

PUTNAM COUNTY,
FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2008

BOARD OF COUNTY COMMISSIONERS

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District No. 2
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District No. 5

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Tim Smith

SHERIFF

Jeff Hardy

PROPERTY APPRAISER

Tim Parker

TAX COLLECTOR

Kenneth R. Mahaffey

SUPERVISOR OF ELECTIONS

Susan McCool

**Putnam County, Florida
Audit Report
September 30, 2008**

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Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:

www.davismonk.com

Members:

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Independent Auditors' Report

Board of County Commissioners
Putnam County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Putnam County, Florida (the "County"), as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

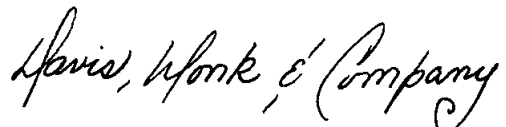
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2008, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2009 on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as "supplemental information", including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the information provided in the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Davis, Monk & Company".

March 10, 2009
Palatka, Florida

PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2008

The County's discussion and analysis is designed to provide an objective and easy to read analysis of the County's financial activities for the fiscal year ended September 30, 2008. It is intended to provide a broad overview using a short-term and long-term analysis of the County's activities based on information in the financial report and fiscal policies that have been adopted by the Board of County Commissioners. Please read it in conjunction with the Letter of Transmittal and the County's financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.*

Financial Highlights

Government-wide Statements

- Putnam County's assets exceeded its liabilities at September 30, 2008 by \$125,662 (*net assets*). Of this amount, \$6,854 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
 - 1) Capital assets, net of related debt, of \$105,118, include property, equipment and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net assets of \$13,690 are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$9,530 of governmental net assets less a deficit of \$2,676 of business-type net assets represents the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's total net assets increased \$8,387 over the previous year with a decrease of \$4,972 resulting from governmental activities and an increase of \$13,359 resulting from business activities.

Fund Statements

- At September 30, 2008, the County's governmental funds reported combined ending fund balances of \$24,394, an increase of \$551 in comparison with the prior fiscal year.
- At September 30, 2008, unreserved fund balance for the General Fund (a major fund) was \$9,713 or 21.1% of General Fund operating revenue. This is within the Government Finance Officers Association's Recommended Practices guidelines for fund balance levels and within levels required by policy of the Board of County Commissioners. The General Fund Cash and Equivalent balance at year end was \$8,856.
- Governmental Fund revenues decreased \$5,207 or 6.6% from the prior year. All categories of revenue decreased from the previous year. Tax revenue decreased by \$2,424 largely because of a \$1,826 decrease in ad valorem tax collections along with a decrease of \$564 in Local Infrastructure Surtax collections. Intergovernmental revenue decreased by \$2,204 because fewer grant dollars were received. Other decreases were as follow: charges for services, \$165; licenses and permits, \$335; fines and forfeitures, \$1 and miscellaneous, \$78.

- The County's outstanding governmental long-term obligations increased by \$12,814. The change was due to the following: issuance of a \$3,500 note to finance road paving projects; issuance of debt for Sheriff's vehicles in the amount of \$43; issuance of a capital lease in the amount of \$766 for a new telephone system for the County; issuance of debt in the amount of \$10,532 to finance the construction of the East Putnam Regional Water System; payment of outstanding principal in the amount of \$2,221; and an increase of accrued compensated absences in the amount of \$194.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Putnam County's Comprehensive Annual Financial Report (CAFR). The CAFR contains the Basic Financial Statements which include three components: Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements. The report also contains the Statistical Section, Compliance Section and Other Supplementary Information.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements include a *Statement of Net Assets* and a *Statement of Activities*.

- The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Changes in net assets over time may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. Changes in net assets are reported as soon as the underlying economic transactions occur, regardless of when cash is received or paid. Therefore, some of the revenues or expenses reported in the Statement of Activities will have cash flows in future fiscal periods. For example, certain sales taxes are shown as revenues although cash receipts will occur early in the following fiscal year; an increase in unused vacation leave is recorded as an expense although related cash outflows will occur in the future. Furthermore, this statement demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Please refer to the Notes to the Financial Statements for further elaboration regarding direct expenses and program versus general revenues.

The *Government-wide Financial Statements* show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (i.e., governmental activities) and activities that attempt to recover all or most of their costs through user fees and charges (i.e., business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, court related activities, and culture and recreation. Business-type activities of the County are the Water and Wastewater Utility System, Port Authority and the Waste Management System.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with legal, legislative, contractual, and other finance-related provisions. The fund statements focus on the *major* funds of the County (i.e., the most significant funds, either quantitatively or qualitatively). All of the County's funds may be divided into three categories: *governmental*, *proprietary* and *fiduciary* funds.

Governmental funds

Governmental funds are used to account for essentially the same functions that are reported as *governmental activities* in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Reconciliations of the differences between the Government-wide and the Fund Financial Statements are provided immediately after the *Balance Sheet-Governmental Funds* and the *Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds*, respectively, in the *Basic Financial Statements*.

Governmental funds presented individually in the County's statements include four major funds: the General Fund, the Sheriff's Fund, the East Putnam Grant Fund and the Better Place Plan Fund. Although there are numerous smaller governmental funds in the County, they have been presented in a total column labeled as *Other Governmental Funds*. Budget and actual comparison statements are also presented as *Required Supplementary Information* (RSI) for the General Fund and each major special revenue fund with an annually adopted budget. Combining statements for the County's non-major funds, budget and actual comparison schedules for the County's major capital projects fund (the Better Place Plan Fund) and budget and actual comparison schedules for any non-major funds with annually appropriated budgets, are presented in the *Supplemental Information* section of this report.

Proprietary funds

The *Proprietary Fund Financial Statements* may be found in the *Basic Financial Statements*. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report in greater detail the same functions presented as business-type activities in the Government-wide Financial Statements. The County uses enterprise funds to account for its Water and Wastewater Utility System, Port Authority and its Waste Management System. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its Fleet Maintenance, Group Insurance Reserve and Risk Management Funds. These programs are included within governmental activities in the Government-wide Financial Statements because they predominantly benefit governmental rather than business-type functions. The internal service funds are combined into a single presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds are provided in the *Supplemental Information* section of the report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. *Agency funds* are the only type of fiduciary fund used by the County. The amounts in these fiduciary funds are not included in the Government-wide Financial Statements because the resources of these funds are not available to support the County's own programs. However,

the *Statement of Fiduciary Net Assets-Fiduciary Funds* in the *Basic Financial Statements* is provided for information on the fiduciary funds. In addition, the individual agency funds are presented in the *Supplemental Information* section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements.

Other Information

Combining and individual statements and schedules referred to earlier, which present more detailed views of nonmajor funds, as well as individual fund budget and actual comparison schedules for the nonmajor funds, are found in the *Supplemental Information* section of the CAFR.

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$125,662 at the close of the fiscal year ended September 30, 2008. By far the largest portion of the County's net assets, \$105,118 or 83.7%, reflects its investment in capital assets such as land, buildings, infrastructure and equipment, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are *not available* for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on those capital assets will require future government resources.

Putnam County
Summary Statement of Net Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2008	2007	2008	2007	2008	2007	
Cash and Investments	\$ 37,887	\$ 33,169	\$ 7,726	\$ 8,176	\$ 45,613	\$ 41,345	10.3%
Other Current Assets	5,467	6,393	255	247	5,722	6,640	-13.8%
Capital Assets, Net	106,385	98,776	26,655	13,248	133,040	112,024	18.8%
Total Assets	149,739	138,338	34,636	21,671	184,375	160,009	15.2%
Current Liabilities	16,499	12,940	479	818	16,978	13,758	23.4%
Long-Term Obligations	31,200	18,386	10,535	10,590	41,735	28,976	44.0%
Total Liabilities	47,699	31,326	11,014	11,408	58,713	42,734	37.4%
Net Assets:							
Invested in Capital Assets, net of Related Debt	78,820	82,336	26,298	13,168	105,118	95,504	10.1%
Restricted	13,690	11,718	-	-	13,690	11,718	16.8%
Unrestricted	9,530	12,958	(2,676)	(2,906)	6,854	10,052	-31.8%
TOTAL NET ASSETS	\$ 102,040	\$ 107,012	\$ 23,622	\$ 10,262	\$ 125,662	\$ 117,274	7.2%

An additional portion of the County's net assets, \$13,690, are restricted, meaning they are subject to constraints on how they may be used, such as by laws, grantors, debt covenants, regulations or capital projects. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities. The County's business-type activities, however, reflect a deficit unrestricted net asset balance. This deficit balance is a direct result of large changes during the 2005 through 2008 fiscal years in estimates for closure costs, long-term care costs and remaining capacity related to the County's Landfill operations.

Change in Net Assets

Governmental activities decreased the County's net assets by \$4,972. This decrease resulted from the following: capital asset acquisitions and disposals \$14,304; the recognition of (\$6,708) of depreciation expense; the issuance of debt in the amount of (\$14,842); principal payments of \$2,221; the recognition of accrued interest expense of (\$201); the recognition of deferred revenues of (\$87); the recognition of (\$190) expense for increased compensated absences; the inclusion of Internal Service Funds in governmental activities in the amount of (\$20); and a \$551 increase in the fund balance total for the Governmental Funds.

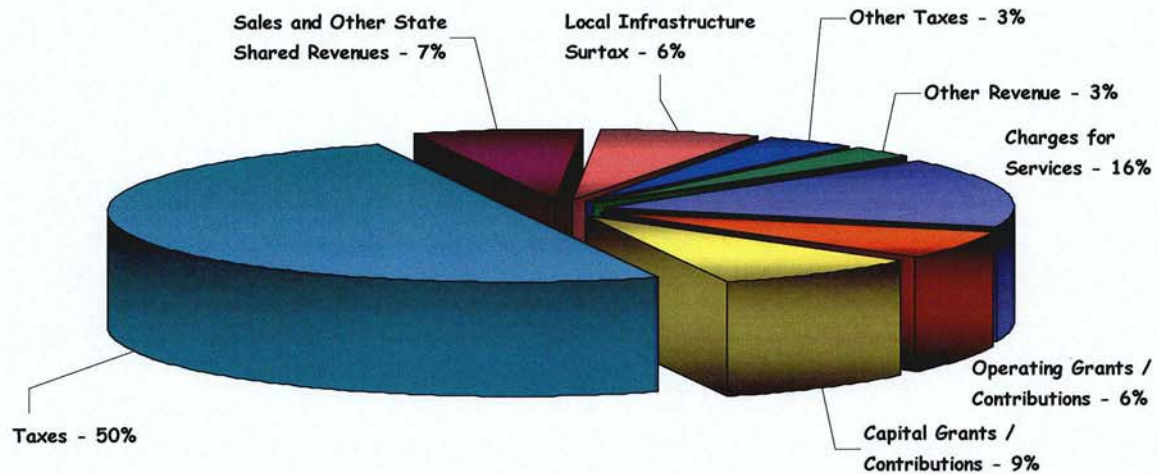
Putnam County, Florida
Changes in Net Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2008	2007	2008	2007	2008	2007	
Revenues:							
Program revenues:							
Charges for services	\$ 11,722	\$ 12,435	\$ 6,379	\$ 6,591	\$ 18,101	\$ 19,026	-4.9%
Operating grants and contributions	4,689	5,506	583	191	5,272	5,697	-7.5%
Capital grants and contributions	6,318	6,740	-	-	6,318	6,740	-6.3%
General revenues:							
Property taxes	37,131	38,957	-	-	37,131	38,957	-4.7%
Sales and other state shared revenues	4,993	5,439	-	-	4,993	5,439	-8.2%
Local Infrastructure Surtax	4,715	5,279	-	-	4,715	5,279	-10.7%
Other taxes	2,542	2,633	-	-	2,542	2,633	-3.5%
Other revenue	2,148	2,596	341	607	2,489	3,203	-22.3%
Total revenues	74,258	79,585	7,303	7,389	81,561	86,974	-6.2%
Expenses:							
General Government	16,081	12,956	-	-	16,081	12,956	24.1%
Public Safety	29,311	26,527	-	-	29,311	26,527	10.5%
Physical Environment	431	724	-	-	431	724	-40.5%
Transportation	9,709	8,299	-	-	9,709	8,299	17.0%
Economic Environment	1,939	5,341	-	-	1,939	5,341	-63.7%
Human Services	1,945	2,682	-	-	1,945	2,682	-27.5%
Culture/Recreation	2,326	2,329	-	-	2,326	2,329	-0.1%
Court Related	3,292	3,200	-	-	3,292	3,200	2.9%
Interest on L-T Obligations	1,053	653	-	-	1,053	653	61.3%
Water and Wastewater	-	-	127	117	127	117	8.5%
Solid Waste	-	-	6,827	7,942	6,827	7,942	-14.0%
Port Authority	-	-	133	100	133	100	33.0%
Total Expenses	66,087	62,711	7,087	8,159	73,174	70,870	3.3%
Increase in Net Assets							
Before Transfers	8,171	16,874	216	(770)	8,387	16,104	
Transfers	(13,143)	(477)	13,143	477	-	-	
Increase (Decrease) in net assets	(4,972)	16,397	13,359	(293)	8,387	16,104	
Net Assets - Beginning of Year	107,012	90,615	10,263	10,556	117,275	101,171	
Net Assets - End of Year	\$ 102,040	\$ 107,012	\$ 23,622	\$ 10,263	\$ 125,662	\$ 117,275	7.2%

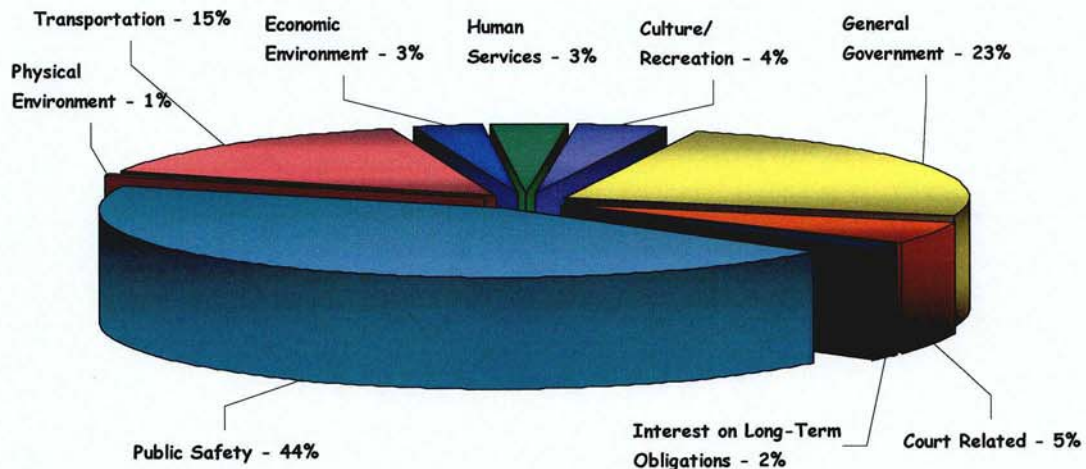
Governmental Activities

The County's overall financial position improved in comparison to the previous year. Total net assets increased \$8,387 over the prior year with a decrease of \$4,972 resulting from governmental activities and an increase of \$13,359 resulting from business-type activities. The reasons for these changes are the same as enumerated above in the discussion of the statement of net assets and on the following page under the caption of Business-Type Activities.

Revenues by Source - Governmental Activities



Expenses - Governmental Activities

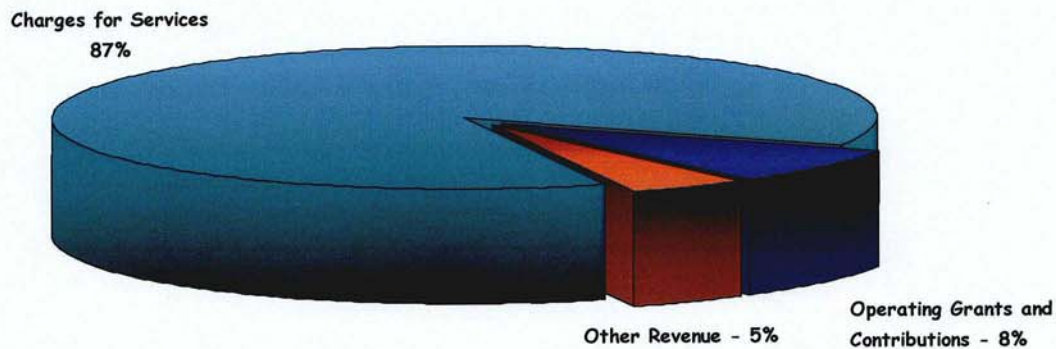


Business-type Activities

Business-type activities increased the County's net assets by \$13,359. Key elements resulting in the increase are as follows:

- Business-type activities generated a net income before capital contributions and transfers of \$216, while transfers out totaled \$112.
- Capital contributions, totaling \$13,255 and consisting of recently constructed East Putnam Regional Water and Wastewater infrastructure were received from Governmental Funds

Revenues by Source - Business-Type Activities



Financial Analysis of the County's Funds

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This difference in focus and purpose creates significant variances between the Governmental Fund Financial Statements and the Government-wide Financial Statements. For the year ended September 30, 2008, the net increase in fund balances per the Governmental Funds Financial Statements totaled \$551 while the governmental activities column of the Government-wide Financial Statements reported a decrease of \$4,972 assets. A detailed reconciliation between these two amounts is provided on page 6 of the accompanying Financial Statements.

Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2008, the County's governmental funds reported combined ending fund balances of \$24,394. Of the total governmental fund balance, \$16,965 constitutes unreserved fund balance, which is available for spending within the constraints of each particular fund. The remainder of the fund balance is reserved for local housing assistance (SHIP) loan guarantees \$898, debt service \$6,216, prepaid expenditures \$255 and for inventory of supplies \$60.

Governmental funds posted a \$551 net increase in fund balances for the fiscal year. The following funds experienced the most significant changes in fund balance for the year: the General Fund (a major fund) decreased by \$2,402 largely because of planned expenditures toward the completion of a new Government Office Complex; the Fire Tax Unit Fund increased \$535 due to fiscal conservatism; the fund balance for the Better Place Plan Fund (a major fund) increased \$1,835 as the result of borrowing and lower spending than the previous year, while the new Impact Fee Fund generated revenues of \$400 in excess of expenditures; the fund balance for The East Putnam Grant Fund (a major fund) increased by \$681 because of borrowings and grants received for the construction of the East Putnam Regional Water System; the SHIP and Hurricane Housing Assistance Funds experienced a combined fund balance decrease of \$732 because expenditures were made to provide affordable housing aid to qualified residents; the Communications Improvement Fund's fund balance declined by \$134 because expenditures and debt service payments exceeded current year revenues; the fund balance of the Capital Projects fund increase \$144 related to a transfer from the General Fund, while the MSBU Loan fund balance decreased by \$156 because debt service payments exceeded current year revenues.

The Sheriff (a major fund) is funded by the Board of County Commissioners. The Sheriff's expenditures for the year were \$17,826, an increase of 3.9% over the prior fiscal year. The Sheriff's expenditures were greater mainly due to cost of living increases for personnel.

Proprietary Funds

The proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. All three proprietary funds are major funds. At September 30, 2008, total net assets amounted to \$23,622, an increase of \$13,359 from the prior fiscal year. Unrestricted net assets totaled (\$2,676). Other factors concerning the finances of the Proprietary Funds were previously addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The General Fund budget to actual schedule is presented as *Required Supplementary Information* on page 40 of the accompanying Financial Statements. The variance between original and final budgeted amounts for the year is composed of the following:

- Intergovernmental revenues were increased by \$431 to account for unanticipated grant revenues received, while Miscellaneous revenues increased by \$4. Of this, \$385 was transferred to the Sheriff for various law enforcement activities along with an additional \$30 from the Reserve for Contingencies; \$28 was used to purchase laptops for EMS (Public Safety); and \$22 was used to purchase equipment used by the IT-GIS Department (General Government).
- The budget for Transfers Out increased by \$415. The transfers were funded by \$385 in unanticipated intergovernmental revenues and a \$30 in Reserve for Contingencies.

- The budget for Reserve for Contingencies decreased by an additional \$166 to fund a roof replacement (General Government).

A comparison of actual revenues versus the final budget reflects that the collection of Licenses and Permits, Intergovernmental Revenue, and Fines and Forfeitures were \$266, \$1,321 and \$19 less than the budgeted projections, respectively. All other categories of revenues exceeded budget estimates by a total of \$1,089. A substantial portion of the additional revenue over budget is attributable to the rise in the County's property tax base and an increased effort by the Tax Collector to collect delinquent taxes. Intergovernmental revenues did not reach projections because the start of East Putnam Regional Water Project (funded in part by USDA grants) did not occur as early as originally predicted in the fiscal year.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$497 under budget. General Government expenditures were \$2,148 greater than budget primarily because of the renovation of the new government office complex (the expenditures for that project were \$3,874 under budget for the previous year) and the acquisition of a countywide phone system that had not been budgeted. Transportation expenditures were \$953 under budget as the result of delayed capital acquisitions. Human Services expenditures were \$815 under projections because Medicaid billing from the State of Florida were well below budget. Additionally, Reserves for Contingencies of \$222 were not needed during the year.

Capital Asset and Debt Administration

	Governmental Activities		Business-type Activities		Total		Percent Change
	2008	2007	2008	2007	2008	2007	
Land	\$ 16,942	\$ 16,946	\$ 5,452	\$ 5,452	\$ 22,394	\$ 22,398	0.0%
Buildings and Improvements	24,286	16,758	736	801	25,022	17,559	42.5%
Equipment	9,192	9,569	976	664	10,168	10,233	-0.6%
Infrastructure	55,753	52,522	-	-	55,753	52,522	6.2%
Water and Sewer Distribution System		-	2,701	2,784	2,701	2,784	-3.0%
Landfill		-	1,001	1,014	1,001	1,014	-1.3%
Construction in Progress	211	2,981	15,788	2,533	15,999	5,514	190.2%
Total Capital Assets, Net	\$ 106,384	\$ 98,776	\$ 26,654	\$ 13,248	\$ 133,038	\$ 112,024	18.8%

Capital Assets

The County's financial statements present capital assets in two groups: those assets subject to depreciation such as infrastructure, equipment and operational facilities, and those assets not subject to depreciation such as land and construction in progress. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2008, amounts to \$133,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, equipment, infrastructure (including roads and bridges), construction in progress, the Landfill, and the Water and Sewer Distribution System. Currently, infrastructure, land and buildings and improvements represent the largest components of governmental capital assets.

Major capital asset events completed during the current fiscal year include the following:

- The County expended \$5,160 to convert an old shopping center purchased in a prior year into a new Government Office Complex.
- The Information Technology Department acquired \$282 in new equipment during the year.
- Emergency Management and Fire acquired equipment totaling \$314.
- Public Works purchased equipment totaling \$398.
- Emergency Medical Services purchased an ambulance for \$175.
- The County continued its program to resurface, widen and add paved roads during the year at a capitalized cost of \$5,857.
- Sanitation acquired a compactor for the land fill and a front end loader for a total of \$632.

Additional information on the County's Capital Assets may be found in Note 8 beginning on page 27 of the accompanying Financial Statements.

Long-term Obligations

County-wide, total long-term debt obligations owed to outside institutions increased by \$12,898 from the prior year, while the long-term liability for compensated absences increased by approximately \$200. Accrued landfill closure and long-term care costs, however, decreased by a net of \$338.

Throughout fiscal year 2008, the County's governmental activities entered into two notes and one capital lease agreement, while the business-type activities entered into a \$454 capital lease..

Governmental Activities:

- The Sheriff entered into a \$43 capital lease to finance the acquisition of patrol vehicles and related equipment, while the county acquired a new phone system by means of a \$766 capital lease.
- The Better Place Plan Fund Borrowed \$3,500 from a financial institution to finance several road paving projects
- The County borrowed \$10,533 from State and Federal agencies to finance the construction of the East Putnam Regional Water System.
- The County made the following principal payments during the year: special assessment debt - \$255, notes payable - \$1,037, and capital leases - \$930.
- Governmental obligations for compensated absences rose 10% or \$194 to \$2,140.

Putnam County, FL
Long-Term Debt Obligations
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2008	2007	2008	2007	2008	2007	
Special Assessment Debt	2,399	2,653	-	-	2,399	2,653	-9.6%
Notes Payable	24,943	11,947	357	80	25,300	12,027	110.4%
Capital Lease Obligations	1,719	1,840	-	-	1,719	1,840	-6.6%
Total	\$ 29,061	\$ 16,440	\$ 357	\$ 80	\$ 29,418	\$ 16,520	78.1%

Business-type Activities:

- The Waste Management Fund retired \$80 of notes payable and \$97 of capital lease obligations.
- Accrued landfill closure and post-closure costs were increased by \$426 due to a change in accounting estimate that resulted when an engineering study revealed less than expected remaining capacity within the active cells. Those increases were offset by a reduction of \$764 due to payments made toward a cell closure.
- Obligations for compensated absences increased by \$6, or 15%, to \$46.

Additional information on the County's long-term obligations can be found in Note 9 beginning on page 28 of the accompanying Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County for September 2008 was 8.1%. This represents a substantial increase over the previous year's 4.8%.
- The taxable value of real property increased 7.9%, while the taxable value of personal property increased 1.7% in the 2008 fiscal year.
- Building permit activity revenues decreased approximately 38% from the prior year.
- The population increased slightly from the prior year to an estimated 74,989 from 74,799.

During the current fiscal year, the unreserved fund balance in the General Fund decreased to \$9,713, a decrease of 20%. This decrease was primarily the result of planned and budgeted expenditures to complete the County's new Government Center. The ad valorem tax rate was reduced from 9.2 mils for fiscal year 2007 to 8.5765 mils for fiscal year 2008.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the Putnam County Clerk of Courts, Finance and Accounting, P.O. Box 758, Palatka, Florida 32178-0758. Additional financial information can be found on our web site at <http://www.putnam-fl.com/clk/>.

Putnam County, Florida
Statement of Net Assets
September 30, 2008

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Putnam County Development Authority</u>
ASSETS				
Cash and Equivalents	\$ 36,439,594	\$ 4,447,416	\$ 40,887,010	\$ 254,323
Investments	1,447,156	-	1,447,156	-
Receivables	1,038,136	227,499	1,265,635	1,321
Due From Other Governments	3,975,333	27,489	4,002,822	-
Inventory	157,625	-	157,625	-
Prepays	255,543	-	255,543	-
Other Assets	40,765	-	40,765	-
Restricted Cash and Equivalents	-	450,305	450,305	-
Restricted Investments	-	2,828,828	2,828,828	-
Capital Assets:				
Non-Depreciable	17,153,767	21,240,529	38,394,296	153,854
Depreciable, Net	89,230,968	5,414,226	94,645,194	117,031
TOTAL ASSETS	149,738,887	34,636,292	184,375,179	526,529
LIABILITIES				
Accounts Payable and Accrued Liabilities	8,629,095	464,380	9,093,475	46
Other Liabilities	587,924	14,381	602,305	-
Unearned Revenue	7,281,906	-	7,281,906	-
Noncurrent Liabilities:				
Due Within One Year	9,790,741	551,664	10,342,405	-
Due in More Than One Year	21,409,662	9,983,744	31,393,406	-
TOTAL LIABILITIES	47,699,328	11,014,169	58,713,497	46
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	78,819,347	26,297,935	105,117,282	270,885
Restricted For:				
Affordable Housing Assistance	1,214,273	-	1,214,273	-
Court Functions and Courthouse Improvements	3,150,652	-	3,150,652	-
Fire Protection	3,639,966	-	3,639,966	-
Law Enforcement	375,329	-	375,329	-
Road and Bridge Maintenance	2,164,011	-	2,164,011	-
Public Records Modernization	792,024	-	792,024	-
Fishing Improvement	375,375	-	375,375	-
Tourist Development	191,691	-	191,691	-
Water System Improvements	1,495,515	-	1,495,515	-
Other Purposes	291,859	-	291,859	-
Unrestricted	9,529,517	(2,675,812)	6,853,705	255,598
TOTAL NET ASSETS	\$ 102,039,559	\$ 23,622,123	\$ 125,661,682	\$ 526,483

See accompanying notes.

