

PUTNAM COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2011

BOARD OF COUNTY COMMISSIONERS

Nancy S. Harris
Chip Laibl
Kenny Eubanks
Ed Taylor
Brad Purcell

District No. 1
District No. 2
District No. 3
District No. 4
District No. 5

CLERK OF THE CIRCUIT COURT

Tim Smith

SHERIFF

Jeff Hardy

PROPERTY APPRAISER

Tim Parker

TAX COLLECTOR

Kenneth R. Mahaffey

SUPERVISOR OF ELECTIONS

Susan McCool

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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, 2011, 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.

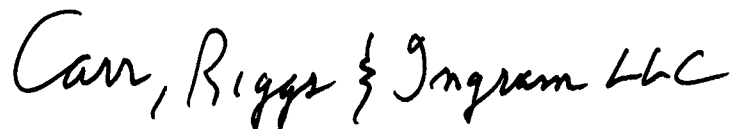
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2011, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2012 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.

As discussed in Note 20 to the financial statements, the County restated its beginning net position. Our previously-issued auditors' report (dated February 14, 2011) is replaced by this report on the restated financial statements.

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

February 27, 2012
Palatka, Florida

PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2011

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, 2011. 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 and deferred outflows of resources exceeded its liabilities at September 30, 2011 by \$157,814 (*net position*). Of this amount, \$16,630 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position is comprised of the following:
 - 1) Capital assets, net of related debt, of \$122,018, include property, equipment, intangibles and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net position of \$19,166 is restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$17,978 of governmental net position less a deficit of \$1,348 of business-type net position represents the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's total net position increased \$10,444 over the previous year with an increase of \$10,390 resulting from governmental activities and an increase of \$54 resulting from business activities.

Fund Statements

- At September 30, 2011, the County's governmental funds reported combined ending fund balances of \$35,957, an increase of \$3,284 in comparison with the prior fiscal year.
- At September 30, 2011, unassigned fund balance for the General Fund (a major fund) was \$13,426 or 27.0% of General Fund operating revenue. This is within the Government Finance Officers Association's Recommended Practices guidelines for fund balance levels. The General Fund Cash and Equivalent balance at year end was \$14,072.
- Governmental Fund revenues increased \$4,557 or 6.5% from the prior year. All categories of revenue decreased from the previous year except Intergovernmental Revenue which increased by \$8,561. Tax revenue decreased by \$1,430. Other decreases were as follows: Licenses and Permits, \$45; Charges for Services, \$1,849; Fines and Forfeitures, \$374; and Miscellaneous Revenue, \$306.
- The County's outstanding governmental long-term obligations decreased by \$708. The change was due to the following: issuance of a capital lease in the amount of \$1,178 for

- sheriff's vehicles and computer software; payment of outstanding principal in the amount of \$2,122; an increase in OPEB liability of \$321; and a decrease of accrued compensated absences in the amount of \$85.

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 Position*** and a ***Statement of Activities***.

- The *Statement of Net Position* presents information on all of the County's assets, deferred outflows of resources and liabilities, with the difference between sum of assets and deferred outflows of resources minus liabilities reported as net position. Changes in net position 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 position changed during the fiscal year. Changes in net position 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 three major funds: the General 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 for each major special revenue fund with an annually adopted budget. Combining statements for the County's non-major funds 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 Position-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 Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$157,814 at the close of the fiscal year ended September 30, 2011. By far the largest portion of the County's net position, \$122,018 or 77.3%, reflects its investment in capital assets such as land, buildings, infrastructure, intangibles 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 Position
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2011	2010	2011	2010	2011	2010	
Cash and Investments	\$ 43,448	\$ 42,854	\$ 10,607	\$ 9,441	\$ 54,055	\$ 52,295	3.4%
Other Current Assets	7,132	3,738	267	286	7,399	4,024	83.9%
Capital Assets, Net	108,253	102,067	46,203	47,119	154,456	149,186	3.5%
Total Assets	158,833	148,659	57,077	56,846	215,910	205,505	5.1%
Deferred Outflows of Resources	1,070	1,388	-	-	1,070	1,388	-22.9%
Current Liabilities	9,707	9,707	781	945	10,488	10,652	-1.5%
Interest Rate Swaps	1,070	1,388	-	-	1,070	1,388	
Long-Term Obligations	16,988	17,204	30,620	30,279	47,608	47,483	0.3%
Total Liabilities	27,765	28,299	31,401	31,224	59,166	59,523	-0.6%
Net Position:							
Invested in Capital Assets, net of Related Debt	94,994	87,821	27,024	27,649	122,018	115,470	5.7%
Restricted	19,166	18,990	-	-	19,166	18,990	0.9%
Unrestricted	17,978	14,937	(1,348)	(2,027)	16,630	12,910	28.8%
TOTAL NET POSITION	\$ 132,138	\$ 121,748	\$ 25,676	\$ 25,622	\$ 157,814	\$ 147,370	7.1%

as restated

An additional portion of the County's net position, \$19,166, is restricted, meaning it is subject to constraints on how the funds 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 position, 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 position balance. This deficit balance is a direct result of large changes during the 2005 through 2011 fiscal years in estimates for closure costs, long-term care costs and remaining capacity related to the County's Landfill operations.

Change in Net Position

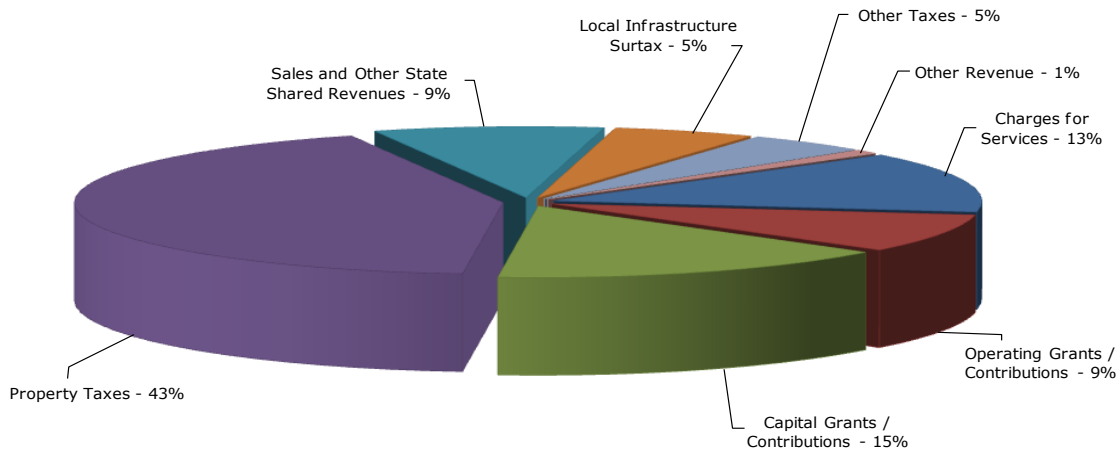
Governmental activities increased the County's net position by \$10,390. This increase resulted from the following: capital asset acquisitions and disposals \$13,645; the recognition of (\$7,470) of depreciation expense; the issuance of debt in the amount of (\$1,178); principal payments of \$2,122; the recognition of accrued interest expense of \$14; the recognition of deferred revenues of \$268; the recognition of \$88 expense for decreased compensated absences; the recognition of (\$317) expense for Other Postemployment Benefit (OPEB) obligations; the inclusion of Internal Service Funds in governmental activities in the amount of (\$66); and a \$3,284 increase in the fund balance total for the Governmental Funds.

Putnam County, Florida Changes in Net Position (amounts expressed in thousands)							
	Governmental Activities		Business-type Activities		Total		Percent Change
	2011	2010	2011	2010	2011	2010	
Revenues:							
Program revenues:							
Charges for services	\$ 9,391	\$ 10,859	\$ 8,815	\$ 8,862	\$ 18,206	\$ 19,721	-7.7%
Operating grants and contributions	6,785	6,095	70	79	6,855	6,174	11.0%
Capital grants and contributions	11,956	4,442	701	1,124	12,657	5,566	127.4%
General revenues:							
Property taxes	33,375	35,203	-	-	33,375	35,203	-5.2%
Sales and other state shared revenues	6,791	6,805	-	-	6,791	6,805	-0.2%
Local Infrastructure Surtax	4,204	3,942	-	-	4,204	3,942	6.6%
Other taxes	3,611	3,414	-	-	3,611	3,414	5.8%
Other revenue	746	1,078	261	181	1,007	1,259	-20.0%
Total revenues	76,859	71,838	9,847	10,246	86,706	82,084	5.6%
Expenses:							
General Government	15,567	16,865	-	-	15,567	16,865	-7.7%
Public Safety	30,393	29,668	-	-	30,393	29,668	2.4%
Physical Environment	541	524	-	-	541	524	3.2%
Transportation	10,057	10,086	-	-	10,057	10,086	-0.3%
Economic Environment	1,456	1,095	-	-	1,456	1,095	33.0%
Human Services	2,068	1,916	-	-	2,068	1,916	7.9%
Culture/Recreation	1,884	1,986	-	-	1,884	1,986	-5.1%
Court Related	3,273	3,259	-	-	3,273	3,259	0.4%
Interest on L-T Obligations	586	623	-	-	586	623	-5.9%
Water and Wastewater	-	-	1,863	2,016	1,863	2,016	-7.6%
Solid Waste	-	-	8,396	7,703	8,396	7,703	9.0%
Port Authority	-	-	178	281	178	281	-36.7%
Total Expenses	65,825	66,022	10,437	10,000	76,262	76,022	0.3%
Increase in Net Position							
Before Transfers	11,034	5,816	(590)	246	10,444	6,062	
Transfers	(644)	(2,956)	644	2,956	-	-	
Increase (Decrease) in net position	10,390	2,860	54	3,202	10,444	6,062	
Net Position - Beginning of Year (restated)	121,748	118,888	25,622	22,420	147,370	141,308	
Net Position - End of Year	\$ 132,138	\$ 121,748	\$ 25,676	\$ 25,622	\$ 157,814	\$ 147,370	7.1%

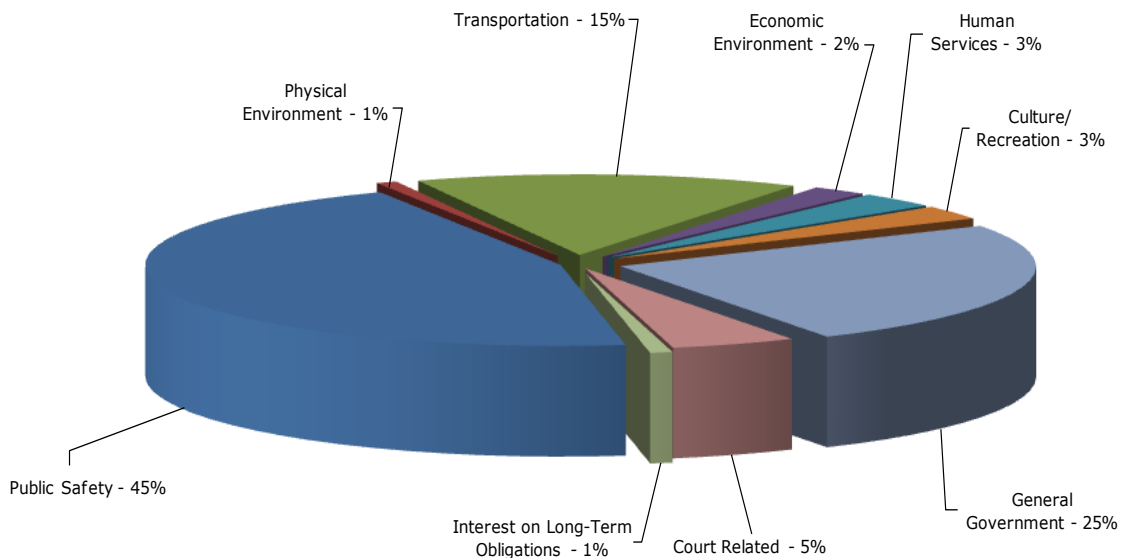
Governmental Activities

The County's overall financial position improved in comparison to the previous year. Total net position increased \$10,444 over the prior year with an increase of \$10,390 resulting from governmental activities and an increase of \$54 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



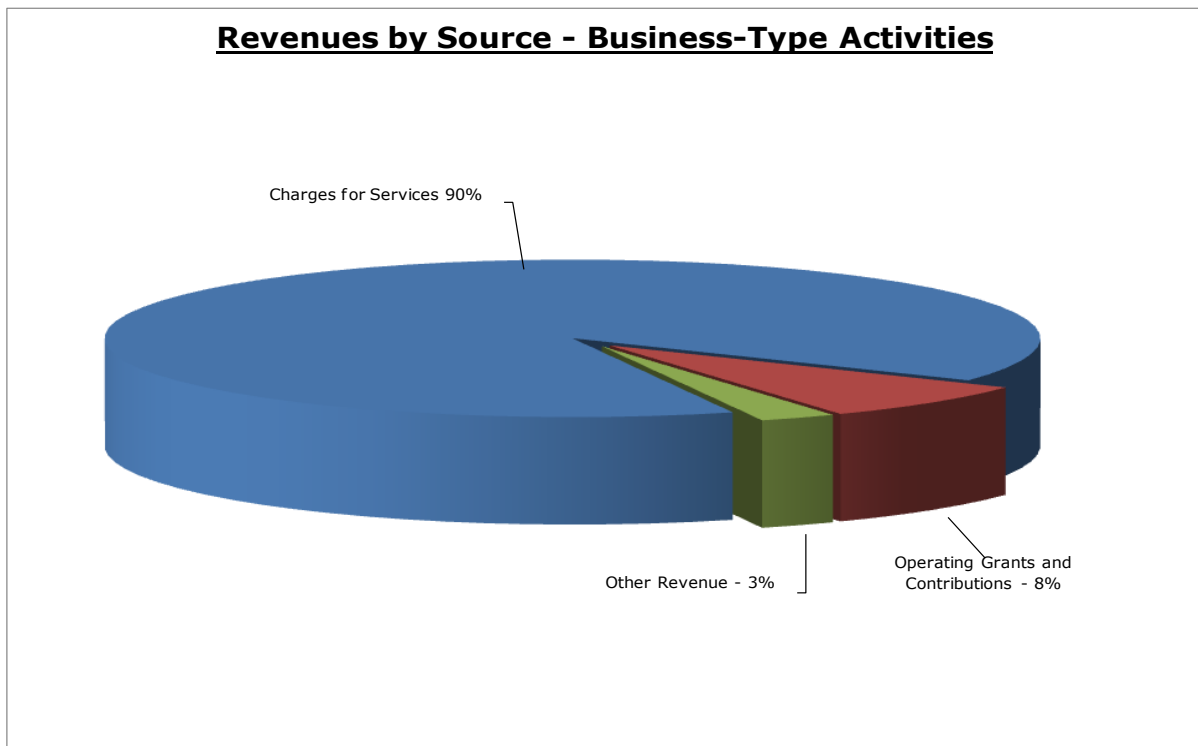
Expenses - Governmental Activities



Business-type Activities

Business-type activities increased the County's net position by \$54. Key elements resulting in the increase are as follows:

- Capital grants of \$701 were received for use in building the East Putnam Water System.
- Transfers-in totaling \$697 (\$500 from the Better Place Plan Fund and \$197 from the General Fund were used by the East Putnam Water Fund to fund debt service payments).



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, 2011, the net increase in fund balances per the Governmental Funds Financial Statements totaled \$3,284 while the governmental activities column of the Government-wide Financial Statements reported an increase of \$10,390 in net position. A detailed reconciliation between these two amounts is provided on page 6 of the accompanying Financial Statements.

Unassigned 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, 2011, the County's governmental funds reported combined ending fund balances of \$35,957. Of the total governmental fund balance, \$12,914 constitutes unassigned fund balance, which is available for spending within each particular fund. The remainder of the fund balance is \$1,607 that is non-spendable (primarily \$760 for advances to other funds, \$597 for local housing assistance (SHIP) loan guarantees, and \$213 for prepaid expenditures); \$16,996 is restricted (primarily \$5,519 for Better Place Plan – Capital, \$1,754 for Fire Protection, \$1,976 for Court Improvement, \$321 for Sewage Utilities, and \$1,232 for Road Projects); \$628 is committed for sheriff's contractual obligations, and \$3,812 is assigned (primarily \$1,816 for subsequent year's expenditures and \$1,986 for Road and Bridge Maintenance).

The following funds experienced the most significant changes in fund balance for the year: the General Fund (a major fund) increased by \$1,571 largely due to fiscal conservatism; the East Putnam Grant Fund (a major fund) increased \$1,570 largely due to the issuance of debt; the fund balance for the Better Place Plan Fund (a major fund) increased \$1,647 as the result of fiscal conservatism; Fire Tax Unit Fund decreased \$873 due to the purchase of three new fire trucks; and the fund balance for the Court Improvement Fund decreased \$675 as the result of a renovation of a Courthouse Annex building.

Proprietary Funds

The proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. Two of the proprietary funds (Waste Management and East Putnam Water) are major funds. At September 30, 2011, total net position amounted to \$25,676, an increase of \$54 from the prior fiscal year. Unrestricted net position totaled (\$1,348). 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 49 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 \$4,256 to account for unanticipated grant revenues received and miscellaneous revenues increased by \$235 primarily from donations for a recreational park. The majority of the grant revenues received were used by the Sheriff for various law enforcement activities and by the Road Department for multiple grant funded road projects.

A comparison of actual revenues versus the final budget reflects that the collection of Licenses and Permits, Charges for Services, and Fines and Forfeitures were \$33, \$1,428, and \$38 less than the budgeted projections, respectively. All other categories of revenues exceeded budget estimates by a total of \$748. The highest portion of the additional revenue over budget, \$299, is attributable to higher than anticipated tax collections. Charges for Services did not reach projections due to fewer ambulance billings being received.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$2,821 under budget. General Government and Public Safety expenditures were respectively \$2,237 and \$114 under budget projections because of sound/conservative fiscal management. Court Related expenditures were \$149 under budget

because of lower than anticipated expenditures by the States Attorney, Public Defender and Drug Court. Additionally, Reserves for Contingencies of \$144 were not needed during the year.

Capital Asset and Debt Administration

Putnam County Capital Assets
(Net of Depreciation)
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2011	2010	2011	2010	2011	2010	
Land	\$ 20,894	\$ 16,642	\$ 6,203	\$ 6,203	\$ 27,097	\$ 22,845	18.6%
Intangible Assets	790	403	-	-	790	403	96.0%
Buildings and Improvements	20,036	20,660	2,348	2,481	22,384	23,141	-3.3%
Equipment	8,007	8,224	985	716	8,992	8,940	0.6%
Infrastructure	57,405	55,897	-	-	57,405	55,897	2.7%
Water and Sewer Distribution System			29,984	30,518	29,984	30,518	-1.7%
Landfill			4,235	255	4,235	255	1560.8%
Construction in Progress	1,122	241	2,448	6,946	3,570	7,187	-50.3%
Total Capital Assets, Net	<u>\$ 108,254</u>	<u>\$ 102,067</u>	<u>\$ 46,203</u>	<u>\$ 47,119</u>	<u>\$ 154,457</u>	<u>\$ 149,186</u>	3.5%
	as restated						

Capital Assets

The County's financial statements present capital assets in two groups: those assets subject to depreciation or amortization such as infrastructure, equipment, operational facilities, intangible assets, 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, 2011, amounts to \$154,457 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, equipment, computer software, 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:

- Sanitation completed construction of Landfill Cell #3 totaling \$4,550.
- Parks and Recreation obtained land for two parks totaling \$4,219.
- The County continued its program to resurface, widen and add paved roads during the year at a capitalized cost of \$4,484.
- Emergency Management and Fire Control acquired equipment totaling \$814, which included three fire engines.
- The Sheriff purchased assets totaling \$550, which included \$100 for new vehicles and \$450 for computer software.

Additional information on the County's Capital Assets may be found in Note 8 beginning on page 29 of the accompanying Financial Statements.

Long-term Obligations

County-wide, total long-term debt obligations owed to outside institutions decreased by \$1,236 from the prior year, the long-term liability for Other Postemployment Benefits increased by \$333, and the long-term obligation for compensated absences decreased by approximately \$90. Accrued landfill closure and long-term care costs increased by a net of \$624.

Throughout fiscal year 2011, the County's governmental activities entered into two capital leases agreement totaling \$1,178, while the business-type activities increased its State Revolving Fund obligation for East Putnam Water by \$362 and entered into two capital leases agreement totaling \$360.

Governmental Activities:

- The Sheriff issued debt for a \$615 capital lease agreement to purchase vehicles and a \$563 capital lease agreement to purchase computer software.
- The County made the following principal payments during the year: special assessment debt - \$286, notes payable - \$1,474, and capital leases - \$363.
- Governmental obligations for compensated absences decreased 3.7% or \$85 to \$2,190.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2011	2010	2011	2010	2011	2010	
Revenue Bonds	\$ -	\$ -	\$ 6,255	\$ 6,323	6,255	6,323	-
Special Assessment Debt	1,574	1,859	-	-	1,574	1,859	-15.3%
Notes Payable	10,141	11,615	12,468	12,961	22,609	24,576	-8.0%
Capital Lease Obligations	1,587	772	455	186	2,042	958	113.2%
Total	\$ 13,302	\$ 14,246	\$ 19,178	\$ 19,470	\$ 32,480	\$ 33,716	-3.7%

Business-type Activities:

- The Waste Management Fund retired \$91 of capital lease obligations.
- Accrued landfill closure and post-closure costs were increased by \$880 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 \$255 due to payments made toward a cell closure.
- Obligations for compensated absences decreased by \$5, or 7.1%, to \$60.
- The East Putnam Water Fund increased its note payable obligation for the construction of the East Putnam Water System in the amount of \$362 with the

Additional information on the County's long-term obligations can be found in Note 9 beginning on page 30 of the accompanying Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County for September 2011 was 11.6%. This represents a decrease over the previous year's 14.0%.
- The taxable value of real property decreased 7.4%, while the taxable value of personal property increased 0.6% in the 2011 fiscal year.
- Building permit activity revenues decreased approximately 15.5% from the prior year.
- The population decreased slightly from the prior year to an estimated 74,052 from 74,364.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$13,426, an increase of 6.0%. The overall fund balance in the General Fund increased to \$16,766, an increase of 11.2% from the previous year. The increase was primarily the result of prudent management and fiscal conservatism in addition to the combining of the former Sheriff General Fund into the County-wide General Fund. The ad valorem tax rate remained unchanged at 8.5765 mils for fiscal year 2011.

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 website at <http://www.putnam-fl.com/coc/> and click on *Clerks in the Sunshine*.

