

PUTNAM COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2012

BOARD OF COUNTY COMMISSIONERS

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Chip Laibl
Karl Flagg
Ed Taylor
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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

Linda Myers

SUPERVISOR OF ELECTIONS

Charles L. Overturf III

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Independent Auditor's 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, 2012, 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, 2012, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2013 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The information listed in the table of contents as "supplementary 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. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

March 26, 2013
Palatka, Florida

PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2012

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, 2012. 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, 2012 by \$158,959 (*net position*). Of this amount, \$10,431 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 \$125,045, 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 \$23,483 is restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$11,729 of governmental net position less a deficit of \$1,298 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 \$1,146 over the previous year with an increase of \$2,623 resulting from governmental activities and a decrease of \$1,477 resulting from business activities.

Fund Statements

- At September 30, 2012, the County's governmental funds reported combined ending fund balances of \$35,227, a decrease of \$731 in comparison with the prior fiscal year.
- At September 30, 2012, unassigned fund balance for the General Fund (a major fund) was \$12,395 or 29.0% 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 \$13,852.
- Governmental Fund revenues decreased \$8,203 or 11.0% from the prior year. All categories of revenue decreased from the previous year except Charges for Services and Fines and Forfeitures which increased by \$58 and \$231 respectively. Tax revenue decreased by \$2,254. Other decreases were as follows: Licenses and Permits, \$47; Intergovernmental Revenue, \$5,779; and Miscellaneous Revenue, \$412.
- The County's outstanding governmental long-term obligations decreased by \$1,045. The change was due to the following: issuance of a capital lease in the amount of \$566 for 200 air packs for fire services; payment of outstanding principal in the amount of \$2,589;

an increase in Medicaid obligation of \$500; an increase in OPEB liability of \$390; and an increase of accrued compensated absences in the amount of \$88.

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 \$158,959 at the close of the fiscal year ended September 30, 2012. By far the largest portion of the County's net position, \$125,045 or 78.7%, 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
	2012	2011	2012	2011	2012	2011	
Cash and Investments	\$ 41,860	\$ 43,448	\$ 10,879	\$ 10,607	\$ 52,739	\$ 54,055	-2.4%
Other Current Assets	5,570	7,132	361	267	5,931	7,399	-19.8%
Capital Assets, Net	110,827	108,253	43,699	46,203	154,526	154,456	0.0%
Total Assets	158,257	158,833	54,939	57,077	213,196	215,910	-1.3%
Deferred Outflows of Resources	808	1,070	-	-	808	1,070	-24.5%
Current Liabilities	7,553	9,707	806	781	8,359	10,488	-20.3%
Interest Rate Swaps	808	1,070	-	-	808	1,070	
Long-Term Obligations	15,943	16,988	29,935	30,620	45,878	47,608	-3.6%
Total Liabilities	24,304	27,765	30,741	31,401	55,045	59,166	-7.0%
Net Position:							
Invested in Capital Assets, net of Related Debt	99,549	94,994	25,496	27,024	125,045	122,018	2.5%
Restricted	23,483	19,166	-	-	23,483	19,166	22.5%
Unrestricted	11,729	17,978	(1,298)	(1,348)	10,431	16,630	-37.3%
TOTAL NET POSITION	\$ 134,761	\$ 132,138	\$ 24,198	\$ 25,676	\$ 158,959	\$ 157,814	0.7%

An additional portion of the County's net position, \$23,483, 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 2012 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

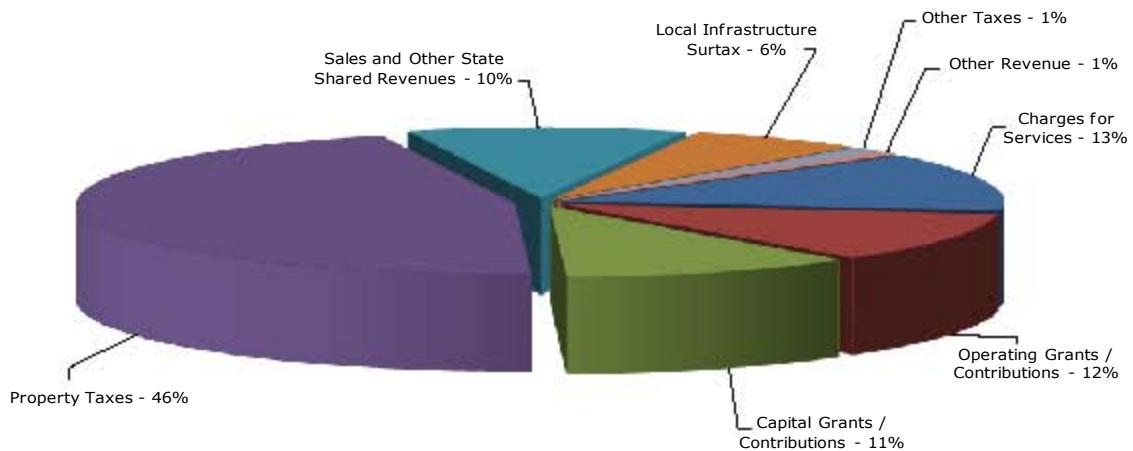
Governmental activities increased the County's net position by \$2,623. This increase resulted from the following: capital asset acquisitions and disposals \$9,770; the recognition of (\$7,182) of depreciation expense; the issuance of debt in the amount of (\$566); principal payments of \$2,589; the recognition of accrued interest expense of \$7; the recognition of deferred revenues of (\$112); the recognition of (\$89) expense for compensated absences; the recognition of (\$386) expense for Other Postemployment Benefit (OPEB) obligations; the recognition of (\$500) expense for Medicaid obligation; the inclusion of Internal Service Funds in governmental activities in the amount of (\$177); and a (\$731) decrease 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
	2012	2011	2012	2011	2012	2011	
Revenues:							
Program revenues:							
Charges for services	\$ 8,972	\$ 9,391	\$ 8,701	\$ 8,815	\$ 17,673	\$ 18,206	-2.9%
Operating grants and contributions	7,801	6,785	70	70	7,871	6,855	14.8%
Capital grants and contributions	7,374	11,956	-	701	7,374	12,657	-41.7%
General revenues:							
Property taxes	31,056	33,375	-	-	31,056	33,375	-6.9%
Sales and other state shared revenues	6,996	6,791	-	-	6,996	6,791	3.0%
Local Infrastructure Surtax	4,448	4,204	-	-	4,448	4,204	5.8%
Other taxes	715	3,611	-	-	715	3,611	-80.2%
Other revenue	633	746	163	261	796	1,007	-21.0%
Total revenues	67,995	76,859	8,934	9,847	76,929	86,706	-11.3%
Expenses:							
General Government	14,610	15,567	-	-	14,610	15,567	-6.1%
Public Safety	28,858	30,393	-	-	28,858	30,393	-5.1%
Physical Environment	403	541	-	-	403	541	-25.5%
Transportation	9,815	10,057	-	-	9,815	10,057	-2.4%
Economic Environment	2,416	1,456	-	-	2,416	1,456	65.9%
Human Services	2,940	2,068	-	-	2,940	2,068	42.2%
Culture/Recreation	2,029	1,884	-	-	2,029	1,884	7.7%
Court Related	3,114	3,273	-	-	3,114	3,273	-4.9%
Interest on L-T Obligations	514	586	-	-	514	586	-12.3%
Water and Wastewater	-	-	1,869	1,863	1,869	1,863	0.3%
Solid Waste	-	-	8,925	8,396	8,925	8,396	6.3%
Port Authority	-	-	291	178	291	178	63.5%
Total Expenses	64,699	65,825	11,085	10,437	75,784	76,262	-0.6%
Increase in Net Position Before Transfers	3,296	11,034	(2,151)	(590)	1,145	10,444	
Transfers	(673)	(644)	673	644	-	-	
Increase (Decrease) in net position	2,623	10,390	(1,478)	54	1,145	10,444	
Net Position - Beginning of Year	132,138	121,748	25,676	25,622	157,814	147,370	
Net Position - End of Year	\$ 134,761	\$ 132,138	\$ 24,198	\$ 25,676	\$ 158,959	\$ 157,814	0.7%

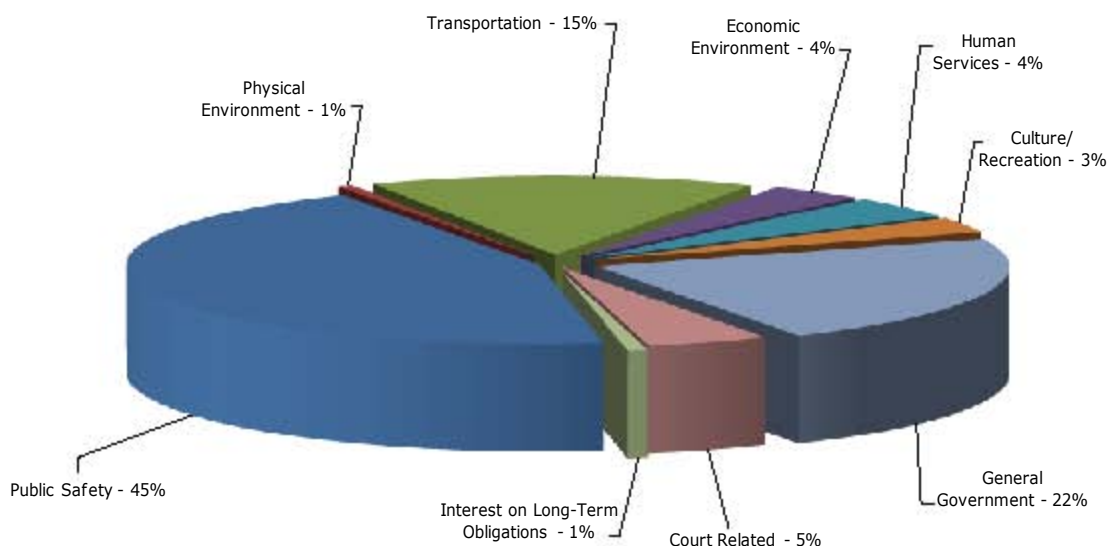
Governmental Activities

The County's overall financial position improved in comparison to the previous year. Total net position increased \$1,146 over the prior year with an increase of \$2,623 resulting from governmental activities and a decrease of \$1,477 resulting from business-type activities. The reasons for these changes are the same as enumerated above in the discussion of the statement of net position and on the following page under the caption of Business-Type Activities.

Revenues by Source - Governmental Activities



Expenses - Governmental Activities

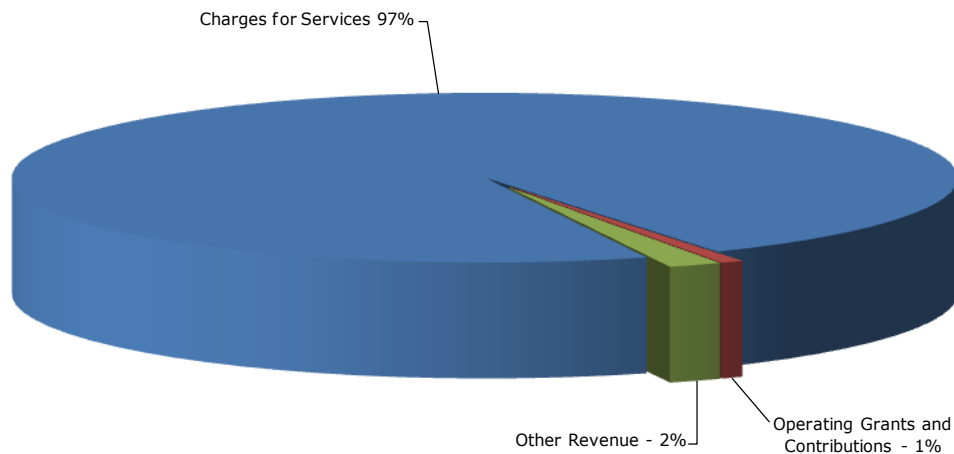


Business-type Activities

Business-type activities decreased the County's net position by \$1,477. Key elements resulting in the decrease are as follows:

- The previous year included capital grant funding of \$701 for use in construction of the East Putnam Water System; there was no capital grant funding received this year.
- Depreciation expense for the Waste Management Fund increased \$996 from the previous year due to a higher completion percentage of the Landfill's active cells.