Putnam County, Florida
Statement of Activities
For the Year Ended September 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Putnam County Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 16,081,345	\$ 4,409,907	\$ 146,330	\$ 26,754	\$ (11,498,354)	\$ -	\$ (11,498,354)	\$ -
Public Safety	29,310,776	4,064,473	1,308,711	649,559	(23,288,033)	-	(23,288,033)	-
Physical Environment	431,209	186,531	37,488	3,402,883	3,195,693	-	3,195,693	-
Transportation	9,708,977	701,950	2,042,666	2,036,992	(4,927,369)	-	(4,927,369)	-
Economic Environment	1,938,559	54,602	368,584	-	(1,515,373)	-	(1,515,373)	-
Human Services	1,945,096	200,464	-	-	(1,744,632)	-	(1,744,632)	-
Culture and Recreation	2,326,242	93,295	264,004	201,695	(1,767,248)	-	(1,767,248)	-
Court Related	3,292,156	2,011,207	521,163	-	(759,786)	-	(759,786)	-
Interest on Long-Term Debt	1,053,154	-	-	-	(1,053,154)	-	(1,053,154)	-
TOTAL GOVERNMENTAL ACTIVITIES	66,087,514	11,722,429	4,688,946	6,317,883	(43,358,256)	-	(43,358,256)	-
BUSINESS-TYPE ACTIVITIES:								
Water and Wastewater System	126,763	54,395	-	-	-	(72,368)	(72,368)	-
Solid Waste	6,826,973	6,195,938	582,555	-	-	(48,480)	(48,480)	-
Port Authority	132,600	128,884	-	-	-	(3,716)	(3,716)	-
TOTAL BUSINESS-TYPE ACTIVITIES	7,086,336	6,379,217	582,555	-	-	(124,564)	(124,564)	-
TOTAL PRIMARY GOVERNMENT	\$ 73,173,850	\$ 18,101,646	\$ 5,271,501	\$ 6,317,883	(43,358,256)	(124,564)	(43,482,820)	-
COMPONENT UNIT:								
Putnam County Development Authority	\$ 29,040	\$ 10,427	\$ -	\$ -	-	-	-	(18,613)
GENERAL REVENUES:								
Property Taxes					37,130,894	-	37,130,894	-
Sales Taxes					2,620,640	-	2,620,640	-
Unrestricted State Shared Revenues					2,372,216	-	2,372,216	-
Gas Taxes					1,821,786	-	1,821,786	-
Local Infrastructure Surtax					4,714,955	-	4,714,955	-
Tourist Development Tax					177,193	-	177,193	-
Communications Service Tax					542,838	-	542,838	-
Investment Earnings					1,675,647	227,221	1,902,868	14,060
Gain on Sale of Capital Assets					-	107,353	107,353	-
Miscellaneous					472,549	6,675	479,224	11
Transfers					(13,142,520)	13,142,520	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					38,386,198	13,483,769	51,869,967	14,071
CHANGE IN NET ASSETS					(4,972,058)	13,359,205	8,387,147	(4,542)
NET ASSETS – BEGINNING OF YEAR					107,011,617	10,262,918	117,274,535	531,025
NET ASSETS – END OF YEAR					\$ 102,039,559	\$ 23,622,123	\$ 125,661,682	\$ 526,483

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2008

	<u>General Fund</u>	<u>Sheriff Fund</u>	<u>East Putnam Grant Fund</u>	<u>Better Place Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and Equivalents	\$ 8,855,586	\$ 1,054,970	\$ 8,439,971	\$ 742,738	\$ 15,442,963	\$ 34,536,228
Investments	469,430	-	-	-	977,726	1,447,156
Receivables	953,430	-	-	-	72,567	1,025,997
Due From Other Funds	2,790,412	-	-	-	15,741	2,806,153
Due From Other Governments	670,428	-	1,696,294	774,033	830,418	3,971,173
Inventory	59,524	-	-	-	401	59,925
Prepays	-	-	-	-	255,543	255,543
Other Assets	1,655	895	-	-	9,466	12,016
TOTAL ASSETS	\$ 13,800,465	\$ 1,055,865	\$10,136,265	\$ 1,516,771	\$ 17,604,825	\$ 44,114,191
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 1,645,282	\$ 489,699	\$ 3,025,712	\$ 1,563,969	\$ 1,437,837	\$ 8,162,499
Due to Other Funds	-	566,166	1,100,000	-	1,406,212	3,072,378
Due to Other Governments	2,625	-	-	-	105,777	108,402
Deferred Revenue	2,380,505	-	5,749,537	-	246,446	8,376,488
TOTAL LIABILITIES	4,028,412	1,055,865	9,875,249	1,563,969	3,196,272	19,719,767
<u>FUND BALANCES</u>						
Reserved For:						
Debt Service	-	-	6,216,076	-	-	6,216,076
Inventory	59,524	-	-	-	401	59,925
Loan Guarantees	-	-	-	-	897,951	897,951
Prepays	-	-	-	-	255,543	255,543
Unreserved, Reported In:						
General Fund	9,712,529	-	-	-	-	9,712,529
Special Revenue Funds	-	-	(5,955,060)	-	12,710,538	6,755,478
Debt Service Funds	-	-	-	-	426,547	426,547
Capital Projects Funds	-	-	-	(47,198)	117,573	70,375
TOTAL FUND BALANCES	9,772,053	-	261,016	(47,198)	14,408,553	24,394,424
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,800,465	\$ 1,055,865	\$10,136,265	\$ 1,516,771	\$ 17,604,825	\$ 44,114,191

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets –
Governmental Funds
September 30, 2008

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 24,394,424
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Capital Assets – Net.....	106,322,928

Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.	
Accrued Interest on Long-term Debt.....	(332,457)

Long-term liabilities do not require the use of current financial resources and are not reported in the funds.	
Long-Term Debt.....	(27,341,637)
Capital Lease Obligations.....	(1,719,266)
Compensated Absences.....	(2,107,900)
Total Long-term Liabilities.....	(31,168,803)

Unearned revenues in the statement of net assets differs from the deferred revenue amount reported in the governmental funds due to certain receivables. Governmental fund financial statements report unearned revenues or revenues which are measurable but not available as deferred revenues. However, deferred revenues in the governmental funds are susceptible to full accrual on the government-wide financial statements.

Deferred Revenues Reduced.....	1,094,582
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets because they primarily serve governmental activities of the County.

Internal Service Funds.....	1,728,885
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Net Assets of Governmental Activities	\$ 102,039,559
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See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2008

	General Fund	Sheriff Fund	East Putnam Grant Fund	Better Place Plan Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 35,039,531	\$ -	\$ -	\$ 4,714,954	\$ 4,601,171	\$ 44,355,656
Licenses and Permits	551,545	-	-	-	50,047	601,592
Intergovernmental	5,552,810	-	3,011,639	-	6,706,806	15,271,255
Charges for Services	3,342,913	-	-	-	5,028,403	8,371,316
Fines and Forfeitures	95,576	-	-	-	733,275	828,851
Miscellaneous	1,374,170	-	391,244	30,237	2,089,090	3,884,741
TOTAL REVENUES	45,956,545	-	3,402,883	4,745,191	19,208,792	73,313,411
EXPENDITURES						
Current:						
General Government	15,067,230	-	-	-	5,821,614	20,888,844
Public Safety	7,251,429	16,325,119	-	-	3,476,330	27,052,878
Physical Environment	400,305	-	13,109,991	-	134,408	13,644,704
Transportation	540,278	-	-	-	6,438,608	6,978,886
Economic Environment	419,189	-	-	-	1,516,715	1,935,904
Human Services	1,928,002	-	-	-	-	1,928,002
Culture and Recreation	1,732,308	-	-	-	233,847	1,966,155
Court Related	232,386	580,814	-	-	2,418,396	3,231,596
Capital Outlay	-	-	-	5,173,995	1,610,521	6,784,516
Debt Service:						
Principal Retirement	157,086	864,112	-	760,000	439,750	2,220,948
Interest and Fiscal Charges	28,348	55,806	127,434	476,630	163,880	852,098
TOTAL EXPENDITURES	27,756,561	17,825,851	13,237,425	6,410,625	22,254,069	87,484,531
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,199,984	(17,825,851)	(9,834,542)	(1,665,434)	(3,045,277)	(14,171,120)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,436,909	18,032,625	-	-	4,699,161	24,168,695
Transfers Out	(22,804,876)	(249,774)	(17,239)	-	(1,216,058)	(24,287,947)
Debt Issued	765,937	43,000	10,532,728	3,500,000	-	14,841,665
TOTAL OTHER FINANCING SOURCES (USES)	(20,602,030)	17,825,851	10,515,489	3,500,000	3,483,103	14,722,413
NET CHANGE IN FUND BALANCES	(2,402,046)	-	680,947	1,834,566	437,826	551,293
FUND BALANCES – BEGINNING OF YEAR	12,174,099	-	(419,931)	(1,881,764)	13,970,727	23,843,131
FUND BALANCES – END OF YEAR	\$ 9,772,053	\$ -	\$ 261,016	\$ (47,198)	\$ 14,408,553	\$ 24,394,424

See accompanying notes.

Putnam County, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Funds
For the Year Ended September 30, 2008

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS		\$ 551,293
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. Certain capital assets were contributed to an enterprise fund by a governmental fund, requiring the recognition of expense not reported in the funds.		
Capital assets acquired by use of financial resources.....	27,630,177	
Capital assets contributed to enterprise fund.....	(13,254,665)	
Current year depreciation.....	<u>(6,708,217)</u>	
Difference.....		7,667,295
Some deferred revenues related to receivables are not recognized in the current period because the resources are not available and therefore the revenues are not reported in the funds.		
Change in Deferred Revenues.....		(86,622)
In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the change in net assets differs from the change in fund balance by the net book value of the assets disposed.		
Loss on disposal of capital assets.....		(71,331)
Issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets.....		
		(14,841,665)
Repayment of debt principal is an expenditure in governmental funds, but the repayment results in a reduction of long-term liabilities in the statement of net assets.		
Debt Principal Payments.....		2,220,948
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.		
Compensated Absences.....	(190,600)	
Accrued Interest Payable.....	<u>(201,055)</u>	
Total		(391,655)
Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) is reported with governmental activities.		
		<u>(20,321)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (4,972,058)</u></u>

See accompanying notes.

Putnam County, Florida
Statement of Net Assets – Proprietary Funds
September 30, 2008

	Business-type Activities – Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Port Authority Fund	Total Enterprise Funds	Internal Service Funds
ASSETS					
CURRENT ASSETS:					
Cash and Equivalents	\$ 3,214,116	\$ 256,775	\$ 976,525	\$ 4,447,416	\$ 1,903,366
Receivables	124,224	17,590	85,685	227,499	12,139
Due From Other Funds	-	-	-	-	266,225
Due From Other Governments	27,489	-	-	27,489	4,160
Inventory	-	-	-	-	97,700
Other Assets	-	-	-	-	28,749
TOTAL CURRENT ASSETS	3,365,829	274,365	1,062,210	4,702,404	2,312,339
NONCURRENT ASSETS:					
Restricted Cash and Equivalents	450,305	-	-	450,305	-
Restricted Investments	2,828,828	-	-	2,828,828	-
Capital Assets, Net	5,895,802	18,489,678	2,269,275	26,654,755	61,807
TOTAL NONCURRENT ASSETS	9,174,935	18,489,678	2,269,275	29,933,888	61,807
TOTAL ASSETS	12,540,764	18,764,043	3,331,485	34,636,292	2,374,146
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	463,418	504	458	464,380	134,139
Due to Other Governments	-	-	9	9	-
Estimated Liability for Self-Insured Losses	-	-	-	-	479,522
Customer Deposits	10,220	2,152	2,000	14,372	-
Current Portion of Long-Term Liabilities	551,664	-	-	551,664	18,000
TOTAL CURRENT LIABILITIES	1,025,302	2,656	2,467	1,030,425	631,661
NONCURRENT LIABILITIES	9,983,744	-	-	9,983,744	13,600
TOTAL LIABILITIES	11,009,046	2,656	2,467	11,014,169	645,261
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	5,538,982	18,489,678	2,269,275	26,297,935	61,807
Unrestricted	(4,007,264)	271,709	1,059,743	(2,675,812)	1,667,078
TOTAL NET ASSETS	\$ 1,531,718	\$18,761,387	\$ 3,329,018	\$ 23,622,123	\$ 1,728,885

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds
For the Year Ended September 30, 2008

	Business-type Activities – Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Port Authority Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
User Fees and Assessments	\$ 6,195,938	\$ 54,395	\$ 128,884	\$ 6,379,217	\$ 8,264,732
Miscellaneous	6,558	-	117	6,675	44,533
TOTAL OPERATING REVENUES	6,202,496	54,395	129,001	6,385,892	8,309,265
OPERATING EXPENSES					
Personal Services	783,540	-	-	783,540	391,504
Insurance	-	-	-	-	7,058,357
Claims Expense	-	-	-	-	509,735
Contractual Services	3,999,337	500	3,078	4,002,915	302,529
Repairs and Maintenance	213,559	34,917	26,195	274,671	19,165
Other Operating Expenses	705,054	9,023	50,175	764,252	264,355
Depreciation and Amortization	583,314	82,323	53,152	718,789	15,338
Closure and Long-Term Care Costs	539,145	-	-	539,145	-
TOTAL OPERATING EXPENSES	6,823,949	126,763	132,600	7,083,312	8,560,983
OPERATING LOSS	(621,453)	(72,368)	(3,599)	(697,420)	(251,718)
NONOPERATING REVENUES					
(EXPENSES)					
Interest Revenue	196,371	6,570	24,280	227,221	-
Grants	582,555	-	-	582,555	-
Interest Expense	(3,024)	-	-	(3,024)	-
Sale of Surplus Property	107,353	-	-	107,353	-
TOTAL NONOPERATING REVENUES	883,255	6,570	24,280	914,105	-
(EXPENSES)					
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	261,802	(65,798)	20,681	216,685	(251,718)
Capital Contributions	-	13,254,665	-	13,254,665	-
Transfers In	-	-	-	-	234,571
Transfers Out	(110,448)	-	(1,697)	(112,145)	(3,174)
CHANGE IN NET ASSETS	151,354	13,188,867	18,984	13,359,205	(20,321)
NET ASSETS – BEGINNING OF YEAR	1,380,364	5,572,520	3,310,034	10,262,918	1,749,206
NET ASSETS – END OF YEAR	\$ 1,531,718	\$ 18,761,387	\$ 3,329,018	\$ 23,622,123	\$ 1,728,885

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2008

	Business-type Activities – Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Port Authority Fund	Total Enterprise Funds	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts From Customers	\$6,197,813	\$ 54,406	\$ 123,842	\$6,376,061	\$ 8,298,025
Payments to Suppliers	(6,143,635)	(44,225)	(81,072)	(6,268,932)	(8,100,973)
Payments to Employees	(777,240)	-	-	(777,240)	(388,404)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(723,062)	10,181	42,770	(670,111)	(191,352)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers In	-	-	-	-	234,571
Transfers Out	(110,448)	-	(1,697)	(112,145)	(3,174)
Grants	582,555	-	-	582,555	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	472,107	-	(1,697)	470,410	231,397
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Payments Received on Mortgage Receivable	-	-	12,884	12,884	-
Principal Paid on Debt	(177,545)	-	-	(177,545)	-
Interest Paid on Debt	(3,024)	-	-	(3,024)	-
Proceeds From Sale of Capital Assets	107,353	-	-	107,353	-
Debt Issued	454,227	-	-	454,227	-
Acquisitions of Capital Assets	(870,246)	-	-	(870,246)	(28,413)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(489,235)	-	12,884	(476,351)	(28,413)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Proceeds from Investments	4,182,249	-	-	4,182,249	-
Purchase of Investments	(2,208,187)	-	-	(2,208,187)	-
Interest on Investments	196,371	6,570	24,280	227,221	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,170,433	6,570	24,280	2,201,283	-
NET INCREASE IN CASH AND EQUIVALENTS	1,430,243	16,751	78,237	1,525,231	11,632
CASH AND EQUIVALENTS – BEGINNING OF YEAR	2,234,178	240,024	898,288	3,372,490	1,891,734
CASH AND EQUIVALENTS – END OF YEAR	<u>\$3,664,421</u>	<u>\$ 256,775</u>	<u>\$ 976,525</u>	<u>\$4,897,721</u>	<u>\$ 1,903,366</u>

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2008

(concluded)

	Business-type Activities – Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Port Authority Fund	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
OPERATING LOSS	\$ (621,453)	\$ (72,368)	\$ (3,599)	\$ (697,420)	\$ (251,718)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and Amortization	583,314	82,323	53,152	718,789	15,338
Change In:					
Receivables	16,720	211	(5,159)	11,772	(11,180)
Due From Other Funds	-	-	-	-	(126,413)
Due From Other Governments	(21,403)	-	-	(21,403)	143,845
Inventory	-	-	-	-	(16,121)
Other Assets	-	-	-	-	(17,492)
Accounts Payable and Accrued Liabilities	(214,104)	215	(1,633)	(215,522)	70,147
Due to Other Funds	(10,772)	-	-	(10,772)	(858)
Due to Other Governments	(123,654)	-	9	(123,645)	-
Customer Deposits	-	(200)	-	(200)	-
Compensated Absences	6,300	-	-	6,300	3,100
Accrued Landfill and Post-Closure Costs	(338,010)	-	-	(338,010)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (723,062)</u>	<u>\$ 10,181</u>	<u>\$ 42,770</u>	<u>\$ (670,111)</u>	<u>\$ (191,352)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contribution of Capital Assets	\$ -	\$ 13,254,665	\$ -	\$ 13,254,665	\$ -

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Assets
September 30, 2008

	Agency Funds
<u>ASSETS</u>	
Cash and Equivalents	\$ 3,753,222
Receivables	<u>7,285</u>
 TOTAL ASSETS	 <u>3,760,507</u>
 <u>LIABILITIES</u>	
Due to Other Governments	27,125
Assets Held for Others	<u>3,733,382</u>
 TOTAL LIABILITIES	 <u>3,760,507</u>
 NET ASSETS	 <u><u>\$ -</u></u>

See accompanying notes.

Putnam County, Florida
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September 30, 2008

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Putnam County, Florida
Notes to Financial Statements
September 30, 2008

The financial statements of Putnam County, Florida have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Putnam County, Florida (the County), conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity

The County is a non-charter, general purpose local government established under the legal authority of the Constitution of the State of Florida. It is composed of an elected Board of County Commissioners and elected Constitutional Officers, who are governed by State statutes and regulations. The Commissioners appoint a county administrator whose duties include the administration of directives and policies of the Commissioners and who has responsibility for the operation of all business centers and the provision of services under the purview of the Commissioners.

The Board of County Commissioners and the offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The office of the Tax Collector operates on a fee system, whereby the officer retains fees, commissions, and other revenues to pay all operating expenditures, including statutory compensation. Any excess income is remitted to the Board of County Commissioners and other County taxing authorities at the end of the fiscal year. The offices of the Sheriff, Property Appraiser, and Supervisor of Elections operate on a budget system, whereby County-appropriated funds are received from the Board of County Commissioners, and any unexpended appropriations are required to be returned to the Board of County Commissioners at the end of the fiscal year. The Clerk's duties as Clerk to the Board and Chief Financial Officer for the County are budgeted functions, funded by the Board. The Clerk's duties as Clerk of the Circuit and County Courts are funded by fines and fees collected by that office.

The accompanying financial statements present the County as a primary government, and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations and, accordingly, data from these units are combined with data of the County. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the County. Each blended and discretely presented component unit has a September 30 year end.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Blended Component Units – The Putnam County Port Authority, a dependent special district created by Chapter 67-1961, Laws of Florida, to carry out the operations of the County's barge port, is a blended component unit of the primary government. The Putnam County Solid Waste District, a dependent special district, is also a blended component unit of the primary government and was created by Ordinance 87-9 of the County to provide waste disposal services. The Putnam County Board of County Commissioners serves as the governing board of the Port Authority and makes up the majority of the Board of the Solid Waste District. These component units are presented as Enterprise Funds. Separate financial statements are not prepared.

Discretely Presented Component Unit – The Putnam County Development Authority is an independent special district created by Chapter 61-2727 as amended by Chapter 69-1523, Laws of Florida, for the purpose of promoting economic growth and development in all areas of the County. The governing Board of the Authority has nine members, of which three are appointed by the County's Board of County Commissioners. The Authority cannot issue bonded debt without the substantive approval of the Board of County Commissioners and, accordingly, the Authority is considered to be fiscally dependent on the Board of County Commissioners. The Authority is presented as an Enterprise Fund. The Authority does not issue separate financial statements.

Related Organization – The Putnam County Fair Association is a not-for-profit organization created under Chapter 616, Florida Statutes. The Association is considered a related organization because a majority of its Board of Directors is appointed by the Putnam County Board of County Commissioners. The County is not financially accountable for the Association and, accordingly, the Association is not included in the accompanying financial statements.

Joint Ventures – The County did not participate in any joint ventures during fiscal year 2007-2008.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) concentrate on the County as a whole, except for its fiduciary activities, and do not emphasize fund types but rather a governmental or a business-type classification, which are presented in separate columns. The governmental activities and business-type activities comprise the primary government and are reported separately from the component unit for which the County is accountable. General governmental and intergovernmental revenues support the governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services.

The statement of activities reflects the direct expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes and other items not properly included among program revenues are reported as general revenues.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set forth in GASB 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements. Non-major governmental funds are comprised of special revenue, debt service and capital projects funds.

The effect of interfund activity has been removed from the government-wide financial statements. However, the interfund services between functions are not eliminated. The internal service activity has been eliminated except for the outside activity and is combined with the governmental activity on the government-wide financial statements. Internal service activity is reported in full on the proprietary fund financial statements. The internal service funds are combined and thus reported in a single summary column on the proprietary fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net assets, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The *basis of accounting* refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. *Measurement focus* indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are prepared on a full accrual basis using the economic resources measurement focus. Revenues are recorded in the period in which they are earned and measurable and expenses are recorded in the period in which the related liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all of the eligibility requirements imposed by the provider have been met.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proprietary funds record both operating and non-operating revenues and expenses. The principal operating revenues are those that are obtained from the operations of the proprietary fund and include user fees, special assessments, and rental fees. Non-operating revenues are not related to the operations of the proprietary fund and include taxes, interest earnings and grants. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses are not related to operations, such as interest expense.

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets. For this purpose, the County considers all revenues available if they are collected within sixty days after year-end. Primary revenues, such as property taxes, special assessments, intergovernmental revenues, charges for services, sales and franchise taxes, rents and interest are treated as susceptible to accrual under the modified accrual basis and have been recognized as revenues. Expenditures reported in governmental fund financial statements are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due.

The business-type activities (enterprise funds) follow private sector standards issued prior to December 1, 1989, to the extent those standards do not conflict with Governmental Accounting Standards Board statements. However, pursuant to Government Accounting Standards Board Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, the County has elected not to apply accounting standards issued after November 30, 1989 by the Financial Accounting Standards Board.

The County reports the following major funds in the governmental fund financial statements:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

Putnam County Sheriff's Fund – The Sheriff's Fund is used to account for the operations of the Putnam County Sheriff's Office that are necessary to carry out the obligations of the Office as detailed in Florida Statutes, Chapter 30.

East Putnam Grant Fund – The East Putnam Grant Fund is used to account for the collection and use of the proceeds of grants and loans to benefit primarily the economic environment of East Putnam.

Better Place Plan Fund – The Better Place Plan Fund is used to account for revenues received from a one cent discretionary surtax imposed to finance certain capital projects.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County reports the following major funds in the proprietary fund financial statements:

Waste Management Fund – The County's Waste Management Fund is used to account for the fees charged for providing solid waste collection and disposal services to the general public on a user fee basis, and to account for special assessments levied to County residents for mandatory solid waste collection.

East Putnam Water Fund – The East Putnam Water Fund is used to account for the collection and use of fees established to provide a water and wastewater system to residents in that region of the County.

Port Authority Fund – The Putnam County Port Authority is used to account for fees charged for users of the County's barge port and industrial park.

The County reports the following other fund types:

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis (i.e., risk management, liability insurance, and fleet maintenance).

Agency Funds – The 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. The Clerk of the Circuit Court maintains agency funds to account for assets held for others under court order; the Sheriff's agency fund accounts for assets held for use by inmates while incarcerated, and on behalf of other agencies and individuals; the Tax Collector maintains agency funds to account for taxes received but not distributed and for funds not yet distributed to the state from the sale of vehicle and other licenses and permits.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

For accounting and investment purposes, the County maintains a cash and investment pool that is available for use by all funds except those whose cash and investments must be segregated due to legal or other restrictions. Investments within this pool are treated as a demand deposit account by the various funds of the County that participate. Interest earned on investments in the pool is allocated to the various funds based upon each fund's equity balance in the pool during the allocation period.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All funds that are not invested are deposited in institutions that are certified as “Qualified Public Depositories,” as required under the Florida Security for Public Deposits Act. This law requires every qualified public depository to deposit, with the State Treasurer, eligible collateral equal to or in excess of an amount to be determined by the State Treasurer. The law requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year. Therefore, the County’s total deposits and the deposits of the Putnam County Development Authority, a component unit, are insured or collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

Investments are stated at fair value, except for some investments in the State Board of Administration Local Government Surplus Trust Fund Investment Pool. The State Investment Pool is administered by the Florida State Board of Administration (SBA), who provides regulatory oversight. The SBA is not a registrant with the Securities and Exchange Commission (SEC). Investments in the SBA are classified as Cash and Equivalents in the accompanying financial statements.

Statement of Cash Flows

For purposes of the statement of cash flows, the County considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less when purchased.

Accounts Receivable

The accounts receivable of the County are recorded in the government-wide, governmental, and proprietary fund financial statements and are net of an allowance for doubtful accounts, which is generally equivalent to the receivables that are over 90 days.

Due To/From Other Funds

Activity between funds during the year is recorded by moving cash, however after September 30 cash can no longer move between funds; therefore a “due from” and “due to” are used to record any activity representing current interfund loans. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net assets as “internal balances”.

Restricted Assets

Certain resources of the County are classified as restricted assets on the statement of net assets because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories, consisting primarily of materials and supplies, are stated at cost, which approximates fair market value. The “first-in/first-out” (FIFO) method is used to determine cost.

All inventories are recorded as expenditures, or expense, as they are used (consumption method). An offsetting reserve is reported in the governmental fund financial statements to indicate that the asset is not available for appropriation or expenditure.

Prepays

Certain payments to vendors for software development costs and goods and services applicable to future accounting periods are recorded as prepaids in the accompanying financial statements. An offsetting “reserve” is reported in the fund financial statements to indicate that prepaids do not represent available spendable resources.

Long-Term Receivables

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they are not considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets. Infrastructure assets are defined as public domain assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the governmental unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. The established threshold for capitalizing property, plant and equipment is generally \$3,000. The threshold for capitalizing infrastructure ranges from \$5,000 to \$25,000. The Office of the Sheriff, however, has established a capitalization threshold of \$5,000 for all classes of capital assets.

The County began prospective reporting of general infrastructure assets at the effective date of GASB Statement No. 34. Effective October 1, 2005, the County began retroactive reporting of all major general governmental infrastructure assets. The estimated cost of the initial reporting of these assets was obtained through backtrending (i.e. estimating the current replacement cost of the infrastructure and associated land and using appropriate indices to deflate the cost to the acquisition year or estimated acquisition year). The reported values exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County holds legal title to the capital assets of the Board of County Commissioners, Property Appraiser, Tax Collector, Clerk of the Circuit Court, and Supervisor of Elections and is accountable for them under Florida Law. The Sheriff, under Florida Law, is accountable for maintaining capital asset records for equipment used in the operations of the Office.