Putnam County, Florida
Statement of Net Position
September 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
ASSETS				
Cash and Equivalents	\$ 42,547,409	\$ 5,418,300	\$ 47,965,709	\$ 270,803
Investments	901,298	-	901,298	-
Receivables	967,825	245,661	1,213,486	856
Due From Other Governments	5,783,237	21,338	5,804,575	-
Inventory	165,809	-	165,809	-
Prepays	212,610	-	212,610	-
Other Assets	1,602	-	1,602	-
Restricted Cash and Equivalents	-	1,489,374	1,489,374	-
Restricted Investments	-	3,699,323	3,699,323	-
Capital Assets:			-	
Non-Depreciable	22,015,664	8,650,932	30,666,596	153,854
Depreciable, Net	86,237,861	37,551,642	123,789,503	105,163
TOTAL ASSETS	158,833,315	57,076,570	215,909,885	530,676
DEFERRED OUTFLOWS OF RESOURCES				
Derivative Instruments-Interest Rate Swaps	1,070,382	-	1,070,382	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	4,408,148	708,703	5,116,851	656
Other Liabilities	211,531	72,220	283,751	-
Unearned Revenue	5,087,786	-	5,087,786	-
Derivative Instruments-Interest Rate Swaps	1,070,382	-	1,070,382	-
Noncurrent Liabilities:				
Due Within One Year	3,707,896	1,728,987	5,436,883	-
Due in More Than One Year	13,280,009	28,890,724	42,170,733	-
TOTAL LIABILITIES	27,765,752	31,400,634	59,166,386	656
NET POSITION				
Invested in Capital Assets, Net of Related Debt	94,993,906	27,024,045	122,017,951	259,017
Restricted For:				
Affordable Housing Assistance	1,412,141	-	1,412,141	-
Court Functions and Courthouse Improvements	2,592,801	-	2,592,801	-
Debt Service	345,069	-	345,069	-
Fire Protection	1,722,525	-	1,722,525	-
Law Enforcement	736,666	-	736,666	-
Road and Bridge Maintenance	4,252,273	-	4,252,273	-
Capital Projects	5,959,865	-	5,959,865	-
Public Records Modernization	1,130,273	-	1,130,273	-
Fishing Improvement	373,737	-	373,737	-
Tourist Development	298,837	-	298,837	-
Voter Equipment and Education	73,309	-	73,309	-
Other Purposes	268,217	-	268,217	-
Unrestricted	17,978,326	(1,348,109)	16,630,217	271,003
TOTAL NET POSITION	\$ 132,137,945	\$ 25,675,936	\$ 157,813,881	\$ 530,020

See accompanying notes.

Putnam County, Florida

Statement of Activities

For the Year Ended September 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit Putnam County Development Authority
				Governmental Activities	Business-type Activities	
	Expenses				Total	
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
General Government	\$15,567,471	\$ 3,618,964	\$ 277,391	\$ (11,671,116)	\$ (11,671,116)	\$ -
Public Safety	30,392,654	4,401,599	1,363,918	(23,429,733)	(23,429,733)	-
Physical Environment	541,488	190,119	1,638,311	1,341,892	1,341,892	-
Transportation	10,057,346	623,501	2,019,327	(2,921,550)	(2,921,550)	-
Economic Environment	1,455,904	7,499	372,548	(526,915)	(526,915)	-
Human Services	2,067,720	184,888	19,153	(1,612,026)	(1,612,026)	-
Culture and Recreation	1,884,115	65,690	223,699	2,231,789	2,231,789	-
Court Related	3,272,880	298,419	2,454,444	(520,017)	(520,017)	-
Interest on Long-Term Debt	585,435	-	-	(585,435)	(585,435)	-
TOTAL GOVERNMENTAL ACTIVITIES	65,825,013	9,390,679	11,955,793	(37,693,111)	(37,693,111)	-
BUSINESS-TYPE ACTIVITIES:						
Water and Wastewater System	1,862,689	861,544	700,618	-	(300,527)	-
Solid Waste	8,396,038	7,857,039	-	-	(468,411)	-
Port Authority	178,335	96,643	-	-	(81,692)	-
TOTAL BUSINESS-TYPE ACTIVITIES	10,437,062	8,815,226	700,618	-	(850,630)	-
TOTAL PRIMARY GOVERNMENT	\$76,262,075	\$18,205,905	\$12,656,411	(37,693,111)	(38,543,741)	-
COMPONENT UNIT:						
Putnam County Development Authority	\$ 10,883	\$ 9,600	\$ -	-	-	(1,283)
GENERAL REVENUES:						
Property Taxes				33,374,674	-	33,374,674
Sales Taxes				2,075,266	-	2,075,266
Unrestricted State Shared Revenues				4,716,004	-	4,716,004
Gas Taxes				2,880,417	-	2,880,417
Local Infrastructure Surtax				4,203,564	-	4,203,564
Tourist Development Tax				206,466	-	206,466
Communications Service Tax				524,067	-	524,067
Investment Earnings				75,452	38,698	114,150
Gain on Sale of Capital Assets				670,821	150,300	150,300
Miscellaneous				(643,685)	71,627	742,448
Transfers				-	643,685	-
TOTAL GENERAL REVENUES AND TRANSFERS				48,083,046	904,310	48,987,356
CHANGE IN NET POSITION				10,389,935	53,680	10,443,615
NET POSITION - BEGINNING OF YEAR (as restated)				121,748,010	25,622,256	147,370,266
NET POSITION - END OF YEAR				\$ 132,137,945	\$25,675,936	\$ 157,813,881
						\$ 530,020

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2011

	<u>General Fund</u>	<u>East Putnam Grant Fund</u>	<u>Better Place Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Equivalents	\$14,071,677	\$ 5,519,370	\$ 5,221,084	\$13,301,593	\$38,113,724
Investments	289,017	-		612,281	901,298
Receivables	928,717	-		39,108	967,825
Due From Other Funds	2,615,827	-	-	8,652	2,624,479
Due From Other Governments	1,062,702	-	297,930	4,418,772	5,779,404
Advances to Other Funds	760,208	-	-	-	760,208
Inventory	37,501	-	-	-	37,501
Prepays	49,373	-	-	163,237	212,610
Other Assets	595	-	-	-	595
TOTAL ASSETS	<u>19,815,617</u>	<u>5,519,370</u>	<u>5,519,014</u>	<u>18,543,643</u>	<u>49,397,644</u>
 <u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued					
Liabilities	1,692,334	-	-	2,427,135	4,119,469
Due to Other Funds	8,652	25,000	-	2,190,827	2,224,479
Due to Other Governments	28,517	-	-	183,014	211,531
Advances from Other Funds	-	760,208	-	-	760,208
Deferred Revenue	1,319,901	4,412,984	-	391,591	6,124,476
TOTAL LIABILITIES	<u>3,049,404</u>	<u>5,198,192</u>	<u>-</u>	<u>5,192,567</u>	<u>13,440,163</u>
 <u>FUND BALANCES</u>					
Non Spendable	847,082	-	-	760,197	1,607,279
Restricted	39,369	321,178	5,519,014	11,116,713	16,996,274
Committed	627,897	-	-	-	627,897
Assigned	1,826,156	-	-	1,985,562	3,811,718
Unassigned	13,425,709	-	-	(511,396)	12,914,313
TOTAL FUND BALANCES	<u>16,766,213</u>	<u>321,178</u>	<u>5,519,014</u>	<u>13,351,076</u>	<u>35,957,481</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	<u>\$19,815,617</u>	<u>\$ 5,519,370</u>	<u>\$ 5,519,014</u>	<u>\$18,543,643</u>	<u>\$49,397,644</u>

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position-
Governmental Funds
September 30, 2011

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 35,957,481

Amounts reported for governmental activities in the statement of net position 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..... 108,199,935

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 (110,850)

Long-term liabilities do not require the use of current financial resources and are not reported in the funds.

Long-Term Debt	(11,714,252)	
Capital Lease Obligations	(1,587,218)	
Compensated Absences	(2,158,000)	
OPEB Obligations	<u>(993,327)</u>	
		(16,452,797)

Unearned revenues in the statement of net position assets differs 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 1,036,690

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 position because they primarily serve governmental activities of the county.

Internal Service Funds 3,507,486

Net Position of Governmental Activities \$ 132,137,945

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2011

	General	East	Better	Other	Total
	Fund	Putnam	Place	Governmental	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
REVENUES					
Taxes	\$31,525,695	\$ -	\$ 4,203,564	\$ 5,439,297	\$41,168,556
Licenses and Permits	372,378	-	-	48,545	420,923
Intergovernmental	12,035,276	1,586,553	-	11,753,638	25,375,467
Charges for Services	4,978,504	-	-	1,398,940	6,377,444
Fines and Forfeitures	59,905	-	-	187,391	247,296
Miscellaneous	772,316	51,835	7,380	298,575	1,130,106
TOTAL REVENUES	49,744,074	1,638,388	4,210,944	19,126,386	74,719,792
EXPENDITURES					
Current:					
General Government	12,706,020	-	-	6,183	12,712,203
Public Safety	25,045,639	-	-	4,590,654	29,636,293
Physical Environment	337,893	52,355	-	140,139	530,387
Transportation	760,469	-	-	5,742,177	6,502,646
Economic Environment	394,573	-	-	1,057,539	1,452,112
Human Services	2,290,281	-	-	-	2,290,281
Culture and Recreation	5,665,695	-	-	223,739	5,889,434
Court Related	933,378	-	-	3,106,534	4,039,912
Capital Outlay	-	-	413,128	5,579,420	5,992,548
Debt Service:					
Principal Retirement	479,618	1,570,797	1,175,000	467,686	3,693,101
Interest and Fiscal Charges	54,759	15,756	400,264	128,806	599,585
TOTAL EXPENDITURES	48,668,325	1,638,908	1,988,392	21,042,877	73,338,502
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	1,075,749	(520)	2,222,552	(1,916,491)	1,381,290
OTHER FINANCING SOURCES					
(USES)					
Transfers In	125,706	-	-	545,191	670,897
Transfers Out	(807,827)	-	(575,512)	(133,608)	(1,516,947)
Debt Issued	1,177,804	1,570,797	-	-	2,748,601
TOTAL OTHER FINANCING					
SOURCES (USES)	495,683	1,570,797	(575,512)	411,583	1,902,551
NET CHANGE IN FUND BALANCES	1,571,432	1,570,277	1,647,040	(1,504,908)	3,283,841
FUND BALANCES -					
BEGINNING OF YEAR (as restated)	15,194,781	(1,249,099)	3,871,974	14,855,984	32,673,640
FUND BALANCES -					
END OF YEAR	\$16,766,213	\$ 321,178	\$ 5,519,014	\$13,351,076	\$35,957,481

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, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,283,841

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.

Capital assets acquired by use of financial resources	13,668,114	
Current year depreciation and amortization	(7,470,500)	
Difference.....		6,197,614

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		267,510
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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 position differs from the change in fund balance by the net book value of the assets disposed.

Loss on disposal of capital assets		(22,744)
--	--	----------

Issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position

(1,177,804)

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 position.

Debt Principal Payments		2,122,304
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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	88,400	
OPEB Obligations	(317,413)	
Accrued Interest Payable	14,150	
Total		(214,863)

Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) is reported with governmental activities.

(65,923)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 10,389,935
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See accompanying notes.

Putnam County, Florida
Statement of Net Position – Proprietary Funds
September 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Enterprise Funds	Internal Service Funds
ASSETS					
CURRENT ASSETS:					
Cash and Equivalents	\$ 3,831,474	\$ 880,676	\$ 706,150	\$ 5,418,300	\$ 4,433,685
Receivables	116,536	87,206	41,919	245,661	-
Due From Other Governments	21,338	-	-	21,338	3,833
Inventory	-	-	-	-	128,308
Other Assets	-	-	-	-	1,007
TOTAL CURRENT ASSETS	3,969,348	967,882	748,069	5,685,299	4,566,833
NONCURRENT ASSETS:					
Restricted Cash and Equivalents	800,305	689,069	-	1,489,374	-
Restricted Investments	3,699,323	-	-	3,699,323	-
Capital Assets, Net	8,961,287	32,559,031	4,682,256	46,202,574	53,590
TOTAL NONCURRENT ASSETS	13,460,915	33,248,100	4,682,256	51,391,271	53,590
TOTAL ASSETS	17,430,263	34,215,982	5,430,325	57,076,570	4,620,423
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	558,206	150,401	96	708,703	177,829
Due to Other Funds	-	-	-	-	400,000
Estimated Liability for Self-Insured Losses	-	-	-	-	192,152
Customer Deposits	11,270	58,950	2,000	72,220	-
Current Portion of Long-Term Liabilities	1,249,433	479,554	-	1,728,987	17,280
TOTAL CURRENT LIABILITIES	1,818,909	688,905	2,096	2,509,910	787,261
NONCURRENT LIABILITIES	13,862,430	15,028,294	-	28,890,724	325,676
TOTAL LIABILITIES	15,681,339	15,717,199	2,096	31,400,634	1,112,937
NET POSITION					
Invested in Capital Assets, Net of Related Debt	5,279,071	17,062,718	4,682,256	27,024,045	53,590
Unrestricted	(3,530,147)	1,436,065	745,973	(1,348,109)	3,453,896
TOTAL NET POSITION	\$ 1,748,924	\$ 18,498,783	\$ 5,428,229	\$ 25,675,936	\$ 3,507,486

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Enterprise Funds	Internal Service Funds
<u>OPERATING REVENUES</u>					
User Fees and Assessments	\$ 7,857,039	\$ 861,544	\$ 96,643	\$ 8,815,226	\$ 7,949,442
Miscellaneous	6,506	-	65,121	71,627	12,621
TOTAL OPERATING REVENUES	7,863,545	861,544	161,764	8,886,853	7,962,063
<u>OPERATING EXPENSES</u>					
Personal Services	825,711	170,044	-	995,755	401,052
Insurance	-	-	-	-	6,412,079
Claims Expense	-	-	-	-	836,790
Contractual Services	5,233,646	18,053	3,493	5,255,192	308,546
Repairs and Maintenance	164,124	59,319	5,113	228,556	19,605
Other Operating Expenses	613,066	262,401	53,354	928,821	286,497
Depreciation and Amortization	760,486	827,757	116,375	1,704,618	19,937
Closure and Long-Term Care Costs	624,430	-	-	624,430	-
TOTAL OPERATING EXPENSES	8,221,463	1,337,574	178,335	9,737,372	8,284,506
OPERATING INCOME (LOSS)	(357,918)	(476,030)	(16,571)	(850,519)	(322,443)
<u>NON OPERATING REVENUES</u>					
<u>(EXPENSES)</u>					
Interest Revenue	36,958	530	1,210	38,698	-
Grants	70,588	-	-	70,588	-
Interest Expense	(174,575)	(525,115)	-	(699,690)	-
Sale of Surplus Property	150,300	-	-	150,300	-
TOTAL NONOPERATING REVENUES	83,271	(524,585)	1,210	(440,104)	-
INCOME (LOSS) BEFORE CAPITAL					
CONTRIBUTIONS AND TRANSFERS	(274,647)	(1,000,615)	(15,361)	(1,290,623)	(322,443)
Capital Contributions - Capital Assets	-	52,355	-	52,355	1,800
Capital Contributions - Capital Grants	-	700,618	-	700,618	-
Transfers In	-	696,952	-	696,952	258,082
Transfers Out	(104,242)	-	(1,380)	(105,622)	(3,362)
CHANGE IN NET POSITION	(378,889)	449,310	(16,741)	53,680	(65,923)
NET POSITION - BEGINNING					
OF YEAR	2,127,813	18,049,473	5,444,970	25,622,256	3,573,409
NET POSITION - END OF YEAR	\$ 1,748,924	\$18,498,783	\$ 5,428,229	\$25,675,936	\$ 3,507,486

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts From Customers	\$7,876,429	\$ 858,723	\$ 159,617	\$8,894,769	\$7,975,882
Payments to Suppliers	(5,577,880)	(377,136)	(72,204)	(6,027,220)	(7,470,848)
Payments to Employees	(818,175)	(173,480)	-	(991,655)	(394,052)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,480,374	308,107	87,413	1,875,894	110,982
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	-	-	-	-	258,082
Transfers Out	(104,242)	-	(1,380)	(105,622)	(3,362)
Grants	70,588	-	-	70,588	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(33,654)	-	(1,380)	(35,034)	254,720
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments Received on Mortgage Receivable	-	-	12,884	12,884	-
Transfers In	-	696,952	-	696,952	-
Grants	-	700,618	-	700,618	-
Principal Paid on Debt	(540,804)	(472,857)	-	(1,013,661)	-
Interest Paid on Debt	(139,970)	(529,659)	-	(669,629)	-
Proceeds From Sale of Surplus Property	150,300	-	-	150,300	-
Debt Issued	360,281	362,222	-	722,503	-
Acquisitions of Capital Assets	(469,466)	(843,643)	-	(1,313,109)	(30,176)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(639,659)	(86,367)	12,884	(713,142)	(30,176)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investments	(465,150)	-	-	(465,150)	-
Interest on Investments	36,958	530	1,210	38,698	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(428,192)	530	1,210	(426,452)	-
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	378,869	222,270	100,127	701,266	335,526
CASH AND EQUIVALENTS - BEGINNING OF YEAR	4,252,910	1,347,475	606,023	6,206,408	4,098,159
CASH AND EQUIVALENTS - END OF YEAR	\$4,631,779	\$1,569,745	\$ 706,150	\$6,907,674	\$4,433,685

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2011

(concluded)

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Waste Management Fund</u>	<u>East Putnam Water Fund</u>	<u>Non-Major Proprietary Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$ (357,918)	\$ (476,030)	\$ (16,571)	\$ (850,519)	\$ (322,443)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and Amortization	760,486	827,757	116,375	1,704,618	19,937
Change In:					
Receivables	2,873	(4,419)	(2,147)	(3,693)	-
Due From Other Funds	-	-	-	-	12,726
Due From Other Governments	9,661	-	-	9,661	1,096
Inventory	-	-	-	-	(15,480)
Other Assets	-	-	-	-	(3)
Accounts Payable and Accrued Liabilities	432,956	(40,333)	(10,235)	382,388	105,149
Due to Other Funds	-	-	-	-	240,000
Due to Other Governments	-	-	(9)	(9)	-
Customer Deposits	350	1,598	-	1,948	-
Estimated Liability for Self-Insured Losses	-	-	-	-	63,000
Compensated Absences	(1,800)	(2,800)	-	(4,600)	3,500
Accrued Landfill and Post-Closure Costs	624,430	-	-	624,430	-
Other Noncurrent Liabilities	9,336	2,334	-	11,670	3,500
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,480,374</u>	<u>\$ 308,107</u>	<u>\$ 87,413</u>	<u>\$ 1,875,894</u>	<u>\$ 110,982</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contribution of Capital Assets	\$ -	\$ 52,355	\$ -	\$ 52,355	\$ 1,800

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Position
September 30, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 2,645,546
Receivables	<u>16,263</u>
TOTAL ASSETS	<u>2,661,809</u>
<u>LIABILITIES</u>	
Due to Other Governments	-
Assets Held for Others	<u>2,661,809</u>
TOTAL LIABILITIES	<u>2,661,809</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying notes.



Putnam County, Florida
Notes to Financial Statements
September 30, 2011

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Putnam County, Florida
Notes to Financial Statements
September 30, 2011

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 appropriations from the Florida Justice Administrative Commission.

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, 2011

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 2010-2011.

B. Accounting Changes

Effective for the current year, the County adopted Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, in order to properly classify Deferred Outflows of Resources resulting from the County's participation in several interest rate swap derivative instruments.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position 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

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

D. 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 position, 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, 2011

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 and report all financial resources not accounted for and reported in another fund. The General Fund is subdivided into the following categories: Board of County Commissioners (BOCC), Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of the Circuit Court.

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 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, 2011

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.

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, or other governments. 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.

E. 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, 2011

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 position 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, 2011

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 nonspendable fund balance 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 nonspendable fund balance 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.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets include property, plant, equipment, infrastructure, and intangible assets such as computer software. 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 threshold for the capitalization of all intangible assets is \$50,000.

The reported values of general infrastructure 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, 2011

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.

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

Depreciation or amortization, as appropriate, is calculated using the straight-line method over the following estimated useful lives:

Intangible Assets	7 – 40 Years
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.

Capitalization of Interest

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

of unused employee vacation leave time and in some instances sick time. The amount of vacation time is determined by the 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 and the Court 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.

F. 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.

G. Fund Balance

The County follows the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions to classify fund balances for its governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which the amounts in the fund can be spent.

Fund balance classifications are described below:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the County's highest level of decision-making authority, which is by Ordinance approved by the County Commission. Committed amounts cannot be used for any other purpose unless the Commission removes those constraints by taking the same type of action.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the County Commission or (b) a body or official to which the Commission has delegated the authority to assign amounts used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The County's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%; DROP Participants 4.42%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Putnam County's contributions to the System for the years ending September 30, 2011, 2010 and 2009 were \$3,378,000, \$3,602,000, and \$3,527,000 respectively, equal to the required contributions for each year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

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, 2011.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 4 – PROPERTY TAXES

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

NOTE 5 – DEPOSITS AND INVESTMENTS

As of September 30, 2011, the County had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>Investment Maturities (in years)</u>			<u>S & P Rating</u>
			<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 8</u>	
State Investment Pool - Florida Prime, amortized cost	\$ 5,355,893	\$ 5,355,893	\$ -	\$ -	\$ -	AAAm
State Investment Pool - Fund B	8,406	-	-	-	8,406	Not Rated
Florida Local Government Investment Trust	4,600,621	2,018,752	574,158	1,422,972	584,739	AAAf
Money Market Funds	10,030,223	10,030,223	-	-	-	NA
TOTAL INVESTMENTS	\$ 19,995,143	\$ 17,404,868	\$ 574,158	\$ 1,422,972	\$ 593,145	

Total Investments include \$15,394,522 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$111,926 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, 2011 was 4.82 years; a portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life. The weighted average days to maturity (WAM) of the Florida PRIME fund was 38.3 days.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 5 – DEPOSITS AND INVESTMENTS

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.

State Investment Pool: The State Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. Several years ago, 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 Florida PRIME and Fund B. The Florida PRIME 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 Florida PRIME is rated by Standard and Poor's and has a rating at September 30, 2011 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, 2011, the Credit Quality and Bond Fund Volatility Ratings were AA+ 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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 5 – DEPOSITS AND INVESTMENTS

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.

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.