Revenues by Source - Business-Type Activities



Financial Analysis of the County's Funds

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

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This difference in focus and purpose creates significant variances between the Governmental Fund Financial Statements and the Government-wide Financial Statements. For the year ended September 30, 2012, the net decrease in fund balances per the Governmental Funds Financial Statements totaled (\$731) while the governmental activities column of the Government-wide Financial Statements reported an increase of \$2,623 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, 2012, the County's governmental funds reported combined ending fund balances of \$35,227. Of the total governmental fund balance, \$11,853 constitutes unassigned fund balance, which is available for spending within each particular fund. The remainder of the fund balance is \$1,321 that is non-spendable (primarily \$760 for advances to other funds, and \$512 for local housing assistance (SHIP) loan guarantees); \$17,856 is restricted (primarily \$7,104 for Better Place Plan – Capital, \$1,277 for Fire Protection, \$1,736 for Court Improvement, and \$1,361 for Road Projects); and \$4,196 is assigned (primarily \$2,588 for subsequent year's expenditures and \$894 for Road and Bridge Maintenance).

The following funds experienced the most significant changes in fund balance for the year: the General Fund decreased \$935 primarily due to reduced ad valorem tax collections; the Better Place Plan Fund (a major fund) increased \$1,585 as the result of fiscal conservatism; the Transportation Fund decreased \$1,092 due to reduced intergovernmental revenue received; and the Fire Tax Unit Fund decreased \$453 due to the purchase of seven skid units and five trucks.

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, 2012, total net position amounted to \$24,198, a decrease of \$1,477 from the prior fiscal year. Unrestricted net position totaled (\$1,298). 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 47 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 \$344 to account for unanticipated grant revenues received and miscellaneous revenues increased by \$157 primarily related to proceeds from an insurance settlement. The majority of the grant revenues received were used by the Sheriff for various law enforcement activities.

A comparison of actual revenues versus the final budget reflects that the collection of Licenses and Permits, Intergovernmental revenue, Charges for Services, Fines and Forfeitures, and Miscellaneous revenue were \$80, \$948, \$226, \$32, and \$190 less than the budgeted projections, respectively. These decreases were largely due to the current economic environment. Intergovernmental revenue did not reach projections due to fewer grant funds received. Tax revenue exceeded budget estimates by a total of \$436 which was attributable to higher than anticipated tax collections.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$2,640 under budget. General Government, Public Safety, and Transportation expenditures were respectively \$1,320, \$419, and \$473 under budget projections because of sound/conservative fiscal management. Additionally, Reserves for Contingencies of \$220 were not needed during the year.

Capital Asset and Debt Administration

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2012	2011	2012	2011	2012	2011	
Land	\$ 21,091	\$ 20,894	\$ 6,176	\$ 6,203	\$ 27,267	\$ 27,097	0.6%
Intangible Assets	914	790	-	-	914	790	15.7%
Buildings and Improvements	20,939	20,036	2,132	2,348	23,071	22,384	3.1%
Equipment	8,061	8,007	1,012	985	9,073	8,992	0.9%
Infrastructure	58,760	57,405	-	-	58,760	57,405	2.4%
Water and Sewer Distribution System			29,180	29,984	29,180	29,984	-2.7%
Landfill			2,678	4,235	2,678	4,235	-36.8%
Construction in Progress	1,062	1,122	2,521	2,448	3,583	3,570	0.4%
Total Capital Assets, Net	\$ 110,827	\$ 108,254	\$ 43,699	\$ 46,203	\$ 154,526	\$ 154,457	0.0%

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, 2012, amounts to \$154,526 (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:

- Clerk of Courts renovated court buildings totaling \$962.
- Emergency Medical Services acquired a building for a rescue station totaling \$836.
- The County continued its program to resurface, widen and add paved roads during the year at a capitalized cost of \$4,475.
- E911 program acquired computer equipment totaling \$431.
- The Sheriff purchased new vehicles totaling \$986.

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 \$2,500 from the prior year, the total long-term liability for Other Postemployment Benefits increased by \$403, and the total long-term obligation for compensated absences increased by approximately \$86. Accrued landfill closure and long-term care costs increased by a net of \$281.

Throughout fiscal year 2012, the County's governmental activities entered into one capital lease agreement totaling \$566, while the business-type activities entered into two capital leases agreement totaling \$216.

Governmental Activities:

- Emergency Services issued debt for a \$566 capital lease agreement to purchase 200 air packs.
- The County made the following principal payments during the year: special assessment debt - \$297, notes payable - \$1,396, and capital leases - \$897.
- Governmental obligations for compensated absences increased 4.0% or \$88 to \$2,278.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2012	2011	2012	2011	2012	2011	
Revenue Bonds	\$ -	\$ -	\$ 6,184	\$ 6,255	6,184	6,255	-
Special Assessment Debt	1,277	1,574	-	-	1,277	1,574	-18.9%
Notes Payable	8,745	10,141	11,591	12,468	20,336	22,609	-10.1%
Capital Lease Obligations	1,256	1,587	427	455	1,683	2,042	-17.6%
Medicaid Obligation	500	-	-	-	500	-	N/A
Total	<u>\$ 11,778</u>	<u>\$ 13,302</u>	<u>\$ 18,202</u>	<u>\$ 19,178</u>	<u>\$ 29,980</u>	<u>\$ 32,480</u>	-7.7%

Business-type Activities:

- The Waste Management Fund issued debt of \$216 for two capital leases (\$90 water truck and \$126 wheel tractor). The fund also retired \$244 of its capital lease obligations.
- Accrued landfill closure and post-closure costs were increased by \$806 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 \$525 due to payments made toward a cell closure.
- Obligations for compensated absences decreased by \$2, or 3.3%, to \$58.

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 2012 was 11.1%. This represents a decrease over the previous year's 11.6%.
- The taxable value of real property decreased 8.7%, while the taxable value of personal property increased 1.5% in the 2012 fiscal year.
- Building permit activity revenues decreased approximately 9.4% from the prior year.
- The population decreased slightly from the prior year to an estimated 73,158 from 74,052.

During the current fiscal year, the unassigned fund balance in the General Fund decreased to \$12,395, a decrease of 7.7%. The overall fund balance in the General Fund decreased to \$15,831, a decrease of 5.6% from the previous year. The decrease was primarily the result of allowing increased budgetary expenditures. The ad valorem tax rate remained unchanged at 8.5765 mills for fiscal year 2012.

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, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
ASSETS				
Cash and Equivalents	\$ 40,940,032	\$ 3,916,466	\$ 44,856,498	\$ 263,977
Investments	919,986	-	919,986	-
Receivables	857,722	319,205	1,176,927	856
Due From Other Governments	4,526,813	42,015	4,568,828	-
Inventory	163,140	-	163,140	-
Prepays	13,522	-	13,522	-
Other Assets	9,358	-	9,358	-
Restricted Cash and Equivalents	-	3,187,080	3,187,080	-
Restricted Investments	-	3,776,011	3,776,011	-
Capital Assets:			-	
Non-Depreciable	22,153,574	8,697,960	30,851,534	153,854
Depreciable, Net	88,673,042	35,000,654	123,673,696	101,207
TOTAL ASSETS	158,257,189	54,939,391	213,196,580	519,894
DEFERRED OUTFLOWS OF RESOURCES				
Derivative Instruments-Interest Rate Swaps	807,776	-	807,776	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,085,679	732,857	2,818,536	656
Other Liabilities	884,499	73,288	957,787	-
Unearned Revenue	4,583,065	-	4,583,065	-
Derivative Instruments-Interest Rate Swaps	807,776	-	807,776	-
Noncurrent Liabilities:				
Due Within One Year	4,222,498	1,577,667	5,800,165	-
Due in More Than One Year	11,720,331	28,357,192	40,077,523	-
TOTAL LIABILITIES	24,303,848	30,741,004	55,044,852	656
NET POSITION				
Invested in Capital Assets, Net of Related Debt	99,548,402	25,496,879	125,045,281	255,061
Restricted For:				
Affordable Housing Assistance	1,045,325	-	1,045,325	-
Court Functions and Courthouse Improvements	2,352,771	-	2,352,771	-
Debt Service	4,338,005	-	4,338,005	-
Fire Protection	1,262,583	-	1,262,583	-
Law Enforcement	950,146	-	950,146	-
Road and Bridge Maintenance	3,694,279	-	3,694,279	-
Capital Projects	7,557,023	-	7,557,023	-
Public Records Modernization	1,205,194	-	1,205,194	-
Fishing Improvement	410,570	-	410,570	-
Tourist Development	327,762	-	327,762	-
Voter Equipment and Education	83,167	-	83,167	-
Other Purposes	256,824	-	256,824	-
Unrestricted	11,729,066	(1,298,492)	10,430,574	264,177
TOTAL NET POSITION	\$ 134,761,117	\$ 24,198,387	\$ 158,959,504	\$ 519,238

See accompanying notes.

Putnam County, Florida

Statement of Activities

For the Year Ended September 30, 2012

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	Total
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 14,609,716	\$ 18,984	\$ -		\$ (11,322,292)	\$ -	\$ (11,322,292)
Public Safety	28,858,269	1,244,914	457,747		(22,778,132)	-	(22,778,132)
Physical Environment	403,747	18,334	744,311		544,286	-	544,286
Transportation	9,814,498	3,624,599	5,408,753		(194,911)	-	(194,911)
Economic Environment	2,415,464	632,696	746,438		(1,036,330)	-	(1,036,330)
Human Services	2,940,060	9,286	17,209		(2,749,684)	-	(2,749,684)
Culture and Recreation	2,029,314	204,114	-		(1,753,220)	-	(1,753,220)
Court Related	3,113,986	2,048,050	-		(747,209)	-	(747,209)
Interest on Long-Term Debt	513,942	-	-		(513,942)	-	(513,942)
TOTAL GOVERNMENTAL ACTIVITIES	64,698,996	7,800,977	7,374,458		(40,551,434)	-	(40,551,434)
BUSINESS-TYPE ACTIVITIES:							
Water and Wastewater System	1,869,331	-	-		-	(973,272)	(973,272)
Solid Waste	8,925,237	70,588	-		-	(1,219,727)	(1,219,727)
Port Authority	291,530	-	-		-	(121,088)	(121,088)
TOTAL BUSINESS-TYPE ACTIVITIES	11,086,098	70,588	-		-	(2,314,087)	(2,314,087)
TOTAL PRIMARY GOVERNMENT	\$ 75,785,094	\$ 7,871,565	\$ 7,374,458		(40,551,434)	(2,314,087)	(42,865,521)
COMPONENT UNIT:							
Putnam County Development Authority	\$ 21,134	\$ -	\$ -		-	-	(11,534)
GENERAL REVENUES:							
Property Taxes					31,055,841	-	31,055,841
Sales Taxes					2,319,450	-	2,319,450
Unrestricted State Shared Revenues					4,676,706	-	4,676,706
Local Infrastructure Surtax					4,447,881	-	4,447,881
Tourist Development Tax					253,036	-	253,036
Communications Service Tax					462,297	-	462,297
Investment Earnings					68,947	93,277	162,224
Gain on Sale of Capital Assets					-	63,346	63,346
Miscellaneous					563,855	6,508	570,363
Transfers					(673,407)	673,407	-
TOTAL GENERAL REVENUES AND TRANSFERS					43,174,606	836,538	44,011,144
CHANGE IN NET POSITION					2,623,172	(1,477,549)	1,145,623
NET POSITION - BEGINNING OF YEAR					132,137,945	25,675,936	157,813,881
NET POSITION - END OF YEAR					\$ 134,761,117	\$ 24,198,387	\$ 158,959,504
							\$ 519,238

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2012

	<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	\$13,852,281	\$ 5,546,658	\$ 6,532,935	\$10,838,047	\$36,769,921
Investments	295,011	-		624,975	919,986
Receivables	804,586	-		53,136	857,722
Due From Other Funds	1,870,000	-	-	37,468	1,907,468
Due From Other Governments	654,565	-	570,591	3,301,473	4,526,629
Advances to Other Funds	760,208	-	-	-	760,208
Inventory	35,504	-	-	-	35,504
Prepays	13,522	-	-	-	13,522
Other Assets	8,343	-	-	-	8,343
TOTAL ASSETS	<u>18,294,020</u>	<u>5,546,658</u>	<u>7,103,526</u>	<u>14,855,099</u>	<u>45,799,303</u>
 <u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
 <u>LIABILITIES</u>					
Accounts Payable and Accrued					
Liabilities	1,183,813	60,000	-	1,209,015	2,452,828
Due to Other Funds	37,468	45,000	-	1,385,000	1,467,468
Due to Other Governments	154,919	-	-	229,580	384,499
Advances from Other Funds	-	760,208	-	-	760,208
Deferred Revenue	1,086,388	4,412,984	-	8,333	5,507,705
TOTAL LIABILITIES	<u>2,462,588</u>	<u>5,278,192</u>	<u>-</u>	<u>2,831,928</u>	<u>10,572,708</u>
 <u>FUND BALANCES</u>					
Nonspendable	809,234	-	-	512,048	1,321,282
Restricted	39,427	268,466	7,103,526	10,444,601	17,856,020
Assigned	2,587,699	-	-	1,608,090	4,195,789
Unassigned	12,395,072	-	-	(541,568)	11,853,504
TOTAL FUND BALANCES	<u>15,831,432</u>	<u>268,466</u>	<u>7,103,526</u>	<u>12,023,171</u>	<u>35,226,595</u>
 TOTAL LIABILITIES AND FUND					
BALANCES	<u>\$18,294,020</u>	<u>\$ 5,546,658</u>	<u>\$ 7,103,526</u>	<u>\$14,855,099</u>	<u>\$45,799,303</u>

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position-
Governmental Funds
September 30, 2012

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 35,226,595
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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.....	110,787,913
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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	(103,630)
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Long-term liabilities do not require the use of current financial resources and are not reported in the funds.

