
Recreation Fees	625	0	0	0	0	0	63,348
Archives and Records Management Fee - County Clerk	0	0	0	74,427	0	0	0
Telephone Commissions	36,175	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Data Processing Fee - Register	23,002	0	0	0	0	0	0
Data Processing Fee - Sheriff	11,649	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,683	0	0	0	0	0	0
Data Processing Fee - County Clerk	19,796	0	0	0	0	0	0
Total Charges for Current Services	\$ 4,130,200	\$ 864,857	\$ 700	\$ 74,427	\$ 0	\$ 0	\$ 63,348
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 193,343	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	314,082	0	0	0	0	0	37,305
Sale of Materials and Supplies	2,013	0	0	0	0	0	0
Commissary Sales	355,027	0	0	0	0	0	0
Sale of Gasoline	117,881	0	0	0	0	0	0
Sale of Recycled Materials	0	186,296	0	0	0	0	0
Miscellaneous Refunds	89,775	169	471	125	3,104	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Revenue from Joint Ventures	\$ 106,275	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Equipment	7,717	13,994	0	0	0	0
Sale of Property	29,600	0	0	0	0	0
Damages Recovered from Individuals	20,262	52	0	0	0	0
Contributions and Gifts	2,000	0	0	11,158	0	0
Performance Bond Forfeitures	20,616	0	0	0	0	0
<u>Other Local Revenues</u>	20,541	0	0	0	0	26,407
Other Local Revenues	1,279,132	200,511	471	11,283	3,104	63,712
Total Other Local Revenues	\$ 1,279,132	\$ 200,511	\$ 471	\$ 11,283	\$ 3,104	\$ 63,712
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 678,892	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	335,242	0	0	0	0	0
General Sessions Court Clerk	848,099	0	0	0	0	0
Clerk and Master	230,872	0	0	0	0	0
Juvenile Court Clerk	79,273	0	0	0	0	0
Register	277,280	0	0	0	0	0
Sheriff	37,128	0	0	0	0	0
Trustee	1,409,322	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,896,108	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
General Government Grants	\$ 59,098	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Juvenile Services Program						

(Continued)

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

Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation
State of Tennessee (Cont.)						
<u>General Government Grants (Cont.)</u>						
Solid Waste Grants	\$ 0	\$ 55,099	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	0	0	0	4,265	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	37,800	0	0	0	0	0
Drug Control Grants	69,571	0	0	0	0	0
Other Public Safety Grants	3,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	1,585,613	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0
Litter Program	49,700	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	98,283	0	0	0	0	0
Beer Tax	17,806	0	0	0	0	0
Alcoholic Beverage Tax	100,090	0	0	0	0	0
State Revenue Sharing - T.V.A.	835,657	0	0	0	0	0
Contracted Prisoner Boarding	1,379,899	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	35,556	0	0	0	0	0
Other State Revenues	57,989	0	0	0	0	0
Total State of Tennessee	\$ 4,345,226	\$ 55,099	\$ 0	\$ 4,265	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Industrial / Economic Development	Special Purpose	Drug Control	Sports and Recreation	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	\$ 26,394	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	0	0	0
Homeland Security Grants	304,668	0	0	0	0	0	0
Law Enforcement Grants	10,153	0	0	0	0	0	0
Other Federal through State	204,661	0	0	0	0	0	0
<u>Direct Federal Revenue</u>	94,560	0	0	0	0	0	0
Other Direct Federal Revenue	640,436	0	0	0	0	0	0
Total Federal Government	\$ 735,016	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	48,433	0	0	0	0	0	0
Contracted Services	6,350	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	5,192	0	0	0	0	0	0
Other	136,177	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 196,152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 931,168	\$ 3,868,373	\$ 434,835	\$ 89,975	\$ 15,755	\$ 999,907	0

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 0	\$ 1,362,537	\$ 8,873,279	\$ 272,142	\$ 25,613,146			
Trustee's Collections - Prior Year	0	36,273	237,982	7,226	700,886			
Trustee's Collections - Bankruptcy	0	51	95	10	325			
Circuit/Clerk and Master Collections - Prior Years	0	32,787	214,829	6,944	639,365			
Interest and Penalty	0	7,171	46,527	1,437	136,963			
Payments in-Lieu-of Taxes - T.V.A.	0	142	921	28	2,665			
Payments in-Lieu-of Taxes - Other	0	298	1,940	60	5,611			
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	4,864,574	0	4,875,970			
Hotel/Motel Tax	0	0	648,732	0	982,927			
Litigation Tax - General	0	0	0	0	266,522			
Litigation Tax - Special Purpose	0	0	0	0	22,155			
Business Tax	0	0	0	0	1,009,868			
Mineral Severance Tax	0	148,684	0	0	148,684			
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	6,074	39,478	1,215	114,185			
Wholesale Beer Tax	0	0	0	0	200,191			
Interstate Telecommunications Tax	0	0	0	0	7,305			
Total Local Taxes	\$ 0	\$ 1,594,017	\$ 14,928,357	\$ 289,062	\$ 34,726,768			
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 240,492			
<u>Permits</u>								
Building Permits	0	0	0	0	165,165			

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
<u>Licenses and Permits (Cont.)</u>								
<u>Permits (Cont.)</u>								
Electrical Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	85,929
Plumbing Permits	0	0	0	0	0	0	0	9,256
Other Permits	0	0	0	0	0	0	0	3,825
Total Licenses and Permits	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	504,667
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	63,320
Officers Costs	0	0	0	0	0	0	0	16,005
Drug Control Fines	0	0	0	0	0	0	0	1,769
Drug Court Fees	0	0	0	0	0	0	0	1,229
Jail Fees	0	0	0	0	0	0	0	32,762
Judicial Commissioner Fees	0	0	0	0	0	0	0	1,183
DUI Treatment Fines	0	0	0	0	0	0	0	7,086
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	2,747
Courtroom Security Fee	0	0	0	0	0	0	0	792
<u>Criminal Court</u>								
Fines	0	0	0	0	0	0	0	2,095
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	47,778
Officers Costs	0	0	0	0	0	0	0	121,074
Game and Fish Fines	0	0	0	0	0	0	0	202
Drug Control Fines	0	0	0	0	0	0	0	1,650
Drug Court Fees	0	0	0	0	0	0	0	8,944
Jail Fees	0	0	0	0	0	0	0	131,650

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court (Cont.)</u>								
Interpreter Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	425
Judicial Commissioner Fees	0	0	0	0	0	0	0	1,496
DUI Treatment Fines	0	0	0	0	0	0	0	6,408
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	35,580
Courtroom Security Fee	0	0	0	0	0	0	0	8,414
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	1,207
Officers Costs	0	0	0	0	0	0	0	13,222
Drug Control Fines	0	0	0	0	0	0	0	150
Jail Fees	0	0	0	0	0	0	0	14,424
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	2,795
Courtroom Security Fee	0	0	0	0	0	0	0	270
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	6,643
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	7,622
<u>Judicial District Drug Program</u>								
Courtroom Security Fee	0	0	0	0	0	0	0	566
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	8,017
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	488
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	548,013
<u>Charges for Current Services</u>								
General Service Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	824,857
Tipping Fees								

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
<u>Charges for Current Services (Cont.)</u>								
<u>General Service Charges (Cont.)</u>								
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	40,000
Patient Charges	0	0	0	0	0	0	0	4,030,942
Other General Service Charges	0	0	0	0	0	0	0	3,228
Service Charges	0	0	0	0	0	0	0	1,100
<u>Fees</u>								
Subdivision Lot Fees	0	0	0	0	0	0	0	700
Recreation Fees	0	0	0	0	0	0	0	63,973
Archives and Records Management Fee - County Clerk	0	0	0	0	0	0	0	74,427
Telephone Commissions	0	0	0	0	0	0	0	36,175
Constitutional Officers' Fees and Commissions	457	0	0	0	0	0	0	457
Data Processing Fee - Register	0	0	0	0	0	0	0	23,002
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	11,649
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	0	3,683
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	19,796
Total Charges for Current Services	\$ 457	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,133,989
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 257,894	\$ 0	\$ 0	\$ 0	451,237
Lease/Rentals	0	0	0	0	0	0	0	351,387
Sale of Materials and Supplies	0	8,752	0	0	0	0	0	10,765
Commissary Sales	0	0	0	0	0	0	0	355,027
Sale of Gasoline	0	0	0	0	0	0	0	117,881
Sale of Recycled Materials	0	0	0	0	0	0	0	186,296
Miscellaneous Refunds	0	0	0	3	0	0	0	93,647

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service	Capital
	Constituti- onal Officers - Fees	Highway/ Public Works	Fund	Projects Fund	Projects Fund
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Revenue from Joint Ventures	\$ 0	\$ 0	\$ 0	\$ 0	106,275
Sale of Equipment	0	61,154	0	0	82,865
Sale of Property	0	0	0	0	29,600
Damages Recovered from Individuals	0	0	0	0	20,314
Contributions and Gifts	0	0	0	0	13,158
Performance Bond Forfeitures	0	0	0	0	20,616
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	46,948
<u>Total Other Local Revenues</u>	<u>0</u>	<u>69,906</u>	<u>257,897</u>	<u>0</u>	<u>1,886,016</u>
	\$	\$	\$	\$	
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	0	0	0	0	678,892
Circuit Court Clerk	0	0	0	0	335,242
General Sessions Court Clerk	0	0	0	0	848,099
Clerk and Master	0	0	0	0	230,872
Juvenile Court Clerk	0	0	0	0	79,273
Register	0	0	0	0	277,280
Sheriff	0	0	0	0	37,128
Trustee	0	0	0	0	1,409,322
<u>Total Fees Received from County Officials</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,896,108</u>
	\$	\$	\$	\$	
<u>State of Tennessee</u>					
General Government Grants	0	0	0	0	59,098
Juvenile Services Program	0	0	0	0	0

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
State of Tennessee (Cont.)								
<u>General Government Grants (Cont.)</u>								
Solid Waste Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	55,099
Other General Government Grants	0	0	0	0	0	0	0	4,265
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	37,800
Drug Control Grants	0	0	0	0	0	0	0	69,571
Other Public Safety Grants	0	0	0	0	0	0	0	3,000
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	1,585,613
<u>Public Works Grants</u>								
Bridge Program	0	399,178	0	0	0	0	0	399,178
State Aid Program	0	312,051	0	0	0	0	0	312,051
Litter Program	0	0	0	0	0	0	0	49,700
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	98,283
Beer Tax	0	0	0	0	0	0	0	17,806
Alcoholic Beverage Tax	0	0	0	0	0	0	0	100,090
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	835,657
Contracted Prisoner Boarding	0	0	0	0	0	0	0	1,379,899
Gasoline and Motor Fuel Tax	0	1,958,786	0	0	0	0	0	1,958,786
Petroleum Special Tax	0	52,183	0	0	0	0	0	52,183
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	0	35,556
Other State Revenues	0	0	0	0	0	0	0	57,989
Total State of Tennessee	\$ 0	\$ 2,722,198	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,126,788