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 \$3,836,868 at September 30, 2011. The allowance represents approximately 81% of the gross ambulance service accounts receivable at September 30, 2011. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$10,045 in utility customer receivables, court related receivables of \$191,296 and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$179,913 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 and rent receivables of \$265,935 and \$32,706 of mortgages receivable by the Port Authority; and other miscellaneous receivables resulting from normal business activities. An allowance for doubtful accounts in the amount of \$85,000 has been established. All net 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, 2011

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2011:

Due To / Due From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	East Putnam Grant Fund	\$ 25,000
General Fund	Nonmajor Governmental Funds	2,190,827
General Fund	Internal Service Funds	400,000
Non-Major Governmental Fund	General Fund	8,652
TOTAL PRIMARY GOVERNMENT		<u>\$ 2,624,479</u>

Advances From / To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	East Putnam Grant Fund	<u>\$ 760,208</u>



Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

	<u>Transfer In:</u>				
	<u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u>	<u>East</u> <u>Putnam</u> <u>Water</u>	<u>Internal</u> <u>Service</u>	<u>Total</u> <u>Transfers</u> <u>In</u>
<u>Transfer Out:</u>					
General Fund	\$ -	\$ 431,091	\$ 196,952	\$ 179,784	\$ 807,827
Better Place Plan Fund	-	75,512	500,000	-	575,512
Nonmajor Governmental	31,646	38,588	-	63,374	133,608
Waste Management	94,060	-	-	10,182	104,242
Nonmajor Proprietary	-	-	-	1,380	1,380
Internal Service	-	-	-	3,362	3,362
Total Transfers Out	<u>\$ 125,706</u>	<u>\$ 545,191</u>	<u>\$ 696,952</u>	<u>\$ 258,082</u>	<u>\$ 1,625,931</u>

Transfer of capital assets from governmental activities to business-type activities:	54,155
	<u>\$ 1,680,086</u>

Some 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 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, 2011

NOTE 8 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Balance October 1, 2010 <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance September 30, 2011
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 16,642,434	\$ 4,251,245	\$ -	\$ 20,893,679
Construction in Progress	240,898	901,647	(20,560)	1,121,985
Total Capital Assets Not Being Depreciated	<u>16,883,332</u>	<u>5,152,892</u>	<u>(20,560)</u>	<u>22,015,664</u>
Capital Assets Being Depreciated:				
Intangible Assets	612,339	449,944	-	1,062,283
Buildings	23,517,397	478,318	-	23,995,715
Improvements	8,754,905	166,199	-	8,921,104
Equipment	31,293,329	2,937,889	(968,979)	33,262,239
Infrastructure	73,745,169	4,535,406	(2,423,629)	75,856,946
Total Capital Assets Being Depreciated	<u>137,923,139</u>	<u>8,567,756</u>	<u>(3,392,608)</u>	<u>143,098,287</u>
Less Accumulated Depreciation For:				
Intangible Assets	(208,849)	(62,998)	-	(271,847)
Buildings (As Restated)	(9,583,984)	(731,422)	-	(10,315,406)
Improvements	(2,083,453)	(482,675)	-	(2,566,128)
Equipment	(23,015,358)	(3,186,329)	946,235	(25,255,452)
Infrastructure	(17,848,209)	(3,027,013)	2,423,629	(18,451,593)
Total Accumulated Depreciation	<u>(52,739,853)</u>	<u>(7,490,437)</u>	<u>3,369,864</u>	<u>(56,860,426)</u>
Total Capital Assets Being Depreciated, Net	<u>85,183,286</u>	<u>1,077,319</u>	<u>(22,744)</u>	<u>86,237,861</u>
Governmental Activities Capital Assets, Net	<u>102,066,618</u>	<u>6,230,211</u>	<u>(43,304)</u>	<u>108,253,525</u>
<u>Business-type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,203,045	\$ -	\$ -	\$ 6,203,045
Construction in Progress	6,945,963	52,355	(4,550,431)	2,447,887
Total Capital Assets Not Being Depreciated	<u>13,149,008</u>	<u>52,355</u>	<u>(4,550,431)</u>	<u>8,650,932</u>
Capital Assets Being Depreciated:				
Buildings	3,612,555	-	-	3,612,555
Improvements	967,510	-	-	967,510
Landfill	4,817,309	4,550,430	-	9,367,739
Water and Sewer Distribution System	31,954,060	266,022	-	32,220,082
Equipment	2,236,435	469,468	(330,912)	2,374,991
Total Capital Assets Being Depreciated	<u>43,587,869</u>	<u>5,285,920</u>	<u>(330,912)</u>	<u>48,542,877</u>
Less Accumulated Depreciation For:				
Buildings	(1,341,643)	(112,700)	-	(1,454,343)
Improvements	(757,655)	(20,622)	-	(778,277)
Landfill	(4,561,609)	(571,672)	-	(5,133,281)
Water and Sewer Distribution System	(1,436,108)	(799,649)	-	(2,235,757)
Equipment	(1,520,514)	(199,975)	330,912	(1,389,577)
Total Accumulated Depreciation	<u>(9,617,529)</u>	<u>(1,704,618)</u>	<u>330,912</u>	<u>(10,991,235)</u>
Total Capital Assets Being Depreciated, Net	<u>33,970,340</u>	<u>3,581,302</u>	<u>-</u>	<u>37,551,642</u>
Business-type Activities Capital Assets, Net	<u>\$ 47,119,348</u>	<u>\$ 3,633,657</u>	<u>\$ (4,550,431)</u>	<u>\$ 46,202,574</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 8 – CAPITAL ASSET ACTIVITY

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

Governmental Activities:	
General Government	\$ 1,089,530
Public Safety	2,690,886
Physical Environment	28,340
Transportation	3,309,172
Human Services	3,944
Culture and Recreation	312,116
Court Related	36,512
Capital assets held by the government's internal service funds are	
charged to the various functions based on their usage of the assets	19,937
Total Depreciation Expense - Governmental Activities	<u>\$ 7,490,437</u>
Business-type Activities:	
Waste Management	\$ 760,486
Water and Sewer System	827,757
Port Authority	116,375
Total Depreciation Expense - Business-type Activities	<u>\$ 1,704,618</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).

\$ 465,651

\$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).

1,108,162

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 from 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).

6,570,000

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

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 is payable from the Better Place Fund (a Capital Project Fund).	2,595,000
\$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%. All remaining principal and interest totaling \$43,306 was paid October 1, 2011, from the General Fund.	41,851
\$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).	887,065
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 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).	46,523
Obligations Under Capital Leases	1,587,218
Other Post Employment Benefits	1,004,283
Accrued Compensated Absences	2,190,000
Total Long-Term Obligations, Governmental Activities	<u>\$ 16,495,753</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

Business-Type Activities

Notes Payable - \$4,000,000, 3.76% interest rate, 8-year note from a financial institution to finance construction of a new cell at the County Landfill. The note is payable from and secured by special assessments for waste disposal. Principal and interest payments of approximately \$145,449 are due quarterly until maturity on October 1, 2017. The note is payable from the Waste Management Fund (an Enterprise Fund). \$ 3,227,031

\$9,783,912 from the State of Florida in three series of State Revolving Fund loans to provide financing for the East Putnam Water System. The interest rates range from 2.64% to 2.82%. The loan will be repaid in 40 semiannual loan payments of \$329,149. The note is secured by operating proceeds of the Water System. 9,241,313

Revenue Bonds - \$4,268,000 from the United States Department of Agriculture is Water Revenue Bonds, Series 2008B to provide financing for the East Putnam Water System. The interest rate is 4.25%. The loan will be repaid in 38 annual loan payments of \$228,300 beginning September 1, 2011. The bond is secured by operating proceeds from the East Putnam Water System. The Better Place Plan Fund is obligated to cover deficiencies up to \$275,000 per year. 4,221,000

\$2,054,900 from the United States Department of Agriculture is Water Revenue Bonds, Series 2008A to provide financing for the East Putnam Water System. The interest rate is 4.50%. The loan will be repaid in 38 annual loan payments of \$113,600 beginning September 1, 2011. The bond is secured by operating proceeds from the East Putnam Water System. The Better Place Plan Fund is obligated to cover deficiencies up to \$275,000 per year. 2,034,000

Capital Leases consist of agreements with financial institutions for the following equipment at the landfill: compactor with \$454,227 aggregate historical cost and 4.29% interest rate; wheel loader with \$174,406 aggregate historical cost and 3.5% interest rate; bulldozer with \$185,875 aggregate historical cost and 3.2% interest rate. 455,185

Accrued Landfill Closure and Long-Term Care Costs 11,344,131

Other Post Employment Benefits 37,151

Accrued Compensated Absences 59,900

Total Long-Term Obligations, Business-Type Activities \$ 30,619,711

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

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, 2011 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Interest Rate Swaps

Notional Amounts	\$887,065	\$1,108,162	\$6,570,000	\$2,595,000
Effective Date	5/31/2005	6/28/2005	11/28/2006	12/13/2007
Fixed Payer Rate	3.89%	3.90%	4.11%	3.75%
Variable Receiver Rate	63.7% of LIBOR plus 0.90%	63.7% of LIBOR plus 0.90%	63.7% of LIBOR plus 0.70%	63.7% of LIBOR plus 0.70%
Fair Value End of Year	(\$98,025)	(\$97,448)	(\$642,364)	(\$232,545)
Termination Date	5/1/2020	6/1/2018	1/1/2018	1/1/2018
Counterparty Credit Rating	A/A-2	A/A-2	A/A-2	A/A-2

Swap Fair Values

The fair values of the swaps are calculated based upon the net present value of the difference in future cash flows between the pay fixed and receive variable rates using a 5% discount rate. The fixed payer rate for all four swaps exceeded the variable receiver rate at September 30, 2011, and consequently all had a negative fair value at that date.

The aggregate fair values and changes in fair values of the swaps are as follows:

	As of and for the Fiscal Year Ended September 30						
	2005	2006	2007	2008	2009	2010	2011
Fair Value	\$(82,125)	\$ 71,025	\$12,096	\$(449,829)	\$(1,714,302)	\$(1,388,448)	\$(1,070,382)
Change in Fair Value	(82,125)	153,150	(58,929)	(461,925)	(1,264,473)	325,854	318,066

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

The following elements of the government-wide financial statements recognize only the events related to the swap and the hedged bonds for the fiscal years ended September 30, 2005 through September 30, 2011. Amounts are presented based on their natural classification:

	As of and for the Fiscal Year Ended September 30						
	2005	2006	2007	2008	2009	2010	2011
Statement of Net Position:							
Cash	\$3,189,044	\$2,881,822	\$12,285,026	\$14,244,725	\$12,359,436	\$10,473,915	\$8,589,989
Deferred Outflow Resources	82,125	(71,025)	(12,096)	449,829	1,714,302	1,388,448	1,070,382
Derivative Instrument Liability	82,125	(71,025)	(12,096)	449,829	1,714,302	1,388,448	1,070,382
Notes Payable	3,211,361	3,028,291	12,652,790	15,194,553	13,903,268	12,558,605	11,160,227
Statement of Activities:							
Interest Expense	22,317	124,152	221,295	582,064	594,004	540,858	485,548

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2011, 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>		Interest Rate Swaps	Total
	Principal	Interest		
2012	1,462,449	103,059	318,830	1,884,338
2013	1,516,887	88,654	273,910	1,879,451
2014	1,586,710	73,670	227,186	1,887,566
2015	1,646,928	58,034	178,415	1,883,377
2016	1,722,563	41,763	127,668	1,891,994
2017-2020	3,224,690	34,978	102,433	3,362,101
Total	<u>\$ 11,160,227</u>	<u>\$400,158</u>	<u>\$1,228,442</u>	<u>\$ 12,788,827</u>

Credit Risk

As of September 30, 2011 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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for long-term obligations at September 30, 2011, excluding obligations under capital leases of the Governmental Activities, are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	1,691,987	444,779	\$ 1,125,083	\$ 653,638
2013	1,682,214	376,772	1,065,130	614,541
2014	1,745,870	308,383	1,101,170	578,299
2015	1,646,928	239,888	1,140,336	540,801
2016	1,722,563	172,271	1,080,940	501,921
2017-2021	3,224,690	139,586	3,650,862	2,078,216
2022-2026	-	-	3,337,561	1,587,359
2027-2031	-	-	2,618,460	1,066,691
2032-2036	-	-	907,000	803,938
2037-2041	-	-	1,122,000	589,745
2042-2046	-	-	1,388,000	324,572
2047-2048	-	-	641,987	42,030
	<u>\$ 11,714,252</u>	<u>\$ 1,681,679</u>	<u>\$ 19,178,529</u>	<u>\$ 9,381,751</u>

Governmental Capital Lease Obligations at September 30, 2011 are comprised of the following:

Agreement with financial institution for vehicles: Interest Rate 2.8%; aggregate historical cost \$99,963; \$515,411 is held in escrow for future vehicle acquisitions.	\$ 516,055
Agreement with financial institution for software: Interest Rate 4.5%; aggregate historical cost \$449,944; \$112,486 is held in escrow for future software acquisitions.	502,836
Agreement with financial institution for phone systems: Interest Rate 6.53%; aggregate historical cost \$684,492.	347,203
Agreement with heavy equipment company for a road grader: Interest Rate 4.15%; aggregate historical cost \$173,873.	104,209
Agreement with heavy equipment company for a wheel loader: Interest Rate 6.25%; aggregate historical cost \$124,119.	36,489
Agreement with heavy equipment company for an excavator: Interest Rate 5.75%; aggregate historical cost \$165,836.	80,426
	<u>\$ 1,587,218</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

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>
2012	\$ 577,212
2013	576,632
2014	379,278
2015	126,016
2016	51,840
Total Minimum Lease Payments	<u>1,710,978</u>
Less: Amount Representing Interest	<u>(123,760)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,587,218</u></u>

Changes in long-term debt transactions of the County for the year ended September 30, 2011 are summarized below:

<u>Governmental Activities</u>					
	<u>Balance</u> <u>October 1,</u> <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2011</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Special Assessment Debt with					
Governmental Commitment	\$ 1,859,321	\$ -	\$ (285,508)	\$ 1,573,813	\$ 296,459
Notes Payable	11,530,695	-	(1,436,779)	10,093,916	1,358,309
\$260,527 Economic Development					
Loan (OTTED)	83,741	-	(37,218)	46,523	37,218
Obligations under Capital					
Leases	772,213	1,177,804	(362,799)	1,587,218	514,758
Other Post Employment Benefits	683,370	320,913	-	1,004,283	-
Accrued Compensated					
Absences	<u>2,274,900</u>	<u>2,145,100</u>	<u>(2,230,000)</u>	<u>2,190,000</u>	<u>1,309,000</u>
Total Long-Term Obligations, Governmental Activities	<u><u>\$17,204,240</u></u>	<u><u>\$3,643,817</u></u>	<u><u>\$(4,352,304)</u></u>	<u><u>\$ 16,495,753</u></u>	<u><u>\$3,515,744</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

	Business-Type Activities				
	Balance October 1, <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2011</u>	Due Within <u>One Year</u>
Notes Payable	\$12,960,885	\$ 362,222	\$ (854,763)	\$12,468,344	\$ 873,505
Revenue Bonds	6,322,900	-	(67,900)	6,255,000	71,000
Capital Lease	185,903	360,281	(90,999)	455,185	180,578
Accrued Landfill Closure and Post-Closure Care Costs	10,719,701	879,549	(255,119)	11,344,131	571,904
Other Post Employment Benefits	25,480	11,670	-	37,151	-
Accrued Compensated Absences	64,500	83,400	(88,000)	59,900	32,000
Total Long-Term Obligations, Business-Type Activities	<u>\$30,279,369</u>	<u>\$ 1,697,122</u>	<u>\$ (1,356,781)</u>	<u>\$30,619,711</u>	<u>\$ 1,728,987</u>

Pledged Revenues

The County has pledged future water customer revenues to repay \$6.323 million in water system revenue bonds issued in fiscal year 2009 and State Revolving Fund notes totaling \$9.784 million issued during fiscal years 2008 through 2011. Additionally, the County has pledged up to \$275,000 per annum of discretionary infrastructure surtax revenue through January 1, 2018 to supplement water customer revenues if necessary. Proceeds from the bonds and notes provided financing for the East Putnam Regional Water System. The notes will mature in 2029 and the bonds will mature in 2048. 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 remaining to be made is \$24.434 million. Principal payments of \$472,857 were made in the current year, while interest payments totaling \$410,122 were made.

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 38 percent of estimated annual net revenues. The total principal and interest remaining to be paid on the notes is \$10.492 million. For the current year, principal and interest paid and surtax revenue were \$1.575 million and \$4.204 million, respectively.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 9 – LONG-TERM OBLIGATIONS

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 \$1.761 million. For the current year, principal and interest paid and special assessment revenue were \$0.352 million and \$0.298 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 \$1.053 million. For the current year, principal and interest paid was \$0.120 million, while revenue was \$0.036 million.

The County has pledged specific landfill collection special assessments to repay a \$4 million note issued in fiscal year 2009. The proceeds from the note were designated to construct a new cell at the central landfill. The note will mature in 2018. Annual principal and interest payments are expected to require less than 35% of revenues. The total principal and interest remaining to be paid on the note is \$3.636 million. For the current year, principal and interest paid was \$0.582 million, while revenue was \$1.787 million.

NOTE 10 – SHORT-TERM FINANCING

The County obtained short-term financing from the State of Florida State Revolving Fund to provide financing for the East Putnam Wastewater Project. The loan carried an interest rate of 1.80% and was repaid from grant proceeds from the Florida Department of Environmental Protection.

	Balance October 1, 2010	Increases	Decreases	Balance September 30, 2011
Short-term Debt	\$ -	\$1,570,797	\$(1,570,797)	\$ -

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 11 – 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.

In a previous 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, 2011, the aggregate bonds outstanding were \$125,250,000.

NOTE 12 – FUND BALANCE CLASSIFICATIONS

A schedule of County fund balances is provided in the following pages.

(The remainder of this page is intentionally left blank.)

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 12 – FUND BALANCE CLASSIFICATIONS

	<u>Major Governmental Funds</u>				
	General	East Putnam Grant Fund	Better Place Plan	Total Non-Major Governmental Funds	Total Governmental Funds
	<u>Fund</u>	<u>Fund</u>	<u>Plan</u>	<u>Funds</u>	<u>Funds</u>
FUND BALANCES:					
Non Spendable:					
Advances	\$ 760,208	\$ -	\$ -	\$ -	\$ 760,208
Inventory	37,501	-	-	-	37,501
Loan Guarantees	-	-	-	596,960	596,960
Prepays	49,373	-	-	163,237	212,610
Restricted for:					
Debt Service	-	-	-	345,069	345,069
Better Place Plan - Capital Projects	-	-	5,519,014	-	5,519,014
Fishing Improvement	-	-	-	373,737	373,737
Fire Protection	-	-	-	1,753,525	1,753,525
Law Enforcement	-	-	-	251,036	251,036
Court Improvements	-	-	-	1,976,022	1,976,022
Drivers Education	-	-	-	241,496	241,496
Court Article V Support	-	-	-	84,601	84,601
Court Technology	-	-	-	532,178	532,178
Crime Prevention	-	-	-	62,145	62,145
E911 System	-	-	-	25,887	25,887
Tourist Development	-	-	-	298,837	298,837
Recreation & Libraries	-	-	-	51,529	51,529
Library Operations	-	-	-	27,957	27,957
MSBU Road Maintenance	-	-	-	1,011,275	1,011,275
Local Housing Assistance	-	-	-	815,181	815,181
Sewage Utilities	-	321,178	-	-	321,178
Water Utilities	-	-	-	207,643	207,643
Interlachen Lakes Estates Lake Access	39,369	-	-	-	39,369
Commissary - Inmate Benefits	-	-	-	165,257	165,257
Federal Forfeiture - Law Enforcement	-	-	-	16,732	16,732
Public Records Modernization	-	-	-	967,036	967,036
Court Operations	-	-	-	71,499	71,499
Voter Equipment and Education	-	-	-	73,309	73,309
Capital Projects	-	-	-	532,712	532,712
Road Projects	-	-	-	1,232,050	1,232,050
Committed for:					
Sheriff's Contractual Obligations	627,897	-	-	-	627,897
Assigned to:					
Subsequent Year's Expenditures	1,815,582	-	-	-	1,815,582
Cooperative Law Enforcement	10,574	-	-	-	10,574
Road and Bridge Maintenance	-	-	-	1,985,562	1,985,562
Unassigned:	13,425,709	-	-	(511,396)	12,914,313
Total Fund Balances	<u>\$16,766,213</u>	<u>\$ 321,178</u>	<u>\$5,519,014</u>	<u>\$13,351,076</u>	<u>\$35,957,481</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 13 – DEFICIT BALANCES/BUDGET OVEREXPENDITURES – INDIVIDUAL FUNDS

At September 30, 2011, the Communication Improvement Fund, the CDBG Fund, the Economic Development Fund, and the Sewage Utilities Fund had deficit fund balances of \$322,763, \$153, \$164,496, and \$23,984, respectively.

The deficits in the funds will be eliminated by transfers from the General Fund and by future revenues generated by the funds.

For the year ended September 30, 2011, expenditures of the Communication Improvement Fund, the Supervisor of Elections Grant Fund, and the MSBU Loan Fund were in excess of their approved annual budgets.

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

NOTE 14 – 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.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 14 – RISK MANAGEMENT

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 Year Liability	Claims Incurred and Changes in Estimates	Claims Payments	End of Fiscal Year Liability	Due Within One Year
2009-2010	\$429,152	\$586,715	\$586,715	\$429,152	-
2010-2011	\$429,152	\$815,275	\$752,275	\$492,152	\$192,152

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 15 – 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 \$11,344,131 reported as landfill closure and long-term care liability at September 30, 2011, 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, & 3	68.0%
Class III Landfill	100%
Huntington Landfill	100%
Interlachen Landfill	100%
Central Landfill Phase I	100%

The County will recognize the remaining estimated cost of closure and long-term care of \$5,976,015 as the remaining estimated capacity is used (estimated to be 7.5 years for Central Landfill Phase II, Cells 1, 2, & 3). These amounts are based on what it would cost to perform all closure and long-term care in 2011. Actual costs may be higher or lower due to inflation, deflation, changes in technology, or changes in regulations.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 15 – ACCRUED LANDFILL CLOSURE AND LONG-TERM CARE COSTS

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 \$4,499,628 to cover D.E.P.'s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2011. This is shown as restricted cash and equivalents and restricted investments of the business-type activities in the accompanying financial statements.

NOTE 16 – OTHER POST-EMPLOYMENT 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.

Plan Description

The County administers a single-employer defined benefit plan for post-employment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides a health insurance subsidy for retirees and eligible dependents of the Clerk of Court, Supervisor of Elections, Property Appraiser, Sheriff, Tax Collector and County. Additionally, life insurance up to \$20,000 is available to retirees at the cost paid by the County for active employees. The Putnam County Board of County Commissioners can amend the benefit provisions.

The health insurance subsidy is provided to retirees with at least six years of service who retire and begin receiving benefits from the Florida Retirement System (FRS). Retirees must maintain health care coverage after employment to be eligible for the subsidy. The amount of monthly subsidy is based on the number of years of total service with the County or Constitutional Officer and is equal to four dollars a month for each year of service. The minimum monthly subsidy is \$24 and the maximum monthly subsidy is \$120 for employees that retire with 30 or more years of service.

Pursuant to the provisions of Section 112.0801 Florida Statutes any employee who retires and immediately begins receiving FRS benefits has the option of paying premiums to continue in the County's healthcare plan at the same group rate that is applicable to active employees. The retiree pays 100% of the blended group rate premium less the subsidy mentioned above, therefore receiving an implicit subsidy.

The plan does not issue a stand-alone financial report.

At September 30, 2011, participants consisted of:

Active Employees	515
Retirees Participants	55

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
September 30, 2009	\$ 519,607	\$ 159,014	30.60%	\$ 360,593
September 30, 2010	\$ 609,697	\$ 261,440	42.88%	\$ 708,850
September 30, 2011	\$ 611,583	\$ 279,000	45.62%	\$ 1,041,434

The funded status of the OPEB Plan as of September 30, 2011 was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,731,694
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,731,694</u>
Funded Ratio	0.00%
Covered Payroll	\$23,775,000
Ratio of UAAL to Covered Payroll	19.91%

Funding Policy

Funding for the OPEB Plan is on a pay-as-you-go basis from the County's general assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS

Actuarial Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer (ARC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following actuarial methods and assumptions were used:

Actuarial Cost Method	Projected Unit Credit Method
Amortization Method	Level Annual Payments
Amortization Period	30 Years, Closed
Remaining Amortization Period	28 Years
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Discount Rate	4%
Healthcare Cost Trend Rate	11% Initial; 5% ultimate
Inflation Rate	4%



Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 17 – 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, 2011, totaled \$243,724. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2012	52,338
2013	52,338
2014	52,338
2015	52,338
Total future minimum lease payments	<u>\$ 209,352</u>

NOTE 18 – COMMITMENTS AND CONTINGENCIES

At September 30, 2011, the County was not committed to any substantial construction or engineering contracts.

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 19 – NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$19,165,713 of restricted net position, of which \$8.1 million is restricted by enabling legislation.

Putnam County, Florida
Notes to Financial Statements
September 30, 2011

NOTE 20 - RESTATEMENT

Beginning net position of the Governmental Activities has been restated to account for depreciation being understated in the previous year. Additionally, the implementation of GASB54 resulted in the General Funds of the Constitutional Officers and the ILE Lake Access Fund now being reflected in the County's General Fund.