Long-Term Debt	(10,022,201)	
Capital Lease Obligations	(1,256,013)	
Compensated Absences	(2,247,000)	
Medicaid Obligation	(500,000)	
OPEB Obligations	<u>(1,379,763)</u>	
		(15,404,977)

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

Deferred Revenues Reduced	924,640
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position because they primarily serve governmental activities of the county.

Internal Service Funds	<u>3,330,576</u>
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Net Position of Governmental Activities	<u><u>\$ 134,761,117</u></u>
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See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2012

	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	\$29,310,865	\$ -	\$ 4,447,881	\$ 5,155,716	\$38,914,462
Licenses and Permits	330,645	-	-	42,997	373,642
Intergovernmental	7,601,765	-	-	11,994,985	19,596,750
Charges for Services	5,081,181	-	-	1,354,569	6,435,750
Fines and Forfeitures	61,755	-	-	416,583	478,338
Miscellaneous	348,112	20,865	8,197	341,132	718,306
TOTAL REVENUES	42,734,323	20,865	4,456,078	19,305,982	66,517,248
EXPENDITURES					
Current:					
General Government	11,981,618	-	-	2,772	11,984,390
Public Safety	25,123,808	-	-	4,690,801	29,814,609
Physical Environment	312,300	73,577	-	868,561	1,254,438
Transportation	31,990	-	-	5,758,673	5,790,663
Economic Environment	334,267	-	-	2,084,507	2,418,774
Human Services	2,434,410	-	-	-	2,434,410
Culture and Recreation	1,582,140	-	-	200,868	1,783,008
Court Related	980,205	-	-	2,500,268	3,480,473
Capital Outlay	-	-	789,151	4,418,985	5,208,136
Debt Service:					
Principal Retirement	591,544	-	1,230,000	767,946	2,589,490
Interest and Fiscal Charges	51,591	-	352,415	117,155	521,161
TOTAL EXPENDITURES	43,423,873	73,577	2,371,566	21,410,536	67,279,552
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	(689,550)	(52,712)	2,084,512	(2,104,554)	(762,304)
OTHER FINANCING SOURCES					
(USES)					
Transfers In	388,238	-	-	320,467	708,705
Transfers Out	(633,469)	-	(500,000)	(110,052)	(1,243,521)
Debt Issued	-	-	-	566,234	566,234
TOTAL OTHER FINANCING					
SOURCES (USES)	(245,231)	-	(500,000)	776,649	31,418
NET CHANGE IN FUND BALANCES	(934,781)	(52,712)	1,584,512	(1,327,905)	(730,886)
FUND BALANCES -					
BEGINNING OF YEAR	16,766,213	321,178	5,519,014	13,351,076	35,957,481
FUND BALANCES -					
END OF YEAR	\$15,831,432	\$ 268,466	\$ 7,103,526	\$12,023,171	\$35,226,595

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (730,886)

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	9,799,873	
Current year depreciation and amortization	(7,181,696)	
Difference.....		2,618,177

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		(112,050)
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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		(30,199)
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Issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net position

(566,234)

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		2,589,490
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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	(89,000)	
OPEB Obligations	(386,436)	
Accrued Interest Payable	7,220	
Medicaid Obligation	(500,000)	
Total		(968,216)

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

(176,910)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,623,172

See accompanying notes.

Putnam County, Florida
Statement of Net Position – Proprietary Funds
September 30, 2012

	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	\$ 2,016,472	\$ 1,092,235	\$ 807,759	\$ 3,916,466	\$ 4,170,111
Receivables	163,453	111,089	44,663	319,205	-
Due From Other Governments	42,015	-	-	42,015	184
Inventory	-	-	-	-	127,636
Other Assets	-	-	-	-	1,015
TOTAL CURRENT ASSETS	2,221,940	1,203,324	852,422	4,277,686	4,298,946
NONCURRENT ASSETS:					
Restricted Cash and Equivalents	2,700,305	486,775	-	3,187,080	-
Restricted Investments	3,776,011	-	-	3,776,011	-
Capital Assets, Net	7,432,384	31,809,238	4,456,992	43,698,614	38,703
TOTAL NONCURRENT ASSETS	13,908,700	32,296,013	4,456,992	50,661,705	38,703
TOTAL ASSETS	16,130,640	33,499,337	5,309,414	54,939,391	4,337,649
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	576,730	155,683	444	732,857	29,221
Due to Other Funds	-	-	-	-	440,000
Estimated Liability for Self-Insured Losses	-	-	-	-	192,152
Customer Deposits	11,213	60,075	2,000	73,288	-
Current Portion of Long-Term Liabilities	1,087,812	489,855	-	1,577,667	16,800
TOTAL CURRENT LIABILITIES	1,675,755	705,613	2,444	2,383,812	678,173
NONCURRENT LIABILITIES	13,817,425	14,539,767	-	28,357,192	328,900
TOTAL LIABILITIES	15,493,180	15,245,380	2,444	30,741,004	1,007,073
NET POSITION					
Invested in Capital Assets, Net of Related Debt	4,245,671	16,794,216	4,456,992	25,496,879	38,703
Unrestricted	(3,608,211)	1,459,741	849,978	(1,298,492)	3,291,873
TOTAL NET POSITION	\$ 637,460	\$ 18,253,957	\$ 5,306,970	\$ 24,198,387	\$ 3,330,576

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the Year Ended September 30, 2012

	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	\$ 7,634,922	\$ 896,059	\$ 170,442	\$ 8,701,423	\$ 7,633,062
Miscellaneous	6,414	-	94	6,508	165,423
TOTAL OPERATING REVENUES	7,641,336	896,059	170,536	8,707,931	7,798,485
<u>OPERATING EXPENSES</u>					
Personal Services	751,314	166,105	-	917,419	389,225
Insurance	-	-	-	-	6,213,577
Claims Expense	-	-	-	-	664,041
Contractual Services	5,297,508	54,619	3,530	5,355,657	303,283
Repairs and Maintenance	163,747	47,303	19,689	230,739	15,178
Other Operating Expenses	543,953	244,369	43,049	831,371	310,190
Depreciation and Amortization	1,756,217	839,563	104,496	2,700,276	14,887
Closure and Long-Term Care Costs	281,494	-	-	281,494	-
TOTAL OPERATING EXPENSES	8,794,233	1,351,959	170,764	10,316,956	7,910,381
OPERATING INCOME (LOSS)	(1,152,897)	(455,900)	(228)	(1,609,025)	(111,896)
<u>NON OPERATING REVENUES</u>					
<u>(EXPENSES)</u>					
Interest Revenue	90,245	1,917	1,115	93,277	-
Grants	70,588	-	-	70,588	-
Interest Expense	(131,004)	(517,372)	-	(648,376)	-
Sale of Surplus Property	63,346	-	(120,766)	(57,420)	-
TOTAL NONOPERATING REVENUES	93,175	(515,455)	(119,651)	(541,931)	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,059,722)	(971,355)	(119,879)	(2,150,956)	(111,896)
Capital Contributions - Capital Assets	-	73,577	-	73,577	-
Transfers In	-	652,952	-	652,952	238,348
Transfers Out	(51,742)	-	(1,380)	(53,122)	(303,362)
CHANGE IN NET POSITION	(1,111,464)	(244,826)	(121,259)	(1,477,549)	(176,910)
NET POSITION - BEGINNING OF YEAR	1,748,924	18,498,783	5,428,229	25,675,936	3,507,486
NET POSITION - END OF YEAR	\$ 637,460	\$18,253,957	\$ 5,306,970	\$24,198,387	\$ 3,330,576

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2012

	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>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts From Customers	\$7,573,685	\$ 873,301	\$ 155,899	\$8,602,885	\$7,802,126
Payments to Suppliers	(5,985,613)	(339,356)	(65,918)	(6,390,887)	(7,614,205)
Payments to Employees	(745,046)	(163,135)	-	(908,181)	(386,481)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	843,026	370,810	89,981	1,303,817	(198,560)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers In	-	652,952	-	652,952	238,348
Transfers Out	(51,742)	-	(1,380)	(53,122)	(303,362)
Grants	70,588	-	-	70,588	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	18,846	652,952	(1,380)	670,418	(65,014)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Payments Received on Mortgage Receivable	-	-	11,893	11,893	-
Principal Paid on Debt	(711,274)	(481,291)	-	(1,192,565)	-
Interest Paid on Debt	(130,959)	(518,930)	-	(649,889)	-
Proceeds From Sale of Surplus Property	63,346	-	-	63,346	-
Debt Issued	215,770	-	-	215,770	-
Acquisitions of Capital Assets	(227,314)	(16,193)	-	(243,507)	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(790,431)	(1,016,414)	11,893	(1,794,952)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of Investments	(76,688)	-	-	(76,688)	-
Interest on Investments	90,245	1,917	1,115	93,277	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	13,557	1,917	1,115	16,589	-
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	84,998	9,265	101,609	195,872	(263,574)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	4,631,779	1,569,745	706,150	6,907,674	4,433,685
CASH AND EQUIVALENTS - END OF YEAR	\$4,716,777	\$1,579,010	\$ 807,759	\$7,103,546	\$4,170,111

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2012

(concluded)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$(1,152,897)	\$ (455,900)	\$ (228)	\$(1,609,025)	\$ (111,896)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and Amortization	1,756,217	839,563	104,496	2,700,276	14,887
Change In:					
Receivables	(46,917)	(23,883)	(14,637)	(85,437)	-
Due From Other Governments	(20,677)	-	-	(20,677)	3,650
Inventory	-	-	-	-	672
Other Assets	-	-	-	-	(8)
Accounts Payable and Accrued Liabilities	18,479	6,841	350	25,670	(148,609)
Due to Other Funds	-	-	-	-	40,000
Customer Deposits	(57)	1,125	-	1,068	-
Compensated Absences	(2,400)	400	-	(2,000)	(1,000)
Accrued Landfill and Post- Closure Costs	281,494	-	-	281,494	-
Other Noncurrent Liabilities	9,784	2,664	-	12,448	3,744
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 843,026</u>	<u>\$ 370,810</u>	<u>\$ 89,981</u>	<u>\$ 1,303,817</u>	<u>\$ (198,560)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contribution of Capital Assets	\$ -	\$ 73,577	\$ -	\$ 73,577	\$ -

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Position
September 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 3,099,435
Receivables	<u>19,568</u>
TOTAL ASSETS	<u>3,119,003</u>
<u>LIABILITIES</u>	
Due to Other Governments	-
Assets Held for Others	<u>3,119,003</u>
TOTAL LIABILITIES	<u>3,119,003</u>
NET POSITION	<u><u>\$ -</u></u>

See accompanying notes.

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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, 2012

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 2011-2012.

B. Future Accounting Changes

The following statements of the Governmental Accounting Standards Board will be effective for the County's 2013 fiscal year:

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*
Statement No. 61, *The Financial Reporting Entity: Omnibus*
Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

The County is currently evaluating the effects that these statements will have on its financial statements for the year ended September 30, 2013.

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, 2012

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, 2012

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, 2012

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, 2012

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, 2012

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 non-spendable 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 goods and services applicable to future accounting periods are recorded as prepaids in the accompanying financial statements. An offsetting non-spendable 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 non-spendable 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, 2012

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, 2012

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:

Nonspendable 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, 2012

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 employee contribution rate at September 30, 2012, was 3.00%. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP Participants 5.44%. 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, 2012, 2011 and 2010 were \$2,176,000, \$3,378,000, and \$3,602,000 respectively, equal to the required contributions for each year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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, 2012.

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, 2012

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, 2012, 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	\$ 6,559,555	\$ 6,559,555	\$ -	\$ -	\$ -	AAAm
State Investment Pool - Fund B	6,918	-	-	-	6,918	Not Rated
Florida Local Government Investment Trust	4,695,997	1,609,318	842,931	1,027,015	1,216,733	AAAf
Money Market Funds	<u>10,010,498</u>	<u>10,010,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	NA
TOTAL INVESTMENTS	<u>\$ 21,272,968</u>	<u>\$ 18,179,371</u>	<u>\$ 842,931</u>	<u>\$ 1,027,015</u>	<u>\$ 1,223,651</u>	

Total Investments include \$16,576,971 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$112,262 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, 2012 was 4.08 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 were 39 days. The WAM for the Florida Local Government Investment Trust was 2.08 years.