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Fund		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	General Capital Projects		
Federal Government								
<u>Federal Through State</u>								
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	26,394
Disaster Relief	0	70,785	0	0	0	0	0	70,785
Homeland Security Grants	0	0	0	0	0	0	0	304,668
Law Enforcement Grants	0	0	0	0	0	0	0	10,153
Other Federal through State	0	0	0	0	0	0	0	204,661
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	0	0	0	0	0	0	0	94,560
Total Federal Government	\$ 0	\$ 70,785	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	711,221
Other Governments and Citizens Groups								
<u>Other Governments</u>								
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	48,433
Contracted Services	0	0	0	0	0	0	0	6,350
<u>Citizens Groups</u>								
Donations	0	0	0	0	0	0	0	5,192
Other	0	27,713	0	0	0	0	0	163,890
Total Other Governments and Citizens Groups	\$ 0	\$ 27,713	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	223,865
Total	\$ 457	\$ 4,484,619	\$ 15,186,254	\$ 289,062	\$ 54,757,435			

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, 2014

	Special Revenue Funds					Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 12,586,834	\$ 0	\$ 0	\$ 0	\$ 0	12,586,834
Trustee's Collections - Prior Year	334,168	0	0	0	0	334,168
Trustee's Collections - Bankruptcy	471	0	0	0	0	471
Circuit/Clerk and Master Collections - Prior Years	318,735	0	0	0	0	318,735
Interest and Penalty	68,634	0	0	0	0	68,634
Payments in-Lieu-of Taxes - T.V.A.	1,311	0	0	0	0	1,311
Payments in-Lieu-of Taxes - Other	2,761	0	0	0	0	2,761
<u>County Local Option Taxes</u>						
Local Option Sales Tax	15,490,006	0	0	0	0	15,490,006
<u>Statutory Local Taxes</u>						
Bank Excise Tax	56,181	0	0	0	0	56,181
Interstate Telecommunications Tax	3,409	0	0	0	0	3,409
Total Local Taxes	\$ 28,862,510	\$ 0	\$ 0	\$ 0	\$ 0	28,862,510
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	5,804	0	0	0	0	5,804
Total Licenses and Permits	\$ 5,804	\$ 0	\$ 0	\$ 0	\$ 0	5,804
<u>Charges for Current Services</u>						
<u>Fees</u>						
Vending Machine Collections	47	0	0	0	0	47
<u>Education Charges</u>						
Lunch Payments - Children	0	0	790,140	0	0	790,140

(Continued)

Exhibit K-7

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

	Special Revenue Funds					Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	0 \$	0 \$	23,130 \$	0 \$	0 \$	23,130
Income from Breakfast	0	0	435,135	0	0	435,135
A la carte Sales	0	0	134,119	0	0	134,119
Transportation - Other State Systems	7,487	0	0	0	0	7,487
Contract for Instructional Services with Other LEAs	93,211	0	0	0	0	93,211
Receipts from Individual Schools	33,000	0	0	0	0	33,000
Community Service Fees - Children	123,999	0	0	0	0	123,999
TBI Criminal Background Fee	0	0	0	823,855	0	823,855
Total Charges for Current Services	272,292 \$	0 \$	1,382,524 \$	823,855 \$	0 \$	2,478,671
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	6,337 \$	0 \$	0 \$	6,337
Sale of Materials and Supplies	19,213	0	0	0	0	19,213
E-Rate Funding	92,500	0	0	0	0	92,500
Miscellaneous Refunds	22,182	0	50,204	0	0	72,386
<u>Nonrecurring Items</u>						
Sale of Equipment	511	0	5,464	0	0	5,975
Damages Recovered from Individuals	71	0	0	0	0	71
<u>Other Local Revenues</u>						
Total Other Local Revenues	1,099	0	62,005 \$	0	3,500	4,599
Total Other Local Revenues	135,576 \$	0 \$	62,005 \$	0 \$	3,500 \$	201,081

(Continued)

Exhibit K-7

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

	Special Revenue Funds					Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 300,024	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,024
<u>State Education Funds</u>						
Basic Education Program	42,625,999	0	0	0	0	42,625,999
Early Childhood Education	1,638,160	0	0	0	0	1,638,160
School Food Service	0	0	51,130	0	0	51,130
Other State Education Funds	727,890	0	0	0	0	727,890
Career Ladder Program	344,533	0	0	0	0	344,533
Career Ladder - Extended Contract	77,845	0	0	0	0	77,845
Other State Revenues						
Mixed Drink Tax	147,454	0	0	0	0	147,454
Other State Revenues	461,994	0	0	0	0	461,994
Total State of Tennessee	\$ 46,323,899	\$ 0	\$ 51,130	\$ 0	\$ 0	\$ 46,375,029
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,542,104	\$ 0	\$ 0	\$ 2,542,104
USDA - Commodities	0	0	370,396	0	0	370,396
Breakfast	0	0	917,030	0	0	917,030
USDA - Other	0	0	120,182	0	0	120,182
Adult Education State Grant Program	190,845	0	0	0	0	190,845
Vocational Education - Basic Grants to States	0	155,877	0	0	0	155,877
Other Vocational	6,250	245,804	0	0	0	252,054
Title I Grants to Local Education Agencies	0	2,346,997	0	0	0	2,346,997
Special Education - Grants to States	171,570	2,245,813	0	0	0	2,417,383

(Continued)

Exhibit K-7

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

	Special Revenue Funds					Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Other Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	\$ 40,843	\$ 93,629	\$ 0	\$ 0	\$ 0	\$ 134,472
English Language Acquisition Grants	0	60,596	0	0	0	60,596
Eisenhower Professional Development State Grants	0	400,441	0	0	0	400,441
Race-to-the-Top - ARRA	7,500	1,853,793	0	0	0	1,861,293
Other Federal through State	0	1,522,958	19,368	0	0	1,542,326
Direct Federal Revenue	93,274	0	0	0	0	93,274
ROTC Reimbursement	510,282	8,925,908	3,969,080	0	0	13,405,270
Total Federal Government	\$ 611,899	\$ 10,252,626	\$ 3,969,080	\$ 0	\$ 0	\$ 14,833,605
<u>Other Governments and Citizens Groups</u>						
<u>Citizens Groups</u>						
Donations	\$ 21,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,405
Total Other Governments and Citizens Groups	\$ 21,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,405
Total	\$ 76,131,768	\$ 8,925,908	\$ 5,464,739	\$ 823,855	\$ 3,500	\$ 91,349,770

Exhibit K-8

Putnam County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	116,450	
Social Security		8,908	
Audit Services		21,696	
Dues and Memberships		3,262	
Printing, Stationery, and Forms		282	
Other Charges		1,464	
Total County Commission			\$ 152,062

Beer Board

Board and Committee Members Fees	\$	1,423	
Social Security		38	
Total Beer Board			1,461

County Mayor/Executive

County Official/Administrative Officer	\$	89,908	
Temporary Personnel		13,950	
Longevity Pay		5,700	
Other Salaries and Wages		161,199	
Social Security		20,059	
State Retirement		26,271	
Employee and Dependent Insurance		1,430	
Life Insurance		210	
Medical Insurance		24,245	
Dental Insurance		507	
Unemployment Compensation		466	
Communication		4,309	
Data Processing Services		8,035	
Dues and Memberships		1,850	
Maintenance and Repair Services - Equipment		185	
Travel		216	
Office Supplies		10,732	
Premiums on Corporate Surety Bonds		175	
Workers' Compensation Insurance		2,510	
Other Charges		626	
Office Equipment		531	
Total County Mayor/Executive			373,114

County Attorney

County Official/Administrative Officer	\$	121,783	
Legal Services		10,085	
Other Charges		92	
Total County Attorney			131,960

Election Commission

County Official/Administrative Officer	\$	69,077	
Part-time Personnel		18,948	
Longevity Pay		1,500	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Overtime Pay	\$	2,700	
Other Salaries and Wages		85,904	
Election Commission		8,240	
Election Workers		38,741	
Social Security		14,545	
State Retirement		16,008	
Life Insurance		167	
Medical Insurance		24,269	
Dental Insurance		902	
Unemployment Compensation		811	
Communication		938	
Data Processing Services		13,000	
Dues and Memberships		275	
Legal Notices, Recording, and Court Costs		8,662	
Maintenance and Repair Services - Equipment		430	
Printing, Stationery, and Forms		3,144	
Travel		9,337	
Other Contracted Services		9,334	
Office Supplies		12,009	
Liability Insurance		4,214	
Workers' Compensation Insurance		4,518	
Office Equipment		2,855	
Voting Machines		87,122	
Total Election Commission	\$		437,650

Register of Deeds

County Official/Administrative Officer	\$	76,752	
Other Salaries and Wages		77,300	
Social Security		11,019	
State Retirement		15,760	
Life Insurance		210	
Medical Insurance		25,808	
Dental Insurance		610	
Unemployment Compensation		317	
Communication		1,482	
Dues and Memberships		681	
Maintenance Agreements		14,861	
Travel		499	
Data Processing Supplies		3,853	
Office Supplies		3,560	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			232,812

Codes Compliance

Assistant(s)	\$	32,950	
Longevity Pay		1,100	
Other Salaries and Wages		43,000	

(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.)

In-service Training	\$	145	
Social Security		5,085	
State Retirement		7,882	
Life Insurance		126	
Medical Insurance		18,509	
Dental Insurance		79	
Unemployment Compensation		180	
Communication		2,644	
Printing, Stationery, and Forms		464	
Other Contracted Services		58,730	
Gasoline		4,139	
Office Supplies		2,147	
Periodicals		752	
Uniforms		350	
Refunds		720	
Workers' Compensation Insurance		1,506	
Office Equipment		1,128	
Total Codes Compliance			\$ 181,636

Geographical Information Systems

In-service Training	\$	735	
Maintenance Agreements		10,000	
Other Contracted Services		2,000	
Office Supplies		4,105	
Other Equipment		795	
Total Geographical Information Systems			17,635

County Buildings

Supervisor/Director	\$	56,000	
Secretary(ies)		30,550	
Custodial Personnel		102,972	
Part-time Personnel		31,385	
Longevity Pay		20,600	
Overtime Pay		7,137	
Other Salaries and Wages		586,927	
In-service Training		821	
Social Security		58,309	
State Retirement		81,538	
Life Insurance		977	
Medical Insurance		172,269	
Dental Insurance		1,828	
Unemployment Compensation		2,561	
Communication		13,754	
Maintenance Agreements		83,694	
Maintenance and Repair Services - Buildings		365,034	
Maintenance and Repair Services - Equipment		250	
Maintenance and Repair Services - Vehicles		216,361	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Rentals	\$	2,155	
Custodial Supplies		26,545	
Gasoline		27,155	
Office Supplies		5,972	
Small Tools		3,235	
Uniforms		14,155	
Utilities		663,197	
Workers' Compensation Insurance		10,716	
Other Charges		2,456	
Interest on Notes		15,552	
Other Equipment		4,314	
Total County Buildings			\$ 2,608,419