	Governmental <u>Activities</u>	General <u>Fund</u>	Constitutional Officers' <u>General Funds</u>	ILE Lake Access <u>Fund</u>
Beginning Fund Balance/Net Position				
as Previously reported	\$ 121,802,190	\$ 15,080,623	\$ 47,376	\$ 66,782
Supervisor of Elections Fund	-	47,376	(47,376)	-
ILE Lake Access Fund	-	66,782	-	(66,782)
Prior Years' Assessments	-	-	-	-
Prior Year's Accumulated				
Depreciation Understated	(54,180)	-	-	-
Beginning Fund Balance/Net Position				
as Restated	<u>\$ 121,748,010</u>	<u>\$ 15,194,781</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2011

	<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	\$ 31,226,910	\$ 31,226,910	\$ 31,525,695	\$ 298,785
Licenses and Permits	405,250	405,250	372,378	(32,872)
Intergovernmental	7,533,022	11,789,448	12,035,276	245,828
Charges for Services	6,407,054	6,406,929	4,978,504	(1,428,425)
Fines and Forfeitures	98,150	98,150	59,905	(38,245)
Miscellaneous	333,875	568,683	772,316	203,633
TOTAL REVENUES	46,004,261	50,495,370	49,744,074	(751,296)
<u>EXPENDITURES</u>				
Current:				
General Government	14,942,760	14,942,635	12,706,020	2,236,615
Public Safety	24,702,878	25,159,969	25,045,639	114,330
Physical Environment	371,065	372,865	337,893	34,972
Transportation	780,000	780,000	760,469	19,531
Economic Environment	421,500	421,500	394,573	26,927
Human Services	2,285,577	2,285,577	2,290,281	(4,704)
Culture and Recreation	1,796,605	5,691,890	5,665,695	26,195
Court Related	1,082,453	1,082,453	933,378	149,075
Reserve for Contingencies	198,000	143,700	-	143,700
Debt Service:				
Principal Retirement	573,353	573,353	479,618	93,735
Interest and Fiscal Charges	35,842	35,842	54,759	(18,917)
TOTAL EXPENDITURES	47,190,033	51,489,784	48,668,325	2,821,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,185,772)	(994,414)	1,075,749	2,070,163
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	320,995	154,637	125,706	(28,931)
Transfers Out	(748,189)	(773,189)	(807,827)	(34,638)
Debt Issued	-	-	1,177,804	1,177,804
TOTAL OTHER FINANCING SOURCES (USES)	(427,194)	(618,552)	495,683	1,114,235
NET CHANGE IN FUND BALANCES	(1,612,966)	(1,612,966)	1,571,432	3,184,398
FUND BALANCES - BEGINNING OF YEAR (as restated)	1,612,966	1,612,966	15,194,781	13,581,815
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 16,766,213	\$ 16,766,213

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, 2011

	<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	\$ -	\$ -	\$ 1,586,553	\$ 1,586,553
Miscellaneous Revenue	30,000	30,000	51,835	21,835
TOTAL REVENUES	30,000	30,000	1,638,388	1,608,388
<u>EXPENDITURES</u>				
Current:				
Physical Environment	9,610,000	9,610,000	52,355	9,557,645
Debt Service:				
Principal Retirement	-	-	1,570,797	(1,570,797)
Interest and Fiscal Charges	-	-	15,756	(15,756)
TOTAL EXPENDITURES	9,610,000	9,610,000	1,638,908	7,971,092
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,580,000)	(9,580,000)	(520)	9,579,480
<u>OTHER FINANCING SOURCES</u>				
Debt Issued	9,580,000	9,580,000	1,570,797	(8,009,203)
NET CHANGE IN FUND BALANCES	-	-	1,570,277	1,570,277
FUND BALANCES, Beginning of year	-	-	(1,249,099)	(1,249,099)
FUND BALANCES, End of year	\$ -	\$ -	\$ 321,178	\$ 321,178

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, 2011

	<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	\$ 4,250,000	\$ 4,250,000	\$ 4,203,564	\$ (46,436)
Miscellaneous Revenue	2,500	2,500	7,380	4,880
TOTAL REVENUES	<u>4,252,500</u>	<u>4,252,500</u>	<u>4,210,944</u>	<u>(41,556)</u>
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-General Government	2,176,293	2,100,781	413,128	1,687,653
Debt Service:				
Principal Retirement	1,175,000	1,175,000	1,175,000	-
Interest and Fiscal Charges	401,207	401,207	400,264	943
TOTAL EXPENDITURES	<u>3,752,500</u>	<u>3,676,988</u>	<u>1,988,392</u>	<u>1,688,596</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 500,000	 575,512	 2,222,552	 1,647,040
 <u>OTHER FINANCING SOURCES</u>				
Transfers Out	<u>(500,000)</u>	<u>(575,512)</u>	<u>(575,512)</u>	<u>-</u>
 NET CHANGE IN FUND BALANCES	 -	 -	 1,647,040	 1,647,040
 FUND BALANCES, Beginning of Year	 -	 -	 3,871,974	 3,871,974
 FUND BALANCES, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 5,519,014</u>	 <u>\$ 5,519,014</u>

Putnam County, Florida
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2011

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.

continued

Putnam County, Florida
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2011

Appropriations from the reserve for contingencies may be made to increase the appropriation for any particular expenditure 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.

concluded



Putnam County, Florida
Other Post-Employment Benefits
For the Year Ended September 30, 2011

SCHEDULE OF FUNDING PROGRESS

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as & of Covered Payroll
2009	12/21/2007	\$ -	\$ 4,347,425	\$ 4,347,425	0.0%	\$ 23,033,731	18.87%
2010	10/1/2010	-	4,731,694	4,731,694	0.0%	24,065,000	19.67%
2011	10/1/2010	-	4,731,694	4,731,694	0.0%	23,775,000	19.91%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30,	Annual Required Contribution	% Contributed
2009	\$ 519,607	30.60%
2010	\$ 624,133	41.89%
2011	\$ 665,037	41.95%

NOTES

1. 2009 was a transition year and the County elected to implement GASB Statement No. 45 prospectively. The County elected to use the Actuarial Valuation Report dated 12/21/2007 for implementation in the transition year.
2. See Note 16 to the financial statements for further information regarding the County's OPEB plan.

SUPPLEMENTAL INFORMATION

GENERAL FUND BY CATEGORY

The six categories shown below together represent the General Fund, the primary operating fund of the County.

General Fund—Board of County Commissioners – To account for the revenues and expenditures of the Board of County Commissioners portion of the General Fund—which are activities that benefit all County residents. Countywide activities include Administration, County Attorney, Human Resources, Information Technology, Emergency Management and Emergency Medical Services, Parks and Recreation, and certain payments to Constitutional Officers and nonprofit agencies.

General Fund—Sheriff – To account for the revenues and expenditures necessary to carry out the duties and obligations of the Sheriff as specified in Section 30.15, Florida Statutes. The funds for the Sheriff's operation are received from the BOCC pursuant to Section 30.49, Florida Statutes.

General Fund—Clerk of Circuit Court – To account for revenues and expenditures of the Clerk of Circuit Court whose responsibilities include: County recorder for official records of Putnam County; accountant for the BOCC, custodian of all County funds, County auditor, and keeping BOCC records and meeting minutes as ex-officio Clerk to the Board of County Commissioners; as well as court-related activities that are not accounted for in the "Clerk of Circuit Court – Court Fund and Public Records Modernization Funds."

General Fund—Tax Collector – To account for revenues and expenditures of the Tax Collector pursuant to Section 197, Florida Statutes.

General Fund—Property Appraiser – To account for revenues and expenditures of the Property Appraiser in the performance of Constitutional responsibilities. These responsibilities include determining the taxable value of all real and tangible property within the County, maintaining associated financial and property records, and providing the Tax Collector with the certified value of real and tangible property and tax millage levied by the respective taxing authorities.

General Fund—Supervisor of Elections – To account for revenues and expenditures of the Supervisor of Elections in the performance of Constitutional responsibilities pursuant to Chapters 97 through 102, Florida Statutes. The funds for the Supervisor of Elections' operation are received from the BOCC pursuant to Section 129.202, Florida Statutes.

Putnam County, Florida
Combining Balance Sheet
Board and Officer General Funds
September 30, 2011

	Board of County Commissioners Sub-fund	Sheriff Sub-fund	Clerk of Circuit Court Sub-fund	Tax Collector Sub-fund
<u>ASSETS</u>				
Cash and Equivalents	\$ 11,222,028	\$ 1,783,782	\$ 246,940	\$ 494,607
Investments	289,017	-	-	-
Receivables	919,546	8,054	1,117	-
Due From Other Funds	4,193,480	-	-	-
Due From Other Governments	1,035,347	-	27,355	-
Advances to Other Funds	760,208	-	-	-
Inventory	37,501	-	-	-
Prepays	1,271	-	16,185	-
Other Assets	-	595	-	-
TOTAL ASSETS	<u>18,458,398</u>	<u>1,792,431</u>	<u>291,597</u>	<u>494,607</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	1,055,371	441,480	99,055	56,563
Due to Other Funds	-	712,480	167,235	422,135
Due to Other Governments	3,210	-	25,307	-
Deferred Revenue	1,303,992	-	-	15,909
TOTAL LIABILITIES	<u>2,362,573</u>	<u>1,153,960</u>	<u>291,597</u>	<u>494,607</u>
<u>FUND BALANCES</u>				
Non Spendable	798,980	-	16,185	-
Restricted	39,369	-	-	-
Committed	-	627,897	-	-
Assigned	1,815,582	10,574	-	-
Unassigned	13,441,894	-	(16,185)	-
TOTAL FUND BALANCES	<u>16,095,825</u>	<u>638,471</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,458,398</u>	<u>\$ 1,792,431</u>	<u>\$ 291,597</u>	<u>\$ 494,607</u>

(continued)

Putnam County, Florida
Combining Balance Sheet
Board and Officer General Funds
September 30, 2011

(concluded)

	Property Appraiser General <u>Sub-Fund</u>	Supervisor of Elections General <u>Sub-Fund</u>	Interfund Eliminations & <u>Consolidations</u>	Total General <u>Fund</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 220,604	\$ 103,716	\$ -	\$14,071,677
Investments	-	-	-	289,017
Receivables	-	-	-	928,717
Due From Other Funds	-	827	(1,578,480)	2,615,827
Due From Other Governments	-	-	-	1,062,702
Advances to Other Funds	-	-	-	760,208
Inventory	-	-	-	37,501
Prepays	-	31,917	-	49,373
Other Assets	-	-	-	595
TOTAL ASSETS	220,604	136,460		19,815,617
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	34,391	5,474	-	1,692,334
Due to Other Funds	186,213	99,069	(1,578,480)	8,652
Due to Other Governments	-	-	-	28,517
Deferred Revenue	-	-	-	1,319,901
TOTAL LIABILITIES	220,604	104,543	-	3,049,404
<u>FUND BALANCES</u>				
Non Spendable	-	31,917	-	847,082
Restricted	-	-	-	39,369
Committed	-	-	-	627,897
Assigned	-	-	-	1,826,156
Unassigned	-	-	-	13,425,709
TOTAL FUND BALANCES	-	31,917	-	16,766,213
TOTAL LIABILITIES AND FUND BALANCES	\$ 220,604	\$ 136,460	\$ -	\$19,815,617

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
September 30, 2011

	Board of County Commissioners Sub-fund			Sheriff Sub-fund		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final	Amounts	Original	Final	Amounts
REVENUES						
Taxes	\$ 31,226,910	\$ 31,226,910	\$ 31,525,695	\$ -	\$ -	\$ -
Licenses and Permits	405,250	405,250	372,378	-	-	-
Intergovernmental	7,328,022	11,418,090	11,682,075	-	-	-
Charges for Services	3,922,880	3,922,880	3,588,943	-	-	-
Fines and Forfeitures	98,150	98,150	49,331	-	-	10,574
Miscellaneous	316,875	551,683	711,331	-	-	18,159
TOTAL REVENUES	43,298,087	47,622,963	47,929,753	-	-	28,733
EXPENDITURES						
Current:						
General Government	8,621,092	8,621,092	8,073,670	-	-	-
Public Safety	7,381,202	7,535,110	7,451,073	17,321,676	17,624,859	17,594,566
Physical Environment	371,065	372,865	337,893	-	-	-
Transportation	780,000	780,000	760,469	-	-	-
Economic Environment	421,500	421,500	394,573	-	-	-
Human Services	2,285,577	2,285,577	2,290,281	-	-	-
Culture and Recreation	1,796,605	5,691,890	5,665,695	-	-	-
Court Related	263,930	263,930	163,790	551,423	551,423	514,444
Reserve for Contingencies	198,000	143,700	-	-	-	-
Debt Service:						
Principal Retirement	312,793	312,793	312,087	260,560	260,560	167,531
Interest and Fiscal Charges	35,842	35,842	34,175	-	-	20,584
TOTAL EXPENDITURES	22,467,606	26,464,299	25,483,706	18,133,659	18,436,842	18,297,125
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,830,481	21,158,664	22,446,047	(18,133,659)	(18,436,842)	(18,268,392)
OTHER FINANCING SOURCES (USES)						
Transfers In	387,500	387,500	1,645,929	18,133,659	18,436,842	18,436,842
Transfers Out	(22,830,947)	(23,159,130)	(23,143,556)	-	-	(707,783)
Debt Issued	-	-	-	-	-	1,177,804
TOTAL OTHER FINANCING SOURCES (USES)	(22,443,447)	(22,771,630)	(21,497,627)	18,133,659	18,436,842	18,906,863
NET CHANGE IN FUND BALANCES	(1,612,966)	(1,612,966)	948,420	-	-	638,471
FUND BALANCES - BEGINNING OF YEAR (as restated)	1,612,966	1,612,966	15,147,405	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 16,095,825	\$ -	\$ -	\$ 638,471

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
September 30, 2011

	Clerk of the Circuit Court Sub-fund			Tax Collector Sub-fund		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	205,000	371,358	353,201	-	-	-
Charges for Services	312,540	312,540	243,126	2,135,460	2,135,460	2,351,555
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	11,600	11,600	15,054	5,400	5,400	26,396
TOTAL REVENUES	529,140	695,498	611,381	2,140,860	2,140,860	2,377,951
EXPENDITURES						
Current:						
General Government	1,746,224	1,746,224	1,685,186	2,074,355	2,074,355	1,955,816
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	267,100	267,100	255,144	-	-	-
Reserve for Contingencies	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	2,013,324	2,013,324	1,940,330	2,074,355	2,074,355	1,955,816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,484,184)	(1,317,826)	(1,328,949)	66,505	66,505	422,135
OTHER FINANCING SOURCES (USES)						
Transfers In	1,484,184	1,484,184	1,496,184	-	-	-
Transfers Out	-	(166,358)	(167,235)	(66,505)	(66,505)	(422,135)
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,484,184	1,317,826	1,328,949	(66,505)	(66,505)	(422,135)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR (as restated)	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
September 30, 2011

	Property Appraiser Sub-fund			Supervisor of Elections Sub-fund		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	36,174	36,049	35,843	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	590	-	-	786
TOTAL REVENUES	36,174	36,049	36,433	-	-	786
EXPENDITURES						
Current:						
General Government	1,664,692	1,664,567	1,478,738	836,397	836,397	753,573
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Reserve for Contingencies	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	1,664,692	1,664,567	1,478,738	836,397	836,397	753,573
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,628,518)	(1,628,518)	(1,442,305)	(836,397)	(836,397)	(752,787)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,628,518	1,628,518	1,628,518	836,397	836,397	836,397
Transfers Out	-	-	(186,213)	-	-	(99,069)
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,628,518	1,628,518	1,442,305	836,397	836,397	737,328
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(15,459)
FUND BALANCES - BEGINNING OF YEAR (as restated)	-	-	-	-	-	47,376
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,917

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
September 30, 2011

	Subtotals			Interfund Eliminations and consolidations		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final	Amounts	Original	Final	Amounts
REVENUES						
Taxes	\$ 31,226,910	\$ 31,226,910	\$ 31,525,695	\$ -	\$ -	\$ -
Licenses and Permits	405,250	405,250	372,378	-	-	-
Intergovernmental	7,533,022	11,789,448	12,035,276	-	-	-
Charges for Services	6,407,054	6,406,929	6,219,467	-	-	(1,240,963)
Fines and Forfeitures	98,150	98,150	59,905	-	-	-
Miscellaneous	333,875	568,683	772,316	-	-	-
TOTAL REVENUES	46,004,261	50,495,370	50,985,037	-	-	(1,240,963)
EXPENDITURES						
Current:						
General Government	14,942,760	14,942,635	13,946,982	-	-	(1,240,963)
Public Safety	24,702,878	25,159,969	25,045,639	-	-	-
Physical Environment	371,065	372,865	337,893	-	-	-
Transportation	780,000	780,000	760,469	-	-	-
Economic Environment	421,500	421,500	394,573	-	-	-
Human Services	2,285,577	2,285,577	2,290,281	-	-	-
Culture and Recreation	1,796,605	5,691,890	5,665,695	-	-	-
Court Related	1,082,453	1,082,453	933,378	-	-	-
Reserve for Contingencies	198,000	143,700	-	-	-	-
Debt Service:	-	-	-	-	-	-
Principal Retirement	573,353	573,353	479,619	-	-	-
Interest and Fiscal Charges	35,842	35,842	54,759	-	-	-
TOTAL EXPENDITURES	47,190,033	51,489,784	49,909,288	-	-	(1,240,963)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,185,772)	(994,414)	1,075,749	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	22,470,258	22,773,441	24,043,870	(22,149,263)	(22,618,804)	(23,918,164)
Transfers Out	(22,897,452)	(23,391,993)	(24,725,991)	22,149,263	22,618,804	23,918,164
Debt Issued	-	-	1,177,804	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(427,194)	(618,552)	495,683	-	-	-
NET CHANGE IN FUND BALANCES	(1,612,966)	(1,612,966)	1,571,432	-	-	-
FUND BALANCES -						
BEGINNING OF YEAR (as restated)	1,612,966	1,612,966	15,194,781	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 16,766,213	\$ -	\$ -	\$ -

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
September 30, 2011

(concluded)

	Totals		
	Budgeted Amounts		Actual
	Original	Final	Amounts
REVENUES			
Taxes	\$ 31,226,910	\$ 31,226,910	\$ 31,525,695
Licenses and Permits	405,250	405,250	372,378
Intergovernmental	7,533,022	11,789,448	12,035,276
Charges for Services	6,407,054	6,406,929	4,978,504
Fines and Forfeitures	98,150	98,150	59,905
Miscellaneous	333,875	568,683	772,316
TOTAL REVENUES	46,004,261	50,495,370	49,744,074
EXPENDITURES			
Current:			
General Government	14,942,760	14,942,635	12,706,020
Public Safety	24,702,878	25,159,969	25,045,639
Physical Environment	371,065	372,865	337,893
Transportation	780,000	780,000	760,469
Economic Environment	421,500	421,500	394,573
Human Services	2,285,577	2,285,577	2,290,281
Culture and Recreation	1,796,605	5,691,890	5,665,695
Court Related	1,082,453	1,082,453	933,378
Reserve for Contingencies	198,000	143,700	-
Debt Service:	-	-	-
Principal Retirement	573,353	573,353	479,618
Interest and Fiscal Charges	35,842	35,842	54,759
TOTAL EXPENDITURES	47,190,033	51,489,784	48,668,325
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,185,772)	(994,414)	1,075,749
OTHER FINANCING SOURCES (USES)			
Transfers In	320,995	154,637	125,706
Transfers Out	(748,189)	(773,189)	(807,827)
Debt Issued	-	-	1,177,804
TOTAL OTHER FINANCING SOURCES (USES)	(427,194)	(618,552)	495,683
NET CHANGE IN FUND BALANCES	(1,612,966)	(1,612,966)	1,571,432
FUND BALANCES - BEGINNING OF YEAR (as restated)	1,612,966	1,612,966	15,194,781
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 16,766,213

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific restricted or committed 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.

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

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.

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

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.

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

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.

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.

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

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

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

Community Development Block Grant Fund – to account for grant revenues received and expended to assist low to moderate income individuals with housing rehabilitation.

Nonmajor Governmental Funds

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.

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.

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.

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.

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.

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.

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

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.



Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>County Transpor- tation Trust</u>	<u>Fishing Improve- ment</u>	<u>Fire Taxing Unit</u>	<u>Law Enforce- ment Trust</u>	<u>Law Enforce- ment Education</u>
<u>ASSETS</u>					
Cash and Equivalents	\$1,866,061	\$ 371,068	\$1,789,547	\$ 226,101	\$ 27,234
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	8,652	-	-
Due From Other Governments	299,509	2,897	6,067	-	1,757
Prepays	-	-	-	-	-
TOTAL ASSETS	<u>2,165,570</u>	<u>373,965</u>	<u>1,804,266</u>	<u>226,101</u>	<u>28,991</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	180,008	228	74,185	-	4,056
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>180,008</u>	<u>228</u>	<u>74,185</u>	<u>-</u>	<u>4,056</u>
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	-
Restricted	-	373,737	1,730,081	226,101	24,935
Assigned	1,985,562	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,985,562</u>	<u>373,737</u>	<u>1,730,081</u>	<u>226,101</u>	<u>24,935</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$2,165,570</u>	<u>\$ 373,965</u>	<u>\$1,804,266</u>	<u>\$ 226,101</u>	<u>\$ 28,991</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Court Improve- ment</u>	<u>Drivers Education</u>	<u>Article V</u>	<u>Court Technology</u>	<u>Crime Prevention</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 2,150,405	\$ 239,531	\$ 93,171	\$ 531,169	\$ 59,916
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	11,867	1,965	6,282	4,624	2,229
Prepays	-	-	-	-	-
TOTAL ASSETS	<u>2,162,272</u>	<u>241,496</u>	<u>99,453</u>	<u>535,793</u>	<u>62,145</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	186,250	-	14,852	3,615	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>186,250</u>	<u>-</u>	<u>14,852</u>	<u>3,615</u>	<u>-</u>
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	-
Restricted	1,976,022	241,496	84,601	532,178	62,145
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,976,022</u>	<u>241,496</u>	<u>84,601</u>	<u>532,178</u>	<u>62,145</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,162,272</u>	<u>\$ 241,496</u>	<u>\$ 99,453</u>	<u>\$ 535,793</u>	<u>\$ 62,145</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>E911 System</u>	<u>Tourist Develop- ment</u>	<u>Communi- cation Improvement</u>	<u>Economic Development</u>	<u>Impact Fee</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ 372,938	\$ 320,076	\$ 25,109	\$ 19,415	\$ 621,249
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	24,667	-	2,811	126,391	-
Prepays	-	-	-	-	-
TOTAL ASSETS	<u>397,605</u>	<u>320,076</u>	<u>27,920</u>	<u>145,806</u>	<u>621,249</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	4,315	21,239	683	100,302	-
Due to Other Funds	-	-	350,000	210,000	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	367,403	-	-	-	-
TOTAL LIABILITIES	<u>371,718</u>	<u>21,239</u>	<u>350,683</u>	<u>310,302</u>	<u>-</u>
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	-
Restricted	25,887	298,837	-	-	621,249
Assigned	-	-	-	-	-
Unassigned	-	-	(322,763)	(164,496)	-
TOTAL FUND BALANCES	<u>25,887</u>	<u>298,837</u>	<u>(322,763)</u>	<u>(164,496)</u>	<u>621,249</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 397,605</u>	<u>\$ 320,076</u>	<u>\$ 27,920</u>	<u>\$ 145,806</u>	<u>\$ 621,249</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	Special Revenue Funds				
				West Putnam	
	Miscell- aneous Grants	Community Development Block Grant	Interlachen Lakes Estates	Municipal Services Benefit Unit	Local Housing Assistance
<u>ASSETS</u>					
Cash and Equivalents	\$ 17,374	\$ 35,533	\$ 328,740	\$ 286,377	\$ 819,910
Investments	-	-	-	-	612,281
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	56,056	30,754	5,006	3,598	-
Prepays	-	-	-	-	-
TOTAL ASSETS	<u>73,430</u>	<u>66,287</u>	<u>333,746</u>	<u>289,975</u>	<u>1,432,191</u>
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	9,224	66,440	-	1,835	20,050
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	12,805	-	-	-	-
TOTAL LIABILITIES	<u>22,029</u>	<u>66,440</u>	<u>-</u>	<u>1,835</u>	<u>20,050</u>
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	596,960
Restricted	51,401	-	333,746	288,140	815,181
Assigned	-	-	-	-	-
Unassigned	-	(153)	-	-	-
TOTAL FUND BALANCES	<u>51,401</u>	<u>(153)</u>	<u>333,746</u>	<u>288,140</u>	<u>1,412,141</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 73,430</u>	<u>\$ 66,287</u>	<u>\$ 333,746</u>	<u>\$ 289,975</u>	<u>\$1,432,191</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Hurricane Housing Assistance</u>	<u>MSBU</u>	<u>Sewage Utilities</u>	<u>Water Utilities</u>	<u>Commissary</u>
<u>ASSETS</u>					
Cash and Equivalents	\$ -	\$ 387,869	\$ 3,011	\$ 207,130	\$ 154,774
Investments	-	-	-	-	-
Receivables	-	-	5,318	4,727	15,709
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	1,520	-	-	-
Prepays	-	-	-	-	-
TOTAL ASSETS	-	389,389	8,329	211,857	170,483
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	-	-	2,313	4,214	5,226
Due to Other Funds	-	-	30,000	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	-	-	32,313	4,214	5,226
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	-
Restricted	-	389,389	-	207,643	165,257
Assigned	-	-	-	-	-
Unassigned	-	-	(23,984)	-	-
TOTAL FUND BALANCES	-	389,389	(23,984)	207,643	165,257
<u>TOTAL LIABILITIES AND FUND BALANCES</u>					
	\$ -	\$ 389,389	\$ 8,329	\$ 211,857	\$ 170,483