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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, 2012 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, 2012, the Credit Quality and Bond Fund Volatility Ratings were AAAs and S1, respectively.

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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 \$2,208,757 at September 30, 2012. The allowance represents approximately 74% of the gross ambulance service accounts receivable at September 30, 2012. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$8,900 in utility customer receivables, court related receivables of \$212,395 and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$204,061 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 \$298,338 and \$20,813 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 \$165,000 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, 2012

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2012:

Due To / Due From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	East Putnam Grant Fund	\$ 45,000
General Fund	Nonmajor Governmental Funds	1,385,000
General Fund	Internal Service Funds	440,000
Non-Major Governmental Fund	General Fund	37,468
TOTAL PRIMARY GOVERNMENT		<u>\$ 1,907,468</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, 2012

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

	Transfer In:				
	General <u>Fund</u>	Nonmajor Govern- <u>mental</u>	East Putnam <u>Water</u>	Internal <u>Service</u>	Total Transfers <u>In</u>
<u>Transfer Out:</u>					
General Fund	\$ -	\$ 320,467	\$ 152,952	\$ 160,050	\$ 633,469
Better Place Plan Fund	-	-	500,000	-	500,000
Nonmajor Governmental	46,678	-	-	63,374	110,052
Waste Management	41,560	-	-	10,182	51,742
Nonmajor Proprietary	-	-	-	1,380	1,380
Internal Service	300,000	-	-	3,362	303,362
Total Transfers Out	<u>\$ 388,238</u>	<u>\$ 320,467</u>	<u>\$ 652,952</u>	<u>\$ 238,348</u>	<u>\$ 1,600,005</u>

Transfer of capital assets from governmental activities to business-type activities:	73,577
	<u>\$ 1,673,582</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, 2012

NOTE 8 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Beginning Balance October 1, 2011	Increases	Decreases	Ending Balance September 30, 2012
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 20,893,679	\$ 198,648	\$ (1,000)	\$ 21,091,327
Construction in Progress	1,121,985	828,855	(888,593)	1,062,247
Total Capital Assets Not Being Depreciated	<u>22,015,664</u>	<u>1,027,503</u>	<u>(889,593)</u>	<u>22,153,574</u>
Capital Assets Being Depreciated:				
Intangible Assets	1,062,283	270,727	-	1,333,010
Buildings	23,995,715	2,013,251	-	26,008,966
Improvements	8,921,104	5,225	-	8,926,329
Equipment	33,262,239	2,896,446	(1,993,912)	34,164,773
Infrastructure	75,856,946	4,475,314	(2,110,896)	78,221,364
Total Capital Assets Being Depreciated	<u>143,098,287</u>	<u>9,660,963</u>	<u>(4,104,808)</u>	<u>148,654,442</u>
Less Accumulated Depreciation For:				
Intangible Assets	(271,847)	(147,896)	-	(419,743)
Buildings	(10,315,406)	(694,586)	-	(11,009,992)
Improvements	(2,566,128)	(420,319)	-	(2,986,447)
Equipment	(25,255,452)	(2,813,117)	1,964,713	(26,103,856)
Infrastructure	(18,451,593)	(3,120,665)	2,110,896	(19,461,362)
Total Accumulated Depreciation	<u>(56,860,426)</u>	<u>(7,196,583)</u>	<u>4,075,609</u>	<u>(59,981,400)</u>
Total Capital Assets Being Depreciated, Net	<u>86,237,861</u>	<u>2,464,380</u>	<u>(29,199)</u>	<u>88,673,042</u>
Governmental Activities Capital Assets, Net	<u>108,253,525</u>	<u>3,491,883</u>	<u>(918,792)</u>	<u>110,826,616</u>
<u>Business-type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 6,203,045	\$ -	\$ (26,550)	\$ 6,176,495
Construction in Progress	2,447,887	73,578	-	2,521,465
Total Capital Assets Not Being Depreciated	<u>8,650,932</u>	<u>73,578</u>	<u>(26,550)</u>	<u>8,697,960</u>
Capital Assets Being Depreciated:				
Buildings	3,612,555	-	(435,230)	3,177,325
Improvements	967,510	-	-	967,510
Landfill	9,367,739	-	-	9,367,739
Water and Sewer Distribution System	32,220,082	-	-	32,220,082
Equipment	2,374,991	275,013	(10,931)	2,639,073
Total Capital Assets Being Depreciated	<u>48,542,877</u>	<u>275,013</u>	<u>(446,161)</u>	<u>48,371,729</u>
Less Accumulated Depreciation For:				
Buildings	(1,454,343)	(101,803)	341,013	(1,215,133)
Improvements	(778,277)	(19,640)	-	(797,917)
Landfill	(5,133,281)	(1,557,158)	-	(6,690,439)
Water and Sewer Distribution System	(2,235,757)	(804,638)	-	(3,040,395)
Equipment	(1,389,577)	(248,544)	10,930	(1,627,191)
Total Accumulated Depreciation	<u>(10,991,235)</u>	<u>(2,731,783)</u>	<u>351,943</u>	<u>(13,371,075)</u>
Total Capital Assets Being Depreciated, Net	<u>37,551,642</u>	<u>(2,456,770)</u>	<u>(94,218)</u>	<u>35,000,654</u>
Business-type Activities Capital Assets, Net	<u>\$ 46,202,574</u>	<u>\$ (2,383,192)</u>	<u>\$ (120,768)</u>	<u>\$ 43,698,614</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 8 – CAPITAL ASSET ACTIVITY

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

Governmental Activities:	
General Government	\$ 988,183
Public Safety	2,517,578
Physical Environment	19,413
Transportation	3,293,216
Human Services	8,573
Culture and Recreation	241,376
Court Related	113,357
Capital assets held by the government's internal service funds are	
charged to the various functions based on their usage of the assets	14,887
Total Depreciation Expense - Governmental Activities	<u>\$ 7,196,583</u>
Business-type Activities:	
Waste Management	\$ 1,756,217
Water and Sewer System	839,563
Port Authority	104,496
Total Depreciation Expense - Business-type Activities	<u>\$ 2,700,276</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). \$ 315,118

\$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). 962,171

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 9 – LONG-TERM OBLIGATIONS

<u>Notes Payable</u> - \$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).	5,670,000
\$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).	2,265,000
\$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).	800,607
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. The note is payable from the Economic Development Fund (a Special Revenue Fund). All remaining principal and interest totaling \$9,374 was paid October 1, 2012.	9,305
Obligations Under Capital Leases	1,256,013
Medicaid Obligation in the amount of \$610,961. Pursuant to Florida House Bill 5301, the County incurred a liability during fiscal year 2012 for previously unpaid and disputed Medicaid billings from the State. An initial payment of \$110,691 was made during the year. \$166,664 will be paid from the County's Revenue Sharing proceeds in fiscal year 2013. Payments of \$83,334 will be made in each of the following four years from the same revenue source.	500,000
Other Post Employment Benefits	1,394,463
Accrued Compensated Absences	2,278,000
Total Long-Term Obligations, Governmental Activities	<u><u>\$ 15,450,677</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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). \$ 2,760,068

\$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. 8,831,022

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. 4,172,000

\$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. 2,012,000

Capital Leases consist of agreements with financial institutions for the following equipment at the landfill: 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; water truck with \$90,385 aggregate historical cost and 5.0% interest rate; wheel tractor with \$125,385 aggregate historical cost and 5.0% interest rate. 426,644

Accrued Landfill Closure and Long-Term Care Costs 11,625,625

Other Post Employment Benefits 49,600

Accrued Compensated Absences 57,900

Total Long-Term Obligations, Business-Type Activities \$ 29,934,859

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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, 2012 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Interest Rate Swaps

Notional Amounts	\$800,607	\$962,171	\$5,670,000	\$2,265,000
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	(\$79,694)	(\$73,485)	(\$478,213)	(\$176,384)
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, 2012, 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	2012
Fair Value	\$(82,125)	\$ 71,025	\$12,096	\$(449,829)	\$(1,714,302)	\$(1,388,448)	\$(1,070,382)	\$ (807,776)
Change in Fair Value	(82,125)	153,150	(58,929)	(461,925)	(1,264,473)	325,854	318,066	262,606

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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, 2012. 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	2012
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	\$ 6,698,539
Deferred Outflow Resources	82,125	(71,025)	(12,096)	449,829	1,714,302	1,388,448	1,070,382	807,776
Derivative Instrument Liability	82,125	(71,025)	(12,096)	449,829	1,714,302	1,388,448	1,070,382	807,776
Notes Payable	3,211,361	3,028,291	12,652,790	15,194,553	13,903,268	12,558,605	11,160,227	9,697,778
Statement of Activities:								
Interest Expense	22,317	124,152	221,295	582,064	594,004	540,858	485,548	429,001

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2012, 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	Total
	Principal	Interest	Rate Swaps	
2013	1,516,887	87,736	274,828	1,879,451
2014	1,586,710	72,909	227,947	1,887,566
2015	1,646,928	57,435	179,014	1,883,377
2016	1,722,563	41,333	128,098	1,891,994
2017	1,788,632	24,553	75,027	1,888,212
2018-2020	1,436,058	10,075	27,756	1,473,889
Total	<u>\$ 9,697,778</u>	<u>\$294,041</u>	<u>\$ 912,670</u>	<u>\$ 10,904,489</u>

Credit Risk

As of September 30, 2012 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, 2012

NOTE 9 – LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for long-term obligations at September 30, 2012, 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
2013	1,682,214	376,772	\$ 1,117,087	\$ 622,071
2014	1,745,805	308,383	1,155,818	583,138
2015	1,646,928	239,888	1,153,963	542,812
2016	1,722,563	172,271	1,095,346	503,152
2017	1,788,632	101,100	1,112,550	465,384
2018-2022	1,436,059	38,487	3,151,807	1,974,440
2023-2027	-	-	3,409,656	1,493,315
2028-2032	-	-	2,113,507	995,229
2033-2037	-	-	946,000	764,652
2038-2042	-	-	1,171,000	541,143
2043-2047	-	-	1,447,000	264,435
2048	-	-	328,000	14,212
	<u>\$ 10,022,201</u>	<u>\$ 1,236,901</u>	<u>\$ 18,201,734</u>	<u>\$ 8,763,983</u>

Governmental Capital Lease Obligations at September 30, 2012 are comprised of the following:

Agreement with financial institution for vehicles: Interest Rate 2.8%; aggregate historical cost \$615,374.	\$ 297,232
Agreement with financial institution for software: Interest Rate 4.5%; aggregate historical cost \$562,430.	314,334
Agreement with financial institution for phone systems: Interest Rate 6.53%; aggregate historical cost \$684,492.	204,835
Agreement with heavy equipment company for a road grader: Interest Rate 4.15%; aggregate historical cost \$173,873.	70,876
Agreement with heavy equipment company for a wheel loader: Interest Rate 6.25%; aggregate historical cost \$124,119.	18,628
Agreement with heavy equipment company for an excavator: Interest Rate 5.75%; aggregate historical cost \$165,836.	66,615
Agreement with financial institution for 200 air packs: Interest Rate 3.24%; aggregate historical cost \$566,234.	283,493
	<u>\$ 1,256,013</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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:

Year Ending September 30,	Governmental Activities
2013	\$ 869,422
2014	379,653
2015	63,099
Total Minimum Lease Payments	<u>1,312,174</u>
Less: Amount Representing Interest	<u>(56,161)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,256,013</u></u>

Changes in long-term debt transactions of the County for the year ended September 30, 2012 are summarized below:

Governmental Activities					
	Balance October 1, 2011	Increases	Decreases	Balance September 30, 2012	Due Within One Year
Special Assessment Debt with					
Governmental Commitment	\$ 1,573,813	\$ -	\$ (296,524)	\$ 1,277,289	\$ 307,941
Notes Payable	10,093,916	-	(1,358,309)	8,735,607	1,364,968
\$260,527 Economic Development					
Loan (OTTED)	46,523	-	(37,218)	9,305	9,305
Obligations under Capital					
Leases	1,587,218	566,234	(897,439)	1,256,013	826,066
Medicaid Obligation	-	610,961	(110,961)	500,000	166,666
Other Post Employment Benefits	1,004,283	390,180	-	1,394,463	-
Accrued Compensated					
Absences	<u>2,190,000</u>	<u>2,202,000</u>	<u>(2,114,000)</u>	<u>2,278,000</u>	<u>1,355,400</u>
Total Long-Term Obligations, Governmental Activities	<u><u>\$16,495,753</u></u>	<u><u>\$3,769,375</u></u>	<u><u>\$(4,814,451)</u></u>	<u><u>\$ 15,450,677</u></u>	<u><u>\$4,030,346</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 9 – LONG-TERM OBLIGATIONS

Business-Type Activities					
	Balance October 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2012</u>	Due Within <u>One Year</u>
Notes Payable	\$12,468,344	\$ -	\$ (877,254)	\$11,591,090	\$ 898,417
Revenue Bonds	6,255,000	-	(71,000)	6,184,000	74,000
Capital Lease	455,185	215,770	(244,311)	426,644	144,671
Accrued Landfill Closure and Post-Closure Care Costs	11,344,131	806,177	(524,683)	11,625,625	428,579
Other Post Employment Benefits	37,151	12,449	-	49,600	-
Accrued Compensated Absences	59,900	77,000	(79,000)	57,900	32,000
Total Long-Term Obligations, Business-Type Activities	<u>\$30,619,711</u>	<u>\$ 1,111,396</u>	<u>\$ (1,796,248)</u>	<u>\$29,934,859</u>	<u>\$ 1,577,667</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. Annual principal and interest payments are expected to exceed 100% of future revenues. Any shortfalls will be made up from the discretionary surtax and other non-ad valorem revenue sources. The total of principal and interest payments remaining to be made is \$23.451 million. Principal payments of \$481,291 were made in the current year, while interest payments totaling \$517,623 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 \$8.909 million. For the current year, principal and interest paid and surtax revenue were \$1.582 million and \$4.448 million, respectively.