Other Facilities

Computer Programmer(s)	\$	120,000	
Longevity Pay		3,100	
Overtime Pay		17,806	
In-service Training		2,470	
Social Security		9,917	
State Retirement		12,593	
Life Insurance		126	
Medical Insurance		20,391	
Dental Insurance		66	
Unemployment Compensation		270	
Communication		4,101	
Maintenance and Repair Services - Office Equipment		30,744	
Gasoline		45	
Office Supplies		775	
Small Tools		938	
Workers' Compensation Insurance		1,506	
Other Charges		625	
Data Processing Equipment		153,907	
Other Equipment		182,709	
Total Other Facilities			562,089

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	71,539	
Part-time Personnel		21,553	
Longevity Pay		4,900	
Other Salaries and Wages		204,645	
Board and Committee Members Fees		3,700	
In-service Training		225	
Social Security		21,771	
State Retirement		30,040	
Life Insurance		377	
Medical Insurance		52,440	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dental Insurance	\$	575	
Unemployment Compensation		832	
Audit Services		23,070	
Communication		7,033	
Data Processing Services		11,143	
Dues and Memberships		1,850	
Maintenance and Repair Services - Equipment		277	
Gasoline		3,306	
Office Supplies		9,276	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,519	
Office Equipment		729	
Total Property Assessor's Office			\$ 473,150

County Trustee's Office

County Official/Administrative Officer	\$	76,752	
Longevity Pay		10,900	
Other Salaries and Wages		191,274	
Social Security		20,791	
State Retirement		24,672	
Life Insurance		293	
Medical Insurance		29,480	
Dental Insurance		1,406	
Unemployment Compensation		540	
Communication		2,844	
Data Processing Services		15,973	
Dues and Memberships		706	
Legal Notices, Recording, and Court Costs		259	
Maintenance and Repair Services - Equipment		145	
Office Supplies		28,101	
Premiums on Corporate Surety Bonds		4,265	
Workers' Compensation Insurance		3,515	
Office Equipment		1,421	
Total County Trustee's Office			413,337

County Clerk's Office

County Official/Administrative Officer	\$	76,752	
Part-time Personnel		1,332	
Longevity Pay		12,100	
Overtime Pay		64	
Other Salaries and Wages		467,430	
Other Per Diem and Fees		100	
Social Security		39,575	
State Retirement		56,908	
Life Insurance		893	
Medical Insurance		97,599	
Dental Insurance		2,022	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Unemployment Compensation	\$	1,573	
Communication		4,671	
Data Processing Services		5,409	
Dues and Memberships		746	
Maintenance Agreements		15,080	
Travel		559	
Office Supplies		28,865	
Premiums on Corporate Surety Bonds		173	
Workers' Compensation Insurance		10,273	
Other Charges		387	
Office Equipment		4,831	
Total County Clerk's Office	\$		827,342

Other Finance

Longevity Pay	\$	600	
Overtime Pay		699	
Other Salaries and Wages		69,129	
Social Security		4,430	
State Retirement		7,133	
Life Insurance		84	
Medical Insurance		22,807	
Dental Insurance		35	
Unemployment Compensation		277	
Communication		215	
Data Processing Services		7,943	
Office Supplies		2,100	
Workers' Compensation Insurance		1,004	
Motor Vehicles		430	
Office Equipment		1,492	
Total Other Finance			118,378

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,752	
Part-time Personnel		20,633	
Longevity Pay		27,100	
Other Salaries and Wages		716,776	
Jury and Witness Expense		18,007	
Other Per Diem and Fees		32,050	
Social Security		61,823	
State Retirement		76,098	
Life Insurance		837	
Medical Insurance		133,014	
Dental Insurance		2,062	
Unemployment Compensation		2,530	
Communication		4,490	
Data Processing Services		14,426	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$	666	
Maintenance Agreements		14,749	
Travel		1,285	
Data Processing Supplies		3,739	
Office Supplies		54,170	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		9,042	
Total Circuit Court			\$ 1,270,599

General Sessions Court

Judge(s)	\$	312,878	
Longevity Pay		2,000	
Other Salaries and Wages		56,000	
Social Security		23,009	
State Retirement		37,941	
Life Insurance		126	
Medical Insurance		19,628	
Dental Insurance		414	
Unemployment Compensation		83	
Data Processing Services		2,003	
Dues and Memberships		80	
Travel		2,110	
Gasoline		15	
Office Supplies		2,253	
Workers' Compensation Insurance		1,506	
Total General Sessions Court			460,046

Drug Court

Supervisor/Director	\$	50,000	
Social Security		3,781	
State Retirement		5,198	
Life Insurance		42	
Medical Insurance		4,915	
Dental Insurance		198	
Unemployment Compensation		92	
Communication		3,978	
Rentals		4,728	
Travel		5,396	
Other Contracted Services		20,772	
Gasoline		4,048	
Office Supplies		4,906	
Workers' Compensation Insurance		502	
Other Charges		1,979	
Office Equipment		812	
Total Drug Court			111,347

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	76,752	
Longevity Pay		3,000	
Other Salaries and Wages		156,578	
Other Per Diem and Fees		12,200	
Social Security		17,591	
State Retirement		24,177	
Life Insurance		251	
Medical Insurance		39,325	
Dental Insurance		316	
Unemployment Compensation		564	
Communication		1,654	
Data Processing Services		6,895	
Dues and Memberships		666	
Maintenance Agreements		1,205	
Maintenance and Repair Services - Equipment		343	
Office Supplies		8,796	
Premiums on Corporate Surety Bonds		350	
Workers' Compensation Insurance		3,013	
Office Equipment		487	
Total Chancery Court			\$ 354,163

Juvenile Court

Probation Officer(s)	\$	28,000	
Youth Service Officer(s)		108,200	
Longevity Pay		3,200	
Other Salaries and Wages		24,250	
In-service Training		2,634	
Social Security		11,668	
State Retirement		17,313	
Life Insurance		210	
Medical Insurance		37,921	
Dental Insurance		12	
Unemployment Compensation		460	
Communication		5,179	
Data Processing Services		1,408	
Dues and Memberships		395	
Travel		1,256	
Other Contracted Services		20,758	
Office Supplies		1,999	
Workers' Compensation Insurance		2,510	
Total Juvenile Court			267,373

District Attorney General

Supervisor/Director	\$	31,359	
Social Security		2,399	
Life Insurance		39	
Medical Insurance		5,446	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Dental Insurance	\$	40	
Unemployment Compensation		545	
Communication		826	
Travel		4,698	
Office Supplies		1,396	
Workers' Compensation Insurance		941	
Office Equipment		1,784	
Total District Attorney General	\$		49,473

Judicial Commissioners

Part-time Personnel	\$	6,700	
Longevity Pay		1,300	
Other Salaries and Wages		55,000	
In-service Training		399	
Social Security		4,770	
State Retirement		3,381	
Life Insurance		84	
Medical Insurance		4,913	
Unemployment Compensation		323	
Workers' Compensation Insurance		1,004	
Other Charges		862	
Total Judicial Commissioners			78,736

Other Administration of Justice

Probation Officer(s)	\$	15,600	
Social Security		1,193	
Life Insurance		42	
Unemployment Compensation		93	
Travel		866	
Other Contracted Services		815	
Office Supplies		395	
Workers' Compensation Insurance		502	
Total Other Administration of Justice			19,506

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	84,427	
Deputy(ies)		2,057,961	
Investigator(s)		384,974	
Salary Supplements		38,511	
Dispatchers/Radio Operators		251,177	
Secretary(ies)		155,975	
Longevity Pay		72,600	
Overtime Pay		158,587	
Other Salaries and Wages		69,719	
In-service Training		52,186	
Other Per Diem and Fees		60,519	

(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.)

Social Security	\$	240,298	
State Retirement		363,331	
Employee and Dependent Insurance		715	
Life Insurance		2,201	
Medical Insurance		477,427	
Dental Insurance		3,705	
Unemployment Compensation		6,905	
Communication		27,842	
Contributions		12,609	
Data Processing Services		5,680	
Maintenance and Repair Services - Equipment		8,319	
Transportation - Other than Students		9,925	
Travel		1,599	
Animal Food and Supplies		5,054	
Gasoline		283,551	
Instructional Supplies and Materials		3,230	
Uniforms		30,751	
Other Supplies and Materials		8,875	
Premiums on Corporate Surety Bonds		7,600	
Workers' Compensation Insurance		31,805	
Communication Equipment		33,689	
Law Enforcement Equipment		4,592	
Motor Vehicles		199,750	
Office Equipment		270	
Traffic Control Equipment		4,407	
Other Equipment		16,377	
Total Sheriff's Department			\$ 5,177,143

Jail

Guards	\$	1,271,451
Cafeteria Personnel		83,631
Part-time Personnel		27,377
Longevity Pay		18,500
Overtime Pay		59,921
Other Per Diem and Fees		41,384
Social Security		110,693
State Retirement		144,354
Life Insurance		1,688
Medical Insurance		230,660
Dental Insurance		1,336
Unemployment Compensation		4,588
Contracts with Government Agencies		212,700
Medical and Dental Services		553,009
Custodial Supplies		34,877
Food Supplies		274,999
Office Supplies		21,904
Other Supplies and Materials		8,686

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Workers' Compensation Insurance	\$	18,940	
Other Charges		21,836	
Data Processing Equipment		5,333	
Office Equipment		10,652	
Other Equipment		13,488	
Total Jail			\$ 3,172,007

Workhouse

Supervisor/Director	\$	1,200	
Guards		29,000	
Part-time Personnel		8,645	
Social Security		2,659	
State Retirement		3,107	
Life Insurance		42	
Medical Insurance		7,672	
Dental Insurance		80	
Unemployment Compensation		170	
Uniforms		594	
Workers' Compensation Insurance		502	
Other Charges		3,126	
Other Equipment		350	
Total Workhouse			57,147

Juvenile Services

Supervisor/Director	\$	48,707	
Guards		402,605	
Secretary(ies)		32,295	
Longevity Pay		12,500	
Overtime Pay		16,540	
Other Per Diem and Fees		13,953	
Social Security		37,922	
State Retirement		52,324	
Life Insurance		641	
Medical Insurance		94,300	
Dental Insurance		981	
Unemployment Compensation		1,375	
Communication		2,147	
Laundry Service		1,141	
Medical and Dental Services		1,289	
Food Supplies		3,867	
Gasoline		1,374	
Office Supplies		6,033	
Uniforms		1,906	
Workers' Compensation Insurance		7,699	
Other Charges		7,600	
Office Equipment		1,856	
Total Juvenile Services			749,055

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Commissary

Food Supplies	\$	92,103	
Other Supplies and Materials		85,162	
Total Commissary			\$ 177,265