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Federal</u>	<u>Records</u>	<u>Article V</u>	<u>Court</u>	<u>Supervisor</u>
	<u>Forfeiture</u>	<u>Moderni-</u>	<u>Records</u>	<u>Fund</u>	<u>of Elections</u>
		<u>zation</u>	<u>Moderni-</u>		<u>Grants</u>
			<u>zation</u>		
<u>ASSETS</u>					
Cash and Equivalents	\$ 16,732	\$ 263,132	\$ 706,160	\$ 324,335	\$ 74,136
Investments	-	-	-	-	-
Receivables	-	-	-	13,354	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	1,340	-
Prepays	-	40,809	122,428	-	-
TOTAL ASSETS	<u>16,732</u>	<u>303,941</u>	<u>828,588</u>	<u>339,029</u>	<u>74,136</u>
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and					
Accrued Liabilities	-	-	2,256	73,133	-
Due to Other Funds	-	-	-	-	827
Due to Other Governments	-	-	-	183,014	-
Deferred Revenue	-	-	-	11,383	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2,256</u>	<u>267,530</u>	<u>827</u>
<u>FUND BALANCES</u>					
Non Spendable	-	40,809	122,428	-	-
Restricted	16,732	263,132	703,904	71,499	73,309
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>16,732</u>	<u>303,941</u>	<u>826,332</u>	<u>71,499</u>	<u>73,309</u>
TOTAL LIABILITIES AND FUND					
BALANCES	<u>\$ 16,732</u>	<u>\$ 303,941</u>	<u>\$ 828,588</u>	<u>\$ 339,029</u>	<u>\$ 74,136</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2011

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Future</u>				<u>Nonmajor</u>
	<u>Capital</u>				<u>Governmental</u>
	<u>Improvement</u>	<u>MSBU</u>	<u>Capital</u>	<u>Road</u>	<u>Funds</u>
	<u>Debt</u>	<u>Loan</u>	<u>Projects</u>	<u>Projects</u>	
<u>ASSETS</u>					
Cash and Equivalents	\$ 41,671	\$ 302,619	\$ 525,392	\$ 93,708	\$ 13,301,593
Investments	-	-	-	-	612,281
Receivables	-	-	-	-	39,108
Due From Other Funds	-	-	-	-	8,652
Due From Other Governments	-	779	1,066,247	2,762,406	4,418,772
Prepays	-	-	-	-	163,237
TOTAL ASSETS	<u>41,671</u>	<u>303,398</u>	<u>1,591,639</u>	<u>2,856,114</u>	<u>18,543,643</u>
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and					
Accrued Liabilities	-	-	1,058,927	593,784	2,427,135
Due to Other Funds	-	-	-	1,600,000	2,190,827
Due to Other Governments	-	-	-	-	183,014
Deferred Revenue	-	-	-	-	391,591
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,058,927</u>	<u>2,193,784</u>	<u>5,192,567</u>
<u>FUND BALANCES</u>					
Non Spendable	-	-	-	-	760,197
Restricted	41,671	303,398	532,712	662,330	11,116,713
Assigned	-	-	-	-	1,985,562
Unassigned	-	-	-	-	(511,396)
TOTAL FUND BALANCES	<u>41,671</u>	<u>303,398</u>	<u>532,712</u>	<u>662,330</u>	<u>13,351,076</u>
<u>TOTAL LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
	<u>\$ 41,671</u>	<u>\$ 303,398</u>	<u>\$1,591,639</u>	<u>\$2,856,114</u>	<u>\$ 18,543,643</u>

concluded

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>County Transpor- tation Trust</u>	<u>Fishing Improve- ment</u>	<u>Fire Taxing Unit</u>	<u>Law Enforce- ment Trust</u>	<u>Law Enforce- ment Education</u>
<u>REVENUES</u>					
Taxes	\$1,823,433	\$ -	\$2,410,418	\$ -	\$ -
Licenses and Permits	4,575	43,970	-	-	-
Intergovernmental Revenue	3,153,422	-	188,913	-	-
Charges For Services	130,113	-	-	-	-
Fines and Forfeitures	-	-	-	6,011	20,932
Miscellaneous Revenue	40,028	746	17,002	797	64
TOTAL REVENUES	5,151,571	44,716	2,616,333	6,808	20,996
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	-	3,464,853	130,816	41,171
Physical Environment	-	71,501	-	-	-
Transportation	5,322,037	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	61,875	-	-	-	-
Interest and Fiscal Charges	14,382	-	-	-	-
TOTAL EXPENDITURES	5,398,294	71,501	3,464,853	130,816	41,171
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(246,723)	(26,785)	(848,520)	(124,008)	(20,175)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	8,652	-	-
Transfers Out	(29,827)	-	(33,547)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(29,827)	-	(24,895)	-	-
NET CHANGE IN FUND BALANCES	(276,550)	(26,785)	(873,415)	(124,008)	(20,175)
FUND BALANCES, October 1, 2010 (as restated)	2,262,112	400,522	2,603,496	350,109	45,110
FUND BALANCES, September 30, 2011	\$1,985,562	\$ 373,737	\$1,730,081	\$ 226,101	\$ 24,935

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Court Improvement</u>	<u>Drivers Education</u>	<u>Article V</u>	<u>Court Technology</u>	<u>Crime Prevention</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Charges For Services	137,519	-	82,567	67,692	-
Fines and Forfeitures	-	22,923	-	-	32,366
Miscellaneous Revenue	4,088	478	275	1,001	140
TOTAL REVENUES	141,607	23,401	82,842	68,693	32,506
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	24,600	-	-	26,288
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	816,318	-	123,664	95,324	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	816,318	24,600	123,664	95,324	26,288
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	(674,711)	(1,199)	(40,822)	(26,631)	6,218
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(12,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(12,000)	-	-
NET CHANGE IN FUND BALANCES	(674,711)	(1,199)	(52,822)	(26,631)	6,218
FUND BALANCES, October 1, 2010 (as restated)	2,650,733	242,695	137,423	558,809	55,927
FUND BALANCES, September 30, 2011	\$ 1,976,022	\$ 241,496	\$ 84,601	\$ 532,178	\$ 62,145

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>E911 System</u>	<u>Tourist Develop- ment</u>	<u>Communi- cation Improvement</u>	<u>Economic Develop- ment</u>	<u>Impact Fee</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ 206,466	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	508,825	-	-	173,811	-
Charges For Services	-	-	-	-	-
Fines and Forfeitures	-	-	36,211	-	-
Miscellaneous Revenue	183	1,489	2,411	-	1,200
TOTAL REVENUES	509,008	207,955	38,622	173,811	1,200
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	370,408	-	66,177	-	49,750
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	233,749	-	340,023	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	83,084	37,218	-
Interest and Fiscal Charges	-	-	36,926	2,094	-
TOTAL EXPENDITURES	370,408	233,749	186,187	379,335	49,750
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	138,600	(25,794)	(147,565)	(205,524)	(48,550)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	83,127	139,312	-
Transfers Out	-	-	-	-	(19,646)
TOTAL OTHER FINANCING					
SOURCES (USES)	-	-	83,127	139,312	(19,646)
NET CHANGE IN FUND BALANCES	138,600	(25,794)	(64,438)	(66,212)	(68,196)
FUND BALANCES, October 1, 2010 (as restated)	(112,713)	324,631	(258,325)	(98,284)	689,445
FUND BALANCES, September 30, 2011	\$ 25,887	\$ 298,837	\$ (322,763)	\$ (164,496)	\$ 621,249

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
				West Putnam	
	Miscell- aneous <u>Grants</u>	Community Development <u>Block Grant</u>	Interlachen Lake <u>Estates</u>	Municipal Services <u>Benefit Unit</u>	Local Housing <u>Assistance</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	448,744	389,131	-	-	350,000
Charges For Services	-	-	245,797	136,062	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	8,147	-	651	571	16,723
TOTAL REVENUES	456,891	389,131	246,448	136,633	366,723
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	214,240	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	182,922	145,995	-
Economic Environment	-	386,784	-	-	96,983
Culture/Recreation	223,739	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	437,979	386,784	182,922	145,995	96,983
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	18,912	2,347	63,526	(9,362)	269,740
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	38,588
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	38,588
NET CHANGE IN FUND BALANCES	18,912	2,347	63,526	(9,362)	308,328
FUND BALANCES, October 1, 2010 (as restated)	32,489	(2,500)	270,220	297,502	1,103,813
FUND BALANCES, September 30, 2011	\$ 51,401	\$ (153)	\$ 333,746	\$ 288,140	\$ 1,412,141

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Hurricane Housing Assistance</u>	<u>MSBU</u>	<u>Sewage Utilities</u>	<u>Water Utilities</u>	<u>Commissary</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-
Charges For Services	-	134,487	45,357	33,568	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	-	1,412	-	766	194,796
TOTAL REVENUES	-	135,899	45,357	34,334	194,796
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	-	-	-	177,853
Physical Environment	-	-	35,800	32,838	-
Transportation	-	91,223	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	-	91,223	35,800	32,838	177,853
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	44,676	9,557	1,496	16,943
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	(38,588)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(38,588)	-	-	-	-
NET CHANGE IN FUND BALANCES	(38,588)	44,676	9,557	1,496	16,943
FUND BALANCES, October 1, 2010 (as restated)	38,588	344,713	(33,541)	206,147	148,314
FUND BALANCES, September 30, 2011	\$ -	\$ 389,389	\$ (23,984)	\$ 207,643	\$ 165,257

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<u>Special Revenue Funds</u>				
	<u>Federal</u>	<u>Records</u>	<u>Article V</u>	<u>Court</u>	<u>Supervisor</u>
	<u>Forfeiture</u>	<u>Moderni-</u>	<u>Records</u>	<u>Fund</u>	<u>of Elections</u>
		<u>zation</u>	<u>Moderni-</u>		<u>Grants</u>
			<u>zation</u>		
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	2,067,584	3,517
Charges For Services	-	23,724	64,307	-	-
Fines and Forfeitures	28,229	-	40,719	-	-
Miscellaneous Revenue	-	377	965	-	35
TOTAL REVENUES	28,229	24,101	105,991	2,067,584	3,552
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	6,183
Public Safety	24,498	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	24,306	2,046,922	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	24,498	-	24,306	2,046,922	6,183
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	3,731	24,101	81,685	20,662	(2,631)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING					
SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	3,731	24,101	81,685	20,662	(2,631)
FUND BALANCES, October 1, 2010					
(as restated)	13,001	279,840	744,647	50,837	75,940
FUND BALANCES, September 30, 2011	\$ 16,732	\$ 303,941	\$ 826,332	\$ 71,499	\$ 73,309

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended September 30, 2011

	<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>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ 998,980	\$ 5,439,297
Licenses and Permits	-	-	-	-	48,545
Intergovernmental Revenue	-	-	1,066,247	3,403,444	11,753,638
Charges For Services	-	297,747	-	-	1,398,940
Fines and Forfeitures	-	-	-	-	187,391
Miscellaneous Revenue	76	18	885	3,251	298,575
TOTAL REVENUES	76	297,765	1,067,132	4,405,675	19,126,386
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	6,183
Public Safety	-	-	-	-	4,590,654
Physical Environment	-	-	-	-	140,139
Transportation	-	-	-	-	5,742,177
Economic Environment	-	-	-	-	1,057,539
Culture/Recreation	-	-	-	-	223,739
Court Related	-	-	-	-	3,106,534
Capital Outlay	-	-	1,106,991	4,472,429	5,579,420
Debt Service:					
Principal Retirement	-	285,509	-	-	467,686
Interest and Fiscal Charges	-	75,404	-	-	128,806
TOTAL EXPENDITURES	-	360,913	1,106,991	4,472,429	21,042,877
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	76	(63,148)	(39,859)	(66,754)	(1,916,491)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	200,000	75,512	545,191
Transfers Out	-	-	-	-	(133,608)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	200,000	75,512	411,583
NET CHANGE IN FUND BALANCES	76	(63,148)	160,141	8,758	(1,504,908)
FUND BALANCES, October 1, 2010 (as restated)	41,595	366,546	372,571	653,572	14,855,984
FUND BALANCES, September 30, 2011	\$ 41,671	\$ 303,398	\$ 532,712	\$ 662,330	\$13,351,076

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, 2011

	<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	\$ 1,935,750	\$ 1,935,750	\$ 1,823,433	\$ (112,317)
Licenses and Permits	3,000	3,000	4,575	1,575
Intergovernmental Revenue	2,838,000	2,838,000	3,153,422	315,422
Charges for Services	45,000	45,000	130,113	85,113
Miscellaneous Revenue	15,000	15,000	40,028	25,028
TOTAL REVENUES	4,836,750	4,836,750	5,151,571	314,821
<u>EXPENDITURES</u>				
Current:				
Transportation	5,975,760	5,975,760	5,322,037	653,723
Debt Service:				
Principal Retirement	29,870	29,870	61,875	(32,005)
Interest and Fiscal Charges	8,730	8,730	14,382	(5,652)
TOTAL EXPENDITURES	6,014,360	6,014,360	5,398,294	616,066
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,177,610)	(1,177,610)	(246,723)	930,887
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(29,827)	(29,827)	(29,827)	-
NET CHANGE IN FUND BALANCES	(1,207,437)	(1,207,437)	(276,550)	930,887
FUND BALANCES, October 1, 2010	1,207,437	1,207,437	2,262,112	1,054,675
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 1,985,562	\$ 1,985,562

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Licenses and Permits	\$ 45,000	\$ 45,000	\$ 43,970	\$ (1,030)
Miscellaneous Revenue	1,250	1,250	746	(504)
TOTAL REVENUES	46,250	46,250	44,716	(1,534)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	97,000	97,000	71,501	25,499
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	107,000	107,000	71,501	35,499
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(60,750)	(60,750)	(26,785)	33,965
FUND BALANCES, October 1, 2010	60,750	60,750	400,522	339,772
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 373,737	\$ 373,737

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ 2,392,067	\$ 2,392,067	\$ 2,410,418	\$ 18,351
Intergovernmental Revenue	2,500	2,500	188,913	186,413
Miscellaneous Revenues	13,000	13,000	17,002	4,002
TOTAL REVENUES	2,407,567	2,407,567	2,616,333	208,766
<u>EXPENDITURES</u>				
Current:				
Public Safety	3,963,952	3,963,952	3,464,853	499,099
Reserve for Contingencies	100,000	100,000	-	100,000
TOTAL EXPENDITURES	4,063,952	4,063,952	3,464,853	599,099
EXCESS (DEFICIENCY) OF REVENUES				
 OVER EXPENDITURES	(1,656,385)	(1,656,385)	(848,520)	807,865
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,500	1,500	8,652	7,152
Transfers Out	(33,547)	(33,547)	(33,547)	-
TOTAL OTHER FINANCING SOURCES				
 (USES)	(32,047)	(32,047)	(24,895)	7,152
NET CHANGE IN FUND BALANCES	(1,688,432)	(1,688,432)	(873,415)	815,017
FUND BALANCES, October 1, 2010	1,688,432	1,688,432	2,603,496	915,064
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 1,730,081	\$ 1,730,081

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 6,011	\$ (13,989)
Miscellaneous Revenue	150	150	797	647
TOTAL REVENUES	20,150	20,150	6,808	(13,342)
<u>EXPENDITURES</u>				
Current:				
Public Safety	34,500	182,000	130,816	51,184
Reserve for Contingencies	1,500	1,500	-	1,500
TOTAL EXPENDITURES	36,000	183,500	130,816	52,684
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,850)	(163,350)	(124,008)	39,342
FUND BALANCES, October 1, 2010	15,850	163,350	350,109	186,759
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,101</u>	<u>\$ 226,101</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Fines and Forfeitures	\$ 28,500	\$ 28,500	\$ 20,932	\$ (7,568)
Miscellaneous Revenue	200	200	64	(136)
TOTAL REVENUES	<u>28,700</u>	<u>28,700</u>	<u>20,996</u>	<u>(7,704)</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	60,000	60,000	41,171	18,829
Reserve for Contingencies	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
TOTAL EXPENDITURES	<u>63,500</u>	<u>63,500</u>	<u>41,171</u>	<u>22,329</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(34,800)	(34,800)	(20,175)	14,625
FUND BALANCES, October 1, 2010	<u>34,800</u>	<u>34,800</u>	<u>45,110</u>	<u>10,310</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,935</u>	<u>\$ 24,935</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Improvement Fund
For the Year Ended September 30, 2011

	<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>				
Charges for Services	\$ 104,500	\$ 104,500	\$ 137,519	\$ 33,019
Miscellaneous Revenue	6,500	6,500	4,088	(2,412)
TOTAL REVENUES	111,000	111,000	141,607	30,607
<u>EXPENDITURES</u>				
Current:				
Court Related	912,500	912,500	816,318	96,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(801,500)	(801,500)	(674,711)	126,789
FUND BALANCES, October 1, 2010	801,500	801,500	2,650,733	1,849,233
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 1,976,022	\$ 1,976,022

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Drivers Education Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 22,923	\$ (2,077)
Miscellaneous Revenue	750	750	478	(272)
TOTAL REVENUES	25,750	25,750	23,401	(2,349)
<u>EXPENDITURES</u>				
Current:				
Public Safety	80,000	80,000	24,600	55,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(54,250)	(54,250)	(1,199)	53,051
FUND BALANCES, October 1, 2010	54,250	54,250	242,695	188,445
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,496</u>	<u>\$ 241,496</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 60,000	\$ 60,000	\$ 82,567	\$ 22,567
Miscellaneous Revenue	700	700	275	(425)
TOTAL REVENUES	60,700	60,700	82,842	22,142
<u>EXPENDITURES</u>				
Current:				
Court Related	141,900	141,900	123,664	18,236
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(81,200)	(81,200)	(40,822)	40,378
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	-	-	(12,000)	(12,000)
NET CHANGE IN FUND BALANCES	(81,200)	(81,200)	(52,822)	28,378
FUND BALANCES, October 1, 2010	81,200	81,200	137,423	56,223
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 84,601	\$ 84,601

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Technology Fund
For the Year Ended September 30, 2011

	<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>				
Charges for Services	\$ 85,000	\$ 85,000	\$ 67,692	\$ (17,308)
Miscellaneous Revenue	1,250	1,250	1,001	(249)
TOTAL REVENUES	86,250	86,250	68,693	(17,557)
<u>EXPENDITURES</u>				
Current:				
Court Related	201,265	201,265	95,324	105,941
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(115,015)	(115,015)	(26,631)	88,384
FUND BALANCES, October 1, 2010	115,015	115,015	558,809	443,794
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 532,178	\$ 532,178

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Crime Prevention Fund
For the Year Ended September 30, 2011

	<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>				
Fines and Forfeitures	\$ 24,000	\$ 24,000	\$ 32,366	\$ 8,366
Miscellaneous Revenue	150	150	140	(10)
TOTAL REVENUES	24,150	24,150	32,506	8,356
<u>EXPENDITURES</u>				
Current:				
Public Safety	41,950	41,950	26,288	15,662
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,800)	(17,800)	6,218	24,018
FUND BALANCES, October 1, 2010	17,800	17,800	55,927	38,127
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 62,145	\$ 62,145

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 10,688	\$ 551,615	\$ 508,825	\$ (42,790)
Charges for Services	320,000	320,000	-	(320,000)
Miscellaneous Revenue	300	300	183	(117)
TOTAL REVENUES	330,988	871,915	509,008	(362,907)
<u>EXPENDITURES</u>				
Current:				
Public Safety	330,988	871,915	370,408	501,507
EXCESS OF REVENUES				
OVER EXPENDITURES	-	-	138,600	138,600
FUND BALANCES, October 1, 2010	-	-	(112,713)	(112,713)
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 25,887	\$ 25,887

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Tourist Development Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ 175,000	\$ 175,000	\$ 206,466	\$ 31,466
Miscellaneous Revenue	750	750	1,489	739
TOTAL REVENUES	<u>175,750</u>	<u>175,750</u>	<u>207,955</u>	<u>32,205</u>
<u>EXPENDITURES</u>				
Current:				
Economic Environment	<u>245,500</u>	<u>245,500</u>	<u>233,749</u>	<u>11,751</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(69,750)	(69,750)	(25,794)	43,956
FUND BALANCES, October 1, 2010	<u>69,750</u>	<u>69,750</u>	<u>324,631</u>	<u>254,881</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,837</u>	<u>\$ 298,837</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 34,500	\$ 34,500	\$ -	\$ (34,500)
Fines and Forfeitures	50,000	50,000	36,211	(13,789)
Miscellaneous Revenue	25	25	2,411	2,386
	<u>84,525</u>	<u>84,525</u>	<u>38,622</u>	<u>(45,903)</u>
TOTAL REVENUES				
<u>EXPENDITURES</u>				
Current:				
Public Safety	47,505	47,505	66,177	(18,672)
Debt Service:				
Principal	83,084	83,084	83,084	-
Interest and Fiscal Charges	37,063	37,063	36,926	137
	<u>167,652</u>	<u>167,652</u>	<u>186,187</u>	<u>(18,535)</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES				
UNDER EXPENDITURES	(83,127)	(83,127)	(147,565)	(64,438)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	83,127	83,127	83,127	-
NET CHANGE IN FUND BALANCES	-	-	(64,438)	(64,438)
FUND BALANCES, October 1, 2010	-	-	(258,325)	(258,325)
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (322,763)</u>	<u>\$ (322,763)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Economic Development Fund
For the Year Ended September 30, 2011