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

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 \$1.408 million. For the current year, principal and interest paid and special assessment revenue were \$0.353 million and \$0.282 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 \$0.933 million. For the current year, principal and interest paid was \$0.120 million, while revenue was \$0.035 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 \$3.054 million. For the current year, principal and interest paid was \$0.582 million, while revenue was \$1.736 million.

NOTE 10 – CONDUIT DEBT

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

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, 2012, the aggregate bonds outstanding were \$125,250,000.

NOTE 11 – FUND BALANCE CLASSIFICATIONS

A schedule of County fund balances is provided on the following page.

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 11 – FUND BALANCE CLASSIFICATIONS

	Major Governmental Funds				
	General	East	Better	Total	Total
	Fund	Putnam	Place	Non-Major	Governmental
	Fund	Grant	Plan	Governmental	Funds
	Fund	Fund	Plan	Funds	Funds
FUND BALANCES:					
Nonspendable:					
Advances	\$ 760,208	\$ -	\$ -	\$ -	\$ 760,208
Inventory	35,504	-	-	-	35,504
Loan Guarantees	-	-	-	512,048	512,048
Prepays	13,522	-	-	-	13,522
Restricted for:					
Debt Service	-	-	-	227,495	227,495
Better Place Plan - Capital Projects	-	-	7,103,526	-	7,103,526
Fishing Improvement	-	-	-	410,570	410,570
Fire Protection	-	-	-	1,277,324	1,277,324
Law Enforcement	-	-	-	266,134	266,134
Court Improvements	-	-	-	1,735,703	1,735,703
Drivers Education	-	-	-	219,475	219,475
Court Article V Support	-	-	-	111,637	111,637
Court Technology	-	-	-	505,431	505,431
Crime Prevention	-	-	-	62,589	62,589
E911 System	-	-	-	126,455	126,455
Tourist Development	-	-	-	327,762	327,762
Recreation & Libraries	-	-	-	51,606	51,606
MSBU Road Maintenance	-	-	-	888,647	888,647
Local Housing Assistance	-	-	-	533,277	533,277
Sewage Utilities	-	268,466	-	-	268,466
Water Utilities	-	-	-	196,173	196,173
Interlachen Lakes Estates Lake Access	39,427	-	-	-	39,427
Commissary - Inmate Benefits	-	-	-	75,159	75,159
Federal Forfeiture - Law Enforcement	-	-	-	145,372	145,372
Public Records Modernization	-	-	-	1,205,194	1,205,194
Court Operations	-	-	-	67,875	67,875
Voter Equipment and Education	-	-	-	83,167	83,167
Road Projects	-	-	-	1,927,556	1,927,556
Assigned to:					
Subsequent Year's Expenditures	2,587,699	-	-	-	2,587,699
Commissary - Inmate Benefits	-	-	-	181,417	181,417
Road and Bridge Maintenance	-	-	-	893,660	893,660
Capital Projects	-	-	-	533,013	533,013
Unassigned:	12,395,072	-	-	(541,568)	11,853,504
Total Fund Balances	<u>\$15,831,432</u>	<u>\$ 268,466</u>	<u>\$7,103,526</u>	<u>\$12,023,171</u>	<u>\$35,226,595</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 12 – DEFICIT BALANCES/BUDGET OVEREXPENDITURES – INDIVIDUAL FUNDS

At September 30, 2012, the Communication Improvement Fund, the Economic Development Fund, and the Sewage Utilities Fund had deficit fund balances of \$349,084, \$171,481, and \$21,003, 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, 2012, expenditures of the Economic Development Fund, the Interlachen Lakes Estates Fund, the West Putnam MSBU Fund, the Water Utilities Fund, the MSBU Loan Fund, and the Road Projects Fund were in excess of their approved annual budgets.

The Road Projects Fund expenditures were a substantial \$2.3 million over budget due to the omission of passing a budget amendment for grant revenues received and expenditures made during the year.

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

NOTE 13 – RISK MANAGEMENT

Public Entity Risk Pool

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

Self Insurance Program – Worker's Compensation

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

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, 2012

NOTE 13 – 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:

	<u>Beginning of Fiscal</u>	<u>Claims Incurred</u>		<u>End of Fiscal</u>	<u>Due Within</u>
	<u>Year Liability</u>	<u>and Changes in</u>	<u>Claims</u>	<u>Year Liability</u>	<u>One Year</u>
		<u>Estimates</u>	<u>Payments</u>		
2010-2011	\$429,152	\$815,275	\$752,275	\$492,152	\$192,152
2011-2012	\$492,152	\$664,041	\$664,041	\$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 14 – ACCRUED LANDFILL CLOSURE AND LONG-TERM CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for twenty or thirty years after closure. Although closure and long-term care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and long-term care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$11,625,625 reported as landfill closure and long-term care liability at September 30, 2012, 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	71.42%
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 \$3,479,079 as the remaining estimated capacity is used (estimated to be 6.5 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 2012. 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, 2012

NOTE 14 – 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 \$6,476,316 to cover D.E.P.'s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2012. This is shown as restricted cash and equivalents and restricted investments of the business-type activities in the accompanying financial statements.

NOTE 15 – 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, 2012, participants consisted of:

Active Employees	515
Retirees Participants	55

Putnam County, Florida
Notes to Financial Statements
September 30, 2012

NOTE 15 – 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, 2010	\$ 609,697	\$ 261,440	42.88%	\$ 708,850
September 30, 2011	\$ 611,583	\$ 279,000	45.62%	\$ 1,041,434
September 30, 2012	\$ 649,975	\$ 247,346	38.06%	\$ 1,444,063

Determination of Change of Net OPEB Obligation at September 30, 2012

Annual Required Contribution	\$ 673,478
Interest on prior year Net OPEB Obligation	41,657
Adjustment to ARC	<u>(65,160)</u>
Annual OPEB Cost	649,975
Assumed Contributions Made	<u>(247,346)</u>
Estimated Increase in Net OPEB Obligations	<u><u>\$ 402,629</u></u>

The funded status of the OPEB Plan as of September 30, 2012 was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,932,691
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 4,932,691</u></u>
Funded Ratio	0.00%
Covered Payroll	\$24,725,000
Ratio of UAAL to Covered Payroll	19.95%

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, 2012

NOTE 15 – 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, 2012

NOTE 16 – OPERATING LEASES

The Transportation Fund (a Special Revenue Fund) leases seven road graders and two mowing tractors used to maintain roads within the County. These leases have five-year terms. Operating lease expenditures for the year ended September 30, 2012, totaled \$227,521. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2013	\$ 227,520
2014	227,520
2015	227,520
2016	175,182
Total future minimum lease payments	<u>\$ 857,742</u>

NOTE 17 – COMMITMENTS AND CONTINGENCIES

At September 30, 2012, the County was committed under signed contracts for approximately \$1,530,171 of road construction, resurfacing and engineering work and \$73,657 for building and other construction projects.

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

NOTE 18 – NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$23,483,649 of restricted net position, of which \$7.3 million is restricted by enabling legislation.

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, 2012

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 28,874,984	\$ 28,874,984	\$ 29,310,865	\$ 435,881
Licenses and Permits	410,500	410,500	330,645	(79,855)
Intergovernmental	8,206,095	8,549,994	7,601,765	(948,229)
Charges for Services	5,307,032	5,306,953	5,081,181	(225,772)
Fines and Forfeitures	83,550	93,550	61,755	(31,795)
Miscellaneous	380,975	538,295	348,112	(190,183)
TOTAL REVENUES	43,263,136	43,774,276	42,734,323	(1,039,953)
<u>EXPENDITURES</u>				
Current:				
General Government	13,301,905	13,301,826	11,981,618	1,320,208
Public Safety	24,570,577	25,542,961	25,123,808	419,153
Physical Environment	378,669	378,669	312,300	66,369
Transportation	505,000	505,000	31,990	473,010
Economic Environment	403,323	403,323	334,267	69,056
Human Services	2,408,127	2,408,127	2,434,410	(26,283)
Culture and Recreation	1,768,531	1,768,531	1,582,140	186,391
Court Related	993,191	993,191	980,205	12,986
Reserve for Contingencies	225,000	219,500	-	219,500
Debt Service:				
Principal Retirement	524,125	524,125	591,544	(67,419)
Interest and Fiscal Charges	18,912	18,912	51,591	(32,679)
TOTAL EXPENDITURES	45,097,360	46,064,165	43,423,873	2,640,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,834,224)	(2,289,889)	(689,550)	1,600,339
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	341,800	341,800	388,238	46,438
Transfers Out	(383,158)	(555,016)	(633,469)	(78,453)
TOTAL OTHER FINANCING SOURCES (USES)	(41,358)	(213,216)	(245,231)	(32,015)
NET CHANGE IN FUND BALANCES	(1,875,582)	(2,503,105)	(934,781)	1,568,324
FUND BALANCES - BEGINNING OF YEAR	1,875,582	2,503,105	16,766,213	14,263,108
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 15,831,432	\$ 15,831,432

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, 2012

	<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	\$ 1,600,000	\$ 1,600,000	\$ -	\$ (1,600,000)
Miscellaneous Revenue	30,000	30,000	20,865	(9,135)
TOTAL REVENUES	1,630,000	1,630,000	20,865	(1,609,135)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	10,030,000	10,030,000	73,577	9,956,423
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,400,000)	(8,400,000)	(52,712)	8,347,288
<u>OTHER FINANCING SOURCES</u>				
Debt Issued	1,400,000	1,400,000	-	(1,400,000)
NET CHANGE IN FUND BALANCES	(7,000,000)	(7,000,000)	(52,712)	6,947,288
FUND BALANCES, Beginning of year	7,000,000	7,000,000	321,178	(6,678,822)
FUND BALANCES, End of year	\$ -	\$ -	\$ 268,466	\$ 268,466

Putnam County, Florida
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2012

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. Additionally, the Property Appraiser submits his budget to the Department of Revenue for approval prior to the submission to the Board.