Capital assets are recorded at cost, or estimated historical cost. Contributed assets are recorded at estimated fair market value at the time received.

Interest costs related to construction are capitalized for proprietary activities. During the current period, the County had no capitalized interest. For assets constructed with governmental fund resources, interest is not capitalized.

Amortization of assets recorded under capital leases is included with depreciation expense.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 Years
Improvements	10 – 50 Years
Equipment	5 – 15 Years
Water Distribution System	40 Years

Infrastructure assets are depreciated using a group depreciation method over a period of 10-100 years.

The landfill is depreciated proportionately based on capacity used.

Unearned/Deferred Revenues

Unearned/deferred revenue represents revenues collected in advance of services performed. This revenue will be recognized when the services are rendered. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Compensated Absences

The various County agencies maintain policies that permit employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation of service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. The policies of the various County agencies vary as to the amount and the vesting of employee vacation and sick time. Generally, the policies allow limited vesting of unused employee vacation leave time and in some instances sick time. The amount of vacation time is determined by the

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

period of employment. In prior years, the following governmental funds have typically been used to eliminate the liability for compensated absences: the General Fund, the County Transportation Trust Fund, the Fire Tax Unit Fund, the E911 System Fund, the Clerk of the Circuit Court Fund, the Court Fund, the Property Appraiser Fund, the Supervisor of Elections Fund, the Tax Collector Fund and the Sheriff Fund.

Compensated absences liabilities are accrued when incurred in the government-wide and proprietary fund financial statements. No expenditure is reported in the governmental fund statements for these amounts until payment is due. The compensated absences liability is based on current rates of pay.

E. Management Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from estimates used.

NOTE 2 – DEFINED BENEFIT PENSION PLAN

Plan Description

Putnam County contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy

The System is employee noncontributory. Putnam County is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and Putnam County are established and may be amended by the Florida Legislature. Putnam County's contributions to the System for the years ending September 30, 2008, 2007 and 2006 were \$3,414,000, \$3,267,000, and \$2,658,000 respectively, equal to the required contributions for each year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 3 – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. This Plan (refer to Section 112.215, Florida Statutes), is available to all regular payroll County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (notwithstanding the mandates of 26 U.S.C. s. 457 (b) (6), all of the assets specified in subparagraph 1) held in trust for the exclusive benefit of participants and their beneficiaries as mandated by 26 U.S.C. s. 457 (g) (1).

NOTE 4 – PROPERTY TAXES

Property taxes become due and payable on November 1st of each year and are delinquent on April 1 of the following year. Discounts on property taxes are allowed for payments made prior to the April 1 delinquent date. Tax certificates for the full amount of any unpaid taxes must be sold no later than June 1st of each year.

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There were no significant delinquent property taxes receivable at September 30, 2008.

Tax revenues are recognized when levied, to the extent that they result in current receivables in governmental funds. By year-end, substantially all property taxes have been collected. Accordingly, there is no ad-valorem property taxes receivable reported in the accompanying financial statements.

Details of the County's tax calendar are presented below:

Lien Date	January 1
Levy Date	October 1
Installment Payments:	
1st Installment	No later than June 30
2nd Installment	No later than September 30
3rd Installment	No later than December 31
4th Installment	No later than March 31
Regular Payments:	
Discount Periods	November - February
No Discount Period	March
Delinquent Date	April 1

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS

As of September 30, 2008, the County had the following investments and maturities:

<u>Investment</u>	Investment Maturities (in years)					S & P Rating
	Fair Value	Less Than 1	1 - 2	2 - 3	3 - 5	
State Investment Pool - LGIP, amortized cost	\$ 1,471,491	\$ 1,471,491	\$ -	\$ -	\$ -	AAAm
State Investment Pool - Fund B	16,554	-	-	-	16,554	Not Rated
Florida Local Government Investment Trust	4,275,984	1,446,565	1,261,843	1,284,933	282,643	AAAf
Repurchase Agreement	2,359,892	2,359,892	-	-	-	NA
Money Market Funds	5,049,665	5,049,665	-	-	-	NA
Certificates of Deposit	100,000	100,000	-	-	-	NA
TOTAL INVESTMENTS	\$ 13,273,586	\$ 10,427,613	\$ 1,261,843	\$ 1,284,933	\$ 299,197	

Total Investments include \$8,997,602 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$241,964 in non negotiable certificates of deposit of the Putnam County Development Authority, a component unit.

Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the maturity of investments to less than five years. Additionally, the investment policy requires the portfolio to be diversified by type of investment, issuer, and dates of maturity in order to protect against fluctuations in the market economy. For the Local Government Surplus Trust Funds Investment Pool (State Investment Pool), the weighted average life (WAL) of Fund B at September 30, 2008 was 9.36 years; a portfolio's WAL is the dollar weighted average length of time until securities held reach maturity.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The various agencies of the County and its component unit invest excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes, and County Investment Resolution 2003-112 (investment policy), which authorizes investments of excess public funds in the following instruments: The Local Government Surplus Trust Funds Investment Pool (State Investment Pool); Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts; interest bearing time deposits in qualified public depositories; direct obligations of the U.S. Treasury; Federal agencies and instrumentalities; certain securities (limited to obligations of the U.S. Government or any agency or instrumentalities thereof); certificates of deposit and other evidence of deposit at financial institutions, bankers' acceptances, and commercial paper rated in the highest tier by a nationally recognized rating agency; and other investments authorized by law or by ordinance for the County. Additionally, the Tax Collector (a Special Revenue Fund) is authorized to invest in repurchase agreements under that Office's written investment policy.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS

State Investment Pool: The State Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. During the year, the SBA reported that the State Investment Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Investment Pool into two separate pools, the Local Government Investment Pool ("LGIP") and Fund B. The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund and the fair value of the position in the pool is equal to the value of the pool shares. The LGIP is rated by Standard and Poor's and has a rating at September 30, 2008 of AAAm. The Fund B is not rated by a nationally recognized statistical rating agency.

Florida Local Government Investment Trust: The County participates in the Florida Local Government Investment Trust (FLGIT), an external investment pool. Regulatory oversight for the pool consists of the Board of Trustees comprised of County Clerks and County Commissioners; an Investment Board comprised of finance officers throughout the State; an Independent Investment Advisor; a Custodian Bank; and an Administrator (Florida Association of Court Clerks). Additionally, the pool's investments are periodically rated by Standard & Poor's. At September 30, 2008, the Credit Quality and Bond Fund Volatility Ratings were AAAs and S1, respectively.

The County may have indirect exposure to derivatives through its participation in the FLGIT. Information about the nature and extent of the County's indirect exposure to risks from derivatives and similar debt and investment items is not available. Management is aware of this aspect of the investments held in the FLGIT and has adhered to the County's investment policy requirements to monitor such investment activity on a consistent periodic basis.

Repurchase Agreement: The Tax Collector had contractual agreements with qualified public depositories in the State of Florida under which, at the close of each business day, total bank balances were transferred into a sweep account. The financial institution sells securities to the Tax Collector in the form of repurchase agreements. The underlying securities are obligations of the United States government and have a fair value of at least equal to 100% of the purchase price. The investment in repurchase agreement is stated at cost which approximates fair value.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. All County deposits are in qualified public depositories pursuant to Chapter 280, Florida Statutes. All deposits made in qualified public depositories are fully collateralized and backed by the Public Deposit Security Trust Fund.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy and Florida Statutes require that securities purchased by and all collateral obtained by the County be properly designated as an asset of the County and held in safekeeping by a third party. The underlying securities of the Tax Collector's \$2.4 million investment in repurchase agreements are held by the investment's counterparty, not in the name of the Tax Collector or the County.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Unless market conditions otherwise require, the investment policy requires that no more than fifteen (15%) of the County's investment portfolio may be in any one class of security other than those issued or guaranteed by the U.S. Government or its agencies.

NOTE 6 – ACCOUNTS RECEIVABLE

Accounts receivable of the General Fund consist primarily of ambulance service accounts and are reported net of an allowance for doubtful accounts of \$2,614,558 at September 30, 2008. The allowance represents approximately 74% of the gross ambulance service accounts receivable at September 30, 2008. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$8,986 in utility customer receivables, court related receivables of \$105,905 and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$52,402 for Court Receivables. All net receivables are expected to be collected within the next year.

Accounts receivable of the Enterprise Funds consist of: Landfill and Water Utility customer receivables of \$159,089 and \$68,385 of mortgages receivable by the Port Authority; and other miscellaneous receivables resulting from normal business activities. No allowances for doubtful accounts were deemed necessary. All receivables, with the exception of the mortgages receivable are expected to be collected within the next year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2008:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Sheriff Fund	\$ 299,941
General Fund	East Putnam Grant Fund	1,100,000
General Fund	Nonmajor Governmental Funds	1,390,471
Internal Service Funds	Sheriff Fund	266,225
Nonmajor Governmental Funds	Nonmajor Governmental Funds	15,741
TOTAL PRIMARY GOVERNMENT		<u><u>\$3,072,378</u></u>

Interfund transfers for the year ended September 30, 2008, consisted of the following:

	<u>Transfer In:</u>				
	<u>General</u>	<u>Sheriff</u>	<u>Nonmajor</u>	<u>Internal</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Govern-</u>	<u>Service</u>	<u>Transfers</u>
<u>Transfer Out:</u>			<u>mental</u>		<u>In</u>
General Fund	\$ -	\$ 18,032,625	\$ 4,618,266	\$ 153,985	\$ 22,804,876
Sheriff Fund	249,774	-	-	-	249,774
East Putnam Water	-	-	17,239	-	17,239
Nonmajor Governmental	1,137,135	-	14,914	64,009	1,216,058
Waste Management	50,000	-	48,742	11,706	110,448
Port Authority	-	-	-	1,697	1,697
Internal Service	-	-	-	3,174	3,174
Total Transfers Out	<u>\$ 1,436,909</u>	<u>\$ 18,032,625</u>	<u>\$ 4,699,161</u>	<u>\$ 234,571</u>	24,403,266

Transfer of capital assets from governmental activities to business-type activities:	13,254,665
	<u><u>\$ 37,657,931</u></u>

The General Fund had amounts due from the Constitutional Officers of \$1,390,412, which represents the return of excess fees due at the end of the fiscal year from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments are made between funds.

Other balances are transfers that include transfers to fund the Constitutional Officers budgets; provide match for grant requirements; transfer moneys to other funds based on budgetary requirements; and to move moneys from a fund that by statute or budgetary authority must collect revenues to funds that are required by statute or budgetary authority to expend them.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 8 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Balance October 1, 2007	Increases	Decreases	Ending Balance September 30, 2008
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 16,945,597	\$ -	\$ (3,163)	\$ 16,942,434
Construction in Progress	2,980,706	460,026	(3,229,399)	211,333
Total Capital Assets Not Being Depreciated	<u>19,926,303</u>	<u>460,026</u>	<u>(3,232,562)</u>	<u>17,153,767</u>
Capital Assets Being Depreciated:				
Buildings	23,144,324	2,303,548	-	25,447,872
Improvements	2,149,985	6,239,789	(15,822)	8,373,952
Equipment	25,647,195	2,887,877	(1,041,008)	27,494,064
Infrastructure	63,927,396	5,857,019	-	69,784,415
Total Capital Assets Being Depreciated	<u>114,868,900</u>	<u>17,288,233</u>	<u>(1,056,830)</u>	<u>131,100,303</u>
Less Accumulated Depreciation For:				
Buildings	(7,490,582)	(789,668)	-	(8,280,250)
Improvements	(1,045,621)	(226,134)	15,822	(1,255,933)
Equipment	(16,077,833)	(3,081,785)	857,905	(18,301,713)
Infrastructure	(11,405,471)	(2,625,968)	-	(14,031,439)
Total Accumulated Depreciation	<u>(36,019,507)</u>	<u>(6,723,555)</u>	<u>873,727</u>	<u>(41,869,335)</u>
Total Capital Assets Being Depreciated, Net	<u>78,849,393</u>	<u>10,564,678</u>	<u>(183,103)</u>	<u>89,230,968</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 98,775,696</u></u>	<u><u>\$ 11,024,704</u></u>	<u><u>\$ (3,415,665)</u></u>	<u><u>\$ 106,384,735</u></u>
 <u>Business-type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,452,332	\$ -	\$ -	\$ 5,452,332
Construction in Progress	2,533,533	13,254,664	-	15,788,197
Total Capital Assets Not Being Depreciated	<u>7,985,865</u>	<u>13,254,664</u>	<u>-</u>	<u>21,240,529</u>
Capital Assets Being Depreciated:				
Buildings	1,440,158	5,160	-	1,445,318
Improvements	967,510	-	-	967,510
Landfill	4,817,308	218,417	-	5,035,725
Water and Sewer Distribution System	3,327,513	-	-	3,327,513
Equipment	1,955,719	646,669	-	2,602,388
Total Capital Assets Being Depreciated	<u>12,508,208</u>	<u>870,246</u>	<u>-</u>	<u>13,378,454</u>
Less Accumulated Depreciation For:				
Buildings	(937,495)	(40,286)	-	(977,781)
Improvements	(669,389)	(29,640)	-	(699,029)
Landfill	(3,803,096)	(231,371)	-	(4,034,467)
Water and Sewer Distribution System	(543,710)	(82,323)	-	(626,033)
Equipment	(1,291,749)	(335,169)	-	(1,626,918)
Total Accumulated Depreciation	<u>(7,245,439)</u>	<u>(718,789)</u>	<u>-</u>	<u>(7,964,228)</u>
Total Capital Assets Being Depreciated, Net	<u>5,262,769</u>	<u>151,457</u>	<u>-</u>	<u>5,414,226</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 13,248,634</u></u>	<u><u>\$ 13,406,121</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,654,755</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 8 – CAPITAL ASSET ACTIVITY

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

Governmental Activities:

General Government	\$ 633,054
Public Safety	2,538,222
Physical Environment	27,802
Transportation	3,216,295
Human Services	17,094
Culture and Recreation	229,169
Court Related	46,581
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	15,338
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,723,555</u></u>

Business-type Activities:

Waste Management	\$ 583,314
Water and Sewer System	53,152
Port Authority	82,323
Total Depreciation Expense - Business-type Activities	<u><u>\$ 718,789</u></u>

NOTE 9 – LONG-TERM OBLIGATIONS

Governmental Activities

Special Assessment Debt with Governmental Commitment \$1,381,795, 3.58%, 10-year note issued during fiscal year 2003-2004, to fund specific road improvements within several Municipal Service Benefits Units. The note is payable from and secured by a pledge of special assessments levied pursuant to County ordinance. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest totaling \$13,748 is due monthly until maturity on August 1, 2014. The note is payable from the MSBU Loan Fund (a Debt Service Fund). \$ 885,972

\$1,900,000, variable rate, 13-year note to fund specific road improvements within several Municipal Service Benefit Units. The County entered into an interest rate swap agreement to fix the interest rate at 3.90%. The note is payable from and secured by a pledge of special assessments levied pursuant to County ordinance. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest totaling approximately \$46,900 is due quarterly until maturity on June 1, 2018. The note is payable from the MSBU Loan Fund (a Debt Service Fund). 1,512,836

Notes Payable - \$10,000,000, variable rate, 11-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 4.11%. The note is payable from and secured by a pledge of proceeds of the one cent local infrastructure surtax. Principal and interest payments of approximately \$290,000 are due quarterly until maturity on January 1, 2018. The note is payable from the Better Place Fund (a Capital Project Fund). 9,055,000

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

\$3,500,000 variable rate, 10-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 3.75%. The note is payable from and secured by a pledge of proceeds of the one cent local infrastructure surtax. Principal payments are made annually; interest is paid semi-annually; total annual payments approximate \$420,000; note matures on January 1, 2018. The note payable from the Better Place Fund (a Capital Project Fund).	3,500,000
\$1,500,000 from a financial institution to pay a lawsuit settlement under a mutual release agreement. The note is to be paid from legally available non-ad valorem funds. The interest rate is 4.25%. Payments of principal and interest in the amount of \$46,359 are to be made on the first day of each calendar quarter until and including July 1, 2011. All remaining principal, together with all accrued and unpaid interest will be due October 1, 2011. The note is payable from the General Fund.	555,743
\$1,356,000, variable rate, 15-year note from a financial institution to construct and equip several communications towers within the County. The County entered into an interest rate swap agreement to fix the interest rate at 3.89%. The note is payable and secured by a pledge of a specific traffic ticket surcharge designated for communications improvements. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest payments of approximately \$30,000 are due quarterly until maturity on May 1, 2020. The note is payable from the Communications Improvement Fund (a Special Revenue Fund).	1,126,717
\$26,449 note payable at 5.125% from a local financial institution to finance the acquisition of a new vehicle. The loan is secured by the vehicle and is payable from the Clerk of Courts Fund in monthly payments of principal and interest in the amount of \$794 until maturity in May 2010.	14,464
\$5,956,600 from a financial institution as a Water Revenue Bond Anticipation Note to provide financing for the East Putnam Water System. The note is secured by federal bonds approved by USDA, Rural Utilities Service. The interest rate is 3.75%. The Bonds are to be issued prior to the maturity of the note on March 6, 2009.	5,956,600
\$6,411,800 from the State of Florida is a State Revolving Fund loan to provide financing for the East Putnam Water System. The amount drawn to date is \$4,576,128. The interest rate is 2.72%. The loan will be repaid in 40 semiannual loan payments of \$101,010 beginning October 15, 2009.	4,576,128
OTTED Loan in the amount of \$260,527 through the Office of the Governor, Office of Tourism, Trade and Economic Development (OTTED) to help finance communications infrastructure in the County's new industrial park complex. The note is to be paid from legally available non-ad valorem funds. The interest rate is 3.0% fixed. Principal payments of \$9,304 plus accrued interest are due quarterly until the loan is fully paid in October 2012. The note is payable from the Economic Development Fund (a Special Revenue Fund).	158,177
Obligations Under Capital Leases	1,719,266
Accrued Compensated Absences	2,139,500
Total Long-Term Obligations, Governmental Activities	<u><u>\$ 31,200,403</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

Business-Type Activities

Capital Lease consists of an agreement with a financial institution for a compactor at the landfill, with the interest rate 4.29% and the aggregate historical cost \$454,227.

\$ 356,820

Accrued Landfill Closure and Long-Term Care Costs 10,132,288

Accrued Compensated Absences 46,300

Total Long-Term Obligations, Business-Type Activities \$ 10,535,408

Interest Rate Swaps

Swap Objectives

The County has entered into four floating-to-fixed interest rate swap agreements in connection with issuing variable rate notes. The intention of the swaps was to protect against the potential of rising interest rates by creating synthetic fixed rate debt at a cost anticipated to be less than the County would have paid to issue fixed rate debt.

Terms, Fair Values and Credit Risk

The terms, fair values and credit ratings of the outstanding swaps as of September 30, 2008 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Fair Value

The fixed payer rate for all four swaps exceeded the variable receiver rate at September 30, 2008, and consequently all had a negative fair value at that date.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2008, debt service requirements on the variable rate notes and interest rate swaps would be as follows:

Year Ending Sept 30	<u>Variable Rate Notes</u>		<u>Interest</u> Rate Swaps	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2009	\$ 1,291,285	\$ 486,729	\$ 99,043	\$ 1,877,057
2010	1,344,663	443,261	90,090	1,878,014
2011	1,398,378	398,020	80,773	1,877,171
2012	1,462,449	350,831	71,058	1,884,338
2013	1,516,887	301,639	60,925	1,879,451
2014-2018	7,977,947	698,355	137,819	8,814,121
2019-2020	202,944	7,136	837	210,917
Total	<u>\$ 15,194,553</u>	<u>\$ 2,685,971</u>	<u>\$ 540,545</u>	<u>\$ 18,421,069</u>

Credit Risk

As of September 30, 2008 the County is not subject to credit risk from the swap agreements since the fair value of each swap was negative. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to credit risk.

Termination Risk

The County or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the contract. The swaps can be terminated due to illegality, a credit event upon merger or an event of default.

Annual debt service requirements to maturity for long-term obligations at September 30, 2008, excluding obligations under capital leases of the Governmental Activities, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 7,593,171	\$ 877,358	\$ 83,664	\$ 15,314
2010	1,943,645	756,236	87,254	11,723
2011	2,011,272	680,337	90,998	7,978
2012	1,950,356	604,015	94,904	4,073
2013	1,947,963	528,924	-	-
2014-2018	9,579,383	1,499,580	-	-
2019-2023	1,853,480	447,054	-	-
2034-2028	462,367	86,623	-	-
	<u>\$27,341,637</u>	<u>\$5,480,127</u>	<u>\$ 356,820</u>	<u>\$ 39,088</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

Governmental Capital Lease Obligations at September 30, 2008 are comprised of the following:

Agreements with financial institution for vehicles: Interest Rates from 4.1% to 4.7%; aggregate historical cost \$1,983,263.	\$ 854,599
Agreement with financial institution for a phone system: Interest Rate 7.13%; aggregate historical cost \$765,937.	765,937
Agreement with a heavy equipment company for a road grader, Interest Rate 4.30%; historical cost \$172,300.	98,730
	<u>\$ 1,719,266</u>

Amortization expense of leased equipment is included in depreciation expense. The annual requirements under capital lease obligations are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u>
2009	\$ 836,710
2010	493,052
2011	190,206
2012	182,575
2013	182,575
2014-2018	15,215
Total Minimum Lease Payments	1,900,333
Less: Amount Representing Interest	<u>(181,067)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,719,266</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term debt transactions of the County for the year ended September 30, 2008 are summarized below:

Governmental Activities					
	Balance October 1, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2008</u>	Due Within <u>One Year</u>
Special Assessment Debt with					
Governmental Commitment	\$ 2,653,472	\$ -	\$ (254,664)	\$ 2,398,808	\$ 264,524
Notes Payable	11,751,293	14,032,728	(999,369)	24,784,652	7,291,429
\$260,507 Economic Development					
Loan (OTTED)	195,395	-	(37,218)	158,177	37,218
Obligations under Capital					
Leases	1,840,026	808,937	(929,697)	1,719,266	760,870
Accrued Compensated					
Absences	<u>1,945,800</u>	<u>2,201,400</u>	<u>(2,007,700)</u>	<u>2,139,500</u>	<u>1,436,700</u>
Total Long-Term Obligations, Governmental Activities	<u>\$18,385,986</u>	<u>\$17,043,065</u>	<u>\$(4,228,648)</u>	<u>\$31,200,403</u>	<u>\$9,790,741</u>
Business-Type Activities					
	Balance October 1, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2008</u>	Due Within <u>One Year</u>
Note Payable	\$ 80,138	\$ -	\$ (80,138)	\$ -	\$ -
Capital Lease	-	454,227	(97,407)	356,820	83,664
Accrued Landfill Closure and					
Post-Closure Care Costs	10,470,298	425,902	(763,912)	10,132,288	442,000
Accrued Compensated					
Absences	<u>40,000</u>	<u>106,000</u>	<u>(99,700)</u>	<u>46,300</u>	<u>26,000</u>
Total Long-Term Obligations, Business-Type Activities	<u>\$10,590,436</u>	<u>\$ 986,129</u>	<u>\$(1,041,157)</u>	<u>\$10,535,408</u>	<u>\$ 551,664</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 9 – LONG-TERM OBLIGATIONS

Pledged Revenues

The County has pledged future water customer revenues to repay State Revolving Fund notes totaling \$4.576 million issued during fiscal year 2008. Proceeds from the notes provided financing for the East Putnam Regional Water System. The notes will mature in 2025. It is not currently possible to accurately estimate annual water system revenues, therefore, an estimate of principal and interest payments as a percentage of estimated annual net revenues is not presented. The total of principal and interest payments that will be made is \$6.4 million. No principal and interest payments were made in the current year.

The County has pledged a portion of future discretionary infrastructure surtax revenue to repay notes of \$10 million and \$3.5 million issued in 2007 and 2008, respectively. Proceeds from the notes financed various road improvement projects throughout the County. The notes are payable solely from the one cent local infrastructure surtax and mature January 1, 2018. Annual principal and interest payments on the notes are expected to require less than 36 percent of estimated annual net revenues. The total principal and interest remaining to be paid on the notes is \$15.224 million. For the current year, principal and interest paid and surtax revenue were \$1.237 million and \$4.715 million, respectively.

The County has pledged future special assessment revenues to repay \$1.382 million and 1.9 million in notes issued in 2004 and 2005, respectively. Proceeds from the notes provided financing for road improvement projects within certain Municipal Service Benefit Units. The 2004 note will mature in 2014, while the 2005 note will mature in 2018. Annual principal and interest payments on the notes are expected to exceed 100% of future revenues as some special assessments were prepaid and set aside for future debt service. Any potential future shortfalls will be made up from other non-ad valorem revenue sources. The total principal and interest remaining to be paid on the notes is \$2.818 million. For the current year, principal and interest paid and special assessment revenue were \$0.358 million and \$0.202 million, respectively.

The County has pledged specific traffic ticket surcharge revenues designated for communications improvements to repay a \$1.356 million note issued in 2005. The proceeds from the note were used to construct and equip several communications towers within the County. The note will mature in 2020. Annual principal and interest payments on the notes are expected to exceed 100% of future revenues. Any potential future shortfalls will be made up from other non-ad valorem revenue sources. The total principal and interest remaining to be paid on the note is \$1.414 million. For the current year, principal and interest paid was \$0.122 million, while revenue was \$0.067 million.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 10 – CONDUIT DEBT

The Putnam County Development Authority, a discretely presented component unit of Putnam County, has issued Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the Authority, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

During the prior year, the Putnam County Development Authority issued two Pollution Control Revenue Refunding Bonds in an aggregate principal amount of \$125,250,000 to refund several series issued prior to July 1, 1995. At September 30, 2008, the aggregate bonds outstanding were \$125,250,000.

NOTE 11 – FUND EQUITY RESERVATIONS AND DESIGNATIONS

In the accompanying fund financial statements, use of the term “reserved” is limited to indicating that a portion of reported fund equity is legally restricted to a specific use, or not available for appropriation or expenditure. “Designated” portions of fund equity represent management’s tentative future spending plans. Such designations should be clearly distinguished from reserves, since managerial plans are subject to change and may never be legally authorized or result in actual expenditures. A brief description of reported reserves follows:

Reserved for Debt Service – Represents portion of governmental fund assets that do not constitute “available spendable financial resources.”

Reserved for Inventory – Represents portion of governmental fund assets that do not constitute “available expendable financial resources.”

Reserved for Loan Guarantees – Legally earmarked by agreements with financial institutions in which the County agrees to pay a maximum amount in case of default or foreclosure of certain mortgages awarded for low income housing. The proceeds are from the State Housing Initiatives Program.

Reserved for Prepaids – Represents portion of governmental funds that do not constitute “available spendable financial resources.”

Balances of reported reserved fund equity at September 30, 2008, follow:

	General	East Putnam	Other
<u>Reserve For:</u>	<u>Fund</u>	<u>Grant Fund</u>	<u>Governmental</u>
Debt Service	\$ -	\$ 6,216,076	\$ -
Inventory	59,524	-	401
Loan Guarantees	-	-	897,951
Prepaids	-	-	255,543
TOTAL	\$ 59,524	\$ 6,216,076	\$ 1,153,895

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 11 – FUND EQUITY RESERVATIONS AND DESIGNATIONS

Designated fund balances consist of \$42,752 to be used by the library system and \$22,053 designated for use by the Emergency Services Department.

NOTE 12 – DEFICIT BALANCES/BUDGET OVEREXPENDITURES – INDIVIDUAL FUNDS

At September 30, 2008, the Road Projects Fund, the Better Place Plan Fund and the Communication Improvement Fund had deficit fund balances of \$109,818, \$47,198 and \$121,453, respectively. The deficit fund balances in the Road Projects Fund and the Better Place Plan Fund were the result of road projects undertaken during the year. The Road Projects Fund deficit will be eliminated by a transfer from the General Fund, while the deficit fund balance in the Better Place Fund will be eliminated by the receipt of additional one-cent infrastructure surtax revenues. The deficit in the Communication Improvement Fund will be eliminated by a transfer from the General Fund.