	<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	\$ 400,000	\$ 400,000	\$ 173,811	\$ (226,189)
<u>EXPENDITURES</u>				
Current:				
Transportation	10,000	10,000	-	10,000
Economic Environment	490,000	490,000	340,023	149,977
Debt Service:				
Principal Retirement	37,218	37,218	37,218	-
Interest and Fiscal Charges	2,094	2,094	2,094	-
TOTAL EXPENDITURES	539,312	539,312	379,335	159,977
EXCESS OF REVENUES UNDER EXPENDITURES	(139,312)	(139,312)	(205,524)	(66,212)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	139,312	139,312	139,312	-
NET CHANGE IN FUND BALANCES	-	-	(66,212)	(66,212)
FUND BALANCES, October 1, 2010	-	-	(98,284)	(98,284)
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ (164,496)	\$ (164,496)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Impact Fee Fund
For the Year Ended September 30, 2011

	<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 Revenue	\$ 2,385	\$ 2,385	\$ 1,200	\$ (1,185)
<u>EXPENDITURES</u>				
Current:				
Public Safety	49,560	49,560	49,750	(190)
Transportation	567,500	567,500	-	567,500
Culture/Recreation	50,675	50,675	-	50,675
TOTAL EXPENDITURES	667,735	667,735	49,750	617,985
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(665,350)	(665,350)	(48,550)	616,800
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(20,000)	(20,000)	(19,646)	354
NET CHANGE IN FUND BALANCES	(685,350)	(685,350)	(68,196)	(617,154)
FUND BALANCES, October 1, 2010	685,350	685,350	689,445	4,095
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 621,249	\$ 621,249

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Miscellaneous Grants Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 494,734	\$ 624,657	\$ 448,744	\$ (175,913)
Miscellaneous Revenue	-	-	8,147	8,147
TOTAL REVENUES	494,734	624,657	456,891	(167,766)
<u>EXPENDITURES</u>				
Current:				
Public Safety	223,817	353,740	214,240	139,500
Culture/Recreation	270,917	270,917	223,739	47,178
TOTAL EXPENDITURES	494,734	624,657	437,979	186,678
EXCESS OF REVENUES				
OVER EXPENDITURES	-	-	18,912	18,912
FUND BALANCES, October 1, 2010	-	-	32,489	32,489
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 51,401	\$ 51,401

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Community Development Block Grant Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 1,174,185	\$ 1,174,185	\$ 389,131	\$ (785,054)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	<u>1,174,185</u>	<u>1,174,185</u>	<u>386,784</u>	<u>787,401</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	2,347	2,347
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153)</u>	<u>\$ (153)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 266,500	\$ 266,500	\$ 245,797	\$ (20,703)
Miscellaneous Revenue	825	825	651	(174)
TOTAL REVENUES	<u>267,325</u>	<u>267,325</u>	<u>246,448</u>	<u>(20,877)</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	264,050	264,050	182,922	81,128
Reserve for Contingencies	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>274,050</u>	<u>274,050</u>	<u>182,922</u>	<u>91,128</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,725)	(6,725)	63,526	70,251
FUND BALANCES, October 1, 2010	<u>6,725</u>	<u>6,725</u>	<u>270,220</u>	<u>263,495</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,746</u>	<u>\$ 333,746</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 161,500	\$ 161,500	\$ 136,062	\$ (25,438)
Miscellaneous Revenue	800	800	571	(229)
TOTAL REVENUES	162,300	162,300	136,633	(25,667)
<u>EXPENDITURES</u>				
Current:				
Transportation	167,650	167,650	145,995	21,655
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	177,650	177,650	145,995	31,655
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,350)	(15,350)	(9,362)	5,988
FUND BALANCES, October 1, 2010	15,350	15,350	297,502	282,152
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 288,140	\$ 288,140

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Local Housing Assistance Fund
For the Year Ended September 30, 2011

	<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>				
Intergovernmental Revenue	\$ 250,000	\$ 250,000	\$ 350,000	\$ 100,000
Miscellaneous Revenue	13,350	13,350	16,723	3,373
TOTAL REVENUES	263,350	263,350	366,723	103,373
<u>EXPENDITURES</u>				
Current:				
Economic Environment	777,350	777,350	96,983	680,367
Reserve for Contingencies	25,000	25,000	-	25,000
TOTAL EXPENDITURES	802,350	802,350	96,983	705,367
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(539,000)	(539,000)	269,740	808,740
<u>OTHER FINANCING SOURCES</u>				
Transfers In	39,000	39,000	38,588	(412)
NET CHANGE IN FUND BALANCES	(500,000)	(500,000)	308,328	808,328
FUND BALANCES, October 1, 2010	500,000	500,000	1,103,813	425,064
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 1,412,141	\$ 1,412,141

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 100	\$ 100	\$ -	\$ (100)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	100	100	-	(100)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	(39,000)	(39,000)	(38,588)	412
NET CHANGE IN FUND BALANCES	(38,900)	(38,900)	(38,588)	312
FUND BALANCES, October 1, 2010	38,900	38,900	38,588	(312)
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ -	\$ -



Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 302,500	\$ 302,500	\$ 134,487	\$ (168,013)
Miscellaneous Revenue	1,550	1,550	1,412	(138)
TOTAL REVENUES	304,050	304,050	135,899	(168,151)
<u>EXPENDITURES</u>				
Current:				
Transportation	414,650	414,650	91,223	323,427
Reserve for Contingencies	25,000	25,000	-	25,000
TOTAL EXPENDITURES	439,650	439,650	91,223	348,427
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(135,600)	(135,600)	44,676	180,276
FUND BALANCES, October 1, 2010 (as restated)	135,600	135,600	344,713	209,113
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 389,389	\$ 389,389

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Sewage Utilities Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 41,800	\$ 41,800	\$ 45,357	\$ 3,557
<u>EXPENDITURES</u>				
Current:				
Physical Environment	<u>120,040</u>	<u>120,040</u>	<u>35,800</u>	<u>84,240</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,240)	(78,240)	9,557	87,797
FUND BALANCES, October 1, 2010	<u>78,240</u>	<u>78,240</u>	<u>(33,541)</u>	<u>(111,781)</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,984)</u>	<u>\$ (23,984)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Charges for Services	\$ 30,000	\$ 30,000	\$ 33,568	\$ 3,568
Miscellaneous Revenue	600	600	766	166
TOTAL REVENUES	<u>30,600</u>	<u>30,600</u>	<u>34,334</u>	<u>3,734</u>
<u>EXPENDITURES</u>				
Current:				
Physical Environment	<u>52,550</u>	<u>52,550</u>	<u>32,838</u>	<u>19,712</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(21,950)	(21,950)	1,496	23,446
FUND BALANCES, October 1, 2010	<u>21,950</u>	<u>21,950</u>	<u>206,147</u>	<u>184,197</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,643</u>	<u>\$ 207,643</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Miscellaneous Revenue	\$ 200,000	\$ 200,000	\$ 194,796	\$ (5,204)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>200,000</u>	<u>200,000</u>	<u>177,853</u>	<u>22,147</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	16,943	16,943
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>148,314</u>	<u>148,314</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,257</u>	<u>\$ 165,257</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, 2011

	<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>				
Fines and Forfeitures	\$ 30,000	\$ 30,000	\$ 28,229	\$ (1,771)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>30,000</u>	<u>30,000</u>	<u>24,498</u>	<u>5,502</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	3,731	3,731
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>13,001</u>	<u>13,001</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,732</u>	<u>\$ 16,732</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, 2011

	<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>				
Charges for Services	\$ 30,000	\$ 30,000	\$ 23,724	\$ (6,276)
Miscellaneous Revenue	-	-	377	377
TOTAL REVENUES	30,000	30,000	24,101	(5,899)
<u>EXPENDITURES</u>				
Current:				
General Government Services	30,000	30,000	-	30,000
EXCESS OF REVENUES OVER EXPENDITURES	-	-	24,101	24,101
FUND BALANCES, October 1, 2010	-	-	279,840	279,840
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 303,941	\$ 303,941

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, 2011

	<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>				
Charges for Services	\$ 85,000	\$ 85,000	\$ 64,307	\$ (20,693)
Fines and Forfeitures	50,000	50,000	40,719	(9,281)
Miscellaneous Revenue	-	-	965	965
TOTAL REVENUES	135,000	135,000	105,991	(29,009)
<u>EXPENDITURES</u>				
Current:				
Court Related	135,000	135,000	24,306	110,694
EXCESS OF REVENUES				
OVER EXPENDITURES	-	-	81,685	81,685
FUND BALANCES, October 1, 2010	-	-	744,647	744,647
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 826,332	\$ 826,332

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 2,136,383	\$ 2,104,306	\$ 2,067,584	\$ (36,722)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,136,383</u>	<u>2,104,306</u>	<u>2,046,922</u>	<u>57,384</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	20,662	20,662
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>50,837</u>	<u>50,837</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,499</u>	<u>\$ 71,499</u>



Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Supervisor of Elections - Grant Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 3,517	\$ 3,517	\$ 3,517	\$ -
Miscellaneous Revenues	-	-	35	35
TOTAL REVENUES	3,517	3,517	3,552	35
<u>EXPENDITURES</u>				
Current:				
General Government Services	3,517	3,517	6,183	(2,666)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(2,631)	(2,631)
FUND BALANCES, October 1, 2010	75,940	75,940	75,940	-
FUND BALANCES, September 30, 2011	<u>\$ 75,940</u>	<u>\$ 75,940</u>	<u>\$ 73,309</u>	<u>\$ (2,631)</u>

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Miscellaneous Revenue	\$ -	\$ -	\$ 76	\$ 76
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	76	76
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>41,595</u>	<u>41,595</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,671</u>	<u>\$ 41,671</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, 2011

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 177,000	\$ 177,000	\$ 297,747	\$ 120,747
Miscellaneous Revenue	650	650	18	(632)
TOTAL REVENUES	<u>177,650</u>	<u>177,650</u>	<u>297,765</u>	<u>120,115</u>
<u>EXPENDITURES</u>				
Debt Service:				
Principal Retirement	285,406	285,406	285,509	(103)
Interest and Fiscal Charges	<u>73,403</u>	<u>73,403</u>	<u>75,404</u>	<u>(2,001)</u>
TOTAL EXPENDITURES	<u>358,809</u>	<u>358,809</u>	<u>360,913</u>	<u>(2,104)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(181,159)	(181,159)	(63,148)	118,011
FUND BALANCES, October 1, 2010 (as restated)	<u>181,159</u>	<u>181,159</u>	<u>366,546</u>	<u>185,387</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,398</u>	<u>\$ 303,398</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Capital Projects Fund
For the Year Ended September 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 1,729,535	\$ 1,729,535	\$ 1,066,247	\$ (663,288)
Miscellaneous Revenue	-	-	885	885
TOTAL REVENUES	<u>1,729,535</u>	<u>1,729,535</u>	<u>1,067,132</u>	<u>(662,403)</u>
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-Public Safety	1,779,535	1,779,535	1,106,991	672,544
Capital Outlay-Culture & Recreation	<u>150,000</u>	<u>150,000</u>	-	<u>150,000</u>
TOTAL EXPENDITURES	<u>1,929,535</u>	<u>1,929,535</u>	<u>1,106,991</u>	<u>822,544</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(200,000)	(200,000)	(39,859)	160,141
<u>OTHER FINANCING SOURCES</u>				
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	160,141	160,141
FUND BALANCES, October 1, 2010	<u>-</u>	<u>-</u>	<u>372,571</u>	<u>372,571</u>
FUND BALANCES, September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 532,712</u>	<u>\$ 532,712</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ 950,000	\$ 950,000	\$ 998,980	\$ 48,980
Intergovernmental Revenue	2,383,704	3,524,903	3,403,444	(121,459)
Miscellaneous Revenue	-	-	3,251	3,251
TOTAL REVENUES	3,333,704	4,474,903	4,405,675	(69,228)
<u>EXPENDITURES</u>				
Capital Outlay	3,333,704	4,550,415	4,472,429	77,986
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(75,512)	(66,754)	8,758
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	75,512	75,512	-
NET CHANGE IN FUND BALANCE	-	-	8,758	8,758
FUND BALANCES, October 1, 2010	-	-	653,572	653,572
FUND BALANCES, September 30, 2011	\$ -	\$ -	\$ 662,330	\$ 662,330

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 Position
– Internal Service Fund
September 30, 2011

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 90,639	\$ 2,676,251	\$ 1,666,795	\$ 4,433,685
Due from Other Governments	3	3,830	-	3,833
Inventory	128,308	-	-	128,308
Other Assets	-	-	1,007	1,007
TOTAL CURRENT ASSETS	218,950	2,680,081	1,667,802	4,566,833
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	53,590	-	-	53,590
TOTAL ASSETS	272,540	2,680,081	1,667,802	4,620,423
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	17,436	2,491	157,902	177,829
Due to Other Funds	400,000	-	-	400,000
Estimated Liability for Self-Insured Losses	-	-	192,152	192,152
Compensated Absences	13,500	-	3,780	17,280
TOTAL CURRENT LIABILITIES	430,936	2,491	353,834	787,261
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	11,500	-	3,220	14,720
Estimated Liability for Self Insured Losses	-	-	300,000	300,000
Other noncurrent liabilities	9,130	-	1,826	10,956
TOTAL LIABILITIES	451,566	2,491	658,880	1,112,937
<u>NET POSITION</u>				
Invested in Capital Assets	53,590	-	-	53,590
Unrestricted	(232,616)	2,677,590	1,008,922	3,453,896
TOTAL NET POSITION	\$ (179,026)	\$ 2,677,590	\$ 1,008,922	\$ 3,507,486

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2011

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 803,439	\$ 5,987,444	\$ 1,158,559	\$ 7,949,442
Miscellaneous	4,934	4,554	3,133	12,621
TOTAL OPERATING REVENUES	808,373	5,991,998	1,161,692	7,962,063
<u>OPERATING EXPENSES</u>				
Personal Services	347,820	-	53,232	401,052
Insurance	19,895	5,703,113	689,071	6,412,079
Claims Expense	-	-	836,790	836,790
Contractual Services	290,269	18,277	-	308,546
Repairs and Maintenance	19,605	-	-	19,605
Other Operating Expenses	286,252	52	193	286,497
Depreciation Expense	19,937	-	-	19,937
TOTAL OPERATING EXPENSES	983,778	5,721,442	1,579,286	8,284,506
OPERATING INCOME (LOSS)	(175,405)	270,556	(417,594)	(322,443)
Capital Contributions - Assets	1,800			1,800
Transfers In	-	53,440	204,642	258,082
Transfers Out	(3,362)	-	-	(3,362)
CHANGE IN NET POSITION	(176,967)	323,996	(212,952)	(65,923)
NET POSITION, October 1, 2010	(2,059)	2,353,594	1,221,874	3,573,409
NET POSITION, September 30, 2011	\$ (179,026)	\$ 2,677,590	\$ 1,008,922	\$ 3,507,486

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Fund
For the Year Ended September 30, 2011

	<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	\$ 821,816	\$ 5,992,377	\$ 1,161,689	\$ 7,975,882
Payments to Suppliers	(412,481)	(5,720,197)	(1,338,170)	(7,470,848)
Payments to Employees	(341,503)	-	(52,549)	(394,052)
	<u>67,832</u>	<u>272,180</u>	<u>(229,030)</u>	<u>110,982</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	53,440	204,642	258,082
Transfers Out	(3,362)	-	-	(3,362)
	<u>(3,362)</u>	<u>53,440</u>	<u>204,642</u>	<u>254,720</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(30,176)	-	-	(30,176)
	<u>(30,176)</u>	<u>-</u>	<u>-</u>	<u>(30,176)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	34,294	325,620	(24,388)	335,526
CASH AND EQUIVALENTS, October 1, 2010	56,345	2,350,631	1,691,183	4,098,159
CASH AND EQUIVALENTS, September 30, 2011	<u>\$ 90,639</u>	<u>\$ 2,676,251</u>	<u>\$ 1,666,795</u>	<u>\$ 4,433,685</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(175,405)	270,556	(417,594)	(322,443)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	19,937	-	-	19,937
Changes in:				
Due From Other Funds	12,726	-	-	12,726
Due From Other Governments	717	379	-	1,096
Inventory	(15,480)	-	-	(15,480)
Other Assets	-	-	(3)	(3)
Accounts Payable and Accrued Liabilities	(20,980)	1,245	124,884	105,149
Due to Other Funds	240,000	-	-	240,000
Estimated Liability for Self-Insured Losses	-	-	63,000	63,000
Compensated Absences	3,400	-	100	3,500
Other Noncurrent Liabilities	2,917	-	583	3,500
	<u>67,832</u>	<u>272,180</u>	<u>(229,030)</u>	<u>110,982</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>				
Contribution of Capital Assets	\$ 1,800	\$ -	\$ -	\$ 1,800

Fiduciary Funds

Agency Funds

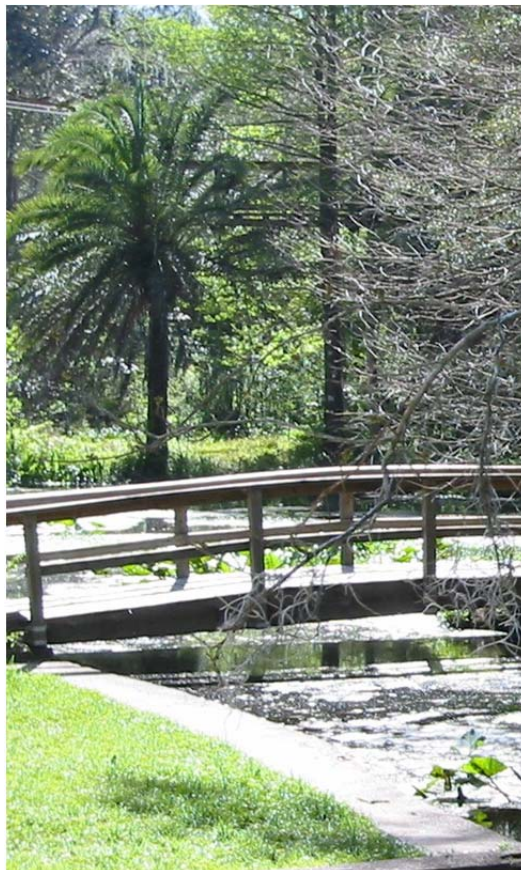
Agency funds are used to report resources held in a purely custodial capacity.

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 Position – Agency Funds
September 30, 2011

	Clerk of the Circuit <u>Court</u>	<u>Sheriff</u>	Tax <u>Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 740,517	\$ 78,343	\$ 1,826,686	\$2,645,546
Receivables	-	-	16,263	16,263
TOTAL ASSETS	740,517	78,343	1,842,949	2,661,809
<u>LIABILITIES</u>				
Due to Other Governments	-	-	-	-
Assets Held for Others	740,517	78,343	1,842,949	2,661,809
TOTAL LIABILITIES	740,517	78,343	1,842,949	2,661,809
NET POSITION	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2011

	Balance October 1, <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2011</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 788,507	\$ 1,183,668	\$ 1,231,658	\$ 740,517
Liabilities:				
Assets Held for Others	\$ 788,507	\$ 1,183,668	\$ 1,231,658	\$ 740,517
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	\$ 73,758	\$ 483,371	\$ 478,786	\$ 78,343
Liabilities:				
Assets Held for Others	\$ 73,758	\$ 483,371	\$ 478,786	\$ 78,343
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 1,782,561	\$ 94,100,805	\$ 94,056,680	\$1,826,686
Receivables	1,599	1,732,203	1,717,539	16,263
Due From Other Funds	-	6,088	6,088	-
Total Assets	\$ 1,784,160	\$ 95,839,096	\$ 95,780,307	\$1,842,949
Liabilities:				
Due to Other Governments	\$ 26,456	\$ -	\$ 26,456	\$ -
Assets Held for Others	1,757,704	95,839,096	95,753,851	1,842,949
Total Liabilities	\$ 1,784,160	\$ 95,839,096	\$ 95,780,307	\$1,842,949
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 2,644,826	\$ 95,767,844	\$ 95,767,124	\$2,645,546
Receivables	1,599	1,732,203	1,717,539	16,263
Due From Other Funds	-	6,088	6,088	-
Total Assets	\$ 2,646,425	\$ 97,506,135	\$ 97,490,751	\$2,661,809
Liabilities:				
Due to Other Governments	\$ 26,456	\$ -	\$ 26,456	\$ -
Assets Held for Others	2,619,969	97,506,135	97,464,295	2,661,809
Total Liabilities	\$ 2,646,425	\$ 97,506,135	\$ 97,490,751	\$2,661,809

Discretely Presented Component Unit

The Putnam County Development Authority – promotes economic growth and development in all areas of the county.