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. 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, 2012

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, 2012

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
2010	10/1/2009	-	4,731,694	4,731,694	0.0%	24,065,000	19.67%
2011	10/1/2009	-	4,731,694	4,731,694	0.0%	23,775,000	19.91%
2012	10/1/2011	-	4,932,691	4,932,691	0.0%	24,725,000	19.95%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30,	Annual Required Contribution	% Contributed
2010	\$ 624,133	41.89%
2011	\$ 665,037	41.95%
2012	\$ 673,478	36.73%

NOTES

1. See Note 15 to the financial statements for further information regarding the County's OPEB plan.

SUPPLEMENTARY 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 assessed 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, 2012

	Board of County Commissioners <u>Sub-fund</u>	Sheriff <u>Sub-fund</u>	Clerk of Circuit Court <u>Sub-fund</u>	Tax Collector <u>Sub-fund</u>
<u>ASSETS</u>				
Cash and Equivalents	\$11,825,284	\$ 786,199	\$ 293,424	\$ 417,114
Investments	295,011	-	-	-
Receivables	795,051	8,868	667	-
Due From Other Funds	3,239,783	-	-	-
Due From Other Governments	633,496	-	21,069	-
Advances to Other Funds	760,208	-	-	-
Inventory	35,504	-	-	-
Prepays	-	-	-	-
Other Assets	-	800	7,543	-
TOTAL ASSETS	17,584,337	795,867	322,703	417,114
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued				
Liabilities	604,911	336,633	90,123	69,551
Due to Other Funds	-	455,806	167,124	336,656
Due to Other Governments	86,035	3,428	65,456	-
Deferred Revenue	1,075,481	-	-	10,907
TOTAL LIABILITIES	1,766,427	795,867	322,703	417,114
<u>FUND BALANCES</u>				
Nonspendable	795,712	-	-	-
Restricted	39,427	-	-	-
Committed	-	-	-	-
Assigned	2,587,699	-	-	-
Unassigned	12,395,072	-	-	-
TOTAL FUND BALANCES	15,817,910	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$17,584,337	\$ 795,867	\$ 322,703	\$ 417,114

(continued)

Putnam County, Florida
Combining Balance Sheet
Board and Officer General Funds
For the Year Ended September 30, 2012

(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	\$ 331,992	\$ 198,268	\$ -	\$ 13,852,281
Investments	-	-	-	295,011
Receivables	-	-	-	804,586
Due From Other Funds	-	-	(1,369,783)	1,870,000
Due From Other Governments	-	-	-	654,565
Advances to Other Funds	-	-	-	760,208
Inventory	-	-	-	35,504
Prepays	-	13,522	-	13,522
Other Assets	-	-	-	8,343
TOTAL ASSETS	<u>331,992</u>	<u>211,790</u>	<u>(1,369,783)</u>	<u>18,294,020</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	36,516	46,079	-	1,183,813
Due to Other Funds	295,476	152,189	(1,369,783)	37,468
Due to Other Governments	-	-	-	154,919
Deferred Revenue	-	-	-	1,086,388
TOTAL LIABILITIES	<u>331,992</u>	<u>198,268</u>	<u>(1,369,783)</u>	<u>2,462,588</u>
<u>FUND BALANCES</u>				
Nonspendable	-	13,522	-	809,234
Restricted	-	-	-	39,427
Committed	-	-	-	-
Assigned	-	-	-	2,587,699
Unassigned	-	-	-	12,395,072
TOTAL FUND BALANCES	<u>-</u>	<u>13,522</u>	<u>-</u>	<u>15,831,432</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 331,992</u>	<u>\$ 211,790</u>	<u>\$ (1,369,783)</u>	<u>\$ 18,294,020</u>

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
For the Year Ended September 30, 2012

	Board of County Commissioners Sub-fund			Sheriff Sub-fund		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final	Amounts	Original	Final	Amounts
REVENUES						
Taxes	\$ 28,874,984	\$ 28,874,984	\$ 29,310,865	\$ -	\$ -	\$ -
Licenses and Permits	410,500	410,500	330,645	-	-	-
Intergovernmental	7,839,737	8,183,636	7,470,618	-	-	-
Charges for Services	3,939,580	3,939,580	3,782,038	-	-	-
Fines and Forfeitures	73,550	73,550	41,755	10,000	20,000	20,000
Miscellaneous	328,475	485,421	264,256	-	374	416
TOTAL REVENUES	41,466,826	41,967,671	41,200,177	10,000	20,374	20,416
EXPENDITURES						
Current:						
General Government	8,096,169	8,096,169	7,531,793	-	-	-
Public Safety	6,938,787	7,095,733	7,178,388	17,631,790	18,447,228	17,945,420
Physical Environment	378,669	378,669	312,300	-	-	-
Transportation	505,000	505,000	31,990	-	-	-
Economic Environment	403,323	403,323	334,267	-	-	-
Human Services	2,408,127	2,408,127	2,434,410	-	-	-
Culture and Recreation	1,768,531	1,768,531	1,582,140	-	-	-
Court Related	271,383	271,383	274,451	490,086	490,086	447,078
Reserve for Contingencies	225,000	219,500	-	-	-	-
Debt Service:						
Principal Retirement	184,123	184,123	184,219	340,002	340,002	407,325
Interest and Fiscal Charges	18,912	18,912	18,915	-	-	32,676
TOTAL EXPENDITURES	21,198,024	21,349,470	19,882,873	18,461,878	19,277,316	18,832,499
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,268,802	20,618,201	21,317,304	(18,451,878)	(19,256,942)	(18,812,083)
OTHER FINANCING SOURCES (USES)						
Transfers In	806,800	806,800	1,711,462	18,451,878	18,629,419	18,629,419
Transfers Out	(22,951,184)	(23,300,583)	(23,306,681)	-	-	(455,807)
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(22,144,384)	(22,493,783)	(21,595,219)	18,451,878	18,629,419	18,173,612
NET CHANGE IN FUND BALANCES	(1,875,582)	(1,875,582)	(277,915)	-	(627,523)	(638,471)
FUND BALANCES - BEGINNING OF YEAR	1,875,582	1,875,582	16,095,825	-	627,523	638,471
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 15,817,910	\$ -	\$ -	\$ -

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
For the Year Ended September 30, 2012

	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	366,358	366,358	131,147	-	-	-
Charges for Services	231,800	231,800	225,032	2,140,802	2,140,802	2,170,978
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	14,500	14,500	33,329	38,000	38,000	44,428
TOTAL REVENUES	612,658	612,658	389,508	2,178,802	2,178,802	2,215,406
EXPENDITURES						
Current:						
General Government	1,648,448	1,648,448	1,568,936	2,038,668	2,038,668	1,878,750
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	231,722	231,722	258,676	-	-	-
Reserve for Contingencies	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	1,880,170	1,880,170	1,827,612	2,038,668	2,038,668	1,878,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,267,512)	(1,267,512)	(1,438,104)	140,134	140,134	336,656
OTHER FINANCING SOURCES (USES)						
Transfers In	1,433,870	1,433,870	1,605,228	-	-	-
Transfers Out	(166,358)	(166,358)	(167,124)	(140,134)	(140,134)	(336,656)
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,267,512	1,267,512	1,438,104	(140,134)	(140,134)	(336,656)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-	-	-
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
For the Year Ended September 30, 2012

	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	34,850	34,771	32,462	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	171	-	-	5,512
TOTAL REVENUES	34,850	34,771	32,633	-	-	5,512
EXPENDITURES						
Current:						
General Government	1,610,620	1,610,541	1,312,927	948,000	948,000	818,541
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	1,610,620	1,610,541	1,312,927	948,000	948,000	818,541
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,575,770)	(1,575,770)	(1,280,294)	(948,000)	(948,000)	(813,029)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,575,770	1,575,770	1,575,770	948,000	948,000	948,000
Transfers Out	-	-	(295,476)	-	-	(153,366)
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,575,770	1,575,770	1,280,294	948,000	948,000	794,634
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(18,395)
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-	-	31,917
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,522

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
For the Year Ended September 30, 2012

	Subtotals			Interfund Eliminations and consolidations		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final	Amounts	Original	Final	Amounts
REVENUES						
Taxes	\$ 28,874,984	\$ 28,874,984	\$ 29,310,865	\$ -	\$ -	\$ -
Licenses and Permits	410,500	410,500	330,645	-	-	-
Intergovernmental	8,206,095	8,549,994	7,601,765	-	-	-
Charges for Services	6,347,032	6,346,953	6,210,510	(1,040,000)	(1,040,000)	(1,129,329)
Fines and Forfeitures	83,550	93,550	61,755	-	-	-
Miscellaneous	380,975	538,295	348,112	-	-	-
TOTAL REVENUES	44,303,136	44,814,276	43,863,652	(1,040,000)	(1,040,000)	(1,129,329)
EXPENDITURES						
Current:						
General Government	14,341,905	14,341,826	13,110,947	(1,040,000)	(1,040,000)	(1,129,329)
Public Safety	24,570,577	25,542,961	25,123,808	-	-	-
Physical Environment	378,669	378,669	312,300	-	-	-
Transportation	505,000	505,000	31,990	-	-	-
Economic Environment	403,323	403,323	334,267	-	-	-
Human Services	2,408,127	2,408,127	2,434,410	-	-	-
Culture and Recreation	1,768,531	1,768,531	1,582,140	-	-	-
Court Related	993,191	993,191	980,205	-	-	-
Reserve for Contingencies	225,000	219,500	-	-	-	-
Debt Service:						
Principal Retirement	524,125	524,125	591,544	-	-	-
Interest and Fiscal Charges	18,912	18,912	51,591	-	-	-
TOTAL EXPENDITURES	46,137,360	47,104,165	44,553,202	(1,040,000)	(1,040,000)	(1,129,329)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,834,224)	(2,289,889)	(689,550)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	23,216,318	23,393,859	24,469,879	(22,874,518)	(23,052,059)	(24,081,641)
Transfers Out	(23,257,676)	(23,607,075)	(24,715,110)	22,874,518	23,052,059	24,081,641
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(41,358)	(213,216)	(245,231)	-	-	-
NET CHANGE IN FUND BALANCES	(1,875,582)	(2,503,105)	(934,781)	-	-	-
FUND BALANCES - BEGINNING OF YEAR	1,875,582	2,503,105	16,766,213	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 15,831,432	\$ -	\$ -	\$ -

(continued)

Putnam County, Florida
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
Board and Officer General Funds
For the Year Ended September 30, 2012

(concluded)

	Totals		
	Budgeted Amounts		Actual
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>
<u>REVENUES</u>			
Taxes	\$ 28,874,984	\$ 28,874,984	\$ 29,310,865
Licenses and Permits	410,500	410,500	330,645
Intergovernmental	8,206,095	8,549,994	7,601,765
Charges for Services	5,307,032	5,306,953	5,081,181
Fines and Forfeitures	83,550	93,550	61,755
Miscellaneous	380,975	538,295	348,112
TOTAL REVENUES	43,263,136	43,774,276	42,734,323
<u>EXPENDITURES</u>			
Current:			
General Government	13,301,905	13,301,826	11,981,618
Public Safety	24,570,577	25,542,961	25,123,808
Physical Environment	378,669	378,669	312,300
Transportation	505,000	505,000	31,990
Economic Environment	403,323	403,323	334,267
Human Services	2,408,127	2,408,127	2,434,410
Culture and Recreation	1,768,531	1,768,531	1,582,140
Court Related	993,191	993,191	980,205
Reserve for Contingencies	225,000	219,500	-
Debt Service:			
Principal Retirement	524,125	524,125	591,544
Interest and Fiscal Charges	18,912	18,912	51,591
TOTAL EXPENDITURES	45,097,360	46,064,165	43,423,873
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,834,224)	(2,289,889)	(689,550)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	341,800	341,800	388,238
Transfers Out	(383,158)	(555,016)	(633,469)
Debt Issued	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(41,358)	(213,216)	(245,231)
NET CHANGE IN FUND BALANCES	(1,875,582)	(2,503,105)	(934,781)
FUND BALANCES - BEGINNING OF YEAR	1,875,582	2,503,105	16,766,213
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 15,831,432

Non-major Governmental Funds

Special Revenue Funds

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

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 and rivers 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.

Non-major 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.

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.

Non-major Governmental Funds

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for 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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The County maintains the following non-major 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.