For the year ended September 30, 2008, expenditures of the Tourist Development Fund, the Sewage Utilities Fund and the Commissary Fund were in excess of the approved annual budget. In addition, an annual budget was not prepared for the Supervisor of Elections Grant Special Revenue Fund.

In future years, the County will endeavor to more closely monitor expenditures in its funds.

NOTE 13 – RISK MANAGEMENT

Public Entity Risk Pool

The County is exposed to various risks of loss related to general liability, personal injury, and errors and omissions. The County joined the Florida Association of Counties Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for several member counties. The County pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member. The premiums are paid from the Risk Management Fund, an Internal Service Fund.

Self Insurance Program – Worker's Compensation

As described below, the County administers a self insurance program for worker's compensation coverage. Liabilities are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including an estimate for those incurred but not reported. This estimate is determined based on historical experience and current trends. The claims liabilities are shown at current dollar value.

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 13 – RISK MANAGEMENT

The County provides worker's compensation insurance for its employees via the Risk Management Fund to account for and finance its self-insured risks of loss. The Risk Management Fund provides coverage up to a maximum of \$500,000 for each occurrence. The County purchases commercial insurance for claims in excess of coverage provided by the fund. Settlements have not exceeded insurance coverage for the last three years.

All appropriate funds of the County participate in the program and make payments to the Risk Management Fund to pay prior and current year claims and to establish a reserve for losses.

Changes in the fund's claims liability were:

	Beginning of Fiscal	Claims Incurred	Claims	End of Fiscal
	<u>Year Liability</u>	<u>and Changes in</u>	<u>Payments</u>	<u>Year Liability</u>
		<u>Estimates</u>		
2006-2007	\$ 410,000	\$ 400,227	\$ 330,705	\$ 479,522
2007-2008	\$ 479,522	\$ 430,546	\$ 430,546	\$ 479,522

Group Insurance

The County purchases health, life and accidental death and dismemberment insurance for its employees via the Group Insurance Reserve Fund (an Internal Service Fund). The County is "fully insured" and has no liability for claims above the monthly premiums charged by the commercial insurer. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. All funds of the County participate in the program and make payments to the Group Insurance Reserve Fund to pay the premiums.

NOTE 14 – ACCRUED LANDFILL CLOSURE AND LONG-TERM CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for twenty or thirty years after closure. Although closure and long-term care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and long-term care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,132,288 reported as landfill closure and long-term care liability at September 30, 2008, represents the cumulative amounts reported to date based on the use of the following estimated capacity of the landfills:

Central Landfill Phase II, Cells 1 & 2	83.59%
Class III Landfill	100%
Huntington Landfill	100%
Interlachen Landfill	100%
Central Landfill Phase I	100%

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 14 – ACCRUED LANDFILL CLOSURE AND LONG-TERM CARE COSTS

The County will recognize the remaining estimated cost of closure and long-term care of \$1,179,491 as the remaining estimated capacity is used (estimated to be 2 years for Central Landfill Phase II, Cells 1 & 2). These amounts are based on what it would cost to perform all closure and long-term care in 2008. Actual costs may be higher or lower due to inflation, deflation, changes in technology, or changes in regulations.

Additionally, the Florida Department of Environmental Protection (D.E.P.) requires that landfill operators escrow landfill long-term maintenance costs in addition to closure costs, in an amount sufficient to cover the following year's long-term care costs. The County has escrowed \$3,279,133 to cover D.E.P.'s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2008. This is shown as restricted cash and equivalents and restricted investments of the business-type activities in the accompanying financial statements.

NOTE 15 – POST-EMPLOYMENT HEALTH CARE BENEFITS

Pursuant to a resolution of the Board of County Commissioners, the County provides certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expense as premiums are paid. During 2008, 62 participants received benefits.

The County is obligated to contribute \$4 per month for each year of employee service. The County paid \$56,460 in premiums on behalf of participants who contributed \$216,150.

In 2009, the County will implement GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

NOTE 16 – OPERATING LEASES

The Transportation Fund (a Special Revenue Fund) leases seven road graders and two mowing tractors used to maintain roads within the County. The Waste Management Fund (an Enterprise Fund) leases a scraper to maintain the County landfill. These leases have five-year terms. Operating lease expenditures for the year ended September 30, 2008, totaled \$288,302. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2009	\$ 288,303
2010	288,303
2011	288,303
Total minimum future lease payments	<u>\$ 864,909</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2008

NOTE 17 – COMMITMENTS AND CONTINGENCIES

At September 30, 2008, the County was committed under signed contracts for approximately \$272,488 of road construction, resurfacing and engineering work and \$13,553,999 for building and other construction projects.

The County is party to lawsuits and claims arising out of the normal conduct of its activities. While the results of the lawsuits and claims against the County cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial position of the County.

NOTE 18 – NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$13,690,695 of restricted net assets, of which \$5.75 million is restricted by enabling legislation.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent to September 30, 2008, the following events occurred:

The County issued USDA Rural Development bonds in the amount of \$6,322,900 at a rate of 4.25%. The proceeds from these bonds retired the outstanding \$5,956,600 Water Revenue Bond Anticipation Note issued in fiscal year 2008.

In the prior year, the County obtained an \$8,500,000 line of credit, with a variable interest rate of 63.7% of LIBOR plus 85 basis points, from a financial institution in anticipation of the construction of the East Putnam Regional Water System. Subsequent to securing the line of credit, the County obtained a less costly financing alternative. Consequently, the County did not draw on the line of credit which expired January 1, 2009.

Effective March 1, 2009, in an effort to stimulate the local economy, the Board of County Commissioners placed a one year moratorium on the collection of all impact fees.

REQUIRED SUPPLEMENTARY INFORMATION

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Taxes	\$ 34,406,860	\$ 34,406,860	\$ 35,039,531	\$ 632,671
Licenses and Permits	817,750	817,750	551,545	(266,205)
Intergovernmental	6,442,994	6,874,104	5,552,810	(1,321,294)
Charges for Services	3,281,490	3,281,490	3,342,913	61,423
Fines and Forfeitures	114,150	114,150	95,576	(18,574)
Miscellaneous	974,400	978,900	1,374,170	395,270
TOTAL REVENUES	46,037,644	46,473,254	45,956,545	(516,709)
<u>EXPENDITURES</u>				
Current:				
General Government	12,731,046	12,918,903	15,067,230	(2,148,327)
Public Safety	7,455,907	7,483,907	7,251,429	232,478
Physical Environment	459,027	459,027	400,305	58,722
Transportation	1,493,667	1,493,667	540,278	953,389
Economic Environment	445,226	445,226	419,189	26,037
Human Services	2,742,565	2,742,565	1,928,002	814,563
Culture and Recreation	2,039,661	2,039,661	1,732,308	307,353
Court Related	263,691	263,691	232,386	31,305
Reserve for Contingencies	417,351	221,681	-	221,681
Debt Service:				
Principal Retirement	158,854	158,854	157,086	1,768
Interest and Fiscal Charges	26,580	26,580	28,348	(1,768)
TOTAL EXPENDITURES	28,233,575	28,253,762	27,756,561	497,201
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	17,804,069	18,219,492	18,199,984	(19,508)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	495,000	495,000	1,436,909	941,909
Transfers Out	(22,449,069)	(22,864,492)	(22,804,876)	59,616
Debt Issued	-	-	765,937	765,937
TOTAL OTHER FINANCING SOURCES				
(USES)	(21,954,069)	(22,369,492)	(20,602,030)	1,767,462
NET CHANGE IN FUND BALANCES	(4,150,000)	(4,150,000)	(2,402,046)	1,747,954
FUND BALANCES –				
BEGINNING OF YEAR	4,150,000	4,150,000	12,174,099	8,024,099
FUND BALANCES – END OF YEAR	\$ -	\$ -	\$ 9,772,053	\$ 9,772,053

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	16,065,415	16,543,839	16,325,119	218,720
Court Related	584,564	584,564	580,814	3,750
Reserve for Contingencies	20,000	-	-	-
Debt Service:				
Principal Retirement	891,235	891,235	864,112	27,123
Interest and Fiscal Charges	55,987	55,987	55,806	181
TOTAL EXPENDITURES	17,617,201	18,075,625	17,825,851	249,774
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,617,201)	(18,075,625)	(17,825,851)	249,774
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	17,617,201	18,032,625	18,032,625	-
Transfers Out	-	-	(249,774)	(249,774)
Debt Issued	-	43,000	43,000	-
TOTAL OTHER FINANCING SOURCES (USES)	17,617,201	18,075,625	17,825,851	(249,774)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES – BEGINNING OF YEAR	-	-	-	-
FUND BALANCES – END OF YEAR	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – East Putnam Grant Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 11,861,623	\$ 11,861,623	\$ 3,011,639	\$ (8,849,984)
Miscellaneous Revenue	5,749,537	5,749,537	391,244	(5,358,293)
TOTAL REVENUES	17,611,160	17,611,160	3,402,883	(14,208,277)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	31,960,022	31,960,022	13,109,991	18,850,031
Debt Service				
Interest & Fiscal Changes	-	-	127,435	(127,435)
TOTAL EXPENDITURES	31,960,022	31,960,022	13,237,426	18,722,596
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,348,862)	(14,348,862)	(9,834,543)	4,514,319
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	-	-	(17,239)	(17,239)
Debt Issued	14,348,862	14,348,862	10,532,729	(3,816,133)
TOTAL OTHER FINANCING SOURCES (USES)	14,348,862	14,348,862	10,515,490	(3,833,372)
NET CHANGE IN FUND BALANCES	-	-	680,947	680,947
FUND BALANCES, October 1, 2007	-	-	(419,931)	(419,931)
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 261,016	\$ 261,016

Putnam County, Florida
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2008

Basis of Budgetary Accounting

Annual budgets are legally adopted for governmental funds, hereafter described, on a basis consistent with generally accepted accounting principles.

The following procedures are used in establishing the budgetary data reflected in the financial statements:

Prior to June 1, constitutional officers, with the exception of the office of the Tax Collector, submit tentative budgets for the operations of their offices to the Board. Budgets for the operations of the office of the Tax Collector are submitted to the Department of Revenue for approval.

Prior to July 15, the County Administrator/Budget Officer submits to the Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of a resolution. All budget appropriations lapse at year-end.

As required by Florida Statutes, Sections 218.35 and 28.36, the Clerk of Circuit Court prepares his annual budget in two parts:

The budget relating to the state court system, which is filed with the Clerks of Court Operations Corporation and the budget relating to the requirements of the Clerk as Clerk of the Board of County Commissioners, County Auditor, County Recorder and Custodian or Treasurer of all County funds and other county-related duties.

County Departments of the Clerk's Office are budgeted with appropriations from the Board of County commissioners. The fees generated by the Clerk's Court Departments are used to pay operating expenditures of the departments. All excess fees (unspent revenues) along with Clerk investment earnings on Board funds are remitted to the Board of County Commissioners on or before October 31st of each year.

Florida Statutes provide that it is unlawful to make expenditures that exceed the total amount budgeted for each fund. Therefore, the fund level is the legal level of control for budget considerations. Chapter 129, Florida Statutes, governs the manner in which the budget may be legally amended once it has been approved. Pursuant to Chapter 129, only the Board of County Commissioners can approve budget amendments that change the total approved budget appropriation of an individual fund. The County Administrator/Budget Officer and Department managers can transfer appropriations within the budget, but cannot change the total appropriation of an individual fund without the approval of the Board of County Commissioners.

Pursuant to the provisions of Chapter 129, Florida Statutes, the amount that the County may appropriate is limited to ninety-five (95%) percent of estimated revenues. In order to present a conservative as well as balanced budget, the County presents only ninety-five (95%) percent of estimated revenues.

Putnam County, Florida
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2008

Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expenditures in the same fund, or to create an appropriation in the fund for any lawful purpose, but no expenditures shall be charged directly to the reserve for contingencies.

A receipt of a nature or from a source not anticipated in the budget and received for a particular purpose, including but not limited to grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board be recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget of the proper fund.

Supplemental appropriations funded from sources not described above, require public hearings and action by the Board in the same manner as adopting the original budget.

SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific sources to be used for specific types of activities. The Special Revenue Funds used by Putnam County are distinguished by a need for unique identifying and/or reporting techniques, which make it desirable to separate them from the General Fund.

The County maintains the following Special Revenue Funds:

County Transportation Trust Fund – to account for the operations of the road and bridge department. Financing is provided principally by the County's share of state gasoline taxes.

Fishing Improvement Fund – to account for maintenance of the County's lakes with financing provided by recreational vessels' license fees and state grants.

Fire Taxing Unit Fund – to account for interlocal agreements with municipal fire departments within the County. Financing is provided from ad valorem taxes.

Law Enforcement Trust Fund – to account for law enforcement related projects funded by the proceeds from confiscated property forfeitures.

E911 System Fund – to account for the improvements and operations of the 911 emergency telephone system in the County. Financing is provided from telephone user charges.

Court Improvement Fund – to account for physical improvements and security for the courthouse. Funding is provided by State of Florida grants and court related revenues.

Article V Fund – to account for certain revenues generated pursuant to Article V of the Constitution of the State of Florida.

Court Technology Fund – to account for certain revenues generated pursuant to Article V of the Constitution of the State of Florida that must be expended to enhance court technology.

Law Enforcement Education Fund – to account for law enforcement training funded with proceeds from fines.

Miscellaneous Grants Fund – to account for projects financed with federal and state funds that are nonrecurring and of short-term duration.

Interlachen Lakes Estates Fund – to account for the collection and use of special assessments paid by the residents of Interlachen Lakes Estates Municipal Services Benefit Unit.

Drivers Education Fund – to account for receipts and disbursements of designated traffic fines imposed by ordinance in accordance with Section 318.1215, Florida Statutes.

Local Housing Assistance (SHIP) Fund – to account for funds received from the State to be used to assist eligible low income individuals to buy or construct new housing or rehabilitate older homes.

Hurricane Housing Assistance Fund – to account for funds received from the State to assist with the repair of hurricane damage to the homes of eligible low income individuals.

Tourist Development Fund – to account for revenues and expenditures relating to tourist development in the County through the assessment of a tourist tax.

Communication Improvement Fund – to account for the collection of traffic infractions surcharge to be used to develop and improve a county wide public safety communications system.

Nonmajor Governmental Funds

West Putnam Municipal Services Benefit Unit Fund – to account for the collection and use of special assessments paid by the residents of unincorporated West Putnam for road improvements.

Sewage Utilities Fund – to account for the collection and use of fees established to provide one or more small sewage systems.

Water Utilities Fund – to account for the collection and use of fees established to provide one or more small water systems.

MSBU Fund – to account for the collection and use of special assessments levied to provide specific road improvements and maintenance within several Municipal Service Benefit Units.

Economic Development Fund – to account for revenues and expenditures made to promote economic development.

ILE Lake Access Trust Fund – to account for funds received from the dissolved Corporation, Interlachen Lakes Estates, Inc., intended to be used for providing access to the lakes, for the maintenance of roads or for other purposes that would benefit property owners in the Interlachen Lakes Estates subdivision.

Crime Prevention Fund – to account for neighborhood crime prevention projects funded by the collection of fines pursuant to Section 775.083, Florida Statutes.

Impact Fee Fund – to account for fees collected related to new development. Funds are used for capital improvement projects.

Commissary Fund – to account for the commissary operations of the County's Detention Facility. Revenues are provided by sales of products to inmates. The profits can only be spent for the benefit of inmates.

Federal Forfeiture Fund – to account for monies received from federal forfeitures. Expenditures can only be made in accordance with the Federal Equitable Sharing Program.

Records Modernization Fund – to account for fees charged pursuant to Section 28.24, Florida Statutes, and related expenditures to modernize the public records storage and retrieval system of the County.

Article V Records Modernization Fund – to account for fees charged pursuant to Article V of the Constitution of the State of Florida, and related expenditures to fund court-related technology as defined in Section 29.008, Florida Statutes.

Clerk of the Circuit Court Fund – to account for fees collected by the Clerk of the Circuit Court for the operations of the Office.

Court Fund – to account for certain revenues generated by and disbursements related to the Court System pursuant to Article V of the Constitution of the State of Florida.

Supervisor of Elections Fund – to account for funds transferred from the Board of County Commissioners to the Supervisor of Elections for the operations of the Office.

Supervisor of Elections Grants Fund – to account for proceeds and expenditures related to state and federal grants designed to improve the elections process.

Tax Collector Fund – to account for fees collected by the Tax Collector for the operations of the Office.

Property Appraiser Fund – to account for funds transferred from the Board of County Commissioners and other taxing authorities to the Property Appraiser for the operations of the Office.

Nonmajor Governmental Funds

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of long-term debt principal and interest.

The County maintains the following Debt Service Funds:

Future Capital Improvement Debt Fund – to account for future debt service requirements for the future expansion of the County's jail facilities.

MSBU Loan Fund – to account for special assessments collected to repay special assessment debt used to fund road paving projects within certain municipal service benefits units.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The County maintains the following nonmajor Capital Projects Funds:

Capital Projects – to account for resources to be used to construct or renovate various County facilities.

Road Projects Fund – to account for resources to be used in developing and enhancing the County's Road System.

Major Governmental Capital Projects Fund

Better Place Plan Fund – to account for revenues received from a one-cent discretionary surtax imposed to finance certain capital projects.

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds				
	County Transportation Trust	Fishing Improvement	Fire Taxing Unit	Law Enforcement Trust	E911 System
ASSETS					
Cash and Equivalents	\$ 1,790,629	\$ 374,010	\$ 3,750,166	\$ 26,727	\$ 123,460
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	14,914	-	-
Due From Other Governments	278,113	2,977	4,964	-	-
Inventory	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	\$ 2,068,742	\$ 376,987	\$ 3,770,044	\$ 26,727	\$ 123,460
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 201,598	\$ 1,612	\$ 163,720	\$ -	\$ 3,972
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	19,354
TOTAL LIABILITIES	201,598	1,612	163,720	-	23,326
FUND BALANCES					
Reserved for:					
Inventory	-	-	-	-	-
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Undesignated	1,867,144	375,375	3,606,324	26,727	100,134
TOTAL FUND BALANCES	1,867,144	375,375	3,606,324	26,727	100,134
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,068,742	\$ 376,987	\$ 3,770,044	\$ 26,727	\$ 123,460

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

Special Revenue Funds					
	Court Improve- ment	Article V	Court Technology	Law enforce- ment Education	Miscell- aneous Grants
ASSETS					
Cash and Equivalents	\$2,504,006	\$ 189,214	\$ 552,049	\$ 59,431	\$ 50,072
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	175	13,681	6,994	2,126	79,410
Inventory	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	\$2,504,181	\$ 202,895	\$ 559,043	\$ 61,557	\$129,482
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 71,635	\$ 13,171	\$ 5,063	\$ -	\$ 6,010
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	42,510
TOTAL LIABILITIES	71,635	13,171	5,063	-	48,520
FUND BALANCES					
Reserved for:					
Inventory	-	-	-	-	-
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	22,053
Culture and Recreation	-	-	-	-	42,752
Undesignated	2,432,546	189,724	553,980	61,557	16,157
TOTAL FUND BALANCES	2,432,546	189,724	553,980	61,557	80,962
TOTAL LIABILITIES AND FUND BALANCES	\$2,504,181	\$ 202,895	\$ 559,043	\$ 61,557	\$129,482

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds					
	Interlachen Lakes Estates	Drivers Education	SHIP	Hurricane Housing Assistance	Tourist Develop- ment	Communi- cation Improvement
<u>ASSETS</u>						
Cash and Equivalents	\$253,677	\$226,913	\$ 121,750	\$161,782	\$ 186,012	\$ 26,273
Investments	-	-	977,726	-	-	-
Receivables	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	2,246	2,394	-	-	14,024	4,147
Inventory	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$255,923</u>	<u>\$229,307</u>	<u>\$1,099,476</u>	<u>\$161,782</u>	<u>\$ 200,036</u>	<u>\$ 30,420</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 23,845	\$ -	\$ 46,985	\$ -	\$ 8,345	\$ 151,873
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>23,845</u>	<u>-</u>	<u>46,985</u>	<u>-</u>	<u>8,345</u>	<u>151,873</u>
<u>FUND BALANCES</u>						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	897,951	-	-	-
Prepays	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	<u>232,078</u>	<u>229,307</u>	<u>154,540</u>	<u>161,782</u>	<u>191,691</u>	<u>(121,453)</u>
TOTAL FUND BALANCES	<u>232,078</u>	<u>229,307</u>	<u>1,052,491</u>	<u>161,782</u>	<u>191,691</u>	<u>(121,453)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$255,923</u>	<u>\$229,307</u>	<u>\$1,099,476</u>	<u>\$161,782</u>	<u>\$ 200,036</u>	<u>\$ 30,420</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds				
	West Putnam Municipal Services <u>Benefit Unit</u>	Sewage <u>Utilities</u>	Water <u>Utilities</u>	<u>MSBU</u>	Economic Develop- <u>ment</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 313,097	\$ 18,751	\$190,260	\$ 392,507	\$ 64,903
Investments	-	-	-	-	-
Receivables	-	4,763	4,223	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	1,737	-	-	1,134	-
Inventory	-	-	-	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 314,834</u>	<u>\$ 23,514</u>	<u>\$194,483</u>	<u>\$ 393,641</u>	<u>\$ 64,903</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 2,952	\$ 2,218	\$ 4,582	\$ 19,363	\$ 18,007
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>2,952</u>	<u>2,218</u>	<u>4,582</u>	<u>19,363</u>	<u>18,007</u>
<u>FUND BALANCES</u>					
Reserved for:					
Inventory	-	-	-	-	-
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Undesignated	311,882	21,296	189,901	374,278	46,896
TOTAL FUND BALANCES	<u>311,882</u>	<u>21,296</u>	<u>189,901</u>	<u>374,278</u>	<u>46,896</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 314,834</u>	<u>\$ 23,514</u>	<u>\$194,483</u>	<u>\$ 393,641</u>	<u>\$ 64,903</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds						
	ILE Lake Access Trust	Crime Prevention	Impact Fee	Commis- sary	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation
ASSETS							
Cash and Equivalents	\$74,007	\$ 55,163	\$682,725	\$148,698	\$ 31,988	\$181,531	\$447,257
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	4,469	-	-	-
Due From Other Funds	-	-	-	-	-	-	-
Due From Other Governments	-	2,346	-	-	-	-	-
Inventory	-	-	-	401	-	-	-
Prepays	-	-	-	-	-	40,809	122,427
Other Assets	-	-	-	-	-	-	-
TOTAL ASSETS	\$74,007	\$ 57,509	\$682,725	\$153,568	\$ 31,988	\$222,340	\$569,684
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 12,409	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	105,777	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	105,777	12,409	-	-	-
FUND BALANCES							
Reserved for:							
Inventory	-	-	-	401	-	-	-
Loan Guarantees	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	40,809	122,427
Unreserved:							
Designated for:							
Public Safety	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Undesignated	74,007	57,509	576,948	140,758	31,988	181,531	447,257
TOTAL FUND BALANCES	74,007	57,509	576,948	141,159	31,988	222,340	569,684
TOTAL LIABILITIES AND FUND BALANCES	\$74,007	\$ 57,509	\$682,725	\$153,568	\$ 31,988	\$222,340	\$569,684

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	Special Revenue Funds					
	Clerk of the Circuit Court	Court Fund	Supervisor of Elections	Supervisor of Elections Grants	Tax Collector	Property Appraiser
ASSETS						
Cash and Equivalents	\$306,108	\$295,284	\$ 184,035	\$ 114,696	\$ 699,777	\$129,456
Investments	-	-	-	-	-	-
Receivables	5,609	53,503	-	-	-	-
Due From Other Funds	-	-	827	-	-	-
Due From Other Governments	25,185	337	-	-	-	-
Inventory	-	-	-	-	-	-
Prepays	-	-	92,307	-	-	-
Other Assets	8,166	-	-	-	1,300	-
TOTAL ASSETS	\$345,068	\$349,124	\$ 277,169	\$ 114,696	\$ 701,077	\$129,456
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$174,066	\$296,722	\$ 3,882	\$ -	\$ 53,056	\$ 24,074
Due to Other Funds	171,002	-	180,980	827	648,021	105,382
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	52,402	-	-	-	-
TOTAL LIABILITIES	345,068	349,124	184,862	827	701,077	129,456
FUND BALANCES						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	-	-	-	-
Prepays	-	-	92,307	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	-	-	-	113,869	-	-
TOTAL FUND BALANCES	-	-	92,307	113,869	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$345,068	\$349,124	\$ 277,169	\$ 114,696	\$ 701,077	\$129,456

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2008

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		
	<u>Future Capital Improvement Debt</u>	<u>MSBU Loan</u>	<u>Capital Projects</u>	<u>Road Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 41,355	\$ 384,874	\$ 137,159	\$ 153,161	\$ 15,442,963
Investments	-	-	-	-	977,726
Receivables	-	-	-	-	72,567
Due From Other Funds	-	-	-	-	15,741
Due From Other Governments	132,180	318	125,839	130,091	830,418
Inventory	-	-	-	-	401
Prepays	-	-	-	-	255,543
Other Assets	-	-	-	-	9,466
TOTAL ASSETS	<u>\$ 173,535</u>	<u>\$ 385,192</u>	<u>\$ 262,998</u>	<u>\$ 283,252</u>	<u>\$ 17,604,825</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 35,607	\$ 93,070	\$ 1,437,837
Due to Other Funds	-	-	-	300,000	1,406,212
Due to Other Governments	-	-	-	-	105,777
Deferred Revenue	132,180	-	-	-	246,446
TOTAL LIABILITIES	<u>132,180</u>	<u>-</u>	<u>35,607</u>	<u>393,070</u>	<u>3,196,272</u>
<u>FUND BALANCES</u>					
Reserved for:					
Inventory	-	-	-	-	\$ 401
Loan Guarantees	-	-	-	-	897,951
Prepays	-	-	-	-	255,543
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	22,053
Culture and Recreation	-	-	-	-	42,752
Undesignated	41,355	385,192	227,391	(109,818)	13,189,853
TOTAL FUND BALANCES	<u>41,355</u>	<u>385,192</u>	<u>227,391</u>	<u>(109,818)</u>	<u>14,408,553</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 173,535</u>	<u>\$ 385,192</u>	<u>\$ 262,998</u>	<u>\$ 283,252</u>	<u>\$ 17,604,825</u>

concluded

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds			
	County Transpor- tation <u>Trust</u>	Fishing Improve- ment	Fire Taxing <u>Unit</u>	Law Enforce- ment <u>Trust</u>
REVENUES				
Taxes	\$ 1,739,293	\$ -	\$ 2,684,618	\$ -
Licenses and Permits	2,700	47,347	-	-
Intergovernmental Revenue	3,610,395	-	-	-
Charges For Services	-	-	-	-
Fines and Forfeitures	-	-	-	27,539
Miscellaneous Revenue	116,564	9,400	124,941	544
TOTAL REVENUES	5,468,952	56,747	2,809,559	28,083
EXPENDITURES				
Current:				
General Government Services	-	-	-	-
Public Safety	-	-	2,258,018	9,576
Physical Environment	-	30,322	-	-
Transportation	5,718,689	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	65,585	-	-	-
Interest and Fiscal Charges	6,143	-	-	-
TOTAL EXPENDITURES	5,790,417	30,322	2,258,018	9,576
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(321,465)	26,425	551,541	18,507
OTHER FINANCING SOURCES (USES)				
Transfers In	392,239	-	14,914	-
Transfers Out	(33,000)	-	(31,009)	-
TOTAL OTHER FINANCING				
SOURCES (USES)	359,239	-	(16,095)	-
NET CHANGE IN FUND BALANCES	37,774	26,425	535,446	18,507
FUND BALANCES, October 1, 2007	1,829,370	348,950	3,070,878	8,220
FUND BALANCES, September 30, 2008	\$ 1,867,144	\$ 375,375	\$ 3,606,324	\$ 26,727