Fire Prevention and Control

Supervisor/Director	\$	41,284	
Salary Supplements		3,000	
Part-time Personnel		63,548	
Other Salaries and Wages		186,270	
In-service Training		8,330	
Social Security		18,146	
Handling Charges and Administrative Costs		1,000	
State Retirement		28,864	
Life Insurance		210	
Medical Insurance		33,825	
Unemployment Compensation		1,284	
Communication		5,754	
Maintenance and Repair Services - Equipment		495	
Gasoline		29,208	
Office Supplies		694	
Uniforms		2,089	
Other Supplies and Materials		29,251	
Workers' Compensation Insurance		2,510	
Other Charges		13	
Communication Equipment		644	
Motor Vehicles		7,360	
Other Equipment		77,628	
Total Fire Prevention and Control			541,407

Civil Defense

Supervisor/Director	\$	25,100	
Other Salaries and Wages		23,500	
In-service Training		1,205	
Social Security		3,718	
State Retirement		4,972	
Medical Insurance		6,932	
Unemployment Compensation		180	
Audit Services		2,500	
Communication		2,547	
Contributions		63,560	
Other Contracted Services		2,099	
Gasoline		15,161	
Office Supplies		353	
Other Charges		147	
Other Equipment		34,093	
Total Civil Defense			186,067

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Communication Equipment	\$	55,435	
Health Equipment		34,958	
Other Equipment		131,170	
Total Other Emergency Management			\$ 221,563

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	5,850	
Social Security		810	
State Retirement		307	
Other Contracted Services		93,600	
Premiums on Corporate Surety Bonds		200	
Other Charges		3,214	
Total County Coroner/Medical Examiner			103,981

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	23,150	
Social Security		1,745	
State Retirement		2,368	
Life Insurance		42	
Medical Insurance		6,650	
Unemployment Compensation		90	
Communication		21,053	
Contracts with Government Agencies		98,230	
Contributions		2,052	
Travel		139	
Other Contracted Services		11,469	
Custodial Supplies		14,330	
Drugs and Medical Supplies		16,631	
Office Supplies		17,028	
Periodicals		313	
Workers' Compensation Insurance		502	
Other Charges		14,081	
Total Local Health Center			229,873

Ambulance/Emergency Medical Services

Supervisor/Director	\$	56,000	
Deputy(ies)		55,000	
Accountants/Bookkeepers		37,750	
Paraprofessionals		1,868,240	
Secretary(ies)		68,900	
Part-time Personnel		314,361	
Longevity Pay		52,200	
Overtime Pay		157,425	
In-service Training		15,431	
Social Security		189,070	
State Retirement		261,272	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Life Insurance	\$	1,937	
Medical Insurance		350,285	
Dental Insurance		1,562	
Unemployment Compensation		7,434	
Communication		9,183	
Data Processing Services		10,857	
Maintenance and Repair Services - Equipment		6,069	
Medical and Dental Services		9,500	
Permits		3,900	
Drugs and Medical Supplies		146,462	
Gasoline		189,284	
Office Supplies		14,936	
Uniforms		26,302	
Other Supplies and Materials		8,730	
Workers' Compensation Insurance		21,582	
Other Charges		1,203	
Communication Equipment		8,388	
Furniture and Fixtures		4,954	
Motor Vehicles		339,995	
Office Equipment		1,328	
Other Equipment		86,130	
Total Ambulance/Emergency Medical Services	\$		4,325,670

Other Local Health Services

Supervisor/Director	\$	600	
Social Security		42	
State Retirement		61	
Life Insurance		42	
Medical Insurance		79	
Unemployment Compensation		1	
Other Contracted Services		47,989	
Drugs and Medical Supplies		27,043	
Other Supplies and Materials		11,044	
Workers' Compensation Insurance		502	
Total Other Local Health Services			87,403

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	\$	45	
Total Aid to Dependent Children			45

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Longevity Pay	\$	7,900	
Other Salaries and Wages		1,196,982	
Social Security		89,154	
State Retirement		89,293	
Life Insurance		893	
Medical Insurance		153,196	
Dental Insurance		2,176	
Unemployment Compensation		3,761	
Travel		18,104	
Office Supplies		10,827	
Excess Risk Insurance		400	
Workers' Compensation Insurance		10,775	
Total Other Public Health and Welfare			\$ 1,583,461

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

Libraries

Contributions	\$	414,005	
Total Libraries			414,005

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	13,381	
Other Construction		9,690	
Total Parks and Fair Boards			23,071

Other Social, Cultural, and Recreational

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

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	110,527	
Longevity Pay		800	
Other Salaries and Wages		26,150	
In-service Training		2,000	
Social Security		1,994	
State Retirement		2,757	
Life Insurance		42	
Unemployment Compensation		90	
Other Fringe Benefits		34,692	
Communication		3,272	
Maintenance and Repair Services - Equipment		95	
Matching Share		1,500	
Travel		2,422	

(Continued)

Exhibit K-8

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Agricultural Extension Service (Cont.)

Workers' Compensation Insurance	\$	502	
Other Charges		1,000	
Office Equipment		4,000	
Total Agricultural Extension Service			\$ 191,843

Forest Service

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

Soil Conservation

Secretary(ies)	\$	25,550	
Other Salaries and Wages		31,150	
Social Security		4,063	
State Retirement		5,801	
Life Insurance		42	
Medical Insurance		7,876	
Dental Insurance		237	
Unemployment Compensation		270	
Workers' Compensation Insurance		502	
Total Soil Conservation			75,491

Other OperationsTourism

Contributions	\$	155,000	
Total Tourism			155,000

Airport

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

Veterans' Services

Supervisor/Director	\$	31,150	
Longevity Pay		600	
Social Security		2,362	
State Retirement		3,248	
Life Insurance		42	
Unemployment Compensation		90	
Communication		2,190	
Maintenance Agreements		399	
Travel		1,300	
Office Supplies		1,188	
Workers' Compensation Insurance		502	
Total Veterans' Services			43,071

Contributions to Other Agencies

Contracts with Government Agencies	\$	15,175	
Contributions		253,948	
Gasoline		102,354	
Total Contributions to Other Agencies			371,477

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Life Insurance	\$	1,035	
Workers' Compensation Insurance		12,958	
Total Employee Benefits			\$ 13,993

Miscellaneous

Dues and Memberships	\$	9,746	
Engineering Services		17,205	
Legal Notices, Recording, and Court Costs		14,354	
Other Contracted Services		10,021	
Gasoline		824	
Library Books/Media		20,000	
Building and Contents Insurance		38,666	
Excess Risk Insurance		64,492	
Liability Insurance		112,150	
Refunds		5,152	
Trustee's Commission		351,129	
Tax Relief Program		105,000	
Other Charges		55,555	
Disabilities Act Improvements		2,429	
Total Miscellaneous			806,723

Capital Projects

Other General Government Projects

Other Contracted Services	\$	91,788	
Total Other General Government Projects			91,788

Total General Fund \$ 28,068,177

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	54,200	
Attendants		235,317	
Part-time Personnel		10,245	
Overtime Pay		27,507	
Other Salaries and Wages		455,188	
Other Fringe Benefits		217,000	
Communication		17,103	
Engineering Services		7,863	
Legal Services		2,903	
Maintenance and Repair Services - Buildings		80,754	
Maintenance and Repair Services - Equipment		92,276	
Maintenance and Repair Services - Vehicles		59,200	
Travel		1,753	
Disposal Fees		1,461,646	
Permits		150	
Other Contracted Services		85,988	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Crushed Stone	\$	17,365	
Gasoline		120,296	
Office Supplies		3,626	
Uniforms		5,959	
Utilities		52,454	
Other Charges		10,826	
Motor Vehicles		137,509	
Office Equipment		643	
Solid Waste Equipment		806	
Total Sanitation Management			\$ 3,158,577

Landfill Operation and Maintenance

Engineering Services	\$	31,776	
Other Charges		4,312	
Other Construction		102,000	
Total Landfill Operation and Maintenance			138,088

Other Waste Disposal

Engineering Services	\$	41,956	
Contracts for Landfill Facilities		99,000	
Other Contracted Services		250,743	
Wood Products		33,250	
Other Construction		185,000	
Total Other Waste Disposal			609,949

Postclosure Care Costs

Engineering Services	\$	9,375	
Other Contracted Services		60,000	
Site Development		47,600	
Other Construction		119,500	
Total Postclosure Care Costs			236,475

Other Operations

Miscellaneous

Trustee's Commission	\$	62,399	
Total Miscellaneous			62,399

Total Solid Waste/Sanitation Fund \$ 4,205,488

Industrial/Economic Development Fund

General Government

Development

Engineering Services	\$	700	
Other Contracted Services		7,800	
Total Development			\$ 8,500

(Continued)

Exhibit K-8

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

Industrial/Economic Development Fund (Cont.)

Other Operations

Industrial Development

Contributions	\$ 155,344	
Total Industrial Development		\$ 155,344

Miscellaneous

Trustee's Commission	\$ 9,526	
Total Miscellaneous		9,526

Total Industrial/Economic Development Fund		\$ 173,370
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Special Purpose Fund

General Government

Preservation of Records

Supervisor/Director	\$ 28,750	
Part-time Personnel	4,966	
Other Fringe Benefits	11,555	
Communication	1,784	
Office Supplies	153	
Other Supplies and Materials	11,660	
Total Preservation of Records		\$ 58,868

Other Operations

Miscellaneous

Trustee's Commission	\$ 470	
Total Miscellaneous		470

Total Special Purpose Fund		59,338
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Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 3,288	
Rentals	7,800	
Other Supplies and Materials	512	
Law Enforcement Equipment	7,040	
Motor Vehicles	215	
Total Drug Enforcement		\$ 18,855

Other Operations

Miscellaneous

Trustee's Commission	\$ 234	
Total Miscellaneous		234

Total Drug Control Fund		19,089
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(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	\$	49,000	
Secretary(ies)		26,631	
Temporary Personnel		53,862	
Part-time Personnel		18,500	
Other Salaries and Wages		287,649	
Other Fringe Benefits		144,936	
Communication		5,879	
Maintenance and Repair Services - Buildings		32,334	
Maintenance and Repair Services - Equipment		1,618	
Maintenance and Repair Services - Vehicles		4,690	
Custodial Supplies		6,819	
Food Supplies		2,439	
Gasoline		22,358	
Office Supplies		1,963	
Small Tools		2,659	
Utilities		141,692	
Chemicals		5,935	
Other Supplies and Materials		11,366	
Refunds		3,525	
Workers' Compensation Insurance		4,537	
Other Charges		13,175	
Office Equipment		965	
Other Equipment		7,626	
Other Capital Outlay		120,773	
Total Parks and Fair Boards	\$		970,931

Other Social, Cultural, and Recreational

Foremen	\$	32,550	
Other Fringe Benefits		7,235	
Communication		633	
Maintenance and Repair Services - Buildings		6,348	
Maintenance and Repair Services - Vehicles		1,637	
Small Tools		1,145	
Utilities		17,541	
Other Supplies and Materials		24,149	
Other Charges		308	
Other Equipment		37,500	
Total Other Social, Cultural, and Recreational			129,046

Other Operations

Miscellaneous

Trustee's Commission	\$	17,164	
Total Miscellaneous			17,164

Total Sports and Recreation Fund \$ 1,117,141

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 37	
Total Register of Deeds		\$ 37