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
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	<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	\$ 736,586	\$ 408,116	\$ 1,340,843	\$ 220,190	\$ 18,970
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	6,894	30,574	-
Due From Other Governments	315,113	2,666	10,708	-	-
TOTAL ASSETS	<u>1,051,699</u>	<u>410,782</u>	<u>1,358,445</u>	<u>250,764</u>	<u>18,970</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	158,039	212	81,121	3,600	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>158,039</u>	<u>212</u>	<u>81,121</u>	<u>3,600</u>	<u>-</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	-	410,570	1,277,324	247,164	18,970
Assigned	893,660	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>893,660</u>	<u>410,570</u>	<u>1,277,324</u>	<u>247,164</u>	<u>18,970</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,051,699</u>	<u>\$ 410,782</u>	<u>\$ 1,358,445</u>	<u>\$ 250,764</u>	<u>\$ 18,970</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	<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	\$1,749,461	\$ 219,475	\$ 119,619	\$ 506,958	\$ 66,639
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	-	-
TOTAL ASSETS	<u>1,749,461</u>	<u>219,475</u>	<u>119,619</u>	<u>506,958</u>	<u>66,639</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	13,758	-	7,982	1,527	4,050
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>13,758</u>	<u>-</u>	<u>7,982</u>	<u>1,527</u>	<u>4,050</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	1,735,703	219,475	111,637	505,431	62,589
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,735,703</u>	<u>219,475</u>	<u>111,637</u>	<u>505,431</u>	<u>62,589</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,749,461</u>	<u>\$ 219,475</u>	<u>\$ 119,619</u>	<u>\$ 506,958</u>	<u>\$ 66,639</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	<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	\$ 109,387	\$ 319,421	\$ 11,102	\$ 10,186	\$ 622,171
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	23,596	15,794	-	5,705	-
TOTAL ASSETS	<u>132,983</u>	<u>335,215</u>	<u>11,102</u>	<u>15,891</u>	<u>622,171</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	6,528	7,453	186	17,372	4,481
Due to Other Funds	-	-	360,000	170,000	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>6,528</u>	<u>7,453</u>	<u>360,186</u>	<u>187,372</u>	<u>4,481</u>
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	126,455	327,762	-	-	617,690
Assigned	-	-	-	-	-
Unassigned	-	-	(349,084)	(171,481)	-
TOTAL FUND BALANCES	<u>126,455</u>	<u>327,762</u>	<u>(349,084)</u>	<u>(171,481)</u>	<u>617,690</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 132,983</u>	<u>\$ 335,215</u>	<u>\$ 11,102</u>	<u>\$ 15,891</u>	<u>\$ 622,171</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	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	\$ 22,316	\$ 11,194	\$ 254,118	\$ 225,154	\$ 437,280
Investments	-	-	-	-	624,975
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	242,632	524,790	10,721	8,552	-
TOTAL ASSETS	264,948	535,984	264,839	233,706	1,062,255
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and					
Accrued Liabilities	4,948	70,984	5,757	-	16,930
Due to Other Funds	260,000	465,000	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	264,948	535,984	5,757	-	16,930
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	512,048
Restricted	-	-	259,082	233,706	533,277
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	259,082	233,706	1,045,325
TOTAL LIABILITIES AND FUND					
BALANCES	\$ 264,948	\$ 535,984	\$ 264,839	\$ 233,706	\$ 1,062,255

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	<u>Special Revenue Funds</u>			
	<u>MSBU</u>	<u>Sewage Utilities</u>	<u>Water Utilities</u>	<u>Commissary</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 390,898	\$ 8,861	\$ 221,623	\$ 226,299
Investments	-	-	-	-
Receivables	-	4,462	4,438	34,645
Due From Other Funds	-	-	-	-
Due From Other Governments	4,961	-	-	-
TOTAL ASSETS	<u>395,859</u>	<u>13,323</u>	<u>226,061</u>	<u>260,944</u>
<u>LIABILITIES AND FUND</u>				
<u>BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	-	4,326	29,888	4,368
Due to Other Funds	-	30,000	-	-
Due to Other Governments	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>34,326</u>	<u>29,888</u>	<u>4,368</u>
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted	395,859	-	196,173	75,159
Assigned	-	-	-	181,417
Unassigned	-	(21,003)	-	-
TOTAL FUND BALANCES	<u>395,859</u>	<u>(21,003)</u>	<u>196,173</u>	<u>256,576</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 395,859</u>	<u>\$ 13,323</u>	<u>\$ 226,061</u>	<u>\$ 260,944</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	Special Revenue Funds				
	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation	Court Fund	Supervisor of Elections Grants
<u>ASSETS</u>					
Cash and Equivalents	\$ 145,372	\$ 328,165	\$ 877,029	\$ 357,255	\$ 83,167
Investments	-	-	-	-	-
Receivables	-	-	-	9,591	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	-	-	-	695	-
TOTAL ASSETS	145,372	328,165	877,029	367,541	83,167
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	-	-	-	61,753	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	229,580	-
Deferred Revenue	-	-	-	8,333	-
TOTAL LIABILITIES	-	-	-	299,666	-
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	-
Restricted	145,372	328,165	877,029	67,875	83,167
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	145,372	328,165	877,029	67,875	83,167
TOTAL LIABILITIES AND FUND BALANCES	\$ 145,372	\$ 328,165	\$ 877,029	\$ 367,541	\$ 83,167

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2012

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>Future</u>				<u>Nonmajor</u>
	<u>Capital</u>	<u>MSBU</u>	<u>Capital</u>	<u>Road</u>	<u>Governmental</u>
	<u>Improvement</u>	<u>Loan</u>	<u>Projects</u>	<u>Projects</u>	<u>Funds</u>
	<u>Debt</u>				
<u>ASSETS</u>					
Cash and Equivalents	\$ -	\$ 220,581	\$ 533,013	\$ 36,598	\$ 10,838,047
Investments	-	-	-	-	624,975
Receivables	-	-	-	-	53,136
Due From Other Funds	-	-	-	-	37,468
Due From Other Governments	-	6,914	-	2,128,626	3,301,473
TOTAL ASSETS	-	227,495	533,013	2,165,224	14,855,099
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and					
Accrued Liabilities	-	-	-	703,752	1,209,015
Due to Other Funds	-	-	-	100,000	1,385,000
Due to Other Governments	-	-	-	-	229,580
Deferred Revenue	-	-	-	-	8,333
TOTAL LIABILITIES	-	-	-	803,752	2,831,928
<u>FUND BALANCES</u>					
Nonspendable	-	-	-	-	512,048
Restricted	-	227,495	-	1,361,472	10,444,601
Assigned	-	-	533,013	-	1,608,090
Unassigned	-	-	-	-	(541,568)
TOTAL FUND BALANCES	-	227,495	533,013	1,361,472	12,023,171
TOTAL LIABILITIES AND FUND					
BALANCES	\$ -	\$ 227,495	\$ 533,013	\$ 2,165,224	\$ 14,855,099

concluded

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<u>Special Revenue Funds</u>				
	<u>County Transportation Trust</u>	<u>Fishing Improvement</u>	<u>Fire Taxing Unit</u>	<u>Law Enforcement Trust</u>	<u>Law Enforcement Education</u>
<u>REVENUES</u>					
Taxes	\$1,721,566	\$ -	\$2,242,767	\$ -	\$ -
Licenses and Permits	2,700	40,297	-	-	-
Intergovernmental Revenue	2,293,505	-	182,387	-	-
Charges For Services	124,127	-	-	-	-
Fines and Forfeitures	-	-	-	14,350	20,550
Miscellaneous Revenue	22,152	575	33,368	333	30
TOTAL REVENUES	4,164,050	40,872	2,458,522	14,683	20,580
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	-	3,158,762	24,194	26,545
Physical Environment	-	4,039	-	-	-
Transportation	5,149,868	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	65,005	-	282,741	-	-
Interest and Fiscal Charges	11,252	-	9,357	-	-
TOTAL EXPENDITURES	5,226,125	4,039	3,450,860	24,194	26,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,062,075)	36,833	(992,338)	(9,511)	(5,965)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	6,894	30,574	-
Transfers Out	(29,827)	-	(33,547)	-	-
Debt Issued	-	-	566,234	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(29,827)	-	539,581	30,574	-
NET CHANGE IN FUND BALANCES	(1,091,902)	36,833	(452,757)	21,063	(5,965)
FUND BALANCES, October 1, 2011	1,985,562	373,737	1,730,081	226,101	24,935
FUND BALANCES, September 30, 2012	\$ 893,660	\$ 410,570	\$1,277,324	\$ 247,164	\$ 18,970

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<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	136,095	-	83,643	64,856	-
Fines and Forfeitures	-	22,635	-	-	31,262
Miscellaneous Revenue	2,763	344	149	760	94
TOTAL REVENUES	138,858	22,979	83,792	65,616	31,356
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	45,000	-	-	30,912
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	379,177	-	51,756	92,363	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	379,177	45,000	51,756	92,363	30,912
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(240,319)	(22,021)	32,036	(26,747)	444
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(5,000)	-	-
Debt Issued	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(5,000)	-	-
NET CHANGE IN FUND BALANCES	(240,319)	(22,021)	27,036	(26,747)	444
FUND BALANCES, October 1, 2011	1,976,022	241,496	84,601	532,178	62,145
FUND BALANCES, September 30, 2012	\$ 1,735,703	\$ 219,475	\$ 111,637	\$ 505,431	\$ 62,589

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<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	\$ -	\$ 253,036	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	781,289	-	-	480,772	-
Charges For Services	-	-	18,113	-	-
Fines and Forfeitures	-	-	35,423	-	-
Miscellaneous Revenue	474	436	3	-	923
TOTAL REVENUES	781,763	253,472	53,539	480,772	923
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	681,195	-	42,655	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	4,482
Economic Environment	-	224,547	-	648,257	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	86,458	37,218	-
Interest and Fiscal Charges	-	-	33,874	977	-
TOTAL EXPENDITURES	681,195	224,547	162,987	686,452	4,482
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	100,568	28,925	(109,448)	(205,680)	(3,559)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	83,127	198,695	-
Transfers Out	-	-	-	-	-
Debt Issued	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	83,127	198,695	-
NET CHANGE IN FUND BALANCES	100,568	28,925	(26,321)	(6,985)	(3,559)
FUND BALANCES, October 1, 2011	25,887	298,837	(322,763)	(164,496)	621,249
FUND BALANCES, September 30, 2012	\$ 126,455	\$ 327,762	\$ (349,084)	\$ (171,481)	\$ 617,690

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	Special Revenue Funds				
	Miscell- aneous Grants	Community Development Block Grant	Interlachen Lake Estates	West Putnam Municipal Services Benefit Unit	Local Housing Assistance
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 2,461	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	538,707	1,609,115	-	-	-
Charges For Services	-	-	228,365	126,257	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	12	153	482	426	13,619
TOTAL REVENUES	538,719	1,609,268	228,847	129,144	13,619
EXPENDITURES					
Current:					
General Government Services	-	-	-	-	-
Public Safety	389,252	-	-	-	-
Physical Environment	-	777,847	-	-	-
Transportation	-	-	303,511	183,578	-
Economic Environment	-	831,268	-	-	380,435
Culture/Recreation	200,868	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	590,120	1,609,115	303,511	183,578	380,435
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(51,401)	153	(74,664)	(54,434)	(366,816)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Debt Issued	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(51,401)	153	(74,664)	(54,434)	(366,816)
FUND BALANCES, October 1, 2011	51,401	(153)	333,746	288,140	1,412,141
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 259,082	\$ 233,706	\$ 1,045,325

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<u>Special Revenue Funds</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	122,997	44,893	32,974	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	707	1	318	260,368
TOTAL REVENUES	123,704	44,894	33,292	260,368
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	-	-	-	169,049
Physical Environment	-	41,913	44,762	-
Transportation	117,234	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	117,234	41,913	44,762	169,049
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,470	2,981	(11,470)	91,319
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Debt Issued	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	6,470	2,981	(11,470)	91,319
FUND BALANCES, October 1, 2011	389,389	(23,984)	207,643	165,257
FUND BALANCES, September 30, 2012	\$ 395,859	\$ (21,003)	\$ 196,173	\$ 256,576

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<u>Special Revenue Funds</u>				
	<u>Federal Forfeiture</u>	<u>Records Moderni- zation</u>	<u>Article V Records Moderni- zation</u>	<u>Court Fund</u>	<u>Supervisor of Elections Grants</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	1,915,921	11,444
Charges For Services	-	23,780	66,515	-	-
Fines and Forfeitures	251,877	-	40,486	-	-
Miscellaneous Revenue	-	444	1,123	-	9
TOTAL REVENUES	251,877	24,224	108,124	1,915,921	11,453
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	2,772
Public Safety	123,237	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	57,427	1,919,545	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	123,237	-	57,427	1,919,545	2,772
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	128,640	24,224	50,697	(3,624)	8,681
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	1,177
Transfers Out	-	-	-	-	-
Debt Issued	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	1,177
NET CHANGE IN FUND BALANCES	128,640	24,224	50,697	(3,624)	9,858
FUND BALANCES, October 1, 2011	16,732	303,941	826,332	71,499	73,309
FUND BALANCES, September 30, 2012	\$ 145,372	\$ 328,165	\$ 877,029	\$ 67,875	\$ 83,167

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2012

	<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	\$ -	\$ -	\$ -	\$ 935,886	\$ 5,155,716
Licenses and Permits	-	-	-	-	42,997
Intergovernmental Revenue	-	-	16,478	4,165,367	11,994,985
Charges For Services	-	281,954	-	-	1,354,569
Fines and Forfeitures	-	-	-	-	416,583
Miscellaneous Revenue	7	362	301	396	341,132
TOTAL REVENUES	7	282,316	16,779	5,101,649	19,305,982
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	2,772
Public Safety	-	-	-	-	4,690,801
Physical Environment	-	-	-	-	868,561
Transportation	-	-	-	-	5,758,673
Economic Environment	-	-	-	-	2,084,507
Culture/Recreation	-	-	-	-	200,868
Court Related	-	-	-	-	2,500,268
Capital Outlay	-	-	16,478	4,402,507	4,418,985
Debt Service:					
Principal Retirement	-	296,524	-	-	767,946
Interest and Fiscal Charges	-	61,695	-	-	117,155
TOTAL EXPENDITURES	-	358,219	16,478	4,402,507	21,410,536
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7	(75,903)	301	699,142	(2,104,554)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	320,467
Transfers Out	(41,678)	-	-	-	(110,052)
Debt Issued	-	-	-	-	566,234
TOTAL OTHER FINANCING SOURCES (USES)	(41,678)	-	-	-	776,649
NET CHANGE IN FUND BALANCES	(41,671)	(75,903)	301	699,142	(1,327,905)
FUND BALANCES, October 1, 2011	41,671	303,398	532,712	662,330	13,351,076
FUND BALANCES, September 30, 2012	\$ -	\$ 227,495	\$ 533,013	\$ 1,361,472	\$12,023,171