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds			
	E911 System	Court Improve- ment	Article V	Court Technology
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	120,392	-	-	-
Charges For Services	324,097	120,533	96,079	118,192
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	4,520	67,061	5,352	13,521
TOTAL REVENUES	449,009	187,594	101,431	131,713
EXPENDITURES				
Current:				
General Government Services	-	-	-	-
Public Safety	561,216	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	107,943	63,508	71,364
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	561,216	107,943	63,508	71,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(112,207)	79,651	37,923	60,349
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(112,207)	79,651	37,923	60,349
FUND BALANCES, October 1, 2007	212,341	2,352,895	151,801	493,631
FUND BALANCES, September 30, 2008	\$ 100,134	\$ 2,432,546	\$ 189,724	\$ 553,980

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds			
	Law enforce- ment <u>Education</u>	Miscell- aneous <u>Grants</u>	Interlachen Lakes <u>Estates</u>	Drivers <u>Education</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	-	422,851	-	-
Charges For Services	-	-	-	-
Fines and Forfeitures	34,164	-	-	37,972
Miscellaneous Revenue	1,635	1,445	275,940	5,232
TOTAL REVENUES	35,799	424,296	275,940	43,204
EXPENDITURES				
Current:				
General Government Services	-	-	-	-
Public Safety	37,203	164,584	-	-
Physical Environment	-	-	-	-
Transportation	-	-	339,281	-
Economic Environment	-	-	-	-
Culture/Recreation	-	233,847	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	37,203	398,431	339,281	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,404)	25,865	(63,341)	43,204
OTHER FINANCING SOURCES (USES)				
Transfers In	-	14,170	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	14,170	-	-
NET CHANGE IN FUND BALANCES	(1,404)	40,035	(63,341)	43,204
FUND BALANCES, October 1, 2007	62,961	40,927	295,419	186,103
FUND BALANCES, September 30, 2008	\$ 61,557	\$ 80,962	\$ 232,078	\$ 229,307

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds					
	SHIP	Hurricane Housing Assistance	Tourist Develop- ment	Communi- cation Improvement	West Putnam Municipal Services Benefit Unit	Sewage Utilities
REVENUES						
Taxes	\$ -	\$ -	\$ 177,193	\$ -	\$ 67	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	338,616	-	-	-	-	-
Charges For Services	-	-	-	30,052	-	40,513
Fines and Forfeitures	-	-	-	66,713	-	-
Miscellaneous Revenue	91,832	5,807	5,149	3,057	153,407	943
TOTAL REVENUES	430,448	5,807	182,342	99,822	153,474	41,456
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	112,203	-	-
Physical Environment	-	-	-	-	-	85,593
Transportation	-	-	-	-	199,048	-
Economic Environment	1,075,900	92,787	183,532	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	73,733	-	-
Interest and Fiscal Charges	-	-	-	48,015	-	-
TOTAL EXPENDITURES	1,075,900	92,787	183,532	233,951	199,048	85,593
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	(645,452)	(86,980)	(1,190)	(134,129)	(45,574)	(44,137)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING						
SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(645,452)	(86,980)	(1,190)	(134,129)	(45,574)	(44,137)
FUND BALANCES, October 1, 2007	1,697,943	248,762	192,881	12,676	357,456	65,433
FUND BALANCES, September 30, 2008	\$ 1,052,491	\$ 161,782	\$ 191,691	\$ (121,453)	\$ 311,882	\$ 21,296

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds					
	Water Utilities	MSBU	Economic Develop- ment	ILE Lake Access Trust	Crime Prevention	Impact Fee
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-
Charges For Services	31,448	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	35,305	-
Miscellaneous Revenue	4,616	292,953	2,768	1,932	1,565	400,251
TOTAL REVENUES	36,064	292,953	2,768	1,932	36,870	400,251
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	-	33,726	-
Physical Environment	18,493	-	-	-	-	-
Transportation	-	181,590	-	-	-	-
Economic Environment	-	-	164,496	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	37,218	-	-	-
Interest and Fiscal Charges	-	-	5,443	-	-	-
TOTAL EXPENDITURES	18,493	181,590	207,157	-	33,726	-
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	17,571	111,363	(204,389)	1,932	3,144	400,251
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	125,000	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING						
SOURCES (USES)	-	-	125,000	-	-	-
NET CHANGE IN FUND BALANCES	17,571	111,363	(79,389)	1,932	3,144	400,251
FUND BALANCES, October 1, 2007	172,330	262,915	126,285	72,075	54,365	176,697
FUND BALANCES, September 30, 2008	\$ 189,901	\$ 374,278	\$ 46,896	\$ 74,007	\$ 57,509	\$ 576,948

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds					
	Commis- sary	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation	Clerk of the Circuit Court	Court Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	192,248	328,915
Charges For Services	-	-	40,287	111,253	562,517	1,184,050
Fines and Forfeitures	-	107,948	-	-	-	423,634
Miscellaneous Revenue	172,786	140	4,501	9,805	56,467	6,799
TOTAL REVENUES	172,786	108,088	44,788	121,058	811,232	1,943,398
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	1,802,039	-
Public Safety	209,851	89,953	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	232,183	1,943,398
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	8,550	-
Interest and Fiscal Charges	-	-	-	-	980	-
TOTAL EXPENDITURES	209,851	89,953	-	-	2,043,752	1,943,398
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	(37,065)	18,135	44,788	121,058	(1,232,520)	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	1,403,522	-
Transfers Out	(46,664)	-	-	-	(171,002)	-
TOTAL OTHER FINANCING						
SOURCES (USES)	(46,664)	-	-	-	1,232,520	-
NET CHANGE IN FUND BALANCES	(83,729)	18,135	44,788	121,058	-	-
FUND BALANCES, October 1, 2007	224,888	13,853	177,552	448,626	-	-
FUND BALANCES, September 30, 2008	\$141,159	\$ 31,988	\$222,340	\$569,684	\$ -	\$ -

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Special Revenue Funds				Debt Service Funds
	Supervisor of Elections	Supervisor of Elections Grants	Tax Collector	Property Appraiser	Future Capital Improvement Debt
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	8,110	-	26,754	-
Charges For Services	-	-	2,325,681	43,701	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	5,457	191	35,380	1,651	1,162
TOTAL REVENUES	5,457	8,301	2,361,061	72,106	1,162
EXPENDITURES					
Current:					
General Government Services	796,389	8,325	1,713,040	1,501,821	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	796,389	8,325	1,713,040	1,501,821	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(790,932)	(24)	648,021	(1,429,715)	1,162
OTHER FINANCING SOURCES (USES)					
Transfers In	1,064,219	-	-	1,535,097	-
Transfers Out	(180,980)	-	(648,021)	(105,382)	-
TOTAL OTHER FINANCING SOURCES (USES)	883,239	-	(648,021)	1,429,715	-
NET CHANGE IN FUND BALANCES	92,307	(24)	-	-	1,162
FUND BALANCES, October 1, 2007	-	113,893	-	-	40,193
FUND BALANCES, September 30, 2008	\$ 92,307	\$ 113,869	\$ -	\$ -	\$ 41,355

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2008

	Debt Service Funds	Capital Project Funds		
	MSBU Loan	Capital Projects	Road Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,601,171
Licenses and Permits	-	-	-	50,047
Intergovernmental Revenue	-	648,136	1,010,389	6,706,806
Charges For Services	-	-	-	5,028,403
Fines and Forfeitures	-	-	-	733,275
Miscellaneous Revenue	201,536	733	2,047	2,089,090
TOTAL REVENUES	201,536	648,869	1,012,436	19,208,792
EXPENDITURES				
Current:				
General Government Services	-	-	-	5,821,614
Public Safety	-	-	-	3,476,330
Physical Environment	-	-	-	134,408
Transportation	-	-	-	6,438,608
Economic Environment	-	-	-	1,516,715
Culture/Recreation	-	-	-	233,847
Court Related	-	-	-	2,418,396
Capital Outlay	-	654,502	956,019	1,610,521
Debt Service:				
Principal Retirement	254,664	-	-	439,750
Interest and Fiscal Charges	103,299	-	-	163,880
TOTAL EXPENDITURES	357,963	654,502	956,019	22,254,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(156,427)	(5,633)	56,417	(3,045,277)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	150,000	-	4,699,161
Transfers Out	-	-	-	(1,216,058)
TOTAL OTHER FINANCING SOURCES (USES)	-	150,000	-	3,483,103
NET CHANGE IN FUND BALANCES	(156,427)	144,367	56,417	437,826
FUND BALANCES, October 1, 2007	541,619	83,024	(166,235)	13,970,727
FUND BALANCES, September 30, 2008	\$ 385,192	\$ 227,391	\$ (109,818)	\$ 14,408,553

concluded

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – County Transportation Trust Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 1,965,198	\$ 1,965,198	\$ 1,739,293	\$ (225,905)
Licenses and Permits	500	500	2,700	2,200
Intergovernmental Revenue	3,834,394	3,834,394	3,610,395	(223,999)
Miscellaneous Revenue	41,000	41,000	116,564	75,564
TOTAL REVENUES	5,841,092	5,841,092	5,468,952	(372,140)
<u>EXPENDITURES</u>				
Current:				
Transportation	6,983,055	6,983,055	5,718,689	1,264,366
Debt Service:				
Principal Retirement	-	-	65,585	(65,585)
Interest and Fiscal Charges	-	-	6,143	(6,143)
TOTAL EXPENDITURES	6,983,055	6,983,055	5,790,417	1,192,638
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,141,963)	(1,141,963)	(321,465)	820,498
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	375,000	375,000	392,239	17,239
Transfers Out	(33,000)	(33,000)	(33,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	342,000	342,000	359,239	17,239
NET CHANGE IN FUND BALANCES	(799,963)	(799,963)	37,774	837,737
FUND BALANCES, October 1, 2007	799,963	799,963	1,829,370	1,029,407
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 1,867,144	\$ 1,867,144

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Licenses and Permits	\$ 54,500	\$ 54,500	\$ 47,347	\$ (7,153)
Intergovernmental Revenue	50,000	50,000	-	(50,000)
Miscellaneous Revenue	10,000	10,000	9,400	(600)
TOTAL REVENUES	114,500	114,500	56,747	(57,753)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	129,500	129,500	30,322	99,178
Reserve For Contingencies	60,000	60,000	-	60,000
TOTAL EXPENDITURES	189,500	189,500	30,322	159,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(75,000)	(75,000)	26,425	101,425
FUND BALANCES, October 1, 2007	75,000	75,000	348,950	273,950
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 375,375	\$ 375,375

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fire Taxing Unit Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 2,643,419	\$ 2,643,419	\$ 2,684,618	\$ 41,199
Miscellaneous Revenue	110,000	110,000	124,941	14,941
TOTAL REVENUES	2,753,419	2,753,419	2,809,559	56,140
<u>EXPENDITURES</u>				
Current:				
Public Safety	4,254,298	4,254,298	2,258,018	1,996,280
Reserve For Contingencies	238,882	238,882	-	238,882
TOTAL EXPENDITURES	4,493,180	4,493,180	2,258,018	2,235,162
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,739,761)	(1,739,761)	551,541	2,291,302
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	2,500	2,500	14,914	12,414
Transfers Out	(31,009)	(31,009)	(31,009)	-
TOTAL OTHER FINANCING SOURCES (USES)	(28,509)	(28,509)	(16,095)	12,414
NET CHANGE IN FUND BALANCES	(1,768,270)	(1,768,270)	535,446	2,303,716
FUND BALANCES, October 1, 2007	1,768,270	1,768,270	3,070,878	1,302,608
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 3,606,324	\$ 3,606,324

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Law Enforcement Trust Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 15,000	\$ 15,000	\$ 27,539	\$ 12,539
Miscellaneous Revenue	5,000	5,000	544	(4,456)
TOTAL REVENUES	20,000	20,000	28,083	8,083
<u>EXPENDITURES</u>				
Current:				
Public Safety	50,000	50,000	9,576	40,424
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	60,000	60,000	9,576	50,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,000)	(40,000)	18,507	58,507
FUND BALANCES, October 1, 2007	40,000	40,000	8,220	(31,780)
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 26,727	\$ 26,727

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ 139,745	\$ 120,392	\$ (19,353)
Charges for Services	340,000	340,000	324,097	(15,903)
Miscellaneous Revenue	500	500	4,520	4,020
TOTAL REVENUES	340,500	480,245	449,009	(31,236)
<u>EXPENDITURES</u>				
Current:				
Public Safety	503,356	643,101	561,216	81,885
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(162,856)	(162,856)	(112,207)	50,649
FUND BALANCES, October 1, 2007	162,856	162,856	212,341	49,485
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 100,134	\$ 100,134

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Improvement Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Charges for Services	150,000	150,000	120,533	(29,467)
Miscellaneous Revenue	<u>80,000</u>	<u>80,000</u>	<u>67,061</u>	<u>(12,939)</u>
TOTAL REVENUES	730,000	730,000	187,594	(542,406)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>1,080,000</u>	<u>1,080,000</u>	<u>107,943</u>	<u>972,057</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,000)	(350,000)	79,651	429,651
FUND BALANCES, October 1, 2007	<u>350,000</u>	<u>350,000</u>	<u>2,352,895</u>	<u>2,002,895</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,432,546</u>	<u>\$ 2,432,546</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Article V Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 107,500	\$ 107,500	\$ 96,079	\$ (11,421)
Miscellaneous Revenue	650	650	5,352	4,702
TOTAL REVENUES	108,150	108,150	101,431	(6,719)
<u>EXPENDITURES</u>				
Current:				
Court Related	132,400	132,400	63,508	68,892
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,250)	(24,250)	37,923	62,173
FUND BALANCES, October 1, 2007	24,250	24,250	151,801	127,551
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 189,724	\$ 189,724

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Technology Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 160,000	\$ 160,000	\$ 118,192	\$ (41,808)
Miscellaneous Revenue	<u>15,000</u>	<u>15,000</u>	<u>13,521</u>	<u>(1,479)</u>
TOTAL REVENUES	175,000	175,000	131,713	(43,287)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>271,183</u>	<u>271,183</u>	<u>71,364</u>	<u>199,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(96,183)	(96,183)	60,349	156,532
FUND BALANCES, October 1, 2007	<u>96,183</u>	<u>96,183</u>	<u>493,631</u>	<u>493,631</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 553,980</u>	<u>\$ 553,980</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Law Enforcement Education Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 43,500	\$ 43,500	\$ 34,164	\$ (9,336)
Miscellaneous Revenue	<u>1,000</u>	<u>1,000</u>	<u>1,635</u>	<u>635</u>
TOTAL REVENUES	44,500	44,500	35,799	(8,701)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>60,000</u>	<u>60,000</u>	<u>37,203</u>	<u>22,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,500)	(15,500)	(1,404)	14,096
FUND BALANCES, October 1, 2007	<u>15,500</u>	<u>15,500</u>	<u>62,961</u>	<u>47,461</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,557</u>	<u>\$ 61,557</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Miscellaneous Grants Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 486,449	\$ 549,076	\$ 422,851	\$ (126,225)
Miscellaneous Revenue	<u>4,750</u>	<u>4,750</u>	<u>1,445</u>	<u>(3,305)</u>
TOTAL REVENUES	<u>491,199</u>	<u>553,826</u>	<u>424,296</u>	<u>(129,530)</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	313,991	390,788	164,584	226,204
Culture/Recreation	289,333	289,333	233,847	55,486
Reserve for Contingencies	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
TOTAL EXPENDITURES	<u>606,824</u>	<u>683,621</u>	<u>398,431</u>	<u>285,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(115,625)	(129,795)	25,865	155,660
<u>OTHER FINANCING SOURCES</u>				
Transfers In	<u>18,000</u>	<u>32,170</u>	<u>14,170</u>	<u>(18,000)</u>
NET CHANGE IN FUND BALANCES	(97,625)	(97,625)	40,035	137,660
FUND BALANCES, October 1, 2007	<u>97,625</u>	<u>97,625</u>	<u>40,927</u>	<u>(56,698)</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,962</u>	<u>\$ 80,962</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Interlachen Lakes Estates Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 286,500	\$ 286,500	\$ 275,940	\$ (10,560)
<u>EXPENDITURES</u>				
Current:				
Transportation	402,308	402,308	339,281	63,027
Reserve for Contingencies	15,000	15,000	-	15,000
TOTAL EXPENDITURES	417,308	417,308	339,281	78,027
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(130,808)	(130,808)	(63,341)	67,467
FUND BALANCES, October 1, 2007	130,808	130,808	295,419	164,611
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 232,078	\$ 232,078

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Drivers Education Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 35,000	\$ 35,000	\$ 37,972	\$ 2,972
Miscellaneous Revenue	5,000	5,000	5,232	232
TOTAL REVENUES	40,000	40,000	43,204	3,204
<u>EXPENDITURES</u>				
Current:				
Public Safety	50,000	50,000	-	50,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(10,000)	43,204	53,204
FUND BALANCES, October 1, 2007	10,000	10,000	186,103	176,103
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 229,307	\$ 229,307

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – SHIP Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 684,950	\$ 684,950	\$ 338,616	\$ (346,334)
Miscellaneous Revenue	83,000	83,000	91,832	8,832
TOTAL REVENUES	767,950	767,950	430,448	(337,502)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	1,050,000	1,050,000	1,075,900	(25,900)
Reserve for Contingencies	67,950	67,950	-	67,950
TOTAL EXPENDITURES	1,117,950	1,117,950	1,075,900	42,050
EXCESS OF REVENUES UNDER EXPENDITURES	(350,000)	(350,000)	(645,452)	(295,452)
FUND BALANCES, October 1, 2007	350,000	350,000	1,697,943	1,347,943
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 1,052,491	\$ 1,052,491

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Hurricane Housing Assistance Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 10,000	\$ 10,000	\$ 5,807	\$ (4,193)
 <u>EXPENDITURES</u>				
Current:				
Economic Environment	<u>510,000</u>	<u>510,000</u>	<u>92,787</u>	<u>417,213</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500,000)	(500,000)	(86,980)	413,020
FUND BALANCES, October 1, 2007	<u>500,000</u>	<u>500,000</u>	<u>248,762</u>	<u>(251,238)</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,782</u>	<u>\$ 161,782</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Tourist Development Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 95,000	\$ 95,000	\$ 177,193	\$ 82,193
Miscellaneous Revenue	4,000	4,000	5,149	1,149
TOTAL REVENUES	99,000	99,000	182,342	83,342
<u>EXPENDITURES</u>				
Current:				
Economic Environment	146,000	146,000	183,532	(37,532)
Reserve for Contingencies	25,000	25,000	-	25,000
TOTAL EXPENDITURES	171,000	171,000	183,532	(12,532)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72,000)	(72,000)	(1,190)	70,810
FUND BALANCES, October 1, 2007	72,000	72,000	192,881	120,881
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 191,691	\$ 191,691

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Charges for Services	\$ 24,000	\$ 24,000	\$ 30,052	\$ 6,052
Fines and Forfeitures	100,000	100,000	66,713	(33,287)
Miscellaneous Revenue	12,500	12,500	3,057	(9,443)
TOTAL REVENUES	<u>136,500</u>	<u>136,500</u>	<u>99,822</u>	<u>(36,678)</u>
EXPENDITURES				
Current:				
Public Safety	180,500	180,500	112,203	68,297
Reserve for Contingencies	20,977	20,977	-	20,977
Debt Service				
Principal	73,733	73,733	73,733	-
Interest and Fiscal Changes	46,290	46,290	48,015	(1,725)
TOTAL EXPENDITURES	<u>321,500</u>	<u>321,500</u>	<u>233,951</u>	<u>87,549</u>
EXCESS (DEFICIENCY) OF REVENUES				
UNDER EXPENDITURES	(185,000)	(185,000)	(134,129)	50,871
FUND BALANCES, October 1, 2007	<u>185,000</u>	<u>185,000</u>	<u>12,676</u>	<u>(172,324)</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (121,453)</u>	<u>\$ (121,453)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – West Putnam Municipal Services Benefit Unit Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 500	\$ 500	\$ 67	\$ (433)
Miscellaneous Revenue	181,000	181,000	153,407	(27,593)
TOTAL REVENUES	181,500	181,500	153,474	(28,026)
<u>EXPENDITURES</u>				
Current:				
Transportation	309,270	309,270	199,048	110,222
Reserve for Contingencies	20,000	20,000	-	20,000
TOTAL EXPENDITURES	329,270	329,270	199,048	130,222
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,770)	(147,770)	(45,574)	102,196
FUND BALANCES, October 1, 2007	147,770	147,770	357,456	209,686
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 311,882	\$ 311,882

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sewage Utilities Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 43,650	\$ 43,650	\$ 40,513	\$ (3,137)
Miscellaneous Revenue	2,000	2,000	943	(1,057)
TOTAL REVENUES	45,650	45,650	41,456	(4,194)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	52,640	52,640	85,593	(32,953)
Reserve for Contingencies	1,180	1,180	-	1,180
TOTAL EXPENDITURES	53,820	53,820	85,593	(31,773)
EXCESS OF REVENUES UNDER				
EXPENDITURES	(8,170)	(8,170)	(44,137)	(35,967)
FUND BALANCES, October 1, 2007	8,170	8,170	65,433	57,263
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 21,296	\$ 21,296

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 31,000	\$ 31,000	\$ 31,448	\$ 448
Miscellaneous Revenue	6,000	6,000	4,616	(1,384)
TOTAL REVENUES	37,000	37,000	36,064	(936)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	33,000	33,000	18,493	14,507
Reserve for Contingencies	4,000	4,000	-	4,000
TOTAL EXPENDITURES	37,000	37,000	18,493	18,507
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	17,571	17,571
FUND BALANCES, October 1, 2007	-	-	172,330	172,330
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 189,901	\$ 189,901

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 324,300	\$ 324,300	\$ 292,953	\$ (31,347)
<u>EXPENDITURES</u>				
Current:				
Transportation	524,350	524,350	-	524,350
Reserve for Contingencies	30,000	30,000	181,590	(151,590)
TOTAL EXPENDITURES	554,350	554,350	181,590	372,760
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(230,050)	(230,050)	111,363	341,413
FUND BALANCES, October 1, 2007	230,050	230,050	262,915	32,865
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 374,278	\$ 374,278

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Economic Development Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 5,000	\$ 5,000	\$ 2,768	\$ (2,232)
<u>EXPENDITURES</u>				
Current:				
Transportation	22,500	22,500	-	22,500
Economic Environment	193,300	193,300	164,496	28,804
Reserve For Contingencies	31,500	31,500	-	31,500
Debt Service:				
Principal	37,218	37,218	37,218	-
Interest and Fiscal Charges	5,443	5,443	5,443	-
TOTAL EXPENDITURES	289,961	289,961	207,157	82,804
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(284,961)	(284,961)	(204,389)	80,572
<u>OTHER FINANCING SOURCES</u>				
Transfers In	125,000	125,000	125,000	-
NET CHANGE IN FUND BALANCES	(159,961)	(159,961)	(79,389)	80,572
FUND BALANCES, October 1, 2007	159,961	159,961	126,285	(33,676)
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 46,896	\$ 46,896

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – ILE Lake Access Trust Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 3,500	\$ 3,500	\$ 1,932	\$ (1,568)
<u>EXPENDITURES</u>				
Current:				
Culture/Recreation	65,642	65,642	-	65,642
Reserve for Contingencies	6,000	6,000	-	6,000
TOTAL EXPENDITURES	71,642	71,642	-	71,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(68,142)	(68,142)	1,932	70,074
FUND BALANCES, October 1, 2007	68,142	68,142	72,075	3,933
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 74,007	\$ 74,007

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Crime Prevention Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 35,305	\$ 10,305
Miscellaneous Revenue	-	-	1,565	1,565
TOTAL REVENUES	25,000	25,000	36,870	11,870
<u>EXPENDITURES</u>				
Current:				
Public Safety	35,000	35,000	33,726	1,274
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(10,000)	3,144	13,144
FUND BALANCES, October 1, 2007	10,000	10,000	54,365	44,365
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 57,509	\$ 57,509

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Impact Fee Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 400,251	\$ 400,251
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	400,251	400,251
FUND BALANCES, October 1, 2007	<u>-</u>	<u>-</u>	<u>176,697</u>	<u>176,697</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 576,948</u>	<u>\$ 576,948</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 220,000	\$ 220,000	\$ 172,786	\$ (47,214)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>179,543</u>	<u>254,664</u>	<u>209,851</u>	<u>44,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,457	(34,664)	(37,065)	(2,401)
<u>OTHER FINANCING USES</u>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(46,664)</u>	<u>(46,664)</u>
NET CHANGE IN FUND BALANCES	40,457	(34,664)	(83,729)	(49,065)
FUND BALANCES, October 1, 2007	<u>40,457</u>	<u>34,664</u>	<u>224,888</u>	<u>190,224</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,159</u>	<u>\$ 141,159</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Federal Forfeiture Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 20,000	\$ 110,000	\$ 107,948	\$ (2,052)
Miscellaneous Revenue	-	-	140	140
TOTAL REVENUES	20,000	110,000	108,088	(1,912)
<u>EXPENDITURES</u>				
Current:				
Public Safety	20,000	110,000	89,953	20,047
EXCESS OF REVENUES OVER EXPENDITURES	-	-	18,135	18,135
FUND BALANCES, October 1, 2007	-	-	13,853	13,853
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,988</u>	<u>\$ 31,988</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 52,000	\$ 52,000	\$ 40,287	\$ (11,713)
Miscellaneous Revenue	<u>6,000</u>	<u>6,000</u>	<u>4,501</u>	<u>(1,499)</u>
TOTAL REVENUES	58,000	58,000	44,788	(13,212)
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>58,000</u>	<u>58,000</u>	<u>-</u>	<u>58,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	44,788	44,788
FUND BALANCES, October 1, 2007	<u>-</u>	<u>-</u>	<u>177,552</u>	<u>177,552</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,340</u>	<u>\$ 222,340</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Article V Records Modernization Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 146,000	\$ 146,000	\$ 111,253	\$ (34,747)
Miscellaneous Revenue	12,000	12,000	9,805	(2,195)
TOTAL REVENUES	158,000	158,000	121,058	(36,942)
<u>EXPENDITURES</u>				
Current:				
Court Related	158,000	158,000	-	158,000
EXCESS OF REVENUES OVER EXPENDITURES	-	-	121,058	121,058
FUND BALANCES, October 1, 2007	-	-	448,626	448,626
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 569,684</u>	<u>\$ 569,684</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Clerk of the Circuit Court Fund
For the Year Ended September 30, 2008