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 47	
Total County Clerk's Office		47

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 200	
Total Chancery Court		200

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$ 144	
Total Juvenile Court Clerk		144

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 29	
Total Sheriff's Department		<u>29</u>

Total Constitutional Officers - Fees Fund		\$ 457
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 84,427
Assistant(s)	45,800
Accountants/Bookkeepers	41,500
Longevity Pay	5,000
Other Salaries and Wages	32,950
Social Security	12,670
Employee and Dependent Insurance	15,247
Life Insurance	137
Dental Insurance	217
Unemployment Compensation	233
Local Retirement	21,450
Employer Medicare	2,963
Data Processing Services	5,242
Dues and Memberships	3,898
Legal Services	1,323
Legal Notices, Recording, and Court Costs	55
Maintenance and Repair Services - Office Equipment	344
Postal Charges	490
Printing, Stationery, and Forms	499
Travel	492

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Data Processing Supplies	\$	786	
Drugs and Medical Supplies		478	
Office Supplies		476	
Workers' Compensation Insurance		10,205	
Other Charges		1,783	
Data Processing Equipment		500	
Total Administration			\$ 289,165

Highway and Bridge Maintenance

Foremen	\$	39,000	
Equipment Operators		572,654	
Truck Drivers		221,760	
Laborers		74,300	
Longevity Pay		26,100	
Overtime Pay		11,583	
Other Salaries and Wages		36,750	
Social Security		57,003	
Employee and Dependent Insurance		171,371	
Life Insurance		1,043	
Dental Insurance		2,370	
Unemployment Compensation		3,456	
Local Retirement		99,253	
Employer Medicare		13,331	
Other Contracted Services		810,902	
Asphalt - Hot Mix		28,269	
Asphalt - Liquid		35,727	
Crushed Stone		66,204	
Electricity		195	
Pipe - Metal		17,502	
Road Signs		8,813	
Salt		8,701	
Small Tools		3,000	
Wood Products		583	
Other Supplies and Materials		3,487	
Workers' Compensation Insurance		79,068	
Other Charges		395	
Total Highway and Bridge Maintenance			2,392,820

Operation and Maintenance of Equipment

Mechanic(s)	\$	71,700	
Longevity Pay		1,900	
Overtime Pay		40	
Social Security		4,265	
Employee and Dependent Insurance		12,229	
Life Insurance		65	
Unemployment Compensation		208	
Local Retirement		7,529	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Employer Medicare	\$	997	
Laundry Service		2,413	
Maintenance and Repair Services - Equipment		9,000	
Diesel Fuel		87,992	
Equipment and Machinery Parts		53,110	
Garage Supplies		6,109	
Gasoline		39,945	
Lubricants		7,418	
Small Tools		1,334	
Tires and Tubes		17,340	
Other Supplies and Materials		2,000	
Workers' Compensation Insurance		5,105	
Other Charges		2,054	
Total Operation and Maintenance of Equipment			\$ 332,753

Other Charges

Communication	\$	4,932	
Evaluation and Testing		971	
Electricity		7,010	
Natural Gas		3,855	
Water and Sewer		197	
Building and Contents Insurance		1,059	
Excess Risk Insurance		38,235	
Liability Insurance		96,810	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		50,259	
Other Charges		9,407	
Total Other Charges			213,085

Capital Outlay

Engineering Services	\$	89,127	
Bridge Construction		420,078	
State Aid Projects		216,408	
Total Capital Outlay			725,613

Total Highway/Public Works Fund \$ 3,953,436

General Debt Service Fund

Principal on Debt

General Government

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

Education

Principal on Bonds	\$	5,500,000	
Total Education			5,500,000

(Continued)

Exhibit K-8

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 908,638	
Total General Government		\$ 908,638
<u>Education</u>		
Interest on Bonds	\$ 5,886,905	
Total Education		5,886,905
<u>Other Debt Service</u>		
<u>General Government</u>		
Other Debt Service	\$ 600	
Total General Government		600
<u>Education</u>		
Trustee's Commission	\$ 241,815	
Other Debt Service	1,431	
Total Education		<u>243,246</u>
Total General Debt Service Fund		\$ 12,739,389
<u>General Capital Projects Fund</u>		
<u>Public Safety</u>		
<u>Sheriff's Department</u>		
Motor Vehicles	\$ 27,323	
Total Sheriff's Department		\$ 27,323
<u>Other Operations</u>		
<u>Miscellaneous</u>		
Trustee's Commission	\$ 5,795	
Total Miscellaneous		<u>5,795</u>
Total General Capital Projects Fund		<u>33,118</u>
Total Governmental Funds - Primary Government		<u>\$ 50,369,003</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, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 24,122,294	
Career Ladder Program	185,603	
Career Ladder Extended Contracts	58,481	
Homebound Teachers	23,643	
Salary Supplements	393,486	
Educational Assistants	1,083,648	
Certified Substitute Teachers	209,429	
Non-certified Substitute Teachers	157,903	
Social Security	1,541,791	
State Retirement	2,285,988	
Life Insurance	11,525	
Medical Insurance	5,156,372	
Dental Insurance	78,073	
Unemployment Compensation	36,928	
Employer Medicare	362,681	
Maintenance and Repair Services - Equipment	27,173	
Other Contracted Services	36,008	
Instructional Supplies and Materials	330,635	
Textbooks	642,143	
Other Supplies and Materials	61	
Fee Waivers	65,695	
Other Charges	141,177	
Regular Instruction Equipment	164,377	
Other Equipment	8,214	
Total Regular Instruction Program		\$ 37,123,328

Alternative Instruction Program

Teachers	\$ 437,816	
Career Ladder Program	3,000	
Educational Assistants	12,396	
Social Security	26,539	
State Retirement	40,412	
Life Insurance	197	
Medical Insurance	98,565	
Dental Insurance	1,297	
Unemployment Compensation	599	
Employer Medicare	6,207	
Instructional Supplies and Materials	1,148	
Other Supplies and Materials	1,129	
Other Charges	77	
Total Alternative Instruction Program		629,382

Special Education Program

Teachers	\$ 3,335,722
Career Ladder Program	35,213
Homebound Teachers	70,929

(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.)

Educational Assistants	\$	869,055	
Speech Pathologist		331,644	
Other Salaries and Wages		180,709	
Certified Substitute Teachers		5,222	
Non-certified Substitute Teachers		6,944	
Other Per Diem and Fees		10,161	
Social Security		284,899	
State Retirement		439,395	
Life Insurance		2,822	
Medical Insurance		1,066,277	
Dental Insurance		17,406	
Unemployment Compensation		8,601	
Employer Medicare		66,628	
Contracts with Private Agencies		30,312	
Instructional Supplies and Materials		41,343	
Other Supplies and Materials		3,660	
Special Education Equipment		21,852	
Total Special Education Program			\$ 6,828,794

Vocational Education Program

Teachers	\$	866,062	
Career Ladder Program		5,000	
Certified Substitute Teachers		1,658	
Non-certified Substitute Teachers		2,600	
Social Security		51,288	
State Retirement		76,654	
Life Insurance		387	
Medical Insurance		207,446	
Dental Insurance		2,929	
Unemployment Compensation		1,259	
Employer Medicare		12,067	
Maintenance and Repair Services - Equipment		841	
Other Contracted Services		25,107	
Instructional Supplies and Materials		14,195	
Vocational Instruction Equipment		6,116	
Total Vocational Education Program			1,273,609

Adult Education Program

Teachers	\$	53,626	
Other Salaries and Wages		24,555	
Social Security		4,750	
State Retirement		5,194	
Medical Insurance		5,237	
Dental Insurance		153	
Unemployment Compensation		420	
Employer Medicare		1,111	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Travel	\$	1,714	
Instructional Supplies and Materials		5,190	
Other Equipment		15,236	
Total Adult Education Program			\$ 117,186

Support Services

Attendance

Supervisor/Director	\$	67,536	
Career Ladder Program		1,000	
Clerical Personnel		14,303	
Other Salaries and Wages		66,767	
Social Security		8,982	
State Retirement		13,478	
Life Insurance		49	
Medical Insurance		21,331	
Dental Insurance		382	
Unemployment Compensation		120	
Employer Medicare		2,101	
Other Contracted Services		54,250	
Attendance Equipment		3,567	
Total Attendance			253,866

Health Services

Supervisor/Director	\$	66,996	
Career Ladder Program		750	
Medical Personnel		219,005	
Secretary(ies)		23,752	
Other Salaries and Wages		235,445	
Social Security		29,674	
State Retirement		51,056	
Life Insurance		297	
Medical Insurance		122,719	
Dental Insurance		2,145	
Unemployment Compensation		1,439	
Employer Medicare		6,976	
Travel		6,493	
Other Contracted Services		15,269	
Drugs and Medical Supplies		3,992	
Office Supplies		180	
Other Supplies and Materials		444	
In Service/Staff Development		340	
Other Charges		1,006	
Total Health Services			787,978

Other Student Support

Career Ladder Program	\$	10,000	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Guidance Personnel	\$	1,340,307	
Psychological Personnel		34,610	
Social Workers		155,456	
Assessment Personnel		8,983	
Other Salaries and Wages		63,335	
Social Security		93,364	
State Retirement		143,003	
Life Insurance		645	
Medical Insurance		296,465	
Dental Insurance		4,955	
Unemployment Compensation		1,918	
Employer Medicare		22,289	
Contracts with Government Agencies		85,000	
Evaluation and Testing		55,368	
Travel		4,110	
Other Contracted Services		75,720	
Other Supplies and Materials		1,111	
In Service/Staff Development		1,265	
Total Other Student Support			\$ 2,397,904

Regular Instruction Program

Supervisor/Director	\$	326,503	
Career Ladder Program		23,999	
Librarians		955,578	
Materials Supervisor		8,878	
Instructional Computer Personnel		64,775	
Secretary(ies)		102,825	
Clerical Personnel		41,083	
Educational Assistants		8,911	
Other Salaries and Wages		107,533	
Social Security		97,609	
State Retirement		146,222	
Life Insurance		631	
Medical Insurance		270,564	
Dental Insurance		4,784	
Unemployment Compensation		2,098	
Employer Medicare		22,833	
Travel		12,498	
Other Contracted Services		108,802	
Instructional Supplies and Materials		944	
Library Books/Media		65,400	
Office Supplies		4,799	
Other Supplies and Materials		7,450	
In Service/Staff Development		43,588	
Other Charges		31,330	
Other Equipment		2,787	
Total Regular Instruction Program			2,462,424

(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

Supervisor/Director	\$	70,733	
Career Ladder Program		1,000	
Secretary(ies)		30,906	
Social Security		6,331	
State Retirement		9,531	
Life Insurance		39	
Dental Insurance		305	
Unemployment Compensation		90	
Employer Medicare		1,481	
Total Alternative Instruction Program			\$ 120,416