Putnam County Development Authority
Statement of Net Position
September 30, 2011

CURRENT ASSETS

Cash and Equivalents	\$ 270,803
Receivables	856
TOTAL CURRENT ASSETS	<u>271,659</u>

NONCURRENT ASSETS

Capital Assets, Net	<u>259,017</u>
TOTAL ASSETS	<u>530,676</u>

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	<u>656</u>
--	------------

NET POSITION

Invested in Capital Assets	259,017
Unrestricted	<u>271,003</u>
TOTAL NET POSITION	<u><u>\$ 530,020</u></u>

Putnam County Development Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2011

<u>OPERATING REVENUES</u>	
User Charges	\$ 9,600
<u>OPERATING EXPENSES</u>	
Contractual Services	6,675
Other Operating Expenses	252
Depreciation Expense	3,956
TOTAL OPERATING EXPENSES	10,883
OPERATING INCOME (LOSS)	(1,283)
<u>NON OPERATING REVENUES</u>	
Interest Revenue	1,438
CHANGE IN NET POSITION	155
NET POSITION, October 1, 2010	529,865
NET POSITION, September 30, 2011	\$ 530,020

Putnam County Development Authority
Statement of Cash Flows
For the Year Ended September 30, 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers	\$ 9,600
Payments to Suppliers	<u>(6,927)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,673</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on Investments	<u>1,438</u>
NET INCREASE IN CASH AND EQUIVALENTS	4,111
CASH AND EQUIVALENTS, October 1, 2010	<u>266,692</u>
CASH AND EQUIVALENTS, September 30, 2011	<u><u>\$ 270,803</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(1,283)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	<u>3,956</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 2,673</u></u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2011

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
Passed Through Florida Department of Agriculture				
Cooperative Forestry Assistance	10.664	--	\$ 9,338	
Direct Assistance				
Water and Waste Disposal Grants - Rural Development	10.770	--	700,618	
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed Through State Department of Community Affairs				
Community Development Block Grant - Disaster Recovery	14.228	10DB-K4-04-64-01-K30	375,131	
Community Development Block Grant - Housing Rehabilitation	14.228	11DB-T3-04-64-01-H11	14,000	
Community Development Block Grant - Economic Development	14.228	10DB-4N-04-64-01-E05	173,811	562,942
<u>DEPARTMENT OF THE INTERIOR</u>				
Passed Through Florida Department of Environmental Protection				
Outdoor Recreation Acquisition, Development and Planning	15.916	LW-575	163,527	
<u>DEPARTMENT OF JUSTICE</u>				
Passed Through Department of Juvenile Justice:				
Juvenile Justice and Delinquency Prevention	16.540	0270A, 2007JFFX047	12,700	
Direct Assistance:				
US Marshalls Service Task Force	16.XXX	FATF-11-0280	13,142	
DEA Task Force Overtime	16.XXX	--	15,863	
Federal Equitable Sharing	16.XXX		23,938	
Developing, testing and Demonstrating Promising Programs	16.541	2009-DD-BX-0085	251,653	
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0860	5,595	
Bullet Proof Vest Partnership Program	16.607	7038542	9,122	
Public Safety Partnership and Community Policing	16.710	2010UMWXOO77	100,215	
Byrne Justice Assistance Grant Program	16.738	2010-DJ-BX-0966	47,730	
Passed Through Office of Attorney General:				
Crime Victim Assistance	16.575	V10068	76,060	
Passed Through Department of Children and Families:				
Violence Against Women Formula Grant	16.588	12-8023-LE	21,065	
Violence Against Women Formula Grant	16.588	LN925	56,095	77,160
Passed Through Florida Department of Law Enforcement:				
Byrne Justice Assistance Grant Program	16.738	2011-JAGC-PUTN-4-B2-070	27,007	
Byrne Justice Assistance Grant Program	16.738	2009-DJ-BX-0506	27,267	54,274
ARRA - Recovery Act - Byrne Justice Assistance Grant Program	16.803	ARRA-2010-ARRC-PUTN-7-W7-323	33,659	
<u>Federal Agency</u>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	403855-3-58-01, SFLT204	2,261,738	
Highway Planning and Construction	20.205	403855-3-38-01, AOT69	65,644	
Highway Planning and Construction	20.205	403855-3-68-01, AOT69	104,149	
Highway Planning and Construction	20.205	210031-7-38-01, 3751007P	14,634	
Highway Planning and Construction	20.205	210031-6-38-01, 3751008P	18,265	
Highway Planning and Construction	20.205	428014-1-18-01, FLSB805R	182,912	
Highway Planning and Construction	20.205	427330-1-58-01	1,465	
Highway Planning and Construction	20.205	428992-1-58-01	110,367	2,759,174

The accompanying notes are an integral part of this schedule.

continued

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2011

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF TRANSPORTATION</u>				
Direct Assistance:				
Federal Transit Capital Investment Grants	20.514	FL-04-7526-00	3,599	
Federal Transit Capital Investment Grants	20.514	FL-03-7525-00	726,870	730,469
<u>GENERAL SERVICES ADMINISTRATION</u>				
Passed Through State Department of Management Services				
Federal Surplus Property	39.003	--	87,745	
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Passed Through Florida Humanities Council				
Promotion of the Humanities - Prime Time Reading	45.129	GR1110-3605PT-2190	4,785	
Passed Through Florida Department of State				
Promotion of the Humanities - L to a Higher Power	45.129	10-LSTA-E-06	41,997	46,782
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Passed Through State Department of Environmental Protection:				
Capitalization Grant for Drinking Water State Revolving Fund	66.468	DW 501010	362,222	
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through State Department of Revenue:				
Child Support Enforcement - Title IV-D Reimbursements	93.563	CSP90	19,153	
Child Support Enforcement - Title IV-D Reimbursements	93.563	CD354	186,843	205,996
Passed Through Florida Department of State				
Voting Access for Individuals with Disabilities	93.617	MOA2010-2011-0001	3,518	
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
Office of National Drug Control and Policy				
Passed Through St. Johns County, Florida				
High Intensity Drug Trafficking	95.001	18PNFP501Z	8,405	
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through State Department of Community Affairs:				
Disaster Grants - Public Assistance - 2009 Flooding	97.036	09-MW-00-04-64-13-505	154,737	
Emergency Management Performance Grants	97.042	11-FG-7W-04-64-01-073	50,905	
Emergency Management Performance Grants	97.042	12-FG-R3-04-64-01-121	21,649	72,554
Passed Through State Division of Emergency Management:				
Hazard Mitigation Grant	97.039	11HM-3E-04-64-01-010	14,298	
Hazard Mitigation Grant	97.039	11HM-3H-04-64-01-002	17,554	
Hazard Mitigation Grant	97.039	11HM-3H-04-64-01-005	28,341	
Hazard Mitigation Grant	97.039	08HM-81-04-64-01-009	801,047	861,240
Pre-Disaster Mitigation	97.047	11DM-4L-04-64-01-449	1,290	
Direct Assistance:				
Assistance to Firefighters Grant	97.044	EMW-2010-FO-06784	126,192	
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FF-00139	50,002	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,627,862</u>	

The accompanying notes are an integral part of this schedule.

continued

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2011

<u>State Agency</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Project Total</u>
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Small County Consolidated Grants	37.012	127SC	70,588	
Statewide Surface Water Restoration and Wastewater	37.039	S0143	750,000	
Statewide Surface Water Restoration and Wastewater	37.039	S0260	836,553	1,586,553
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control - State Aid	42.003	16072	39,000	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
Voter Education and Voting System Assistance	45.029	MOA2010-2011-0001	3,518	
State Aid to Libraries	45.030	11-ST-54	176,917	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Florida Forever Act	52.002	10-CT-01-08-F8-A1-084	2,820,429	
Florida Forever Act	52.002	10-CT-D1-08-F8-G1-020	779,677	3,600,106
Emergency Management Programs	52.008	11-BG-05-04-64-01-173	77,043	
Emergency Management Programs	52.008	12-BG-05-04-64-01-054	14,818	91,861
Hurricane Shelter Retrofit Project	52.024	08-HM-81-04-64-01-009	265,201	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	2009-2010	97,827	
<u>DEPARTMENT OF TRANSPORTATION</u>				
County Incentive Grant Program - Turn Lane SR100	55.008	210031-5-58-01	147,907	
County Incentive Grant Program - Turn Lane SR15	55.008	209970-4-58-01	184,111	332,018
State Highway Project Reimbursement - Turn Lane SR100	55.023	210031-5-58-01	253,000	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	--	335,303	
Wireless 911 Emergency Telephone System	72.001	10-10-19	63,675	
Wireless 911 Emergency Telephone System	72.001	10-04-14	90,032	
Wireless 911 Emergency Telephone System	72.001	10-10-31	15,527	
Wireless 911 Emergency Telephone System	72.001	110-04-38	4,289	\$ 508,826
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>				
Derelict Vessel Removal	77.XXX	-	15,950	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 7,041,365</u>	

The accompanying notes are an integral part of this schedule.

concluded

Putnam County, Florida
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2011

NOTE 1 – BASIS OF PRESENTATION

Expenditures generally represent allowable costs, determined in accordance with generally accepted accounting principles and the modified accrual basis of accounting.

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>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Federal Transit Grants	20.514	<u>\$ 386,814</u>

The County did not provide state awards to subrecipients.

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

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, 2011, and have issued our report thereon dated February 27, 2012.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The County has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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.

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, 2011, 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, 2011.

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.

Carr, Riggs & Ingram LLC

February 27, 2012
Palatka, Florida

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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 27, 2012. Our report on the financial statements explained that the County restated its beginning net position. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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 noted certain matters that we have reported in separately-issued reports for the County's constitutional officers.

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.

Car, Riggs & Ingram LLC

February 27, 2012
Palatka, Florida

Report on Compliance With Requirements that Could Have a Direct and Material Effect on Each Major Program and Project and on Internal Control Over Compliance

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

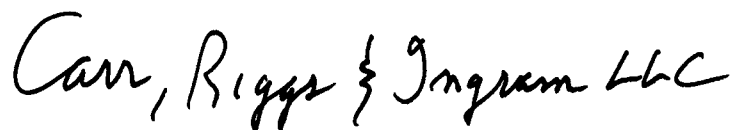
Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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

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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

February 27, 2012
Palatka, Florida

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2011

SECTION I – SUMMARY OF AUDITORS' RESULTS

- (i) The independent auditors' report on the financial statements expressed an unqualified opinion.
- (ii) The audit did not report significant deficiencies in internal control over financial reporting.
- (iii) The audit did not disclose noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies in internal control over major federal programs or 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 did not disclose findings relative to major federal programs or major state projects.
- (vii) The County's major federal programs and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Community Development Block Grant	14.228
Capitalization Grant for Drinking Water State Revolving Funds	66.468
Disaster Grants - Public Assistance	97.036
Hazard Mitigation Grant	97.039
<u>State Projects</u>	<u>State CFDA Number</u>
Statewide Surface Water Restoration and Wastewater Projects	37.039
Florida Forever Act	52.002
County Incentive Grant Program	55.008

- (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, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

-None-

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

Questioned
Costs

-None-

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SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

-None-

--

**Putnam County, Florida
Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
For the Year Ended September 30, 2011**

There were no prior audit findings.

PUTNAM COUNTY



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

BOARD OF COUNTY COMMISSIONERS

NANCY S. HARRIS
District 1

CHIP LAIBL
District 2

KENNY EUBANKS
District 3

ED TAYLOR
District 4

BRAD PURCELL
District 5

February 27, 2012

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 Board of County Commissioners Audit Report for the fiscal year ending September 30, 2011.

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 significant deficiencies in internal controls over financial reporting and operations that were considered to be material weaknesses.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenny Eubanks", written over the printed name.

Kenny Eubanks
Chairman, Board of County Commissioners

**Putnam County Clerk of the Circuit Court
Audit Report
September 30, 2011**

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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, 2011, 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, 2011, 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 11, 2012 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

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

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, the Auditor General of the State of Florida, and other agencies and is not intended to be and should not be used by anyone other than these specified parties.



January 11, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
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	\$ 246,940	\$ 324,335	\$ 263,132	\$ 706,160	\$ 1,540,567
Accounts Receivable	1,117	13,354	-	-	14,471
Due From Other Governments	27,355	1,340	-	-	28,695
Prepays	16,185	-	40,809	122,428	179,422
TOTAL ASSETS	<u>\$ 291,597</u>	<u>\$ 339,029</u>	<u>\$ 303,941</u>	<u>\$ 828,588</u>	<u>\$ 1,763,155</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 99,055	\$ 73,133	\$ -	\$ 2,256	\$ 174,444
Due to Other County Agencies	167,235	27,266	-	-	194,501
Due To Other Governments	25,307	155,748	-	-	181,055
Deferred Revenue	-	11,383	-	-	11,383
TOTAL LIABILITIES	<u>291,597</u>	<u>267,530</u>	<u>-</u>	<u>2,256</u>	<u>561,383</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Prepays	16,185	-	40,809	122,428	179,422
Restricted:					
Restricted for Records Modernization	-	-	263,132	703,904	967,036
Restricted for Court Operations	-	71,499	-	-	71,499
Unassigned:	(16,185)	-	-	-	(16,185)
TOTAL FUND BALANCES	<u>-</u>	<u>71,499</u>	<u>303,941</u>	<u>826,332</u>	<u>1,201,772</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 291,597</u>	<u>\$ 339,029</u>	<u>\$ 303,941</u>	<u>\$ 828,588</u>	<u>\$ 1,763,155</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, 2011
Putnam County Clerk of the Circuit Court

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 353,201	\$ 2,109,570	\$ -	\$ -	\$ 2,462,771
Charges for Services	243,126	-	23,724	64,307	331,157
Fines and Forfeitures	-	-	-	40,719	40,719
Interest	1,663	-	377	965	3,005
Other Miscellaneous Revenue	13,391	-	-	-	13,391
TOTAL REVENUES	611,381	2,109,570	24,101	105,991	2,851,043
EXPENDITURES					
Current:					
General Government Services	1,685,186	-	-	-	1,685,186
Court Related	255,144	2,046,922	-	24,306	2,326,372
TOTAL EXPENDITURES	1,940,330	2,046,922	-	24,306	4,011,558
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,328,949)	62,648	24,101	81,685	(1,160,515)
OTHER FINANCING SOURCES (USES)					
Appropriation from Board of County Commissioners	1,496,184	-	-	-	1,496,184
Budget Appropriation Reverted to Board of County Commissioners	(167,235)	-	-	-	(167,235)
Reversion to the Justice Administrative Commission	-	(41,986)	-	-	(41,986)
TOTAL OTHER FINANCING SOURCES (USES)	1,328,949	(41,986)	-	-	1,286,963
NET CHANGE IN FUND BALANCES	-	20,662	24,101	81,685	126,448
FUND BALANCES - October 1, 2010	-	50,837	279,840	744,647	1,075,324
FUND BALANCES - September 30, 2011	\$ -	\$ 71,499	\$ 303,941	\$ 826,332	\$ 1,201,772

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

Statement of Fiduciary Net Assets
September 30, 2011
Putnam County Clerk of the Circuit Court

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Equivalents	\$ 740,517
<u>LIABILITIES</u>	
Assets Held for Others	<u>740,517</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, 2011
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 No. 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 primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Court Fund – The Court Fund is used to account for all court related activities funded by appropriations from the State.

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.

Notes to Financial Statements
September 30, 2011
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Article V Records Modernization Fund - The Article V Records Modernization Fund is used to account for fees and fines charged pursuant to Section 28.24(12)(e)(1) and Section 28.37, Florida Statutes, and related expenditures to fund court-related technology as defined in Section 29.008, Florida Statutes, and court-related program enhancements.

Additionally, the Office reports the following fiduciary fund:

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

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Notes to Financial Statements
September 30, 2011
Putnam County Clerk of the Circuit Court

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 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, 2011
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. Previously, 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 (“Florida PRIME” and “Fund B”).

The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund. The Office’s investment in the Florida PRIME 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 nonspendable fund balance 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, 2011
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:

Florida PRIME	\$	104,755
Fund B		2,360
Total	\$	<u>107,115</u>

The Office's investment in the State Pool exposes it to credit risk and 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 Florida PRIME is rated by Standard and Poors and has a rating at September 30, 2011 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 maturity (WAM) of Florida PRIME at September 30, 2011 was 38.3 days.

The weighted average life (WAL) of Fund B at September 30, 2011 was 4.82 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. Since Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 258,400</u>	<u>\$ 315,600</u>	<u>\$ 376,000</u>	<u>\$ 198,000</u>	<u>\$ 107,000</u>

Notes to Financial Statements
September 30, 2011
Putnam County Clerk of the Circuit Court

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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%; DROP 4.42%. 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, 2011, 2010 and 2009 were approximately \$246,000, \$272,000 and \$265,000, 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, 2011
Putnam County Clerk of the Circuit Court

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
<u>REVENUES</u>				
Intergovernmental	\$ 205,000	\$ 371,358	\$ 353,201	\$ (18,157)
Charges for Services	312,540	312,540	243,126	(69,414)
Interest	10,000	10,000	1,663	(8,337)
Other Miscellaneous Revenue	1,600	1,600	13,391	11,791
TOTAL REVENUES	529,140	695,498	611,381	(84,117)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,746,224	1,746,224	1,685,186	61,038
Court Related	267,100	267,100	255,144	11,956
TOTAL EXPENDITURES	2,013,324	2,013,324	1,940,330	72,994
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,484,184)	(1,317,826)	(1,328,949)	(11,123)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,484,184	1,484,184	1,496,184	12,000
Budget Appropriation Reverted to Board of County Commissioners	-	(166,358)	(167,235)	(877)
TOTAL OTHER FINANCING SOURCES (USES)	1,484,184	1,317,826	1,328,949	11,123
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2010	-	-	-	-
FUND BALANCES - September 30, 2011	\$ -	\$ -	\$ -	\$ -

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, 2011
Putnam County Clerk of the Circuit Court

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ 2,136,383	\$ 2,104,306	\$ 2,109,570	\$ 5,264
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,136,383</u>	<u>2,104,306</u>	<u>2,046,922</u>	<u>57,384</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	62,648	62,648
<u>OTHER FINANCING USES</u>				
Reversion to the Justice Administrative Commission	<u>-</u>	<u>-</u>	<u>(41,986)</u>	<u>(41,986)</u>
NET CHANGE IN FUND BALANCES	-	-	20,662	20,662
FUND BALANCES - October 1, 2010	<u>-</u>	<u>-</u>	<u>50,837</u>	<u>50,837</u>
FUND BALANCES - September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,499</u>	<u>\$ 71,499</u>

Notes to Schedule:

Pursuant to Section 28.36, Florida Statutes, the budget is subject to the General Appropriations Act of the Florida Legislature. The State of Florida releases this appropriation on a monthly basis. As such, the budgeted amounts reflected in this schedule are comprised of nine months from the State's 2011 fiscal year and three months of activity from the State's 2012 fiscal year. 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, 2011
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Charges for Services	\$ 30,000	\$ 30,000	\$ 23,724	\$ (6,276)
Interest	-	-	377	377
TOTAL REVENUES	30,000	30,000	24,101	(5,899)
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	24,101	24,101
FUND BALANCES - October 1, 2010	-	-	279,840	279,840
FUND BALANCES - September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,941</u>	<u>\$ 303,941</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, 2011
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Charges for Services	\$ 85,000	\$85,000	\$ 64,307	\$ (20,693)
Fines and Forfeitures	50,000	50,000	40,719	(9,281)
Interest	-	-	965	965
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	135,000	135,000	105,991	(29,009)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>135,000</u>	<u>135,000</u>	<u>24,306</u>	<u>110,694</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	81,685	81,685
FUND BALANCES - October 1, 2010	<u>-</u>	<u>-</u>	<u>744,647</u>	<u>744,647</u>
FUND BALANCES - September 30, 2011	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 826,332</u></u>	<u><u>\$ 826,332</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, 2011
Putnam County Clerk of the Circuit Court

	Circuit Court Trust Fund	Jury And Witness Fund	Total Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Equity in Pooled Cash and Equivalents	\$ 732,522	\$ 7,995	\$ 740,517
<u>LIABILITIES</u>			
Assets Held for Others	<u>732,522</u>	<u>7,995</u>	<u>740,517</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**

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, 2011, and have issued our report thereon dated January 11, 2012.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

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.

Sections 28.35 and 28.36, Florida Statutes

The Rules of the Auditor General require that statements be included in the management letter as to whether the Office complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. Our audit of the financial statements disclosed no reportable instances of noncompliance with the budget pursuant to Section 28.36, Florida Statutes, and no reportable instances of noncompliance with the performance standards developed and certified pursuant to Section 28.35, Florida Statutes, except as reported in the Schedule of Findings as Finding 11-1.

The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida
Page 2

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 Clerk of the Circuit Court and management, the State of Florida Auditor General, and other agencies 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.

Car, Riggs & Ingram LLC

January 11, 2012
Palatka, Florida

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, 2011, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated January 11, 2012. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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*.

We noted a matter that we reported to management in the Schedule of Findings.

The Office's response to the matter identified in the Schedule of Findings is described in the accompanying letter of response. We did not audit the Office's 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. The Office adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year. 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 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, the State of Florida Auditor General, and other agencies and is not intended to be and should not be used by anyone other than these specified parties.

Car, Riggs & Ingram LLC

January 11, 2012
Palatka, Florida

**Schedule of Findings
For the Year Ended September 30, 2011
Putnam County Clerk of the Circuit Court**

- 11-1 *Finding* – Collection performance standards were not met as of June 30, 2011 for Circuit Criminal and Civil Traffic cases.

Similar findings were reported in the management letter of the audit report for the fiscal year ended September 30, 2010.

Recommendation – The Office should continue to pursue the goal of meeting its performance standards given the Office's available resources.



Office of
Clerk of Court
Tim Smith

January 11, 2012

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

Dear Mr. Martin:

The following statement is submitted in response to the Management Letter findings related to Section 28.35, Florida Statutes, located in the Putnam County Clerk of the Circuit Court Audit Report for the fiscal year ending September 30, 2011.

Collection standards were not met largely due to the current economic climate. Additionally, legislated budget reductions have negatively impacted this office's ability to meet certain output and timeliness standards.

This office is diligently pursuing the goal of meeting or exceeding all performance standards with the limited resources currently available.

Sincerely,

Tim Smith
Clerk of Circuit Court

**Putnam County Sheriff
Audit Report
September 30, 2011**

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Independent Auditors' Report

The Honorable Jeff Hardy
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, 2011, 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, 2011, 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 6, 2012 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.



January 6, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Equivalents	\$ 1,783,782	\$ 154,774	\$ 16,732	\$ 1,955,288
Accounts Receivable	8,054	15,709	-	23,763
Other Assets	595	-	-	595
TOTAL ASSETS	\$ 1,792,431	\$ 170,483	\$ 16,732	\$ 1,979,646
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 441,480	\$ 5,226	\$ -	\$ 446,706
Due to Other County Agencies	712,480	-	-	712,480
TOTAL LIABILITIES	1,153,960	5,226	-	1,159,186
<u>FUND BALANCES</u>				
Committed for Contractual Obligations	627,897	-	-	627,897
Restricted for Inmate Benefits	-	165,257	-	165,257
Restricted for Law Enforcement	-	-	16,732	16,732
Assigned for Law Enforcement	10,574	-	-	10,574
TOTAL FUND BALANCES	638,471	165,257	16,732	820,460
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,792,431	\$ 170,483	\$ 16,732	\$ 1,979,646

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, 2011
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Fines and Forfeitures	\$ 10,574	\$ -	\$ 28,229	\$ 38,803
Miscellaneous Revenue	18,159	194,796	-	212,955
TOTAL REVENUES	28,733	194,796	28,229	251,758
<u>EXPENDITURES</u>				
Current:				
Public Safety	17,594,566	177,853	24,498	17,796,917
Court Related	514,444	-	-	514,444
Debt Service:				
Principal	167,531	-	-	167,531
Interest	20,584	-	-	20,584
TOTAL EXPENDITURES	18,297,125	177,853	24,498	18,499,476
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,268,392)	16,943	3,731	(18,247,718)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	18,436,842	-	-	18,436,842
Reversion to Board of County Commissioners	(707,783)	-	-	(707,783)
Debt Issued	1,177,804	-	-	1,177,804
TOTAL OTHER FINANCING SOURCES (USES)	18,906,863	-	-	18,906,863
NET CHANGE IN FUND BALANCES	638,471	16,943	3,731	659,145
FUND BALANCES – October 1, 2010	-	148,314	13,001	161,315
FUND BALANCES – September 30, 2011	\$ 638,471	\$165,257	\$ 16,732	\$ 820,460

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

Statement of Fiduciary Net Assets
September 30, 2011
Putnam County Sheriff

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 72,108
Accounts Receivable	<u>6,235</u>
TOTAL ASSETS	\$ 78,343
 <u>LIABILITIES</u>	
Assets Held for Others	<u>78,343</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, 2011
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 and report all financial resources not accounted for and reported 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.

Notes to Financial Statements
September 30, 2011
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

The Office also reports the following fiduciary fund type:

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

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Notes to Financial Statements
September 30, 2011
Putnam County Sheriff

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.

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.

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, 2011
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, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011
Capital Assets Being Depreciated:				
Buildings	\$ 53,270	\$ 12,055	\$ -	\$ 65,325
Equipment	1,439,837	121,266	33,334	1,527,769
Intangible Assets	-	449,944	-	449,944
Vehicles	3,606,113	415,628	445,159	3,576,582
Total Capital Assets Being Depreciated	5,099,220	998,893	478,493	5,619,620
Less Accumulated Depreciation:				
Buildings	22,629	3,685	-	26,314
Equipment	868,161	241,102	31,292	1,077,971
Intangible Assets	-	5,356	-	5,356
Vehicles	2,657,137	420,302	424,457	2,652,982
Total Accumulated Depreciation	3,547,927	670,445	455,749	3,762,623
Total Net Capital Assets	\$1,551,293	\$ 328,448	\$ 22,744	\$1,856,997

Depreciation expense of \$670,445 applies to the *public safety* function.

Notes to Financial Statements
September 30, 2011
Putnam County Sheriff

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	\$ 862,000	\$ 574,000	\$ 598,000	\$ 838,000	\$ 591,000
Capital Lease Obligation	8,618	1,177,804	167,531	1,018,891	307,273
Total	<u>\$ 870,618</u>	<u>\$1,751,804</u>	<u>\$ 765,531</u>	<u>\$ 1,856,891</u>	<u>\$ 898,273</u>

Capital lease obligations at September 30, 2011 are comprised of the following:

Agreement with a financial institution for software with an interest rate of 4.5%. The aggregate historical cost of the purchased software is \$449,944; \$112,486 is held in escrow for future software acquisitions.