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 218,400	\$ 218,400	\$ 192,248	\$ (26,152)
Charges for Services	547,100	547,100	562,517	15,417
Miscellaneous Revenue	85,000	85,000	56,467	(28,533)
TOTAL REVENUES	850,500	850,500	811,232	(39,268)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,996,543	1,996,543	1,802,039	194,504
Court Related	253,588	253,588	232,183	21,405
Debt Service:				
Principal Retirement	3,537	3,537	8,550	(5,013)
Interest and Fiscal Charges	354	354	980	(626)
TOTAL EXPENDITURES	2,254,022	2,254,022	2,043,752	210,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,403,522)	(1,403,522)	(1,232,520)	171,002
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,403,522	1,403,522	1,403,522	-
Transfers Out	-	-	(171,002)	(171,002)
TOTAL OTHER FINANCING SOURCES (USES)	1,403,522	1,403,522	1,232,520	(171,002)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2007	-	-	-	-
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 477,293	\$ 485,263	\$ 328,915	\$ (156,348)
Charges for Services	1,361,800	1,361,800	1,184,050	(177,750)
Fines and Forfeitures	526,400	526,400	423,634	(102,766)
Miscellaneous Revenue	12,300	12,300	6,799	(5,501)
TOTAL REVENUES	<u>2,377,793</u>	<u>2,385,763</u>	<u>1,943,398</u>	<u>(442,365)</u>
<u>EXPENDITURES</u>				
Current:				
Court Related	2,371,784	2,379,754	1,943,398	436,356
Debt Service:				
Principal Retirement	5,463	5,463	-	5,463
Interest and Fiscal Charges	546	546	-	546
TOTAL EXPENDITURES	<u>2,377,793</u>	<u>2,385,763</u>	<u>1,943,398</u>	<u>442,365</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2007	-	-	-	-
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Supervisor of Elections Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 5,457	\$ 5,457
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,062,219	1,062,219	796,389	265,830
Reserve for Contingencies	2,000	2,000	-	2,000
TOTAL EXPENDITURES	1,064,219	1,064,219	796,389	267,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,064,219)	(1,064,219)	(790,932)	273,287
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,064,219	1,064,219	1,064,219	-
Transfers Out	-	-	(180,980)	(180,980)
TOTAL OTHER FINANCING SOURCES (USES)	1,064,219	1,064,219	883,239	(180,980)
NET CHANGE IN FUND BALANCES	-	-	92,307	92,307
FUND BALANCES, October 1, 2007	-	-	-	-
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 92,307	\$ 92,307

Putnum County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Supervisor of Elections Grants Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 8,110	\$ 8,110
Miscellaneous Revenue	-	-	191	191
TOTAL REVENUES	-	-	8,301	8,301
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	8,325	(8,325)
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	(24)	(24)
FUND BALANCES, October 1, 2007	-	-	113,893	113,893
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,869</u>	<u>\$ 113,869</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tax Collector Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 2,294,141	\$ 2,294,141	\$ 2,325,681	\$ 31,540
Miscellaneous Revenue	59,500	59,500	35,380	(24,120)
TOTAL REVENUES	2,353,641	2,353,641	2,361,061	7,420
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,816,019	1,816,019	1,713,040	102,979
EXCESS OF REVENUES OVER EXPENDITURES	537,622	537,622	648,021	110,399
<u>OTHER FINANCING USES</u>				
Transfers Out	(537,622)	(537,622)	(648,021)	(110,399)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2007	-	-	-	-
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Property Appraiser Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 26,754	\$ 26,754
Charges for Services	36,448	43,448	43,701	253
Miscellaneous Revenue	-	-	1,651	1,651
TOTAL REVENUES	36,448	43,448	72,106	28,658
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,571,545	1,578,545	1,501,821	76,724
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,535,097)	(1,535,097)	(1,429,715)	105,382
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,535,097	1,535,097	1,535,097	-
Transfers Out	-	-	(105,382)	(105,382)
TOTAL OTHER FINANCING SOURCES (USES)	1,535,097	1,535,097	1,429,715	(105,382)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2007	-	-	-	-
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Future Capital Improvement Debt Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 1,162	\$ 1,162
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,162	1,162
FUND BALANCES, October 1, 2007	<u>-</u>	<u>-</u>	<u>40,193</u>	<u>40,193</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,355</u>	<u>\$ 41,355</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – MSBU Loan Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 228,150	\$ 228,150	\$ 201,536	\$ (26,614)
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	22,500	22,500	-	22,500
Debt Service:				
Principal Retirement	254,666	254,666	254,664	2
Interest and Fiscal Charges	104,470	104,470	103,299	1,171
TOTAL EXPENDITURES	381,636	381,636	357,963	23,673
EXCESS OF REVENUES UNDER				
 EXPENDITURES	(153,486)	(153,486)	(156,427)	(2,941)
FUND BALANCES, October 1, 2007	153,486	153,486	541,619	388,133
FUND BALANCES, September 30, 2008	\$ -	\$ -	\$ 385,192	\$ 385,192

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Capital Projects Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 1,074,161	\$ 1,074,161	\$ 648,136	\$ (426,025)
Miscellaneous Revenue	1,000	1,000	733	(267)
TOTAL REVENUES	<u>1,075,161</u>	<u>1,075,161</u>	<u>648,869</u>	<u>(426,292)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	151,000	151,000	-	151,000
Capital Outlay	<u>1,074,161</u>	<u>1,074,161</u>	<u>654,502</u>	<u>419,659</u>
TOTAL EXPENDITURES	<u>1,225,161</u>	<u>1,225,161</u>	<u>654,502</u>	<u>570,659</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,000)	(150,000)	(5,633)	144,367
<u>OTHER FINANCING SOURCES</u>				
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	144,367	144,367
FUND BALANCES, October 1, 2007	<u>-</u>	<u>-</u>	<u>83,024</u>	<u>83,024</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,391</u>	<u>\$ 227,391</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Road Projects Fund
For the Year Ended September 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 2,500,000	\$ 2,500,000	\$ 1,010,389	\$(1,489,611)
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>2,047</u>	<u>2,047</u>
TOTAL REVENUES	2,500,000	2,500,000	1,012,436	(1,487,564)
<u>EXPENDITURES</u>				
Capital Outlay	<u>2,500,000</u>	<u>2,500,000</u>	<u>956,019</u>	<u>1,543,981</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	56,417	56,417
FUND BALANCES, October 1, 2007	<u>-</u>	<u>-</u>	<u>(166,235)</u>	<u>(166,235)</u>
FUND BALANCES, September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,818)</u>	<u>\$ (109,818)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Better Place Plan Fund
For the Year Ended September 30, 2008

	Budgeted Amounts		Actual	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 4,982,433	\$ 4,982,433	\$ 4,714,954	\$ (267,479)
Miscellaneous Revenue	-	-	30,237	30,237
TOTAL REVENUES	4,982,433	4,982,433	4,745,191	(237,242)
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	473,775	473,775	-	473,775
Capital Outlay	8,850,000	8,850,000	5,173,995	3,676,005
Debt Service:				
Principal Retirement	385,786	385,786	760,000	(374,214)
Interest and Fiscal Charges	272,872	272,872	476,630	(203,758)
TOTAL EXPENDITURES	9,982,433	9,982,433	6,410,625	3,571,808
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000,000)	(5,000,000)	(1,665,434)	3,334,566
<u>OTHER FINANCING SOURCES</u>				
Debt Issued	5,000,000	5,000,000	3,500,000	(1,500,000)
NET CHANGE IN FUND BALANCES	-	-	1,834,566	1,834,566
FUND BALANCES - October 1, 2007	-	-	(1,881,764)	(1,881,764)
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ (47,198)	\$ (47,198)

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

The County administers the following Internal Service Funds:

Fleet Maintenance Fund - to account for the costs of providing a maintenance facility for automotive equipment used by other departments.

Group Insurance Reserve Fund - to accumulate funds for the payment of premiums for employees' health and accident insurance.

Risk Management Fund - to account for the costs and the allocation of costs relating to various insurance carried by the County except health and life insurance benefits for County employees.

Putnam County, Florida
Combining Statement of Net Assets - Internal Service Funds
September 30, 2008

	<u>Fleet Maintenance</u>	<u>Group Insurance</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 122,615	\$ 408,396	\$ 1,372,355	\$ 1,903,366
Receivables	-	-	12,139	12,139
Due From Other Funds	-	266,225	-	266,225
Due From Other Governments	4,160	-	-	4,160
Inventory	97,700	-	-	97,700
Other Assets	-	-	28,749	28,749
TOTAL CURRENT ASSETS	224,475	674,621	1,413,243	2,312,339
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	61,807	-	-	61,807
TOTAL ASSETS	286,282	674,621	1,413,243	2,374,146
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	39,273	32,872	61,994	134,139
Estimated Liability for Self-Insured Losses	-	-	479,522	479,522
Compensated Absences	15,000	-	3,000	18,000
TOTAL CURRENT LIABILITIES	54,273	32,872	544,516	631,661
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	11,300	-	2,300	13,600
TOTAL LIABILITIES	65,573	32,872	546,816	645,261
<u>NET ASSETS</u>				
Invested in Capital Assets	61,807	-	-	61,807
Unrestricted	158,902	641,749	866,427	1,667,078
TOTAL NET ASSETS	<u>\$ 220,709</u>	<u>\$ 641,749</u>	<u>\$ 866,427</u>	<u>\$ 1,728,885</u>

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2008

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 845,206	\$ 5,808,752	\$ 1,610,774	\$ 8,264,732
Miscellaneous	11,465	7,602	25,466	44,533
	<u>856,671</u>	<u>5,816,354</u>	<u>1,636,240</u>	<u>8,309,265</u>
<u>OPERATING EXPENSES</u>				
Personal Services	339,319	-	52,185	391,504
Insurance	26,917	5,991,010	1,040,430	7,058,357
Claims Expense	-	-	509,735	509,735
Contractual Services	280,217	17,262	5,050	302,529
Repairs and Maintenance	19,165	-	-	19,165
Other Operating Expenses	264,153	59	143	264,355
Depreciation Expense	15,338	-	-	15,338
	<u>945,109</u>	<u>6,008,331</u>	<u>1,607,543</u>	<u>8,560,983</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(88,438)</u>	<u>(191,977)</u>	<u>28,697</u>	<u>(251,718)</u>
<u>TRANSFERS</u>				
Transfers In	-	54,928	179,643	234,571
Transfers Out	(3,174)	-	-	(3,174)
	<u>(3,174)</u>	<u>54,928</u>	<u>179,643</u>	<u>231,397</u>
<u>CHANGE IN NET ASSETS</u>	<u>(91,612)</u>	<u>(137,049)</u>	<u>208,340</u>	<u>(20,321)</u>
<u>NET ASSETS, October 1, 2007</u>	<u>312,321</u>	<u>778,798</u>	<u>658,087</u>	<u>1,749,206</u>
<u>NET ASSETS, September 30, 2008</u>	<u>\$ 220,709</u>	<u>\$ 641,749</u>	<u>\$ 866,427</u>	<u>\$ 1,728,885</u>

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended September 30, 2008

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers	\$ 858,458	\$ 5,843,228	\$ 1,596,339	\$ 8,298,025
Payments to Suppliers	(605,767)	(6,001,016)	(1,494,190)	(8,100,973)
Payments to Employees	(337,519)	-	(50,885)	(388,404)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(84,828)</u>	<u>(157,788)</u>	<u>51,264</u>	<u>(191,352)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	54,928	179,643	234,571
Transfers Out	(3,174)	-	-	(3,174)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(3,174)</u>	<u>54,928</u>	<u>179,643</u>	<u>231,397</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(28,413)	-	-	(28,413)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(116,415)	(102,860)	230,907	11,632
CASH AND EQUIVALENTS, October 1, 2007	<u>239,030</u>	<u>511,256</u>	<u>1,141,448</u>	<u>1,891,734</u>
CASH AND EQUIVALENTS, September 30, 2008	<u><u>\$ 122,615</u></u>	<u><u>\$ 408,396</u></u>	<u><u>\$ 1,372,355</u></u>	<u><u>\$ 1,903,366</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (88,438)	\$ (191,977)	\$ 28,697	\$ (251,718)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	15,338	-	-	15,338
Changes in:				
Receivables	959	-	(12,139)	(11,180)
Due From Other Funds	-	(126,413)	-	(126,413)
Due From Other Governments	828	143,017	-	143,845
Inventory	(16,121)	-	-	(16,121)
Other Assets	-	10,270	(27,762)	(17,492)
Accounts Payable and Accrued Liabilities	1,664	7,315	61,168	70,147
Due to Other Funds	(858)	-	-	(858)
Compensated Absences	1,800	-	1,300	3,100
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (84,828)</u></u>	<u><u>\$ (157,788)</u></u>	<u><u>\$ 51,264</u></u>	<u><u>\$ (191,352)</u></u>

Fiduciary Funds

Agency Funds

Agency funds are used to report resources held in a purely custodial capacity.

The County maintains the following Agency Funds:

Clerk of the Circuit Court Agency Fund – to account for assets held by the Office as an agent for individuals, private organizations, and/or other governments.

Sheriff Agency Fund – to account for assets held by the Office as an agent for individuals, private organizations, and/or other governments.

Tax Collector Agency Fund – to account for assets held by the Office as an agent for individuals, private organizations, and/or other governments.

Putnam County, Florida
Combining Statement of Fiduciary Net Assets – Agency Funds
September 30, 2008

	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 1,878,308	\$ 79,408	\$ 1,795,506	\$ 3,753,222
Receivables	-	-	7,285	7,285
TOTAL ASSETS	<u>1,878,308</u>	<u>79,408</u>	<u>1,802,791</u>	<u>3,760,507</u>
<u>LIABILITIES</u>				
Due to Other Governments	-	-	27,125	27,125
Assets Held for Others	<u>1,878,308</u>	<u>79,408</u>	<u>1,775,666</u>	<u>3,733,382</u>
TOTAL LIABILITIES	<u>1,878,308</u>	<u>79,408</u>	<u>1,802,791</u>	<u>3,760,507</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2008

	Balance October 1, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2008</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 1,767,035	\$ 6,529,856	\$ 6,418,583	\$ 1,878,308
Receivables	4,073	20,295	24,368	-
Due From Other Governments	-	745	745	-
Total Assets	<u>\$ 1,771,108</u>	<u>\$ 6,550,896</u>	<u>\$ 6,443,696</u>	<u>\$ 1,878,308</u>
Liabilities:				
Due to Other Funds	\$ -	\$ 16,317	\$ 16,317	\$ -
Due to Other Governments	14,705	130,654	145,359	-
Assets Held for Others	1,756,403	6,420,242	6,298,337	1,878,308
Total Liabilities	<u>\$ 1,771,108</u>	<u>\$ 6,567,213</u>	<u>\$ 6,460,013</u>	<u>\$ 1,878,308</u>
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	<u>\$ 58,951</u>	<u>\$ 3,484,275</u>	<u>\$ 3,463,818</u>	<u>\$ 79,408</u>
Liabilities:				
Assets Held for Others	<u>\$ 58,951</u>	<u>\$ 3,484,275</u>	<u>\$ 3,463,818</u>	<u>\$ 79,408</u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 1,980,428	\$ 96,860,300	\$ 97,045,222	\$ 1,795,506
Receivables	4,132	498,780	495,627	7,285
Due From Other Funds	-	4,907	4,907	-
Total Assets	<u>\$ 1,984,560</u>	<u>\$ 97,363,987</u>	<u>\$ 97,545,756</u>	<u>\$ 1,802,791</u>
Liabilities:				
Due to Other Governments	\$ 120,448	\$ 8,330,958	\$ 8,424,281	\$ 27,125
Assets Held for Others	1,864,112	89,030,712	89,119,158	1,775,666
Due to Other Funds	-	2,315	2,315	-
Total Liabilities	<u>\$ 1,984,560</u>	<u>\$ 97,363,985</u>	<u>\$ 97,545,754</u>	<u>\$ 1,802,791</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 3,806,414	\$ 106,874,431	\$ 106,927,623	\$ 3,753,222
Receivables	8,205	519,075	519,995	7,285
Due From Other Funds	-	4,907	4,907	-
Due From Other Governments	-	745	745	-
Total Assets	<u>\$ 3,814,619</u>	<u>\$ 107,399,158</u>	<u>\$ 107,453,270</u>	<u>\$ 3,760,507</u>
Liabilities:				
Due to Other Funds	\$ -	\$ 18,632	\$ 18,632	\$ -
Due to Other Governments	135,153	8,461,612	8,569,640	27,125
Assets Held for Others	3,679,466	98,935,229	98,881,313	3,733,382
Total Liabilities	<u>\$ 3,814,619</u>	<u>\$ 107,415,473</u>	<u>\$ 107,469,585</u>	<u>\$ 3,760,507</u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2008

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
DEPARTMENT OF EDUCATION				
Passed Through Florida Department of Law Enforcement: Safe and Drug-Free Schools and Communities	84.186	2007-DCF-PUTN1-S1-001	\$ 55,277	
EXECUTIVE OFFICE OF THE PRESIDENT				
Office of National Drug Control and Policy Passed Through St Johns County, Florida				
High Intensity Drug Trafficking	XX.XXX	I8PNFP501Z	2,643	
High Intensity Drug Trafficking	XX.XXX	I5PNFP501	3,868	6,511
DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Community Affairs:				
Disaster Grants - Public Assistance - Hurricane Jeanne	97.036	05-PA-E--04-64-01-746	214,946	
Hazard Mitigation Grant	97.039	07-HM-4@-04-64-01-005	50,974	
Emergency Management Performance Grants	97.042	08-BG-24-04-64-01-218	20,117	
State Homeland Security Grant Program	97.067	07-DS-5N-04-64-02-194	19,947	
DEPARTMENT OF ENVIRONMENTAL PROTECTION				
Passed Through State Department of Environmental Protection: Capitalization Grant for Drinking Water State Revolving Fund	66.468	DW 5401010	4,576,128	
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State Department of Revenue:				
Child Support Enforcement-Title IV-D Reimbursements	93.563	CC354	182,911	
Child Support Enforcement-Title IV-D Reimbursements	93.563	CD354	9,337	192,248
ELECTION ASSISTANCE COMMISSION				
Passed Through Department of State: Voting Systems Assistance (HAVA)	90.401	--	8,325	
DEPARTMENT OF JUSTICE				
Direct Assistance:				
State Criminal Alien Assistance Program	16.606	2007-APBX0418	16,194	
State Criminal Alien Assistance Program	16.606	2008-APBX0363	6,870	23,064
Bullet Proof Vest Partnership Program	16.607	7038542	11,363	
Public Safety Partnership and Community Policing	16.710	2005-CK-WX-0159	57,857	
Public Safety Partnership and Community Policing	16.710	2006-CK-WX-0378	123,928	181,785
Byrne Justice Assistance Grant Program	16.738	2007-DJ-BX-1293	60,478	
Passed Through Florida Department of Law Enforcement: Byrne Justice Assistance Grant Program	16.738	2008-JAGC-PUTN-1-Q9-061	28,898	89,376
Passed Through Department of Juvenile Justice:				
Juvenile Justice and Delinquency Prevention	16.540	Q8910	76,100	
Title V Delinquency Prevention Program - Creating Lasting Family Connections	16.548	X1402-2008	28,800	
Passed Through Office of Attorney General:				
Crime Victim Assistance	16.575	V-7134	82,617	
Federal Equitable Sharing	16.XXX	-	89,953	
Passed Through Department of Children and Families:				
Violence Against Women Formula Grant	16.588	LN825	17,424	
Violence Against Women Formula Grant	16.588	LN025	66,740	84,164
DEPARTMENT OF TRANSPORTATION				
Passed Through Florida Department of Transportation:				
State and Community Highway Safety - Teen Outreach	20.600	MC+08-10-03	15,814	
Alcohol Traffic Safety and Drunk Driving Incentive Grant	20.601	K8-08-06-14	31,707	
Passed Through Florida Department of Health:				
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	FT-08-24-01	28,000	
Total Highway Safety Cluster				75,521
Highway Planning and Construction	20.205	403855-3-38-01, SFLT204	474,234	
Direct Assistance:				
Federal Transit Capital Investment Grants	20.500	FL-03-0281	80,635	
Federal Transit Capital Investment Grants	20.500	FL-04-8526	34,126	
Federal Transit Facilities Improvement	20.500	FL-03-0320	389,519	504,280
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,865,730</u>	

The accompanying notes are an integral part of this schedule.

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2008

<u>State Agency</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expend- itures</u>	<u>Project Total</u>
<u>DEPARTMENT OF HEALTH</u>				
County Grant Awards – Emergency Medical Services	64.005	C7054	\$ 16,977	
Emergency Medical Services - Matching Awards	64.003	M7003	90,000	
<u>DEPARTMENT OF REVENUE</u>				
Digital Map Conversion Grant Program	73.023	P0084	26,754	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	--	324,095	
Wireless 911 Emergency Telephone System	72.001	W911SR	120,392	444,487
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
FRDAP - South Putnam Recreation Complex	37.017	F06075	168,568	
Small County Consolidated Grants	37.012	SC827	277,316	
Passed Through St Johns River Water Management District Water Protection and Sustainability Program	37.066	SKK33712,WPSP	3,005,904	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Small County Technical Assistance Service	42.xxx		12,000	
Mosquito Control – State Aid	42.003	13065	37,488	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Emergency Management Programs	52.008	08-BG-24-04-64-01-218	105,806	
Florida Local Update of Census Addresses	52.038	08-DD-J3-04-64-01-023	22,187	
Growth Management Implementation	52.033	08-DR-90-04-64-01-004	100,000	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	2005-2006	5,936	
State Housing Initiatives Program	52.901	2006-2007	168,634	
State Housing Initiatives Program	52.901	2007-2008	730,012	
State Housing Initiatives Program	52.901	2008-2009	171,318	1,075,900
Hurricane Housing Recovery Program	52.902	--	92,787	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
Gates Foundation Public Access Computing Hardware	45.xxx	06-Gates-40	744	
State Aid to Libraries	45.030	07-ST-70	260,004	
<u>DEPARTMENT OF JUVENILE JUSTICE</u>				
Delinquency Prevention	80.029	X1402	59,838	
<u>DEPARTMENT OF TRANSPORTATION</u>				
County Incentive Grant Program - Turn Lane SR100 at 309c	55.008	210031-5-58-01	18,221	
County Incentive Grant Program - Turn Lane at SR115/US17	55.008	209970-4-58-01	2,288	20,509
Small County Outreach Program - East River Road	55.009	212241-2-58-01	108,806	
Small County Road Assistance Program – Federal Point	55.016	406819-7-58-01	175,951	
Small County Road Assistance Program - Cisco Road	55.016	417322-1-58-01	134,583	310,534
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 6,236,609</u></u>	

The accompanying notes are an integral part of this schedule.

Putnam County, Florida
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2008

NOTE 1 – BASIS OF PRESENTATION

Expenditures generally represent allowable costs, determined in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Putnam County provided federal awards to Ride Solution, Inc. as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>to Subrecipients</u>
Federal Transit Grants	20.500	<u>\$ 185,399</u>

The County did not provide state awards to subrecipients.

**ADDITIONAL ELEMENTS REQUIRED
BY THE RULES OF THE AUDITOR GENERAL**



Certified Public Accountants
& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:

www.davismonk.com

Management Letter

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of Putnam County, Florida (the "County"), as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated March 10, 2009.

We conducted our audit 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 U.S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior-year finding 07-1 is once again addressed in the accompanying Schedule of Findings and Questioned Costs as item 08-1.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the fiscal year ended September 30, 2008, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2008.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

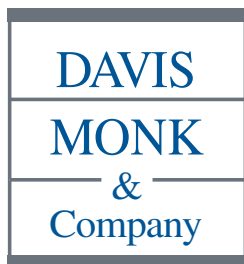
As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

This management letter is intended solely for the information and use of the Board of County Commissioners and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company". The signature is written in black ink and is positioned above the date and location.

March 10, 2009
Palatka, Florida



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& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Putnam County, Florida (the "County"), as of and for the year ended September 30, 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 10, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

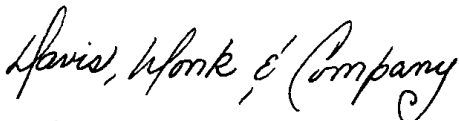
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We did note a matter which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-1.

The County's response to the finding identified in our audit is described in the accompanying letter. We did not audit the County's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of County Commissioners and management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.



March 10, 2009
Palatka, Florida



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& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
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**Report on Compliance and on Internal Control Over Compliance
Applicable to Each Major Federal Awards Program and State
Financial Assistance Project**

The Honorable County Commissioners
Putnam County, Florida

Compliance

We have audited the compliance of Putnam County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2008. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, 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 or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 08-3.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the County's internal control over compliance.

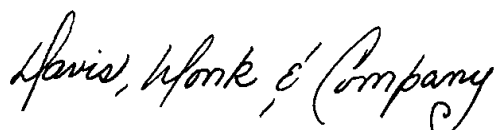
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 08-2 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

The County's response to the findings identified in our audit are described in the accompanying letter. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of County Commissioners and management, and appropriate oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.



March 10, 2009
Palatka, Florida

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

- (i) The independent auditors' report on the financial statements expressed an unqualified opinion.
- (ii) The audit did not disclose significant deficiencies in internal control over financial reporting.
- (iii) The audit did not disclose noncompliance considered material to the financial statements.
- (iv) The audit disclosed a significant deficiency in internal control over a major federal program. The significant deficiency was not considered a material weakness. No significant deficiencies were disclosed in the audit of major state projects.
- (v) The auditors' report on compliance for the major federal award programs and state projects expressed an unqualified opinion.
- (vi) The audit disclosed findings relative to a major federal program. No findings were disclosed relative the audit of major state projects.
- (vii) The County's major federal programs and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Federal Transit Administration Grants	20.500
Capitalization Grant for Drinking Water State Revolving Fund	66.468
<u>State Projects</u>	<u>State CSFA Number</u>
Water Protection and Sustainability Program	37.066
Emergency Management Program	52.008

- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs for federal programs and for state projects.
- (ix) The County qualifies as a low-risk auditee as that term is defined in OMB Circular A-133.

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2008

SECTION II – FINANCIAL STATEMENT FINDINGS

08-1 *Condition* – Pursuant to Section 129.01(2)(c)1, Florida Statutes, “a reserve for contingencies may be provided in a sum not to exceed 10% of the total of the budget.” Reserves for contingencies for five funds were in excess of this amount.

Recommendation – We encourage management to incorporate this statutory provision in its oversight and monitoring of the budget.

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

Questioned
Costs

08-2 *Condition* – Internal controls over compliance for the major federal program, CFDA 20.500 - Federal Transit Administration, were not sufficient to ensure that County procurement policies were followed and that other requirements applicable to the program were met.

a) There was no evidence documenting the Contractor's compliance with the grantor's procurement requirements that purchased steel, iron and manufactured items be manufactured in the U.S.

--

b) We noted two instances where the County did not comply with its purchasing policies that require written quotes and bid proposals for purchases over certain thresholds.

--

Recommendation – The County should implement procedures to ensure compliance with all applicable procurement requirements of the grant and county purchasing policies.

08-3 *Condition* – The County did not incorporate in its contract with a contractor the certification requirements pertaining to debarment and suspension.

Recommendation – The County should implement policies and procedures to pass through to contractors, when required, debarment and suspension certifications.

--

SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relating to the major state projects.

**Putnam County, Florida
Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
For the Year Ended September 30, 2008**

There were no findings relative to Federal or State awards included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2007.

PUTNAM COUNTY



2509 Crill Avenue, Suite 200
PALATKA, FLORIDA 32177
(386) 329-0205

BOARD OF COUNTY COMMISSIONERS

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District 1

CHIP LAIBL
District 2

KENNY EUBANKS
District 3

ED TAYLOR
District 4

BRAD PURCELL
District 5

March 10, 2009

The Honorable David W. Martin
Florida Auditor General
P. O. Box 1735
Tallahassee, FL 32302

**SUBJECT: CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008
PUTNAM COUNTY BOARD OF COUNTY COMMISSIONERS**

Dear Mr. Martin:

In accordance with Section 218.39 (8), Florida Statutes, the following statements are submitted in response to the Putnam County Board of County Commissioners Audit Report for the fiscal year ending September 30, 2008. The response is keyed to the numbering of the Schedule of Findings:

- 08-1 Management has implemented procedures to ensure that budgets subsequent to the 2008 fiscal year will be in compliance with Florida budget laws.
- 08-2 a) Appendix A to 49 CFR section 661.7 excludes all "small purchases" as defined in 49 CFR 18.36(d) as under \$100,000, from the Buy America requirements. No single purchase exceeded the threshold. The County does recognize that a change order to an original contract of less than \$100,000 caused a project as a whole to exceed the threshold by \$1,493. The County, however, views the unanticipated changes as a separate purchase. In the future, the County will monitor all transactions to assure compliance with the Buy America requirements.
- b) For all future transactions, the County will strictly adhere to the established purchasing policies.
- 08-3 This comment relates to the same project mentioned above in 08-2(a). When the County enters into a covered transaction it will verify that the vendor is not suspended or debarred or otherwise excluded by checking the Excluded Parties List System maintained by the General Services Administration and placing appropriate documentation in the grant file.