Special Education Program

Supervisor/Director	\$	65,879	
Career Ladder Program		5,250	
Psychological Personnel		316,000	
Assessment Personnel		80,844	
Secretary(ies)		37,354	
Other Salaries and Wages		172,184	
Other Per Diem and Fees		451	
Social Security		38,560	
State Retirement		58,274	
Life Insurance		246	
Medical Insurance		115,880	
Dental Insurance		1,822	
Unemployment Compensation		899	
Employer Medicare		9,415	
Travel		24,627	
Other Contracted Services		91,607	
Other Supplies and Materials		33,366	
In Service/Staff Development		30,661	
Other Charges		20,759	
Other Equipment		3,315	
Total Special Education Program			1,107,393

Vocational Education Program

Supervisor/Director	\$	66,242	
Social Security		3,957	
State Retirement		5,882	
Life Insurance		20	
Medical Insurance		10,470	
Dental Insurance		153	
Unemployment Compensation		60	
Employer Medicare		926	
Other Contracted Services		375	
Other Supplies and Materials		397	
Total Vocational Education Program			88,482

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs

Supervisor/Director	\$	64,393	
Career Ladder Program		1,000	
Clerical Personnel		28,793	
Social Security		5,434	
State Retirement		8,752	
Medical Insurance		20,975	
Dental Insurance		291	
Unemployment Compensation		120	
Employer Medicare		1,271	
Travel		2,873	
Total Adult Programs			\$ 133,902

Other Programs

On-behalf Payments to OPEB	\$	300,024	
Total Other Programs			300,024

Board of Education

Secretary to Board	\$	49,984	
Other Salaries and Wages		16,250	
Board and Committee Members Fees		25,500	
Social Security		5,476	
State Retirement		6,607	
Life Insurance		20	
Medical Insurance		9,701	
Dental Insurance		155	
Unemployment Compensation		60	
Employer Medicare		1,281	
Audit Services		12,000	
Communication		51,399	
Dues and Memberships		21,292	
Legal Services		42,277	
Travel		7,658	
Other Contracted Services		18,347	
Other Supplies and Materials		1,908	
Liability Insurance		218,040	
Trustee's Commission		532,842	
Workers' Compensation Insurance		146,786	
In Service/Staff Development		2,144	
Criminal Investigation of Applicants - TBI		5,108	
Other Charges		198,380	
Total Board of Education			1,373,215

Director of Schools

County Official/Administrative Officer	\$	93,500	
Social Security		5,657	
State Retirement		8,303	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Life Insurance	\$	20	
Medical Insurance		6,556	
Dental Insurance		76	
Unemployment Compensation		60	
Employer Medicare		1,323	
Travel		4,977	
Office Supplies		245	
Other Supplies and Materials		512	
Other Charges		14,272	
Total Director of Schools			\$ 135,501

Office of the Principal

Principals	\$	1,230,106	
Career Ladder Program		21,999	
Accountants/Bookkeepers		472,484	
Assistant Principals		1,079,220	
Secretary(ies)		743,896	
Social Security		206,136	
State Retirement		331,206	
Life Insurance		1,643	
Medical Insurance		779,135	
Dental Insurance		11,416	
Unemployment Compensation		4,735	
Employer Medicare		48,234	
Communication		144,786	
Dues and Memberships		14,135	
Postal Charges		2,000	
Office Supplies		253	
Other Charges		14,290	
Total Office of the Principal			5,105,674

Fiscal Services

Supervisor/Director	\$	76,398	
Accountants/Bookkeepers		182,166	
Purchasing Personnel		36,665	
Clerical Personnel		41,175	
Social Security		19,332	
State Retirement		34,414	
Life Insurance		157	
Medical Insurance		68,515	
Dental Insurance		1,221	
Unemployment Compensation		480	
Employer Medicare		4,521	
Travel		503	
Other Contracted Services		107,991	
Office Supplies		9,284	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

In Service/Staff Development	\$	1,379	
Other Charges		14,241	
Administration Equipment		9,019	
Total Fiscal Services			\$ 607,461

Human Services/Personnel

Supervisor/Director	\$	72,174	
Other Salaries and Wages		72,149	
Social Security		8,416	
State Retirement		14,764	
Life Insurance		59	
Medical Insurance		26,065	
Dental Insurance		452	
Unemployment Compensation		180	
Employer Medicare		1,968	
Dues and Memberships		180	
Other Contracted Services		1,640	
Office Supplies		2,574	
In Service/Staff Development		1,610	
Administration Equipment		1,335	
Total Human Services/Personnel			203,566

Operation of Plant

Communication	\$	145,174	
Janitorial Services		1,878,660	
Other Contracted Services		243,403	
Custodial Supplies		34,260	
Electricity		2,495,909	
Natural Gas		513,061	
Water and Sewer		268,656	
Building and Contents Insurance		225,108	
Total Operation of Plant			5,804,231

Maintenance of Plant

Supervisor/Director	\$	98,466	
Secretary(ies)		67,826	
Maintenance Personnel		561,040	
Social Security		42,289	
State Retirement		74,399	
Life Insurance		389	
Medical Insurance		153,990	
Dental Insurance		2,501	
Unemployment Compensation		1,259	
Employer Medicare		9,890	
Travel		1,585	
Other Contracted Services		354,301	

(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.)

Maintenance of Plant (Cont.)

Other Supplies and Materials	\$	451,867	
Maintenance Equipment		24,900	
Total Maintenance of Plant			\$ 1,844,702

Transportation

Supervisor/Director	\$	59,952	
Mechanic(s)		130,255	
Bus Drivers		888,052	
Clerical Personnel		50,749	
Part-time Personnel		85,016	
Other Salaries and Wages		194,701	
Social Security		79,651	
State Retirement		139,227	
Life Insurance		1,505	
Medical Insurance		381,947	
Dental Insurance		8,372	
Unemployment Compensation		5,574	
Employer Medicare		18,689	
Laundry Service		2,212	
Travel		743	
Other Contracted Services		24,531	
Diesel Fuel		337,425	
Gasoline		68,775	
Lubricants		2,032	
Tires and Tubes		23,126	
Vehicle Parts		109,017	
Other Supplies and Materials		4,237	
Other Charges		6,857	
Transportation Equipment		206,432	
Total Transportation			2,829,077

Central and Other

Supervisor/Director	\$	66,403	
Career Ladder Program		2,000	
Computer Programmer(s)		363,120	
Clerical Personnel		31,914	
Social Security		27,236	
State Retirement		43,371	
Life Insurance		197	
Medical Insurance		80,585	
Dental Insurance		1,221	
Unemployment Compensation		539	
Employer Medicare		6,370	
Maintenance and Repair Services - Equipment		23,811	
Travel		6,611	
Other Contracted Services		57,156	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Office Supplies	\$	217	
Other Supplies and Materials		40,705	
Other Equipment		463,855	
Total Central and Other			\$ 1,215,311

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	72,896	
Career Ladder Program		1,000	
Accountants/Bookkeepers		40,648	
Clerical Personnel		63,031	
Maintenance Personnel		70,828	
Social Security		14,519	
State Retirement		24,414	
Life Insurance		118	
Dental Insurance		493	
Unemployment Compensation		360	
Employer Medicare		3,396	
Total Food Service			291,703

Community Services

Supervisor/Director	\$	2,000	
Teachers		131,884	
Bus Drivers		18,563	
Clerical Personnel		9,454	
Educational Assistants		22,264	
Other Salaries and Wages		62,567	
Certified Substitute Teachers		195	
Social Security		14,540	
State Retirement		22,799	
Life Insurance		60	
Medical Insurance		13,920	
Dental Insurance		207	
Unemployment Compensation		150	
Employer Medicare		3,411	
Travel		15,732	
Other Contracted Services		78,745	
Other Supplies and Materials		21,044	
In Service/Staff Development		952	
Other Charges		6,553	
Other Equipment		8,134	
Total Community Services			433,174

Early Childhood Education

Supervisor/Director	\$	38,153	
Teachers		761,646	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Clerical Personnel	\$	17,169	
Educational Assistants		329,008	
Social Security		66,169	
State Retirement		105,644	
Life Insurance		728	
Medical Insurance		286,517	
Dental Insurance		4,732	
Unemployment Compensation		2,338	
Employer Medicare		15,476	
Travel		232	
Other Contracted Services		80,593	
Food Supplies		701	
Instructional Supplies and Materials		5,695	
Other Supplies and Materials		12,232	
Other Charges		1,959	
Other Equipment		648	
Total Early Childhood Education			\$ 1,729,640

Total General Purpose School Fund

\$ 75,197,943

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,681,558	
Educational Assistants		268,315	
Certified Substitute Teachers		5,450	
Non-certified Substitute Teachers		5,555	
Social Security		111,448	
State Retirement		168,303	
Life Insurance		945	
Medical Insurance		264,362	
Dental Insurance		4,185	
Unemployment Compensation		2,488	
Employer Medicare		27,042	
Other Contracted Services		114,246	
Instructional Supplies and Materials		120,226	
Other Supplies and Materials		127	
Regular Instruction Equipment		498,626	
Total Regular Instruction Program			\$ 3,272,876

Special Education Program

Teachers	\$	59,304	
Educational Assistants		1,219,048	
Speech Pathologist		18,041	
Social Security		72,052	
State Retirement		126,491	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	1,311	
Medical Insurance		458,624	
Dental Insurance		6,720	
Unemployment Compensation		4,076	
Employer Medicare		16,851	
Instructional Supplies and Materials		43,919	
Special Education Equipment		18,950	
Total Special Education Program			\$ 2,045,387

Vocational Education Program

Clerical Personnel	\$	28,940	
Social Security		1,631	
State Retirement		2,961	
Medical Insurance		8,214	
Dental Insurance		153	
Unemployment Compensation		60	
Employer Medicare		382	
Instructional Supplies and Materials		10,137	
Vocational Instruction Equipment		80,328	
Total Vocational Education Program			132,806

Support Services

Other Student Support

Teachers	\$	8,835	
Certified Substitute Teachers		2,632	
Non-certified Substitute Teachers		2,666	
Other Per Diem and Fees		563	
Social Security		346	
State Retirement		32	
Employer Medicare		213	
Transportation - Other than Students		7,936	
Travel		9,093	
Other Contracted Services		5,282	
Other Supplies and Materials		14,720	
In Service/Staff Development		16,255	
Other Charges		21,481	
Other Equipment		49,520	
Total Other Student Support			139,574

Regular Instruction Program

Principals	\$	14,675	
Supervisor/Director		79,911	
Teachers		93,427	
Secretary(ies)		73,489	
Clerical Personnel		33,996	
Other Salaries and Wages		651,740	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$	17,428	
In-service Training		26,100	
Non-certified Substitute Teachers		20,790	
Social Security		58,858	
State Retirement		84,739	
Life Insurance		515	
Medical Insurance		122,621	
Dental Insurance		2,050	
Unemployment Compensation		1,079	
Employer Medicare		14,192	
Consultants		8,400	
Postal Charges		1,126	
Printing, Stationery, and Forms		11,546	
Travel		78,551	
Other Contracted Services		832,201	
Instructional Supplies and Materials		62,259	
Office Supplies		5,006	
Other Supplies and Materials		55,756	
In Service/Staff Development		67,400	
Other Charges		184,831	
Other Equipment		155,896	
Total Regular Instruction Program			\$ 2,758,582