\$ 502,836

Agreement with a financial institution for vehicles with an interest rate of 2.8%. The aggregate historical cost of the purchased vehicles is \$99,963; \$515,411 is held in escrow for future vehicle acquisitions.

516,055
\$1,018,891

The remaining minimum lease payments at September 30, 2011 are:

2012	\$ 340,001
2013	340,001
2014	233,008
2015	126,016
2016	<u>51,840</u>
Total Minimum Lease Payments	1,090,866
Less Amount Representing Interest	<u>71,975</u>
Present Value of Minimum Lease Payments	<u>\$1,018,891</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.

Notes to Financial Statements
September 30, 2011
Putnam County Sheriff

NOTE 4 – PENSION PLAN

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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%; DROP 4.42%. 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, 2011, 2010 and 2009 were approximately \$1,580,500, \$1,642,700 and \$1,613,800, 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, 2011
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>				
Fines and Forfeitures	\$ -	\$ -	\$ 10,574	\$ 10,574
Miscellaneous Revenues	-	-	18,159	18,159
TOTAL REVENUES	-	-	28,733	28,733
<u>EXPENDITURES</u>				
Current:				
Public Safety	17,321,676	17,624,859	17,594,566	30,293
Court Related	551,423	551,423	514,444	36,979
Debt Service:				
Principal	260,560	260,560	167,531	93,029
Interest	-	-	20,584	(20,584)
TOTAL EXPENDITURES	18,133,659	18,436,842	18,297,125	139,717
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,133,659)	(18,436,842)	(18,268,392)	168,450
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	18,133,659	18,436,842	18,436,842	-
Reversion to Board of County Commissioners	-	-	(707,783)	(707,783)
Debt Issued	-	-	1,177,804	1,177,804
TOTAL OTHER FINANCING SOURCES (USES)	18,133,659	18,436,842	18,906,863	470,021
NET CHANGE IN FUND BALANCES	-	-	638,471	638,471
FUND BALANCES - October 1, 2010	-	-	-	-
FUND BALANCES - September 30, 2011	\$ -	\$ -	\$ 638,471	\$ 638,471

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, 2011
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	\$ 200,000	\$ 200,000	\$ 194,796	\$ (5,204)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>200,000</u>	<u>200,000</u>	<u>177,853</u>	<u>22,147</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	16,943	16,943
FUND BALANCES - October 1, 2010	<u>-</u>	<u>-</u>	<u>148,314</u>	<u>148,314</u>
FUND BALANCES - September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,257</u>	<u>\$ 165,257</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, 2011
Putnam County Sheriff

	INMATE BANK FUND	TRUST FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>			
Cash and Equivalents	\$ 28,011	\$ 44,097	\$ 72,108
Accounts Receivable	-	6,235	6,235
TOTAL ASSETS	28,011	50,332	78,343
 <u>LIABILITIES</u>			
Assets Held for Others	28,011	50,332	78,343
 NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Management Letter

The Honorable Jeff Hardy
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, 2011, and have issued our report thereon dated January 6, 2012.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

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.

The Honorable Jeff Hardy
Putnam County Sheriff
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

January 6, 2012
Palatka, Florida

The Honorable Jeff Hardy
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, 2011, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 6, 2012. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 11-1 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. The Office adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year. 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 noted 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 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.

Car, Riggs & Ingram LLC

January 6, 2012
Palatka, Florida

**Putnam County Sheriff
Schedule of Findings
For the Year Ended September 30, 2011**

11-1 *Condition:* As part of the audit process, it was necessary for us to assist with the preparation of the Office's financial statements. A similar finding was reported in previous audit reports as items 10-1 and 09-1.

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

Jeff Hardy, Sheriff



SHERIFF

Putnam County

January 9, 2012

Honorable David W. Martin
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, 2011 has been completed by Carr, Riggs and Ingram, LLC.

Their audit disclosed a significant deficiency in internal control identified as item **II-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,

Jeff Hardy
Sheriff

JH:db

130 Orie Griffin Blvd.
Palatka, FL 32177-2435

386-329-0800



"To serve and protect "

P. O. Drawer 1578
Palatka, FL 32178-1578

www.pcsso.us

**Putnam County Tax Collector
Audit Report
September 30, 2011**

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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, 2011, 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, 2011, 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 February 17, 2012 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

The Honorable Kenneth R. Mahaffrey
Tax Collector
Putnam County, Florida
Page 2

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, reading "Carr, Riggs & Ingram LLC".

February 17, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 494,607</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 56,563
Due to Other County Agencies	422,135
Deferred Revenue	<u>15,909</u>
 TOTAL LIABILITIES	 494,607
 FUND BALANCE	 <u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 494,607</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, 2011
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Charges for Services	\$ 2,351,555
Miscellaneous Revenue	<u>26,396</u>
TOTAL REVENUES	2,377,951
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,955,816</u>
EXCESS OF REVENUES OVER EXPENDITURES	422,135
<u>OTHER FINANCING USES</u>	
Reversion to Board of County Commissioners	<u>(422,135)</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2010	<u>-</u>
FUND BALANCE - September 30, 2011	<u><u>\$ -</u></u>

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

Statement of Fiduciary Net Assets
September 30, 2011
Putnam County Tax Collector

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,826,686
Accounts Receivable	<u>16,263</u>
TOTAL ASSETS	1,842,949
<u>LIABILITIES</u>	
Assets Held for Others	<u>1,842,949</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, 2011
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 and report all financial resources not accounted for and reported 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, 2011
Putnam County Tax Collector

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

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, 2011
Putnam County Tax Collector

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.

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

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.

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.

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, 2011
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 Section 163.01, Florida Statutes.
- (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. § 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. The Office has an investment account with Dreyfus Cash Management Institutional Fund. Fund 288 is a Securities and Exchange Commission registered money market fund with the highest credit quality rating from a nationally recognized rating agency. The Office moves excess funds when available during the year into the Dreyfus fund. At September 30, 2011 the office had zero balances held in the fund.

**Notes to Financial Statements
September 30, 2011
Putnam County Tax Collector**

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 96,000</u>	<u>\$ 50,000</u>	<u>\$ 46,000</u>	<u>\$ 100,000</u>	<u>\$ 49,000</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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were approximately \$105,000, \$120,000 and \$117,000, 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.

**Notes to Financial Statements
September 30, 2011
Putnam County Tax Collector**

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, 2011
Putnam County Tax Collector

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
<u>REVENUES</u>				
Charges for Services	\$ 2,135,460	\$ 2,135,460	\$ 2,351,555	\$ 216,095
Miscellaneous Revenue	5,400	5,400	26,396	20,996
TOTAL REVENUES	2,140,860	2,140,860	2,377,951	237,091
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,074,355	2,074,355	1,955,816	118,539
EXCESS OF REVENUES OVER EXPENDITURES	66,505	66,505	422,135	355,630
<u>OTHER FINANCING USES</u>				
Reversion to Board of County Commissioners	(66,505)	(66,505)	(422,135)	(355,630)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2010	-	-	-	-
FUND BALANCES- September 30, 2011	\$ -	\$ -	\$ -	\$ -

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, 2011
Putnam County Tax Collector

	TAX FUND	TAG FUND	ESCROW FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 1,713,810	\$ 105,003	\$ 7,873	\$ 1,826,686
Accounts Receivable	3,633	12,630	-	16,263
TOTAL ASSETS	1,717,443	117,633	7,873	1,842,949
<u>LIABILITIES</u>				
Assets Held for Others	1,717,443	117,633	7,873	1,842,949
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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, 2011, and have issued our report thereon dated February 17, 2012.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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.

The Honorable Kenneth R. Mahaffrey
Tax Collector
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

February 17, 2012
Palatka, Florida

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, 2011, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated February 17, 2012. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings as item 11-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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. The Office adopted GASB Statement 54 during the year. 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. All significant transactions have been recognized in the financial statements in the proper period.

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.

The Honorable Kenneth R. Mahaffrey
Tax Collector
Putnam County, Florida
Page 3

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 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.

Car, Rizzo & Ingram LLC

February 17, 2012
Palatka, Florida

**Schedule of Findings
For the Year Ended September 30, 2011
Putnam County Tax Collector**

- 11-1 **Condition** – During the year, the Office changed its Tax Roll reporting system to a new provider. As a consequence, the new system's collection reports could not be completely reconciled to the actual tax distributions. Additionally, the reports generated by the new system were not sufficient to support certain amounts reported in the Tax Roll Recapitulation submitted to the State.

Recommendation – We recommend that internal controls relative to the Tax Roll reporting process be improved.

Ken Mahaffey, CFC
Constitutional Tax Collector
Serving Putnam County, Florida

P.O. Box 1339 • PALATKA, FLORIDA 32178-1339 • PHONE: (386) 329-0271 • 1-800-826-1437 • FAX: (386) 329-0886 • EMAIL: kmahaffeytc@putnam-fl.com



February 17, 2012

The Honorable David W. Martin
Auditor General
P.O. Box 1735
Tallahassee, Florida 32402-1735

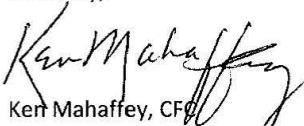
Dear Sir:

An audit of the operation of the Putnam County Tax Collector's Office for the fiscal year ending September 30, 2011, has been completed by Carr, Riggs & Ingram, LLC.

11-1 During the year, the office changed its Tax Roll reporting system to a new provider. As a consequence, the new system's collection reports could not be completely reconciled to the actual tax distributions. Additionally, the reports generated by the new system were not sufficient to support certain amounts reported in the Tax Roll Recapitulation submitted to the State.

We are working diligently with the tax system provider on areas to improve and streamline the procedure. We have attended two user group meetings with other counties that are using the same systems to share the common knowledge and try to find solutions to the problems. The meetings have helped us tremendously not only solving problems but also coming up with enhancements as well. The provider is working on reports and other critical areas to prevent any deficiencies for the future.

Sincerely,


Ken Mahaffey, CFC
Constitutional Tax Collector

KM/cr

**Putnam County Property Appraiser
Audit Report
September 30, 2011**

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Independent Auditors' Report

The Honorable Timothy E. Parker
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, 2011, 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 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 Office at September 30, 2011, 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 20, 2011 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 Timothy E. Parker
Property Appraiser
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
Putnam County Property Appraiser

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and Equivalents	<u>\$ 220,604</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 34,391
Due to Other County Agencies	<u>186,213</u>
TOTAL LIABILITIES	220,604
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 220,604</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, 2011
Putnam County Property Appraiser

	GENERAL FUND
<u>REVENUES</u>	
Charges for Services	\$ 35,843
Miscellaneous Revenue	<u>590</u>
TOTAL REVENUES	36,433
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,478,738</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,442,305)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,628,518
Reversion to Board of County Commissioners	<u>(186,213)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,442,305</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2010	<u>-</u>
FUND BALANCE - September 30, 2011	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2011
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 general operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

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.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 81,000</u>	<u>\$109,000</u>	<u>\$ 108,000</u>	<u>\$ 82,000</u>	<u>\$ 37,000</u>

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.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were approximately \$86,500, \$100,600 and \$100,000, 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, 2011
Putnam County Property Appraiser

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Charges for Services	\$ 36,174	\$ 36,049	\$ 35,843	\$ (206)
Miscellaneous Revenue	-	-	590	590
TOTAL REVENUES	36,174	36,049	36,433	384
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,664,692	1,664,567	1,478,738	185,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,628,518)	(1,628,518)	(1,442,305)	186,213
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,628,518	1,628,518	1,628,518	-
Reversion to Board of County Commissioners	-	-	(186,213)	(186,213)
TOTAL OTHER FINANCING SOURCES (USES)	1,628,518	1,628,518	1,442,305	(186,213)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2010	-	-	-	-
FUND BALANCES - September 30, 2011	\$ -	\$ -	\$ -	\$ -

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**

Management Letter

The Honorable Timothy E. Parker
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, 2011, and have issued our report thereon dated December 20, 2011.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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.

The Honorable Timothy E. Parker
Property Appraiser
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida

The Honorable Timothy E. Parker
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, 2011, and have issued our report thereon dated December 20, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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. The Office adopted GASB Statement No. 54 during the year. 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. All significant transactions have been recognized in the financial statements in the proper period.

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.

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 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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida



Timothy E. Parker, C.F.A.
Putnam County Property Appraiser

386/329-0286 • 1-800-826-1437 x0286 • Fax: 386/329-0447
www.putnam-fl.com/app • appraiser@putnam-fl.com

December 20, 2011

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

Dear Mr. Martin:

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 Carr, Riggs & Ingram, LLC for the period of October 1, 2010 to September 30, 2011.

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,

A handwritten signature in cursive script, reading "Timothy E. Parker".

Timothy E. Parker, C. F. A.
State-Certified General Appraiser RZ2438
Property Appraiser

TEP/mbd

cc: Director of Finance, Putnam County

Crescent City Annex
115 N. Summit Street
386/698-4284

Main Office
P.O. Box 1920
312 Oak Street
Palatka, Florida 32178

Interlachen Annex
Hitchcock's Plaza, SR #20
386/684-3383

**Putnam County Supervisor of Elections
Audit Report
September 30, 2011**

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Independent Auditors' Report

The Honorable Susan McCool
Supervisor of Elections
Putnam County, 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, 2011, 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, 2011, 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 January 24, 2012 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, Florida
Page 2

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.

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.

Car, Riggs & Ingram LLC

January 24, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Equivalents	\$ 103,716	\$ 74,136	\$ 177,852
Due From Other Funds	827	-	827
Prepaid Asset	<u>31,917</u>	<u>-</u>	<u>31,917</u>
TOTAL ASSETS	<u>\$ 136,460</u>	<u>\$ 74,136</u>	<u>\$ 210,596</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 5,474	\$ -	\$ 5,474
Due to Other Funds	-	827	827
Due to Other County Agencies	<u>99,069</u>	<u>-</u>	<u>99,069</u>
TOTAL LIABILITIES	<u>104,543</u>	<u>827</u>	<u>105,370</u>
<u>FUND BALANCES</u>			
Nonspendable	31,917	-	31,917
Restricted for Elections	<u>-</u>	<u>73,309</u>	<u>73,309</u>
TOTAL FUND BALANCES	<u>31,917</u>	<u>73,309</u>	<u>105,226</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 136,460</u>	<u>\$ 74,136</u>	<u>\$ 210,596</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, 2011
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Intergovernment Revenue	\$ -	\$ 3,517	\$ 3,517
Miscellaneous Revenue	786	35	821
TOTAL REVENUES	<u>786</u>	<u>3,552</u>	<u>4,338</u>
<u>EXPENDITURES</u>			
Current:			
General Government Services	<u>753,573</u>	<u>6,183</u>	<u>759,756</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(752,787)</u>	<u>(2,631)</u>	<u>(755,418)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Appropriation from Board of County Commissioners	836,397	-	836,397
Reversion to Board of County Commissioners	<u>(99,069)</u>	<u>-</u>	<u>(99,069)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>737,328</u>	<u>-</u>	<u>737,328</u>
NET CHANGE IN FUND BALANCES	(15,459)	(2,631)	(18,090)
FUND BALANCES - October 1, 2010	<u>47,376</u>	<u>75,940</u>	<u>123,316</u>
FUND BALANCES - September 30, 2011	<u><u>\$ 31,917</u></u>	<u><u>\$ 73,309</u></u>	<u><u>\$ 105,226</u></u>

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

Notes to Financial Statements
September 30, 2011
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 and report all financial resources, not accounted for and reported 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, 2011
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned

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, 2011
Putnam County Supervisor of Elections

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 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.

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, 2011
Putnam County Supervisor of Elections**

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$18,000</u>	<u>\$36,000</u>	<u>\$ 38,000</u>	<u>\$ 16,000</u>	<u>\$ 9,000</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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were approximately \$27,900, \$31,800 and \$32,700, 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, 2011
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	\$ -	\$ -	\$ 786	\$ 786
<u>EXPENDITURES</u>				
Current:				
General Government Services	836,397	836,397	753,573	82,824
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(836,397)	(836,397)	(752,787)	83,610
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	836,397	836,397	836,397	-
Reversion to Board of County Commissioners	-	-	(99,069)	(99,069)
TOTAL OTHER FINANCING SOURCES (USES)	836,397	836,397	737,328	(99,069)
NET CHANGE IN FUND BALANCES	-	-	(15,459)	(15,459)
FUND BALANCES - October 1, 2010	-	-	47,376	47,376
FUND BALANCES - September 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,917</u>	<u>\$ 31,917</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 - Grant Fund
For the Year Ended September 30, 2011
Putnam County Supervisor of Elections

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>WITH FINAL</u>
<u>REVENUES</u>				<u>BUDGET</u>
Intergovernmental Revenue	\$ 3,517	\$ 3,517	\$ 3,517	\$ -
Miscellaneous Revenue	-	-	35	35
	<u>3,517</u>	<u>3,517</u>	<u>3,552</u>	<u>35</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>3,517</u>	<u>3,517</u>	<u>6,183</u>	<u>(2,666)</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(2,631)	(2,631)
FUND BALANCES - October 1, 2010	<u>75,940</u>	<u>75,940</u>	<u>75,940</u>	<u>-</u>
FUND BALANCES - September 30, 2011	<u>\$ 75,940</u>	<u>\$ 75,940</u>	<u>\$ 73,309</u>	<u>\$ (2,631)</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. The fund over-expended its budget \$2,666.

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



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, 2011, and have issued our report thereon dated January 24, 2012.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings that accompanies this letter.

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.

The Honorable Susan McCool
Putnam County Supervisor of Elections
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

January 24, 2012
Palatka, Florida

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, 2011, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 24, 2012. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 11-1 and 11-2 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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. The Office adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year. 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 related to the recording of the reversion to the Board were detected as a result of our audit procedures.

Additionally, we detected immaterial misstatements which were corrected. These were related to recording grant revenues and expenditures.

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 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.



January 24, 2012
Palatka, Florida

**Schedule of Findings
For the Year Ended September 30, 2011
Putnam County Supervisor of Elections**

- 11-1 *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. Similar findings were reported in previous audit reports as items 10-1 and 09-1.

Recommendation – Duties should be separated to the extent possible.

- 11-2 *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. Similar findings were reported in previous audit reports as items 10-2 and 09-2.

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

Susan C. McCool
Supervisor of Elections
Putnam County



make a difference

2509 Crill Ave., Suite 900
Palatka, Florida 32177

Telephone: 386-329-0224
Facsimile: 386-329-0455
Web: www.putnam-fl.com

Kim Hankemeyer, Administrative Assistant

January 24, 2012

Mr. David Martin
Auditor General
111 West Madison St.
Tallahassee, FL 32399-1450

Dear Mr. Martin:

An audit of the financial records of the Putnam County Supervisor of Election for the fiscal year ending September 30, 2011, has been completed by Carr, Riggs, and Ingram, LLC, CPAs and Advisors.

We are please to respond that there were no adverse findings for this fiscal year. We do acknowledge the fact that:

In reference to auditor findings # 11-01:

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. We are continually implementing enhancements to the segregation of duties. For this fiscal year 2010-11, we completely changed our structure in the payment of all invoices and acceptance of any money from customers. All of our six employees play a significant roll in the process of accepting and paying of each invoice.

In reference to auditor findings #11-02:

In the matter of the audit process, the auditors proposed material adjustments to the Office's financial statements and to assist with preparation of our financial statements; we fully accepted and appreciated their help in conforming to the ever changing generally accepted accounting principles. As from our response to you for the condition #09-02 from FY 2008-09 and 10-02 from FY 2009-10, we mentioned that we would be requiring our bookkeeper to attend workshops held by Carr, Riggs, Ingram, LLC Auditing Firm concerning new or changes to laws pertaining to the Uniform Accounting System Manual (uasm) and Governmental Accounting Standards Board (gasb) and have adhered to our change. Because of the many continuing changes in auditing procedures, we still had instances where Carr, Riggs, Ingram, LLC (formerly Davis, Monk and Company Auditing Firm) had to make adjustments which we fully accepted and appreciate. We will continue to attend workshops to help in this procedure.

Respectfully submitted,

Susan C. McCool
Supervisor of Elections

cc: Carr, Riggs, Ingram, LLC

audit resp ltr fy10-11

**Putnam County Property Appraiser
Audit Report
September 30, 2011**

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Independent Auditors' Report

The Honorable Timothy E. Parker
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, 2011, 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 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 Office at September 30, 2011, 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 20, 2011 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 Timothy E. Parker
Property Appraiser
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2011
Putnam County Property Appraiser

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and Equivalents	<u>\$ 220,604</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 34,391
Due to Other County Agencies	<u>186,213</u>
TOTAL LIABILITIES	220,604
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 220,604</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, 2011
Putnam County Property Appraiser

	GENERAL FUND
<u>REVENUES</u>	
Charges for Services	\$ 35,843
Miscellaneous Revenue	<u>590</u>
TOTAL REVENUES	36,433
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,478,738</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,442,305)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,628,518
Reversion to Board of County Commissioners	<u>(186,213)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,442,305</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2010	<u>-</u>
FUND BALANCE - September 30, 2011	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2011
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 general operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Fund Balance

The Office follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fund balance classifications specified in GASB Statement No. 54 are as follows:

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

Restricted Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Office's highest level of decision-making authority, which is a policy of the Office. Committed amounts cannot be used for any other purpose unless the Office removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The Office's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

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.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2010	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 81,000</u>	<u>\$109,000</u>	<u>\$ 108,000</u>	<u>\$ 82,000</u>	<u>\$ 37,000</u>

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.

Notes to Financial Statements
September 30, 2011
Putnam County Property Appraiser

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 was employee noncontributory through June 30, 2011. For the period July 1, 2011 through September 30, 2011 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2011 were as follows: Regular Employees 4.91%; Special Risk Employees 14.10%; Senior Management 6.27%; Elected Officials 11.14%. 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, 2011, 2010 and 2009 were approximately \$86,500, \$100,600 and \$100,000, 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, 2011
Putnam County Property Appraiser

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<u>REVENUES</u>				
Charges for Services	\$ 36,174	\$ 36,049	\$ 35,843	\$ (206)
Miscellaneous Revenue	-	-	590	590
TOTAL REVENUES	36,174	36,049	36,433	384
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,664,692	1,664,567	1,478,738	185,829
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,628,518)	(1,628,518)	(1,442,305)	186,213
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,628,518	1,628,518	1,628,518	-
Reversion to Board of County Commissioners	-	-	(186,213)	(186,213)
TOTAL OTHER FINANCING SOURCES (USES)	1,628,518	1,628,518	1,442,305	(186,213)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2010	-	-	-	-
FUND BALANCES - September 30, 2011	\$ -	\$ -	\$ -	\$ -

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**

Management Letter

The Honorable Timothy E. Parker
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, 2011, and have issued our report thereon dated December 20, 2011.

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. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The Office has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

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.

The Honorable Timothy E. Parker
Property Appraiser
Putnam County, Florida
Page 2

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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida

The Honorable Timothy E. Parker
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, 2011, and have issued our report thereon dated December 20, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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. The Office adopted GASB Statement No. 54 during the year. 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. All significant transactions have been recognized in the financial statements in the proper period.

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.

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 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.

Car, Riggs & Ingram LLC

December 20, 2011
Palatka, Florida



Timothy E. Parker, C.F.A.
Putnam County Property Appraiser

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December 20, 2011

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

Dear Mr. Martin:

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 Carr, Riggs & Ingram, LLC for the period of October 1, 2010 to September 30, 2011.

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,

Timothy E. Parker, C. F. A.
State-Certified General Appraiser RZ2438
Property Appraiser

TEP/mbd

cc: Director of Finance, Putnam County

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