Sincerely,

A handwritten signature in cursive script that reads "Nancy S. Harris".

Nancy S. Harris
Chairman, Board of County Commissioners

PUTNAM COUNTY
CLERK OF THE CIRCUIT COURT

AUDIT REPORT

SEPTEMBER 30, 2008

**Putnam County Clerk of the Circuit Court
Audit Report
September 30, 2008**

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

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Independent Auditors' Report

The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Putnam County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office at September 30, 2008, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2009 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

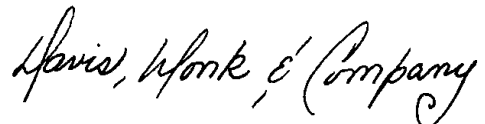
The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

Page Two

The budgetary comparison schedules listed in the table of contents as “required supplementary information” are not a required part of the special purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office’s special purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company".

January 23, 2009
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2008
Putnam County Clerk of the Circuit Court

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
<u>ASSETS</u>					
Equity in Pooled Cash and Equivalents	\$ 306,108	\$ 295,284	\$ 181,531	\$ 447,257	\$1,230,180
Accounts Receivable	5,609	53,503	-	-	59,112
Due From Other Governments	25,185	337	-	-	25,522
Prepays	-	-	40,809	122,427	163,236
Other Assets	8,166	-	-	-	8,166
TOTAL ASSETS	\$ 345,068	\$ 349,124	\$ 222,340	\$ 569,684	\$1,486,216
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 174,066	\$ 296,722	\$ -	\$ -	\$ 470,788
Due to Other County Agencies	171,002	-	-	-	171,002
Deferred Revenue	-	52,402	-	-	52,402
TOTAL LIABILITIES	345,068	349,124	-	-	694,192
<u>FUND BALANCES</u>					
Reserved for Prepays	-	-	40,809	122,427	163,236
Unreserved – Undesignated	-	-	181,531	447,257	628,788
TOTAL FUND BALANCES	-	-	222,340	569,684	792,024
TOTAL LIABILITIES AND FUND BALANCES	\$ 345,068	\$ 349,124	\$ 222,340	\$ 569,684	\$1,486,216

The accompanying “Notes to Financial Statements”
form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008
Putnam County Clerk of the Circuit Court

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 192,248	\$ 525,544	\$ -	\$ -	\$ 717,792
Charges for Services	562,517	1,184,050	40,287	111,253	1,898,107
Fines and Forfeitures	-	423,634	-	-	423,634
Interest	52,909	5,252	4,501	9,805	72,467
Other Miscellaneous Revenue	3,558	1,547	-	-	5,105
TOTAL REVENUES	811,232	2,140,027	44,788	121,058	3,117,105
EXPENDITURES					
Current:					
General Government Services	1,802,039	-	-	-	1,802,039
Court Related	232,183	1,943,398	-	-	2,175,581
Debt Service:					
Principal	8,550	-	-	-	8,550
Interest	980	-	-	-	980
TOTAL EXPENDITURES	2,043,752	1,943,398	-	-	3,987,150
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,232,520)	196,629	44,788	121,058	(870,045)
OTHER FINANCING SOURCES (USES)					
Appropriation from Board of County Commissioners	1,403,522	-	-	-	1,403,522
Budget Appropriation Reverted to Board of County Commissioners	(171,002)	-	-	-	(171,002)
Reversion to the Clerks of Court Corporation	-	(196,629)	-	-	(196,629)
TOTAL OTHER FINANCING SOURCES (USES)	1,232,520	(196,629)	-	-	1,035,891
NET CHANGE IN FUND BALANCES	-	-	44,788	121,058	165,846
FUND BALANCES - October 1, 2007	-	-	177,552	448,626	626,178
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ 222,340	\$ 569,684	\$ 792,024

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Statement of Fiduciary Net Assets
September 30, 2008
Putnam County Clerk of the Circuit Court

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Equivalents	<u>\$1,894,625</u>
<u>LIABILITIES</u>	
Assets Held for Others	1,878,308
Due to Other County Agencies	<u>16,317</u>
TOTAL LIABILITIES	<u>1,894,625</u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Notes to Financial Statements
September 30, 2008
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Putnam County Clerk of the Circuit Court (the “Office”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Putnam County, the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a separate column.

The Office reports the following major governmental funds:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Court Fund – The Court Fund is used to account for all court related activities funded by charges for services, court costs and fines and forfeitures.

Records Modernization Fund - The Records Modernization Fund is used to account for fees charged pursuant to Section 28.24(12)(d), Florida Statutes, and related expenditures to modernize the public records storage and retrieval system of the County.

Article V Records Modernization Fund - The Article V Records Modernization Fund is used to account for fees charged pursuant to Section 28.24(12)(e)(1), Florida Statutes, and related expenditures to fund court-related technology as defined in Section 29.008, Florida Statutes.

Notes to Financial Statements
September 30, 2008
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the Office reports the following fiduciary fund:

Agency Funds – Agency Funds are used to account for resources held in a purely custodial capacity.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Putnam County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Equity in Pooled Cash and Equivalents

The Office maintains a cash and equivalents pool that is available for use by all funds. Each fund's portion of this pool is displayed on the balance sheet as "Equity in Pooled Cash and Equivalents". If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e., due to/from other funds) are reported on the balance sheet.

Notes to Financial Statements
September 30, 2008
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

The Office has adopted an investment policy pursuant to Section 218.415, Florida Statutes, which allows for surplus funds to be invested in the Local Government Surplus Funds Trust fund (the “State Pool”) or any intergovernmental investment pool; Securities and Exchange Commission registered money market funds; certificates of deposits and savings accounts in state-certified qualified public depositories and direct obligations of the U.S. Treasury. Surplus funds are invested in the State Pool. The State Pool is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight. During the year, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools (“LGIP” and “Fund B”).

The LGIP has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Office’s investment in the LGIP is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

The Fund B is reported at fair value, determined by the fair value per share of the pool’s underlying portfolio.

Prepays

Certain payments to vendors for software development costs applicable to future accounting periods are recorded as prepaids in the accompanying financial statements. An offsetting “reserve” is reported in the fund financial statements to indicate that prepaids do not represent available spendable resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

All deposits of the Office are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security or Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely collateralized throughout the fiscal year.

Notes to Financial Statements
September 30, 2008
Putnam County Clerk of the Circuit Court

NOTE 2 – DEPOSITS AND INVESTMENTS

Investment in State Pool

The Office's investments in the State Pool are included in Equity in Pooled Cash and Equivalents in the accompanying financial statements.

At year-end the Office had investments in the Local Government Surplus Funds Trust Fund (the "State Pool") as summarized below:

LGIP	\$ 101,085
Fund B	4,647
Total	<u>\$ 105,732</u>

The Office's investment in the State Pool exposes it to credit risk and, for Fund B, interest rate risk. The Office does not have a formal investment policy relating to these risks, which are hereafter described.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The LGIP is rated by Standard and Poors and has a rating at September 30, 2008 of AAAm.

The Fund B is not rated by a nationally recognized statistical rating agency.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment.

The weighted average life (WAL) of Fund B at September 30, 2008 was 9.36 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity.

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

Note Payable	\$ 23,014	\$ -	\$ 8,550	\$ 14,464	\$ 8,998
Compensated Absences	<u>231,000</u>	<u>301,000</u>	<u>302,000</u>	<u>230,000</u>	<u>124,000</u>
Totals	<u>\$254,014</u>	<u>\$ 301,000</u>	<u>\$310,550</u>	<u>\$ 244,464</u>	<u>\$132,998</u>

Notes to Financial Statements
September 30, 2008
Putnam County Clerk of the Circuit Court

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

The note payable consists of a 5.1% agreement with a financial institution and is secured by a new vehicle. Future debt service on this note is as follows:

<u>\$</u> <u>14,464</u>	<u>\$</u> <u>626</u>	<u>\$</u> <u>15,090</u>
-------------------------	----------------------	-------------------------

NOTE 4 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (“System”), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office’s contributions to the System for the years ended September 30, 2008, 2007 and 2006 were approximately \$267,000, \$270,000 and \$207,000, respectively, equal to the required contributions for each year.

NOTE 5 – RISK MANAGEMENT

For health insurance and worker's compensation, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2008
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 218,400	\$ 218,400	\$ 192,248	\$ (26,152)
Charges for Services	547,100	547,100	562,517	15,417
Interest	80,000	80,000	52,909	(27,091)
Other Miscellaneous Revenue	5,000	5,000	3,558	(1,442)
TOTAL REVENUES	850,500	850,500	811,232	(39,268)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,996,543	1,996,543	1,802,039	194,504
Court Related	253,588	253,588	232,183	21,405
Debt Service:				
Principal	3,537	3,537	8,550	(5,013)
Interest	354	354	980	(626)
TOTAL EXPENDITURES	2,254,022	2,254,022	2,043,752	210,270
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,403,522)	(1,403,522)	(1,232,520)	171,002
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,403,522	1,403,522	1,403,522	-
Budget Appropriation Reverted to Board of County Commissioners	-	-	(171,002)	(171,002)
TOTAL OTHER FINANCING SOURCES (USES)	1,403,522	1,403,522	1,232,520	(171,002)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2007	-	-	-	-
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Fund
For the Year Ended September 30, 2008
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 477,293	\$ 485,263	\$ 525,544	\$ 40,281
Charges for Services	1,361,800	1,361,800	1,184,050	(177,750)
Fines and Forfeitures	526,400	526,400	423,634	(102,766)
Interest	10,500	10,500	5,252	(5,248)
Other Miscellaneous Revenue	1,800	1,800	1,547	(253)
TOTAL REVENUES	<u>2,377,793</u>	<u>2,385,763</u>	<u>2,140,027</u>	<u>(245,736)</u>
<u>EXPENDITURES</u>				
Current:				
Court Related	2,371,784	2,379,754	1,943,398	436,356
Debt Service:				
Principal	5,463	5,463	-	5,463
Interest	546	546	-	546
TOTAL EXPENDITURES	<u>2,377,793</u>	<u>2,385,763</u>	<u>1,943,398</u>	<u>442,365</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>196,629</u>	<u>196,629</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Reversion to the Clerks of Court Operations Corporation	-	-	(196,629)	(196,629)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
For the Year Ended September 30, 2008
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for Services	\$ 52,000	\$ 52,000	\$ 40,287	\$ (11,713)
Interest	<u>6,000</u>	<u>6,000</u>	<u>4,501</u>	<u>(1,499)</u>
TOTAL REVENUES	58,000	58,000	44,788	(13,212)
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>58,000</u>	<u>58,000</u>	<u>-</u>	<u>58,000</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	44,788	44,788
FUND BALANCES - October 1, 2007	<u>-</u>	<u>-</u>	<u>177,552</u>	<u>177,552</u>
FUND BALANCES - September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,340</u>	<u>\$ 222,340</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Article V Records Modernization Fund
For the Year Ended September 30, 2008
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for Services	\$ 146,000	\$146,000	\$ 111,253	\$ (34,747)
Interest	12,000	12,000	9,805	(2,195)
TOTAL REVENUES	158,000	158,000	121,058	(36,942)
<u>EXPENDITURES</u>				
Current:				
Court Related	158,000	158,000	-	158,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	121,058	121,058
FUND BALANCES - October 1, 2007	-	-	448,626	448,626
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ 569,684	\$ 569,684

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

SUPPLEMENTAL INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2008
Putnam County Clerk of the Circuit Court

	Circuit Court Trust <u>Fund</u>	Jury And Witness <u>Fund</u>	Total Agency Funds <u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Equivalents	<u>\$ 1,887,067</u>	<u>\$ 7,558</u>	<u>\$ 1,894,625</u>
<u>LIABILITIES</u>			
Assets Held for Others	1,870,750	7,558	1,878,308
Due to Other County Agencies	<u>16,317</u>	<u>-</u>	<u>16,317</u>
TOTAL LIABILITIES	<u>1,887,067</u>	<u>7,558</u>	<u>1,894,625</u>
NET ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**ADDITIONAL ELEMENTS REQUIRED BY THE
RULES OF THE AUDITOR GENERAL**



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:

www.davismonk.com

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Management Letter

The Honorable Tim Smith
Putnam County Clerk of the Circuit Court
Putnam County, Florida

We have audited the financial statements of the Putnam County Clerk of the Circuit Court (the "Office"), as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated January 23, 2009.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior year finding 07-1 has been corrected.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Florida Clerks of Court Operations Corporation

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the budget certified by the Florida Clerks of Court Operations Corporation (the "Corporation") and with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget certified by the Corporation pursuant to Section 28.35, Florida Statutes, and no reportable instances of noncompliance with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes.

Other Matters

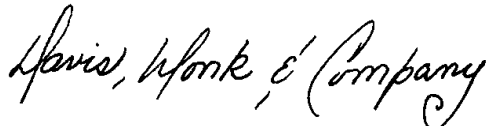
Our audit did not reveal any other matters that we are required to include in this management letter.

The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

Page Two

This management letter is intended solely for the information and use of the Putnam County Clerk of the Circuit Court and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Davis, Monk, & Company". The signature is written in black ink and is positioned above the date and location.

January 23, 2009
Palatka, Florida



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& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
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Horwath International

The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Putnam County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated January 23, 2009. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. 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.

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters**

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

Page Three

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

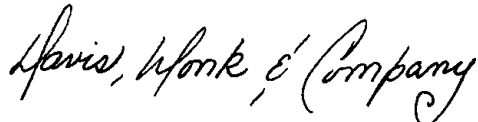
Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

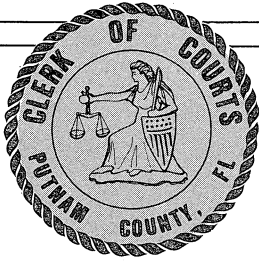
Management Representations

We have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Putnam County Clerk of the Circuit Court, management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.



January 23, 2009
Palatka, Florida



Office of
Clerk of Court
Tim Smith

January 23, 2009

The Honorable David W. Martin
Florida Auditor General
P. O. Box 1735
Tallahassee, FL 32302

Dear Mr. Martin:

In accordance with Section 218.39 (8), Florida Statutes, the following statement is submitted in response to the Putnam County Clerk of the Circuit Court Audit Report for the fiscal year ending September 30, 2008.

We are pleased that the results of the audit disclosed no instances of noncompliance that are required to be reported under Generally Accepted Government Auditing Standards or the Rules of the Auditor General. Further, we are pleased that the audit noted no matters involving the internal controls over financial reporting and operations that were considered to be reportable conditions or material weaknesses.

Sincerely,

Tim Smith
Clerk of Circuit Court

PUTNAM COUNTY
SHERIFF

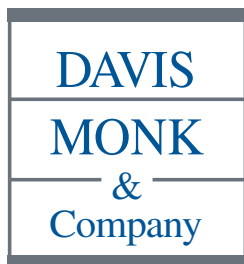
AUDIT REPORT

SEPTEMBER 30, 2008

**Putnam County Sheriff
Audit Report
September 30, 2008**

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

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Independent Auditors' Report

The Honorable Dean Kelly
Putnam County Sheriff
Putnam County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Putnam County Sheriff (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes.

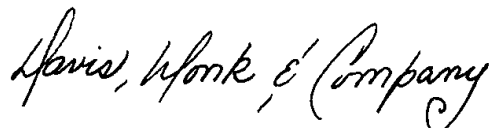
In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office at September 30, 2008, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2008 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison schedules listed in the table of contents as “required supplementary information” are not a required part of the special purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office’s special purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Monk, & Company". The signature is written in dark ink and is positioned above the date and location text.

December 18, 2008
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2008
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Equivalents	\$1,054,970	\$148,698	\$ 31,988	\$1,235,656
Accounts Receivable	-	4,469	-	4,469
Inventory	-	401	-	401
Other Assets	895	-	-	895
TOTAL ASSETS	<u>\$1,055,865</u>	<u>\$153,568</u>	<u>\$ 31,988</u>	<u>\$1,241,421</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued				
Liabilities	\$ 489,699	\$ 12,409	\$ -	\$ 502,108
Due to Other County Agencies	566,166	-	-	566,166
TOTAL LIABILITIES	<u>1,055,865</u>	<u>12,409</u>	<u>-</u>	<u>1,068,274</u>
<u>FUND BALANCES</u>				
Reserved for Inventory	-	401	-	401
Unreserved – Undesignated	-	140,758	31,988	172,746
TOTAL FUND BALANCES	<u>-</u>	<u>141,159</u>	<u>31,988</u>	<u>173,147</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,055,865</u>	<u>\$153,568</u>	<u>\$ 31,988</u>	<u>\$1,241,421</u>

The accompanying “Notes to Financial Statements”
form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Fines and Forfeitures	\$ -	\$ -	\$107,948	\$ 107,948
Miscellaneous Revenue	-	172,786	140	172,926
TOTAL REVENUES	-	172,786	108,088	280,874
EXPENDITURES				
Current:				
Public Safety	16,325,119	209,851	89,953	16,624,923
Court Related	580,814	-	-	580,814
Debt Service:				
Principal	864,112	-	-	864,112
Interest	55,806	-	-	55,806
TOTAL EXPENDITURES	17,825,851	209,851	89,953	18,125,655
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,825,851)	(37,065)	18,135	(17,844,781)
OTHER FINANCING SOURCES (USES)				
Debt Issued	43,000	-	-	43,000
Appropriation from Board of County Commissioners	18,032,625	-	-	18,032,625
Reversion to Board of County Commissioners	(249,774)	(46,664)	-	(296,438)
TOTAL OTHER FINANCING SOURCES (USES)	17,825,851	(46,664)	-	17,779,187
NET CHANGE IN FUND BALANCES	-	(83,729)	18,135	(65,594)
FUND BALANCES – October 1, 2007	-	224,888	13,853	238,741
FUND BALANCES – September 30, 2008	\$ -	\$ 141,159	\$ 31,988	\$ 173,147

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Statement of Fiduciary Net Assets
September 30, 2008
Putnam County Sheriff

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 79,408
<u>LIABILITIES</u>	
Assets Held for Others	<u>79,408</u>
NET ASSETS	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Notes to Financial Statements
September 30, 2008
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Putnam County Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Putnam County, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Commissary Fund – The Commissary Fund is used to account for the commissary operations of the County's Detention Facility. Revenues are provided by sales of products to inmates. The profits can only be spent for the benefit of the inmates.

The Office reports the following nonmajor governmental fund:

Federal Forfeitures Fund – This fund accounts for monies received from federal forfeitures. Expenditures can only be spent in accordance with the Federal Equitable Sharing Program.

Notes to Financial Statements
September 30, 2008
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office also reports the following fiduciary fund type:

Agency Funds – Agency Funds are used to account for resources held in a custodial capacity.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Cash and Equivalents

Cash and Equivalents consist of deposits placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Inventory

Inventory is valued at cost (first-in, first-out) and consists of various items held for resale to inmates of the jail. It is accounted for using the "consumption" method. An offsetting "reserve" is reported to indicate that inventories do not represent "available spendable resources."

Capital Assets and Long-Term Liabilities

Because of the current financial resources measurement focus, the accompanying fund financial statements do not report capital assets or long-term liabilities. Such amounts are instead reported in the government-wide financial statements of the County.

Notes to Financial Statements
September 30, 2008
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Buildings	20-25 years
Equipment	5-25 years
Vehicles	5 years

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	BALANCE OCTOBER 1, <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2008</u>
Capital Assets Being Depreciated:				
Buildings	\$ 46,447	\$ 6,823	\$ -	\$ 53,270
Equipment	878,057	178,255	168,438	887,874
Vehicles	<u>3,492,403</u>	<u>49,603</u>	<u>12,025</u>	<u>3,529,981</u>
Total Capital Assets Being Depreciated	<u>4,416,907</u>	<u>234,681</u>	<u>180,463</u>	<u>4,471,125</u>
Less Accumulated Depreciation:				
Buildings	12,164	3,362	-	15,526
Equipment	532,861	136,721	107,422	562,160
Vehicles	<u>1,312,612</u>	<u>676,668</u>	<u>5,011</u>	<u>1,984,269</u>
Total Accumulated Depreciation	<u>1,857,637</u>	<u>816,751</u>	<u>112,433</u>	<u>2,561,955</u>
Total Net Capital Assets	<u><u>\$ 2,559,270</u></u>	<u><u>\$ (582,070)</u></u>	<u><u>\$ 68,030</u></u>	<u><u>\$ 1,909,170</u></u>

Depreciation expense of \$816,751 applies to the *public safety* function.

Notes to Financial Statements
September 30, 2008
Putnam County Sheriff

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2008</u>	DUE WITHIN <u>ONE YEAR</u>
Compensated Absences	\$ 727,000	\$ 615,000	\$ 496,000	\$ 846,000	\$ 721,000
Capital Lease Obligation	<u>1,675,711</u>	<u>43,000</u>	<u>864,112</u>	<u>854,599</u>	<u>624,236</u>
Total	<u>\$ 2,402,711</u>	<u>\$ 658,000</u>	<u>\$ 1,360,112</u>	<u>\$ 1,700,599</u>	<u>\$ 1,345,236</u>

The capital lease obligations at September 30, 2008 is comprised of an agreement with a financial institution for vehicles with interest rates from 4.1% to 4.7%. The aggregate historical cost of the vehicles is \$1,983,263.

Future minimum lease payments at September 30, 2008 are as follows:

<u>September 30,</u>	<u>Amount</u>
2009	\$ 646,663
2010	226,735
2011	<u>7,630</u>
Total	881,028
Less: Amount Representing Interest	<u>26,429</u>
Total Minimum Lease Payments	<u>\$ 854,599</u>

NOTE 4 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established

Notes to Financial Statements
September 30, 2008
Putnam County Sheriff

NOTE 4 – PENSION PLAN

and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2008, 2007 and 2006 were approximately \$1,542,200, \$1,498,700 and \$1,282,000, respectively, equal to the required contributions for each year.

NOTE 5 – RISK MANAGEMENT

For health insurance and worker's compensation, the Putnam County Sheriff participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

The Sheriff also participates in the Florida Sheriff's self-insurance fund for risk related to professional liability and certain tangible personal property. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

NOTE 6 – CONTINGENCIES

The Office is involved in claims in the normal course of operations. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2008
Putnam County Sheriff

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	16,065,415	16,543,839	16,325,119	218,720
Court Related	584,564	584,564	580,814	3,750
Reserve for Contingencies	20,000	-	-	-
Debt Service:				
Principal	891,235	891,235	864,112	27,123
Interest	55,987	55,987	55,806	181
TOTAL EXPENDITURES	17,617,201	18,075,625	17,825,851	249,774
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,617,201)	(18,075,625)	(17,825,851)	249,774
<u>OTHER FINANCING SOURCES (USES)</u>				
Debt Issued	-	43,000	43,000	-
Appropriation from Board of County Commissioners	17,617,201	18,032,625	18,032,625	-
Reversion to Board of County Commissioners	-	-	(249,774)	(249,774)
TOTAL OTHER FINANCING SOURCES (USES)	17,617,201	18,075,625	17,825,851	(249,774)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2007	-	-	-	-
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Commissary Fund
For the Year Ended September 30, 2008
Putnam County Sheriff

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 220,000	\$ 220,000	\$ 172,786	\$ (47,214)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>179,543</u>	<u>254,664</u>	<u>209,851</u>	<u>44,813</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	40,457	(34,664)	(37,065)	(2,401)
<u>OTHER FINANCING SOURCES (USES)</u>				
Reversion to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(46,664)</u>	<u>(46,664)</u>
NET CHANGE IN FUND BALANCES	40,457	(34,664)	(83,729)	(49,065)
FUND BALANCES - October 1, 2007	<u>(40,457)</u>	<u>34,664</u>	<u>224,888</u>	<u>190,224</u>
FUND BALANCES - September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,159</u>	<u>\$ 141,159</u>

Notes to Schedule:

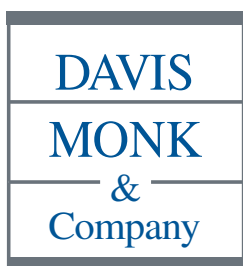
The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

SUPPLEMENTAL INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2008
Putnam County Sheriff

	INMATE BANK <u>FUND</u>	TRUST <u>FUND</u>	TOTAL AGENCY <u>FUNDS</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 20,663	\$ 58,745	\$ 79,408
<u>LIABILITIES</u>			
Assets Held for Others	<u>20,663</u>	<u>58,745</u>	<u>79,408</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL ELEMENTS REQUIRED
BY THE RULES OF THE AUDITOR GENERAL**



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& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:

www.davismonk.com

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Management Letter

The Honorable Dean Kelly
Putnam County Sheriff
Putnam County, Florida

We have audited the financial statements of the Putnam County Sheriff, as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated December 18, 2008.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior finding 07-1 is once again addressed in the accompanying Schedule of Finding as 08-1.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

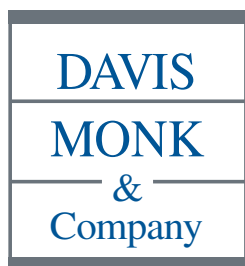
Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Putnam County Sheriff and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

December 18, 2008
Palatka, Florida



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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
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St. Augustine

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The Honorable Dean Kelly
Putnam County Sheriff
Putnam County, Florida

We have audited the financial statements of each major fund and aggregate remaining fund information of the Putnam County Sheriff (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated December 18, 2008. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. 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.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control. We consider the deficiency described in the accompanying Schedule of Findings as item 08-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider item 08-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Office's response to the finding identified in our audit is described in the attached letter. We did not audit the response and, accordingly, we express no opinion on it.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures performed.

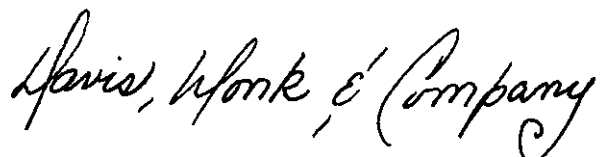
Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Putnam County Sheriff and management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company". The signature is written in dark ink and is positioned above the date and location information.

December 18, 2008
Palatka, Florida

Putnam County Sheriff
Schedule of Findings
For the Year Ended September 30, 2008

08-1 *Condition:* It was necessary for us to assist with the preparation of your financial statements in order for the statements to be fairly presented in conformity with generally accepted accounting principles.

Recommendation: We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.



Putnam County Sheriff's Office

Dean Kelly, Sheriff

January 9, 2009

Honorable William Monroe
Auditor General
111 West Madison St.
Tallahassee, Florida 32399-1450

Dear Sir,

The financial statement audit of the Putnam County Sheriff's Office for the fiscal year ending September 30, 2008 has been completed by Davis, Monk and Company.

Their audit disclosed a significant deficiency in internal control identified as item 08-1 in the Schedule of Findings.

We have evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in our best interests to outsource this task to our independent auditors.

Sincerely,

A handwritten signature in cursive script that reads "Dean Kelly".

Dean Kelly
Sheriff

DK:db

PUTNAM COUNTY
TAX COLLECTOR

AUDIT REPORT

SEPTEMBER 30, 2008

**Putnam County Tax Collector
Audit Report
September 30, 2008**

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Certified Public Accountants
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*A Partnership Consisting of
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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
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www.davismonk.com

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Horwath International

Independent Auditors' Report

The Honorable Kenneth R. Mahaffey
Tax Collector
Putnam County, Florida

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Putnam County Tax Collector (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes.

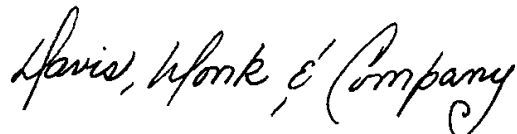
In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information of the Office at September 30, 2008, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2008 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison schedule listed in the table of contents as “required supplementary information” is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Office’s special purpose financial statements. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements of the Office. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company". The signature is written in dark ink and is positioned above the date and location text.