Special Education Program

Clerical Personnel	\$	38,845	
Other Salaries and Wages		109,914	
In-service Training		14,856	
Social Security		9,595	
State Retirement		15,163	
Life Insurance		59	
Medical Insurance		33,563	
Dental Insurance		458	
Unemployment Compensation		180	
Employer Medicare		2,244	
Travel		567	
Other Supplies and Materials		7,313	
In Service/Staff Development		714	
Other Charges		224	
Total Special Education Program			233,695

Vocational Education Program

Travel	\$	2,651	
Other Equipment		598	
Total Vocational Education Program			3,249

(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	\$	2,100	
Social Security		126	
State Retirement		186	
Employer Medicare		29	
Other Contracted Services		1,089	
Instructional Supplies and Materials		1,512	
In Service/Staff Development		9,020	
Total Office of the Principal			\$ 14,062

Transportation

Rentals	\$	15,193	
Gasoline		100	
Total Transportation			15,293

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	2,000	
Teachers		240,880	
Bus Drivers		22,155	
Clerical Personnel		11,372	
Educational Assistants		36,382	
Other Salaries and Wages		26,482	
Certified Substitute Teachers		32	
Non-certified Substitute Teachers		82	
Social Security		19,356	
State Retirement		29,701	
Life Insurance		10	
Medical Insurance		597	
Dental Insurance		35	
Unemployment Compensation		60	
Employer Medicare		4,574	
Printing, Stationery, and Forms		490	
Travel		7,602	
Other Contracted Services		53,531	
Other Supplies and Materials		37,480	
Other Charges		15,366	
Other Equipment		5,237	
Total Community Services			513,424

Total School Federal Projects Fund \$ 9,128,948

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Cafeteria Personnel	\$	1,444,588	
Social Security		82,018	

(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.)

State Retirement	\$	106,852	
Life Insurance		867	
Medical Insurance		367,058	
Dental Insurance		8,361	
Unemployment Compensation		5,651	
Employer Medicare		19,379	
Communication		12,326	
Maintenance and Repair Services - Equipment		82,312	
Travel		4,766	
Other Contracted Services		66,504	
Food Preparation Supplies		107,054	
Food Supplies		1,972,424	
Office Supplies		14,733	
USDA - Commodities		370,396	
Other Supplies and Materials		7,839	
In Service/Staff Development		9,174	
Other Charges		33,062	
Food Service Equipment		177,217	
Total Food Service			\$ 4,892,581

Total Central Cafeteria Fund \$ 4,892,581

Extended School Program Fund

Operation of Non-instructional Services

Community Services

Other Salaries and Wages	\$	632,190	
Other Per Diem and Fees		148	
Social Security		38,189	
State Retirement		25,872	
Life Insurance		402	
Medical Insurance		54,877	
Dental Insurance		1,094	
Unemployment Compensation		3,776	
Employer Medicare		8,932	
Travel		1,025	
Food Supplies		26,707	
Refunds		1,477	
Other Charges		32,911	
Other Equipment		479	
Total Community Services			\$ 828,079

Total Extended School Program Fund 828,079

(Continued)

Exhibit K-9

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Other Salaries and Wages	\$ 10,937	
Social Security	665	
State Retirement	1,117	
Medical Insurance	878	
Dental Insurance	25	
Employer Medicare	155	
Architects	704,229	
Other Contracted Services	120,384	
Building Construction	12,440,371	
Total Education Capital Projects		<u>\$ 13,278,761</u>
Total Education Capital Projects Fund		\$ 13,278,761
 <u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Other Salaries and Wages	\$ 1,963	
Social Security	119	
State Retirement	200	
Medical Insurance	169	
Dental Insurance	5	
Employer Medicare	28	
Architects	238,334	
Other Contracted Services	4,550	
Total Education Capital Projects		<u>\$ 245,368</u>
Total Other Capital Projects Fund		<u>245,368</u>
Total Governmental Funds - Putnam County School Department		<u>\$ 103,571,680</u>

Putnam County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2014

	<u>Governmental Activities - Internal Service Fund Self- Insurance Fund</u>
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges of Current Services</u>	
Self-Insurance Premiums/Contributions	\$ 1,400,965
<u>Other Local Revenues</u>	
Miscellaneous Refunds	11,465
Total Operating Revenues	<u>\$ 1,412,430</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 16,139
Total Nonoperating Revenues	<u>\$ 16,139</u>
Total Revenues	<u>\$ 1,428,569</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Finance</u>	
<u>County Clerk</u>	
Legal Services	\$ 1,712
Liability Claims	48,288
Total Finance	<u>\$ 50,000</u>
<u>Public Safety</u>	
<u>Sheriff's Department</u>	
Legal Services	\$ 94,411
Liability Claims	76,366
Other Charges	3,892
<u>Fire Prevention and Control</u>	
Liability Insurance	9,661
Total Public Safety	<u>\$ 184,330</u>
<u>Public Health and Welfare</u>	
<u>Ambulance/Emergency Medical Services</u>	
Legal Services	\$ 31,123
Excess Risk Insurance	12,445
Liability Insurance	13,933
Liability Claims	18,041
<u>Sanitation Management</u>	
Liability Claims	465
Total Public Health and Welfare	<u>\$ 76,007</u>

(Continued)

Exhibit K-10

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

	<u>Governmental Activities - Internal Service Fund Self- Insurance Fund</u>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Social Cultural and Recreational Services</u>	
<u>Parks and Fair Boards</u>	
Liability Claims	\$ 135,000
Total Social Cultural and Recreational Services	<u>\$ 135,000</u>
<u>Other Operations</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 13,387
Other Contracted Services	2,006
Building and Contents Insurance	90,043
Excess Risk Insurance	58,255
Liability Insurance	29,190
Premium on Corporate Surety Bonds	4,148
Workers' Compensation Insurance	28,527
Liability Claims	21,502
Other Self-insurance Claims	104,395
Other Charges	680
Total Other Operations	<u>\$ 352,133</u>
<u>Highways</u>	
<u>Other Charges</u>	
Handling Charges and Administrative Costs	\$ 7,875
Other Contracted Services	1,180
Building and Contents Insurance	52,967
Excess Risk Insurance	33,558
Liability Insurance	17,171
Premium on Corporate Surety Bonds	2,440
Workers' Compensation Insurance	16,781
Liability Claims	69,792
Other Self-insurance Claims	27,350
Other Charges	400
Total Highways	<u>\$ 229,514</u>

(Continued)

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

	<u>Governmental Activities - Internal Service Fund</u> Self- Insurance Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Education</u>	
<u>Central and Other</u>	
Handling Charges and Administrative Costs	\$ 18,113
Legal Services	13,198
Other Contracted Services	2,714
Building and Contents Insurance	121,823
Excess Risk Insurance	75,975
Liability Insurance	39,492
Premium on Corporate Surety Bonds	5,612
Workers' Compensation Insurance	38,596
Liability Claims	48,033
Other Self-insurance Claims	79,446
Other Charges	<u>2,073</u>
Total Education	<u>\$ 445,075</u>
Total Expenses	<u>\$ 1,472,059</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, 2014

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 13,218,013
Total Cash Receipts	<u>\$ 13,218,013</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 13,085,833
Trustee's Commission	<u>132,180</u>
Total Cash Disbursements	<u>\$ 13,218,013</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2013	<u>0</u>
Cash Balance, June 30, 2014	<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, 2014, 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 27, 2015. Our report includes a reference to other auditors who audited the financial statements of the discretely presented 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-004.

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: 2014-001, 2014-005, 2014-007, and 2014-008.

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: 2014-002, 2014-003, 2014-006, and 2014-009.

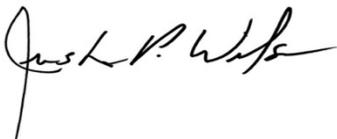
Putnam County's Responses to Findings

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 results 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,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2015

JPW/kp



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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, 2014. 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, 2014.

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

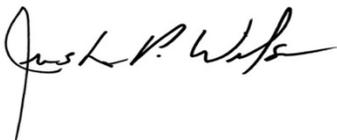
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2014, and the related notes to the financial statements, which collectively comprise Putnam County's basic financial statements. We issued our report thereon dated February 27, 2015, 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 basic 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 basic 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 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 27, 2015

JPW/kp

Putnam County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 74,788
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	370,396 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	45,950
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	917,030
National School Lunch Program	10.555	N/A	2,616,336 (3)
Passed-through State Department of Human Services:			
Summer Food Service Program for Children	10.559	N/A	19,368
Total U.S. Department of Agriculture			<u>\$ 4,043,868</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	N/A	<u>\$ 244,089</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	<u>\$ 26,394</u>
U.S. Department of Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	(2)	\$ 5,589
Passed-through State Department of Environment and Conservation:			
Historic Preservation Fund Grants-In-Aid	15.904	(2)	<u>7,788</u>
Total U.S. Department of Interior			<u>\$ 13,377</u>
U.S. Department of Justice:			
Direct Program:			
Joint Law Enforcement Operations (JLEO)	16.111	N/A	\$ 9,572
Passed-through State Administrative Office of the Courts:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>52,549</u>
Total U.S. Department of Justice			<u>\$ 62,121</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 190,845
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,346,781
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,417,408
Special Education - Preschool Grants	84.173	N/A	134,472
Career and Technical Education - Basic Grants to States	84.048	N/A	552,557
Safe and Drug-free Schools and Communities National Programs	84.184	(2)	95,013
Twenty-first Century Community Learning Centers	84.287	(2)	514,937
English Language Acquisition Grants	84.365	(2)	60,596
Math and Science Partnership Grant	84.366	N/A	446,828
Improving Teacher Quality State Grants	84.367	N/A	400,407
Teacher Incentive Fund	84.374	N/A	653,292
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	1,437,497 (5)
Passed-through Battelle Memorial Institution:			
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	423,888 (5)
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	<u>6,250</u>
Total U.S. Department of Education			<u>\$ 9,680,771</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. Election Assistance Commission: Passed-through Tennessee Secretary of State: Help America Vote Act Requirements Payments	90.401	(2)	\$ 82,766
U.S. Department of Health and Human Services: Passed-through State Department of Health: National Bioterrorism Hospital Preparedness Program	93.889	(4)	\$ 61,558
U.S. Executive Office of the President: Passed-through Laurel County Fiscal Court: High Intensity Drug Trafficking Areas Program	95.001	G-14-AP0001A	\$ 10,153
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants Homeland Security Grant Program	97.042 97.067	(2) (2)	\$ 106,700 197,968
Total U.S. Department of Homeland Security			\$ 304,668
Total Expenditures of Federal Awards			\$ 14,529,765
		Contract Number	
<u>State Grants</u>			
Automated Fingerprint Identification System: LiveScan Replacement Grant - Finance and Administration Office of Criminal Justice	N/A	(2)	\$ 31,200
State Supplement Juvenile Court Improvements Funds - State Commission on Children and Youth	N/A	GG-14-35452-00	59,098
Archives Development Program Grant - Tennessee Secretary of State	N/A	(2)	4,265
Election Assistance Grant - Tennessee Secretary of State	N/A	(2)	4,356
Law Enforcement Training Program - State Department of Safety	N/A	(2)	37,800
Firefighter Educational Incentive Pay Program - Tennessee Commission on Firefighting	N/A	(2)	3,000
Local Health Services - State Department of Health	N/A	GG-14-37627-00	1,585,613
Tennessee Certified Drug Court Program - State Department of Mental Health	N/A	(2)	69,571
Litter Program - State Department of Transportation	N/A	Z14-LIT071	49,700
Waste Tire Storage and Disposal - State Department of Environment and Conservation	N/A	(2)	55,099
ConnecTenn Grant - State Department of Education	N/A	(2)	30,945
Lottery for Education - Afterschool Programs (LEAPS) - State Department of Education	N/A	(2)	382,190
Voluntary PreK for Tennessee - State Department of Education	N/A	(2)	1,638,160
Family Resource Center - State Department of Education	N/A	(2)	29,612
Coordinated School Health Project - State Department of Education	N/A	(2)	155,000
Safe Schools Act - State Department of Education	N/A	(2)	51,300
Total State Grants			\$ 4,186,909

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 \$2,986,732.
- (4) GG-13-38966-00: \$34,958; GG-13-35370-00: \$26,600.
- (5) Total for CFDA No. 84.395 is \$1,861,385.

Putnam County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

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, 2013, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-002	191	The General Capital Projects Fund had a deficit in unassigned fund balance
2013-004	192	Competitive bids were not solicited for insurance

OFFICE OF COUNTY CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-008	196	Usernames and passwords of all employees were known by designated personnel

OFFICES OF COUNTY EXECUTIVE, REGISTER OF DEEDS, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-011	198	Duties were not segregated adequately

PUTNAM COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

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. One of these deficiencies was considered to be a material weakness.
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); Section 1033 Excess Property Program (CFDA No. 12.Unknown); the Career and Technical Education – Basic Grants to States (CFDA No. 84.048); the Math and Science Partnership Grant (CFDA No. 84.366); 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 \$435,893 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 former county executive, the director of schools, register of deeds, and Audit Committee chairman are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 2014-001

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

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

The General Capital Projects Fund had a deficit in unassigned fund balance of \$459,307 at June 30, 2014. This deficit resulted from the recognition of a long-term liability of \$475,333 due to the General Debt Service Fund for two interfund loans: \$300,000 for justice center renovations, and \$175,333 for jail upgrades and roof repairs at Avery Trace Middle School. This deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report. This deficit is expected to be liquidated from property tax collections subsequent to June 30, 2014.

RECOMMENDATION

County officials should liquidate the deficit in unassigned fund balance.

MANAGEMENT’S RESPONSE – FORMER COUNTY EXECUTIVE KIM BLAYLOCK

I concur with this finding, but management does not agree with the interpretation of the standard which caused it. By the standards of GASB Statement No. 11, long-term debt is reflected on the Schedule of Long-term Notes and Bonds on the balance sheet. However, due to the interpretation of GASB Statement No. 34, long-term “interfund notes” are now required to be reported on the balance sheet effectively forcing treatment of long-term notes as short-term. GASB Statement No. 34 conflicts with existing standards, forces inconsistent treatment of long-term debt, and penalizes local governments with healthy reserves who are able to borrow interest free from themselves. Long-term debt is long-term debt regardless of the source and should be treated consistently.

AUDITOR’S COMMENT

During prior years, the county issued long-term interfund loans for capital outlay purposes; however, the county did not record the loan activity as receivables and payables 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 at the governmental fund level. These interfund loans are not reported at the government-wide level.

FINDING 2014-002

COMPETITIVE BIDS WERE NOT SOLICITED FOR INSURANCE

(Noncompliance Under *Government Auditing Standards*)

Competitive bids were not solicited for the purchase of property (\$264,833), worker's compensation (\$83,904), employment practices (\$69,143), and privacy protection (\$15,914) insurance. Putnam County is governed by provisions of Chapter 63, Private Acts of 1981. This statute provides for competitive bids to be solicited through advertisement in a local newspaper for all purchases exceeding \$10,000. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The failure to solicit competitive bids could result in the county paying more than the competitive price.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – FORMER COUNTY EXECUTIVE KIM BLAYLOCK

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

AUDITOR'S COMMENT

Competitive bids were not solicited for the purchase of excessive claims insurance.

FINDING 2014-003

THE COUNTY MADE PAYMENTS TO THE LANDFILL CONTRACTOR IN EXCESS OF THE CONTRACT AMOUNT

(Noncompliance Under *Government Auditing Standards*)

Putnam County paid the landfill contractor amounts in excess of the contract for the construction, operation, and maintenance of the county's Class III/IV landfill. Putnam County originally bid its landfill operations in 2006, and signed a five-year contract with a contractor for \$214,638 per year, which included an annual adjustment for inflation based upon the Consumer Price Index. This contract was renewed in May 2011 for an additional five years for \$233,981 per year including an annual adjustment for inflation based upon the Consumer Price Index. The contract amounts adjusted for inflation plus additional payments to the contractor for 2012-2014 are noted in the table below:

Fiscal Year Ended June 30	Contract Amount Adjusted for Inflation	Payments for the Construction of Cells	Payments for Rock	Payments for Other Work Not Listed in Contract	Total Payments to the Contractor
2012	\$ 242,311	\$ 114,000	\$ 28,584	\$ 141,150	526,045
2013	246,430	175,000	30,998	436,608	889,036
2014	250,743	185,000	17,365	428,749	881,857

In addition to the monthly contract payments, the contractor was paid for various services including patching, seeding, mowing, and other labor that the contractor did not believe was part of the operations contract; for the construction of cells at the landfill; and for rock. The contract between the county and the contractor provides that the contractor is to construct, operate and maintain the landfill according to Tennessee Solid Waste Regulations and shall provide all services and furnish all machinery, fuel, labor and supplies necessary to perform this service. Based upon the contracts and bid specifications, we could not determine if the payments for services other than the contract amount should have been performed under the original contract or were services beyond those stated in the contract. If the additional services were performed outside the provisions of the contract, these services that exceeded the county's bid limit should have been bid in accordance with provisions of Putnam County's purchasing law, Chapter 63, Private Acts of 1981, as amended, which require competitive bids for all purchases over \$10,000.

RECOMMENDATION

County officials should review the contract for landfill operations and clarify what services are considered within the terms of the contract and specify these services in the contract. Goods and services not included within the terms of the contract, which exceed \$10,000, should be competitively bid as required by Chapter 63, Private Acts of 1981.

MANAGEMENT'S RESPONSE – FORMER COUNTY EXECUTIVE KIM BLAYLOCK

Danny Roberts Construction has consistently won the bid for the landfill contract every time it has been bid since 1985. The work at the landfill and the payments for such has remained unchanged over the years. The state has audited the Solid Waste Fund every year since 1985 without finding until now. The contract is being rebid to satisfy the requirements of this finding.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-004

**THE GENERAL PURPOSE SCHOOL AND SCHOOL
FEDERAL PROJECTS FUNDS REQUIRED MATERIAL
AUDIT ADJUSTMENTS FOR PROPER FINANCIAL
STATEMENT PRESENTATION**

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

At June 30, 2014, certain general ledger account balances in the General Purpose School and School Federal Projects funds were not materially correct, and audit adjustments totaling \$605,452 and \$405,176, respectively, were required for the financial statements to be materially correct at year end. Generally accepted accounting principles require the School Department to have adequate internal controls over the maintenance of its accounting records. The material audit adjustments were required because the School Department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the School Department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur with the auditor's recommendation. The audit adjustment totaling \$605,452 was the result of several encumbrances inadvertently set-up as payables thus doubling the expenses. We converted our financial software from Local Government to Skyward and misunderstood a portion of the closing process. This has been corrected and should not be an issue next year.

The other audit adjustment of \$405,176 resulted from the reversal of several year-end receivables. Because of the timing of the reimbursement that was more than 60 days past the year-end date, a reversal of the receivable was necessary. Procedures have been established to prevent this situation from occurring in the future.

FINDING 2014-005

**GENERAL LEDGER PAYROLL LIABILITY
ACCOUNTS WERE NOT RECONCILED**

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

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. These errors were not corrected in the financial statements of this report; however, we do not consider the uncorrected amounts to be material to the financial statements. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur with the auditor’s recommendation. Due to the transition from the Local Government to Skyward software, several of the payroll liability accounts were not reconciled on a timely basis. This has been corrected and will not be an issue in the future.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2014-006

**THE FORMER ASSESSOR OF PROPERTY
MISAPPROPRIATED AT LEAST \$2,355**

(Noncompliance Under *Government Auditing Standards*)

On March 27, 2014, the Comptroller’s Office issued a special report on the Putnam County Assessor of Property’s Office for the period April 1, 2013, through March 15, 2014. This report disclosed that the former assessor of property misappropriated at least \$2,355 from the office by using county funds to purchase computers and accessories, which he traded or sold for his personal benefit. This report is available at www.comptroller.tn.gov. The former assessor of property was indicted by the Putnam County Grand Jury on March 25, 2014, on one count of theft over \$1,000 and one count of official misconduct. On December 12, 2014, the former assessor of property pled guilty to theft, agreed to pay restitution of \$1,957, and agreed to serve three years probation. He also agreed to a two-year suspended jail sentence for the charge of official misconduct.

OFFICE OF COUNTY CLERK

FINDING 2014-007

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 usernames and 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' usernames and passwords. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICES OF COUNTY EXECUTIVE, REGISTER OF DEEDS, AND SHERIFF

FINDING 2014-008

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Offices of County Executive, 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.

MANAGEMENT’S RESPONSE – REGISTER OF DEEDS

Duties have now been segregated to ensure the reliability of financial reporting in the Office of Register of Deeds. The correct procedures were implemented as of September 2014.

PUTNAM COUNTY COMMISSION

FINDING 2014-009

THE COUNTY COMMISSION’S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE

(Noncompliance Under *Government Auditing Standards*)

Putnam County participates in the ThreeStar Program through the Tennessee Department of Economic and Community Development to assist the county’s community development efforts in competing for jobs and attracting industry. One of the requirements of the ThreeStar Program is that the county must create and maintain an Audit Committee. The Putnam County Commission created an Audit Committee on April 15, 2013, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, this committee met only once on January 9, 2014, to discuss its responsibilities. Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management’s plans to address various risks.

RECOMMENDATION

The County Commission’s Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

MANAGEMENT’S RESPONSE – AUDIT COMMITTEE CHAIRMAN

We agree with the finding. We attempted to schedule a meeting following the release of the 2013 audit but due to miscommunication, the meeting did not occur. We have scheduled a meeting the last week of April 2015 to review the 2014 audit with the auditors.

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below 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.

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.

**PUTNAM COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014**

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