December 31, 2008
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2008
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 699,777
Other Assets	<u>1,300</u>
 TOTAL ASSETS	 <u><u>\$ 701,077</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
 <u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 53,056
Due to Other County Agencies	<u>648,021</u>
 TOTAL LIABILITIES	 701,077
 FUND BALANCE	 <u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 701,077</u></u>

The accompanying “Notes to Financial Statements”
form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2008
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Charges for Services	\$ 2,325,681
Miscellaneous Revenue	<u>35,380</u>
TOTAL REVENUES	2,361,061
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,713,040</u>
EXCESS OF REVENUES OVER EXPENDITURES	648,021
<u>OTHER FINANCING USES</u>	
Reversion to Board of County Commissioners	<u>(648,021)</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2007	<u>-</u>
FUND BALANCE - September 30, 2008	<u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Statement of Fiduciary Net Assets
September 30, 2008
Putnam County Tax Collector

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,795,506
Accounts Receivable	<u>7,285</u>
 TOTAL ASSETS	 <u>1,802,791</u>
 <u>LIABILITIES</u>	
Assets Held for Others	1,775,666
Due to Other County Agencies	<u>27,125</u>
 TOTAL LIABILITIES	 <u>1,802,791</u>
 NET ASSETS	 <u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Notes to Financial Statements
September 30, 2008
Putnam County Tax Collector

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Putnam County Tax Collector, the “Office”, conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Putnam County, the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The emphasis of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a separate column. The Office has no nonmajor governmental funds.

The Office reports the following major governmental fund:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Additionally, the Office reports the following fiduciary funds:

Agency Funds - Agency Funds are used to account for resources held in a purely custodial capacity.

Notes to Financial Statements
September 30, 2008
Putnam County Tax Collector

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Putnam County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Equity in Pooled Cash and Investments

The Office maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments." If a fund overdraws its account in the pool, a liability and corresponding receivable (i.e. due to/from other funds) are reported on the balance sheet. Management has designated the General Fund as the fund to report a receivable.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

Notes to Financial Statements
September 30, 2008
Putnam County Tax Collector

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

All deposits are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Investments

Pursuant to Section 218.415, Florida Statutes, the Office adopted a policy that allows it to invest surplus funds in the following:

- (a) The Local Government Surplus Funds Trust Fund, or any governmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Florida Statutes, 163.01.
- (b) Securities and Exchange Commission registered money market funds with highest credit quality rating from a nationally recognized rating agency.
- (c) Savings accounts in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- (d) Certificates of deposit in state-certified qualified public depositories, as defined in Section 280.02, Florida Statutes.
- (e) Direct obligations of the U.S. Treasury.
- (f) Federal agencies and instrumentalities.
- (g) Repurchase agreements for any of the investments authorized in (e) and (f) above.
- (h) Securities of or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss – 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government.

The investment policy of the Office requires that investments shall have maturities compatible with known cash needs and anticipated cash flow requirements.

Notes to Financial Statements
September 30, 2008
Putnam County Tax Collector

NOTE 2 - DEPOSITS AND INVESTMENTS

Investments of the Office consist of repurchase agreements. Such investments are included in Equity in Pooled Cash and Investments in the accompanying balance sheet. The Office had contractual agreements with qualified public depositories in the State of Florida under which, at the close of each business day, total bank balances were transferred into a sweep account. The financial institution sells securities to the Office in the form of repurchase agreements. The underlying securities are obligations of the United States government and have a fair value of at least equal to 100% of the purchase price. The investment in repurchase agreement is stated at cost which approximates fair value.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Office will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The underlying securities of the Office's approximately \$2.4 million investment in repurchase agreements are held by the investment's counterparty, not in the name of the Tax Collector.

	Carrying <u>Amount</u>
Repurchase Agreement	<u><u>\$2,359,892</u></u>

NOTE 3 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2008</u>	DUE WITHIN <u>ONE YEAR</u>
Compensated Absences	<u><u>\$ 65,300</u></u>	<u><u>\$ 49,400</u></u>	<u><u>\$ 40,700</u></u>	<u><u>\$ 74,000</u></u>	<u><u>\$ 52,000</u></u>

NOTE 4 - PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Notes to Financial Statements
September 30, 2008
Putnam County Tax Collector

NOTE 4 - PENSION PLAN

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2008, 2007 and 2006 were approximately \$114,000, \$106,000 and \$86,000, respectively, equal to the required contributions for each year.

NOTE 5 – RISK MANAGEMENT

For health insurance and worker's compensation, the Putnam County Tax Collector participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

NOTE 6 – DEFERRED COMPENSATION PLANS

The Office offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Putnam County Tax Collector has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 7 - CONTINGENCIES

The Office is involved in claims in the normal course of operations. It is the opinion of management that any uninsured claims would not be material in relation to the Office's financial condition.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2008
Putnam County Tax Collector

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Charges for Services	\$2,294,141	\$2,294,141	\$2,325,681	\$ 31,540
Miscellaneous Revenue	<u>59,500</u>	<u>59,500</u>	<u>35,380</u>	<u>(24,120)</u>
TOTAL REVENUES	2,353,641	2,353,641	2,361,061	7,420
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>1,816,019</u>	<u>1,816,019</u>	<u>1,713,040</u>	<u>102,979</u>
EXCESS OF REVENUES OVER EXPENDITURES	537,622	537,622	648,021	110,399
<u>OTHER FINANCING USES</u>				
Reversion to Board of County Commissioners	<u>(537,622)</u>	<u>(537,622)</u>	<u>(648,021)</u>	<u>(110,399)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES- September 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

SUPPLEMENTAL INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2008
Putnam County Tax Collector

	TAX FUND	DELINQUENT TAX FUND	TAG FUND	ESCROW FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$1,140,145	\$546,891	\$ 72,973	\$ 35,497	\$1,795,506
Accounts Receivable	4,411	243	2,631	-	7,285
TOTAL ASSETS	1,144,556	547,134	75,604	35,497	1,802,791
<u>LIABILITIES</u>					
Assets Held for Others	1,117,431	547,134	75,604	35,497	1,775,666
Due to Other County Agencies	27,125	-	-	-	27,125
TOTAL LIABILITIES	1,144,556	547,134	75,604	35,497	1,802,791
NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -

**ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF
THE AUDITOR GENERAL**



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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

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Suite 205A
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Fax: (904) 471-3825

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www.davismonk.com

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American Institute of
Certified Public Accountants

Horwath International

Management Letter

The Honorable Kenneth R. Mahaffey
Tax Collector
Putnam County, Florida

We have audited the financial statements of the Putnam County Tax Collector, as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated December 31, 2008.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. A prior year finding related to the Office's investment policy has been corrected.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Putnam County Tax Collector and management, and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

December 31, 2008
Palatka, Florida

A handwritten signature in black ink that reads "Davis, Monk, & Company". The signature is written in a cursive, flowing style.



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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
Phone: (904) 471-3445
Fax: (904) 471-3825

Website:

www.davismonk.com

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The Honorable Kenneth R. Mahaffey
Tax Collector
Putnam County, Florida

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Putnam County Tax Collector (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated December 31, 2008. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes. 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.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters**

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The Honorable Kenneth R. Mahaffey
Tax Collector
Putnam County, Florida

Page Three

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during the audit.

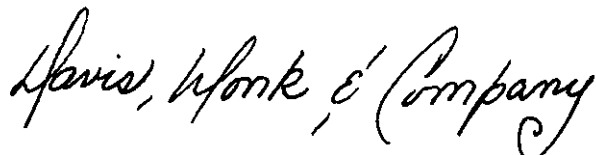
Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Putnam County Tax Collector and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Davis, Wolk & Company". The signature is written in a cursive, flowing style.

December 31, 2008
Palatka, Florida

PUTNAM COUNTY TAX COLLECTOR
KEN MAHAFFEY, CFC

P.O. DRAWER 1339 • PALATKA, FLORIDA 32178-1339 • PHONE: (386) 329-0271 • 1-800-826-1437 • FAX: (386) 329-0886 • EMAIL: kmahaffeytc@putnam-fl.com



December 31, 2008

The Honorable David W. Martin
Auditor General
P.O. Box 1735
Tallahassee, Florida 32402-1735

Dear Sir:

An audit of the operations of the Putnam County Tax Collector's Office for the fiscal year ending September 30, 2008, has been completed by Davis, Monk and Company.

I am pleased to report that their audit did not disclose any deficiencies in internal control over financial reporting or instances of noncompliance that require disclosure under Government Auditing Standards.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Mahaffey", is written over the printed name.

Ken Mahaffey, CFC
Putnam County Tax Collector

KM/tam

PUTNAM COUNTY
PROPERTY APPRAISER

AUDIT REPORT

SEPTEMBER 30, 2008

**Putnam County Property Appraiser
Audit Report
September 30, 2008**

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Gainesville

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Phone: (352) 372-6300
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Certified Public Accountants

American Institute of
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Horwath International

Independent Auditors' Report

The Honorable William L. Pritchett, Jr.
Property Appraiser
Putnam County, Florida

We have audited the accompanying special purpose financial statements of the Putnam County Property Appraiser (the "Office") as of and for the year ended September 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express an opinion on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2008, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

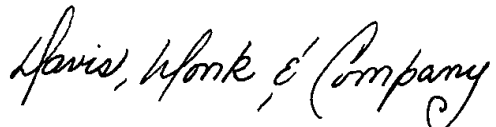
In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2008 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable William L. Pritchett, Jr.
Property Appraiser
Putnam County, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk, & Company".

December 16, 2008
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2008
Putnam County Property Appraiser

	GENERAL FUND
<u>ASSETS</u>	
Cash and Equivalents	<u>\$129,456</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 24,074
Due to Other County Agencies	<u>105,382</u>
TOTAL LIABILITIES	129,456
<u>FUND BALANCE</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$129,456</u>

The accompanying “Notes to Financial Statements”
form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2008
Putnam County Property Appraiser

	GENERAL FUND
<u>REVENUES</u>	
Intergovernmental Revenue	\$ 26,754
Charges for Services	43,701
Miscellaneous Revenue	<u>1,651</u>
 TOTAL REVENUES	 72,106
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,501,821</u>
 EXCESS OF REVENUES UNDER EXPENDITURES	 <u>(1,429,715)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,535,097
Reversion to Board of County Commissioners	<u>(105,382)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>1,429,715</u>
 NET CHANGE IN FUND BALANCE	 -
 FUND BALANCE - October 1, 2007	 <u>-</u>
 FUND BALANCE - September 30, 2008	 <u><u>\$ -</u></u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Notes to Financial Statements
September 30, 2008
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Putnam County Property Appraiser conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Putnam County, the primary government for financial reporting purposes.

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a separate column.

The Office reports the follow major governmental fund:

General Fund - The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Notes to Financial Statements
September 30, 2008
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted for by the Putnam County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities as follows:

	BALANCE OCTOBER 1, 2007			BALANCE SEPTEMBER 30, 2008	
		ADDITIONS	DEDUCTIONS		DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 64,000</u>	<u>\$ 65,000</u>	<u>\$ 60,000</u>	<u>\$ 70,000</u>	<u>\$ 24,000</u>

Notes to Financial Statements
September 30, 2008
Putnam County Property Appraiser

NOTE 3 - DEFERRED COMPENSATION PLAN

The Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Putnam County Property Appraiser has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 4 - PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2008, 2007 and 2006 were approximately \$98,100, \$107,300 and \$65,000, respectively, equal to the required contributions for each year.

NOTE 5 - RISK MANAGEMENT

For health insurance and worker's compensation, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

NOTE 6 - CONTINGENCIES

The Office is involved in various lawsuits regarding the assessments of real and tangible personal property. It is the opinion of legal counsel that the outcome of these lawsuits cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2008
Putnam County Property Appraiser

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 26,754	\$ 26,754
Charges for Services	36,448	43,448	43,701	253
Miscellaneous Revenue	-	-	1,651	1,651
TOTAL REVENUES	36,448	43,448	72,106	28,658
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,571,545	1,578,545	1,501,821	76,724
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,535,097)	(1,535,097)	(1,429,715)	105,382
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,535,097	1,535,097	1,535,097	-
Reversion to Board of County Commissioners	-	-	(105,382)	(105,382)
TOTAL OTHER FINANCING SOURCES (USES)	1,535,097	1,535,097	1,429,715	(105,382)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2007	-	-	-	-
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**ADDITIONAL ELEMENTS REQUIRED BY THE
RULES OF THE AUDITOR GENERAL**



Certified Public Accountants
& Business Consultants

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

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Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Management Letter

The Honorable William L. Pritchett, Jr.
Property Appraiser
Putnam County, Florida

We have audited the financial statements of the Putnam County Property Appraiser, as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated December 16, 2008.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no findings or recommendations in the preceding audit report.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Putnam County Property Appraiser and management, and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Davis, Monk & Company".

December 16, 2008
Palatka, Florida



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The Honorable William L. Pritchett, Jr.
Property Appraiser
Putnam County, Florida

We have audited the financial statements of the Putnam County Property Appraiser (the "Office") as of and for the year ended September 30, 2008, and have issued our report thereon dated December 16, 2008. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. 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.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters**

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members:

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Florida Institute of
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American Institute of
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Horwath International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

The Honorable William L. Pritchett, Jr.
Property Appraiser
Putnam County, Florida

Page Three

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

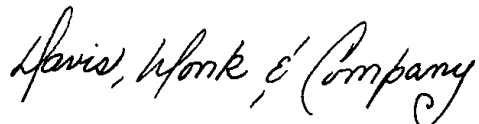
Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Putnam County Property Appraiser and management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Hunk & Company".

December 16, 2008
Palatka, Florida



PUTNAM COUNTY PROPERTY APPRAISER

P.O. BOX 1920 • 312 OAK STREET • PALATKA, FLORIDA 32178-1920
PALATKA: 386/329-0286 • FAX: 386/329-0447 • TOLL FREE: 1-800-826-1437
CRESCENT CITY: 386/698-4284 • INTERLACHEN: 386/684-3383
Website: www.putnam-fl.com/app • Email: appraiser@putnam-fl.com

LARRY PRITCHETT, C.F.A.
Property Appraiser

December 16, 2008

TIMOTHY E. PARKER, C.F.E.
Chief Deputy

MARSHA DENTON, C.F.E.
Administrative Assistant

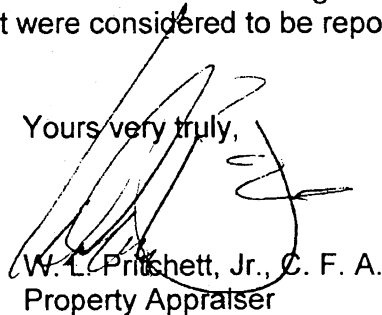
Honorable William Monroe, Auditor General
P. O. Box 1735
Tallahassee, FL 32302

Dear Mr. Monroe:

Pursuant to the provisions of Section 218.39(6) Florida Statutes, the following is a statement in response to the audit of our office conducted by Davis, Monk and Company for the period of October 1, 2007 to September 30, 2008.

We are pleased that the results of the auditor's tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. We are further pleased that the audit noted no matters involving the internal control over financial reporting and its operation that were considered to be reportable conditions or material weaknesses.

Yours very truly,



W. L. Pritchett, Jr., C. F. A.
Property Appraiser

WLPJr./mbd

cc: Director of Finance, Putnam County

OUR COMMITMENT TO YOU...

We in Putnam County are a team of public employees who provide services to help meet the needs of our citizens. We are committed to continuous improvement and greater participation by everyone. We will deliver our services in a meaningful, respectful, and courteous manner. We will do this now and in the future to preserve and enhance the quality of life in our community.

PUTNAM COUNTY
SUPERVISOR OF ELECTIONS

AUDIT REPORT

SEPTEMBER 30, 2008

**Putnam County Supervisor of Elections
Audit Report
September 30, 2008**

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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
Fax: (386) 328-1014

St. Augustine

1301 Plantation Island Dr.
Suite 205A
St. Augustine, Florida 32080
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Independent Auditors' Report

The Honorable Susan McCool
Supervisor of Elections
Putnam County
Palatka, Florida

We have audited the accompanying financial statements of each major fund of the Putnam County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1 to the financial statements, the accompanying financial statements have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida. They include only the financial activity of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Office at September 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

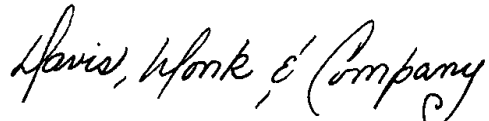
In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 2009 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable Susan McCool
Supervisor of Elections
Putnam County
Palatka, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as "required supplementary information" is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Office has not presented the budgetary comparison information for the Grant Fund that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the special purpose financial statements.

This report is intended solely for the information and use of the Office, its management, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Davis, Wolk & Company".

February 18, 2009
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2008
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Equivalents	\$ 184,035	\$ 114,696	\$ 298,731
Due From Other Funds	827	-	827
Prepaid Asset	<u>92,307</u>	<u>-</u>	<u>92,307</u>
 TOTAL ASSETS	 <u><u>\$ 277,169</u></u>	 <u><u>\$ 114,696</u></u>	 <u><u>\$ 391,865</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 3,882	\$ -	\$ 3,882
Due to Other Funds	-	827	827
Due to Other County Agencies	<u>180,980</u>	<u>-</u>	<u>180,980</u>
 TOTAL LIABILITIES	 <u>184,862</u>	 <u>827</u>	 <u>185,689</u>
 <u>FUND BALANCES</u>			
Unreserved – Undesignated	-	113,869	113,869
Reserved	<u>92,307</u>	<u>-</u>	<u>92,307</u>
 TOTAL FUND BALANCES	 <u>92,307</u>	 <u>113,869</u>	 <u>206,176</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 277,169</u></u>	 <u><u>\$ 114,696</u></u>	 <u><u>\$ 391,865</u></u>

The accompanying “Notes to Financial Statements”
form an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Intergovernmental	\$ -	\$ 8,110	\$ 8,110
Miscellaneous Revenue	5,457	191	5,648
	<u>5,457</u>	<u>8,301</u>	<u>13,758</u>
TOTAL REVENUES	5,457	8,301	13,758
<u>EXPENDITURES</u>			
Current:			
General Government Services	796,389	8,325	804,714
	<u>796,389</u>	<u>8,325</u>	<u>804,714</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(790,932)	(24)	(790,956)
<u>OTHER FINANCING SOURCES (USES)</u>			
Appropriation from Board of County Commissioners	1,064,219	-	1,064,219
Reversion to Board of County Commissioners	(180,980)	-	(180,980)
	<u>883,239</u>	<u>-</u>	<u>883,239</u>
TOTAL OTHER FINANCING SOURCES (USES)	883,239	-	883,239
NET CHANGE IN FUND BALANCES	92,307	(24)	92,283
FUND BALANCES - October 1, 2007	-	113,893	113,893
	<u>-</u>	<u>113,893</u>	<u>113,893</u>
FUND BALANCES - September 30, 2008	\$ 92,307	\$ 113,869	\$ 206,176
	<u>\$ 92,307</u>	<u>\$ 113,869</u>	<u>\$ 206,176</u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Notes to Financial Statements
September 30, 2008
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Putnam County Supervisor of Elections (the “Office”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law.

The Office is an integral part of Putnam County, the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These special purpose financial statements are the fund financial statements specified in GASB Statement 34. In conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management’s discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County’s countywide financial statements.

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column.

The Office reports the following major governmental funds; there are no nonmajor governmental funds:

General Fund - The General Fund is the primary operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Grant Fund – The Grant Fund is used to account for revenues and expenditures restricted for voter education and voting equipment.

Notes to Financial Statements
September 30, 2008
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are recorded and accounted by the Putnam County Board of County Commissioners.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

Cash and Equivalents

All cash and equivalents are placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Prepays

Certain payments for costs applicable to future accounting periods are recorded as prepaids in the accompanying financial statements. An offsetting "reserve" is reported in the fund financial statements to indicate that prepaids do not represent available spendable resources.

Notes to Financial Statements
September 30, 2008
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2008</u>	DUE WITHIN <u>ONE YEAR</u>
Compensated Absences	<u>\$ 20,000</u>	<u>\$ 35,000</u>	<u>\$ 27,000</u>	<u>\$ 28,000</u>	<u>\$ 15,700</u>

NOTE 3 - PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2008 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2008, 2007 and 2006 were approximately \$35,100, \$35,000 and \$30,000, respectively, equal to the required contributions for each year.

NOTE 4 - RISK MANAGEMENT

For health insurance and worker's compensation, the Office participates in the risk management program established by the Board of County Commissioners to cover claims against the Board and Constitutional Officers. The risk management program is accounted for in the Board's financial statements as an Internal Service Fund, in accordance with requirements of GASB 10.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2008
Putnam County Supervisor of Elections

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 5,457	\$ 5,457
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,062,219	1,062,219	796,389	265,830
Reserve for Contingency	2,000	2,000	-	2,000
TOTAL EXPENDITURES	1,064,219	1,064,219	796,389	267,830
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,064,219)	(1,064,219)	(790,932)	273,287
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,064,219	1,064,219	1,064,219	-
Reversion to Board of County Commissioners	-	-	(180,980)	(180,980)
TOTAL OTHER FINANCING SOURCES (USES)	1,064,219	1,064,219	883,239	(180,980)
NET CHANGE IN FUND BALANCES	-	-	92,307	92,307
FUND BALANCES - October 1, 2007	-	-	-	-
FUND BALANCES - September 30, 2008	\$ -	\$ -	\$ 92,307	\$ 92,307

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control.

**ADDITIONAL ELEMENTS REQUIRED BY THE
RULES OF THE AUDITOR GENERAL**



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Gainesville

4010 N.W. 25th Place
P.O. Box 13494 (32604)
Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

Palatka

906 South State Road 19
Palatka, Florida 32177
Phone: (386) 325-4561
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Management Letter

The Honorable Susan McCool
Putnam County Supervisor of Elections
Putnam County, Florida

We have audited the financial statements of the Putnam County Supervisor of Elections, as of and for the fiscal year ended September 30, 2008, and have issued our report thereon dated February 18, 2009.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior audit finding 07-1 to 07-4 are once again addressed in the accompanying schedule of findings as items 08-1 to 08-4.

Investment of Public Funds

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Our audit did not reveal any noncompliance with the provisions of Section 218.415, Florida Statutes.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

This management letter is intended solely for the information and use of the Putnam County Supervisor of Elections and management, and the State of Florida Auditor General and is not intended to be should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

A handwritten signature in cursive script that reads "Davis, Monk, & Company".

February 18, 2009
Palatka, Florida



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Phone: (352) 372-6300
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Horwath International

The Honorable Susan McCool
Putnam County Supervisor of Elections
Putnam County, Florida

We have audited the financial statements of each major fund of the Putnam County Supervisor of Elections, (the "Office") as of and for the year ended September 30, 2008, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated February 18, 2009. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. 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.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters**

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Office's financial statements that is more than inconsequential will not be prevented or detected by the Office's internal control. We consider items 08-1 through 08-3 and 08-5, described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Office's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider items 08-1 through 08-3 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings as item 08-4.

The Office's response to the findings identified in our audit is described on the attached letter. We did not audit the response and, accordingly, we express no opinion on it.

Communication with Those Charged with Governance

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope. At the request of management, the start of fieldwork was delayed until December 1, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates significantly affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures significantly affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Certain material, corrected misstatements were detected as a result of our audit procedures. These misstatements related to the improper recording of the reversion to the Board, interfund balances and prepaid items.

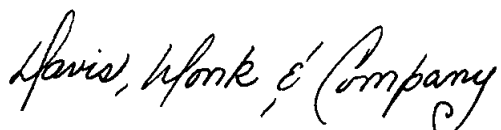
Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

This report is intended solely for the information and use of the Putnam County Supervisor of Elections, management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



February 18, 2009
Palatka, Florida

Schedule of Findings
For the Year Ended September 30, 2008
Putnam County Supervisor of Elections

- 08-1 *Condition* – The Office did not maintain its accounting records adequately during the year. Additionally, there was inadequate oversight of the accounting function. Consequently, there were transactions that were not accurately recorded, processed, and reported.

Recommendation – Transactions and financial reports of the Office should be regularly reviewed by the Officer.

- 08-2 *Condition* – Incompatible duties were not adequately segregated so that no one employee had access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation – Duties should be separated to the extent possible.

- 08-3 *Condition* – As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist with the preparation of your financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

Recommendation – We recommend that you consider and evaluate the cost and benefits of improving internal controls relative to the financial reporting process.

- 08-4 *Condition* –The Office did not prepare a budget for its Grant Fund, a special revenue fund.

Recommendation – We recommend that you prepare a budget in accordance with Florida Statutes for each fund.

- 08-5 *Condition* –During the year, the Office prepaid multi-year contracts that were not budgeted to be paid until subsequent years. As a result, the Office did not revert all excess budget to the Board of County Commissioners, as required by Florida Statutes.

Recommendation – The Office should establish policies and procedures to ensure all contracts are charged to the proper annual budget.



February 18, 2009

Mr. William Monroe
Auditor General
111 West Madison St.
Tallahassee, Fl. 32399-1450

Dear Mr. Monroe:

An audit of the financial records of the Putnam County Supervisor of Election for the fiscal year ending September 30, 2008, has been completed by Davis, Monk and Company.

In reference to auditor findings # 08-01 & 08-03:

We acknowledge the fact that there were instances where there was confusion in the recording of some transactions, and have taken steps to correct this matter. As stated in the 2005-06 & 2006-07 responses, this office had very unusual circumstances when the now elected supervisor of elections took over on January 4, 2005, in that old grant money received prior to that date was not segregated from the general fund. We have again, taken further steps to correct this matter. Unfortunately for the 2006-07 & 2007-08 fiscal years, we did not adequately find where all the monies needed to be posted. We now hope that all grant monies have been cleared up to the satisfaction of auditing standards.

Also, in this budget year, the office of the Supervisor of Elections moved into a new building, therefore creating unusual circumstances where there should have been special accounts set up in capital outlay for proper recording. Now that we are aware of this fact, I will monitor these transactions more closely. Steps have been taken for the supervisor of elections or the administrative assistant to record the specific account number on the physical invoice to which the payment should be recorded before sending to the bookkeeper for payment and financial recording.

Again, I do believe, since receiving the help of Davis, Monk and Company auditors that we have now corrected our accounts and records to reflect those corrections. We openly appreciate the corrective responses given to us by Davis, Monk and Company.

In reference to auditor findings # 08-02:

In the matter of incompatible duties, this office recognizes that some duties should be segregated. This office has taken steps to segregate as much as practicable considering the number of employees.



February 16, 2008

Mr. William Monroe, Auditor General

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In reference to auditor findings #08-04:

This office complied as required by the State of Florida Secretary of State and the Division of Elections and the federal rules and regulations of each grant, when preparing a budget for grant funds received. We are given written guidelines by these agencies listing how the money is to be spent and then we must present a report annually to the Division of Elections to include the type of expenditure and the amount spent. The Supervisor of Elections office does not spend any grant money unless and until the Division of Elections office has approved the expenditure prior to the activity or order.

We now realize that we must submit a report, for the boards' budget purposes, to the Board of County Commission annually what is expected to be spent from these funds with the amount of funds each grant has remaining in their respective accounts and will fulfill our obligation to submit this report.

In reference to auditor findings #08-05:

We did not fully understand the auditing standards when purchasing certain software or equipment in which the contract stated "purchased for a certain amount of years", in which we should have paid them from each year's budget and not as a one time expense. Since these are considered "prepaid", they have now been set up as a "RESERVE FUND BALANCE". I will monitor the Reserve Account annually until the end of the respective contract.

Respectfully submitted,

Susan C. McCool
Supervisor of Elections

cc: Davis, Monk & Company CPA