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, 2012

	<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	\$ 1,982,217	\$ 1,982,217	\$ 1,721,566	\$ (260,651)
Licenses and Permits	5,000	5,000	2,700	(2,300)
Intergovernmental Revenue	2,416,805	2,416,805	2,293,505	(123,300)
Charges for Services	45,000	45,000	124,127	79,127
Miscellaneous Revenue	27,750	27,750	22,152	(5,598)
TOTAL REVENUES	4,476,772	4,476,772	4,164,050	(312,722)
<u>EXPENDITURES</u>				
Current:				
Transportation	5,605,518	5,605,518	5,149,868	455,650
Debt Service:				
Principal Retirement	65,117	65,117	65,005	112
Interest and Fiscal Charges	11,267	11,267	11,252	15
TOTAL EXPENDITURES	5,681,902	5,681,902	5,226,125	455,777
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,205,130)	(1,205,130)	(1,062,075)	143,055
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(29,827)	(29,827)	(29,827)	-
NET CHANGE IN FUND BALANCES	(1,234,957)	(1,234,957)	(1,091,902)	143,055
FUND BALANCES, October 1, 2011	1,234,957	1,234,957	1,985,562	750,605
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 893,660	\$ 893,660

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2012

	<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	\$ 40,000	\$ 40,000	\$ 40,297	\$ 297
Miscellaneous Revenue	800	800	575	(225)
TOTAL REVENUES	40,800	40,800	40,872	72
<u>EXPENDITURES</u>				
Current:				
Physical Environment	100,600	100,600	4,039	96,561
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	110,600	110,600	4,039	106,561
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,800)	(69,800)	36,833	106,633
FUND BALANCES, October 1, 2011	69,800	69,800	373,737	303,937
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 410,570	\$ 410,570

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, 2012

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 2,218,237	\$ 2,218,237	\$ 2,242,767	\$ 24,530
Intergovernmental Revenue	180,000	180,000	182,387	2,387
Miscellaneous Revenues	13,350	13,350	33,368	20,018
TOTAL REVENUES	2,411,587	2,411,587	2,458,522	46,935
<u>EXPENDITURES</u>				
Current:				
Public Safety	3,760,875	3,760,875	3,158,762	602,113
Debt Service				
Principal Retirement	-	-	282,741	(282,741)
Interest and Fiscal Charges	-	-	9,357	(9,357)
TOTAL EXPENDITURES	3,760,875	3,760,875	3,450,860	310,015
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,349,288)	(1,349,288)	(992,338)	356,950
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	10,000	10,000	6,894	(3,106)
Transfers Out	(33,547)	(33,547)	(33,547)	-
Debt Issued	-	-	566,234	566,234
TOTAL OTHER FINANCING SOURCES (USES)	(23,547)	(23,547)	539,581	563,128
NET CHANGE IN FUND BALANCES	(1,372,835)	(1,372,835)	(452,757)	920,078
FUND BALANCES, October 1, 2011	1,372,835	1,372,835	1,730,081	357,246
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 1,277,324	\$ 1,277,324

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Law Enforcement Trust Fund
For the Year Ended September 30, 2012

	<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	\$ 20,000	\$ 20,000	\$ 14,350	\$ (5,650)
Miscellaneous Revenue	500	500	333	(167)
TOTAL REVENUES	20,500	20,500	14,683	(5,817)
<u>EXPENDITURES</u>				
Current:				
Public Safety	90,000	90,000	24,194	65,806
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,500)	(69,500)	(9,511)	59,989
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	30,574	30,574
NET CHANGE IN FUND BALANCES	-	-	21,063	90,563
FUND BALANCES, October 1, 2011	69,500	69,500	226,101	156,601
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 247,164	\$ 247,164

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, 2012

	<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	\$ 20,550	\$ 550
Miscellaneous Revenue	75	75	30	(45)
TOTAL REVENUES	<u>20,075</u>	<u>20,075</u>	<u>20,580</u>	<u>505</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	40,000	40,000	26,545	13,455
Reserve for Contingencies	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
TOTAL EXPENDITURES	<u>41,500</u>	<u>41,500</u>	<u>26,545</u>	<u>14,955</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,425)	(21,425)	(5,965)	15,460
FUND BALANCES, October 1, 2011	<u>21,425</u>	<u>21,425</u>	<u>24,935</u>	<u>3,510</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,970</u>	<u>\$ 18,970</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, 2012

	<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	\$ 135,000	\$ 135,000	\$ 136,095	\$ 1,095
Miscellaneous Revenue	3,700	3,700	2,763	(937)
TOTAL REVENUES	138,700	138,700	138,858	158
<u>EXPENDITURES</u>				
Current:				
Court Related	912,500	912,500	379,177	533,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(773,800)	(773,800)	(240,319)	533,481
FUND BALANCES, October 1, 2011	773,800	773,800	1,976,022	1,202,222
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 1,735,703	\$ 1,735,703

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Drivers Education Fund
For the Year Ended September 30, 2012

	<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	\$ 22,000	\$ 22,000	\$ 22,635	\$ 635
Miscellaneous Revenue	500	500	344	(156)
TOTAL REVENUES	22,500	22,500	22,979	479
<u>EXPENDITURES</u>				
Current:				
Public Safety	100,000	100,000	45,000	55,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(77,500)	(77,500)	(22,021)	55,479
FUND BALANCES, October 1, 2011	77,500	77,500	241,496	163,996
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 219,475	\$ 219,475

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Article V Fund
For the Year Ended September 30, 2012

	<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	\$ 80,000	\$ 80,000	\$ 83,643	\$ 3,643
Miscellaneous Revenue	250	250	149	(101)
TOTAL REVENUES	80,250	80,250	83,792	3,542
<u>EXPENDITURES</u>				
Current:				
Court Related	135,638	135,638	51,756	83,882
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,388)	(55,388)	32,036	87,424
<u>OTHER FINANCING USES</u>				
Transfers Out	-	-	(5,000)	(5,000)
NET CHANGE IN FUND BALANCES	-	-	27,036	82,424
FUND BALANCES, October 1, 2011	55,388	55,388	84,601	29,213
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 111,637	\$ 111,637

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Technology Fund
For the Year Ended September 30, 2012

	<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	\$ 75,000	\$ 75,000	\$ 64,856	\$ (10,144)
Miscellaneous Revenue	825	825	760	(65)
TOTAL REVENUES	75,825	75,825	65,616	(10,209)
<u>EXPENDITURES</u>				
Current:				
Court Related	182,336	182,336	92,363	89,973
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(106,511)	(106,511)	(26,747)	79,764
FUND BALANCES, October 1, 2011	106,511	106,511	532,178	425,667
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 505,431	\$ 505,431

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Crime Prevention Fund
For the Year Ended September 30, 2012

	<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	\$ 24,000	\$ 24,000	\$ 31,262	\$ 7,262
Miscellaneous Revenue	150	150	94	(56)
TOTAL REVENUES	24,150	24,150	31,356	7,206
<u>EXPENDITURES</u>				
Current:				
Public Safety	41,000	41,000	30,912	10,088
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,850)	(16,850)	444	17,294
FUND BALANCES, October 1, 2011	16,850	16,850	62,145	45,295
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 62,589	\$ 62,589

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2012

	<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	\$ -	\$ 466,411	\$ 781,289	\$ 314,878
Charges for Services	315,000	315,000	-	(315,000)
Miscellaneous Revenue	-	300	474	174
TOTAL REVENUES	315,000	781,711	781,763	52
<u>EXPENDITURES</u>				
Current:				
Public Safety	315,000	781,711	681,195	100,516
EXCESS OF REVENUES OVER EXPENDITURES	-	-	100,568	100,568
FUND BALANCES, October 1, 2011	-	-	25,887	25,887
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,455</u>	<u>\$ 126,455</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Tourist Development Fund
For the Year Ended September 30, 2012

	<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	\$ 180,000	\$ 180,000	\$ 253,036	\$ 73,036
Miscellaneous Revenue	1,000	1,000	436	(564)
TOTAL REVENUES	181,000	181,000	253,472	72,472
<u>EXPENDITURES</u>				
Current:				
Economic Environment	250,000	250,000	224,547	25,453
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(69,000)	(69,000)	28,925	97,925
FUND BALANCES, October 1, 2011	69,000	69,000	298,837	229,837
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 327,762	\$ 327,762

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2012

	<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	\$ 18,113	\$ (16,387)
Fines and Forfeitures	40,200	40,200	35,423	(4,777)
Miscellaneous Revenue	-	-	3	3
TOTAL REVENUES	74,700	74,700	53,539	(21,161)
<u>EXPENDITURES</u>				
Current:				
Public Safety	47,505	47,505	42,655	4,850
Debt Service:				
Principal	86,458	86,458	86,458	-
Interest and Fiscal Charges	33,734	33,734	33,874	(140)
TOTAL EXPENDITURES	167,697	167,697	162,987	4,710
EXCESS OF REVENUES UNDER EXPENDITURES	(92,997)	(92,997)	(109,448)	(16,451)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	83,127	83,127	83,127	-
NET CHANGE IN FUND BALANCES	(9,870)	(9,870)	(26,321)	(16,451)
FUND BALANCES, October 1, 2011	9,870	9,870	(322,763)	(332,633)
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ (349,084)	\$ (349,084)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Economic Development Fund
For the Year Ended September 30, 2012

	<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	\$ 480,772	\$ 80,772
<u>EXPENDITURES</u>				
Current:				
Economic Environment	555,000	560,500	648,257	(87,757)
Debt Service:				
Principal Retirement	37,218	37,218	37,218	-
Interest and Fiscal Charges	977	977	977	-
TOTAL EXPENDITURES	593,195	598,695	686,452	(87,757)
EXCESS OF REVENUES UNDER EXPENDITURES	(193,195)	(198,695)	(205,680)	(6,985)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	193,195	198,695	198,695	-
NET CHANGE IN FUND BALANCES	-	-	(6,985)	(6,985)
FUND BALANCES, October 1, 2011	-	-	(164,496)	(164,496)
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ (171,481)	\$ (171,481)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Impact Fee Fund
For the Year Ended September 30, 2012

	<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	\$ 1,150	\$ 1,150	\$ 923	\$ (227)
<u>EXPENDITURES</u>				
Current:				
Public Safety	24,350	24,350	-	24,350
Transportation	569,000	569,000	4,482	564,518
Culture/Recreation	51,000	51,000	-	51,000
TOTAL EXPENDITURES	644,350	644,350	4,482	639,868
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(643,200)	(643,200)	(3,559)	639,641
FUND BALANCES, October 1, 2011	643,200	643,200	621,249	(21,951)
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 617,690	\$ 617,690

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Miscellaneous Grants Fund
For the Year Ended September 30, 2012

	<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	\$ 608,750	\$ 737,383	\$ 538,707	\$ (198,676)
Miscellaneous Revenue	-	-	12	12
TOTAL REVENUES	608,750	737,383	538,719	(198,664)
<u>EXPENDITURES</u>				
Current:				
Public Safety	325,583	454,216	389,252	64,964
Culture/Recreation	283,167	283,167	200,868	82,299
TOTAL EXPENDITURES	608,750	737,383	590,120	147,263
EXCESS OF REVENUES				
UNDER EXPENDITURES	-	-	(51,401)	(51,401)
FUND BALANCES, October 1, 2011	-	-	51,401	51,401
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 2,579,844	\$ 2,579,844	\$ 1,609,115	\$ (970,729)
Miscellaneous Revenue	-	-	153	
TOTAL REVENUES	2,579,844	2,579,844	1,609,268	(970,729)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	-	-	777,847	(777,847)
Economic Environment	2,579,844	2,579,844	831,268	1,748,576
TOTAL EXPENDITURES	2,579,844	2,579,844	1,609,115	970,729
EXCESS OF REVENUES OVER EXPENDITURES	-	-	153	153
FUND BALANCES, October 1, 2011	-	-	(153)	(153)
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012

	<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	\$ 226,000	\$ 226,000	\$ 228,365	\$ 2,365
Miscellaneous Revenue	600	600	482	(118)
TOTAL REVENUES	<u>226,600</u>	<u>226,600</u>	<u>228,847</u>	<u>2,247</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	244,850	244,850	303,511	(58,661)
Reserve for Contingencies	5,000	5,000	-	5,000
TOTAL EXPENDITURES	<u>249,850</u>	<u>249,850</u>	<u>303,511</u>	<u>(53,661)</u>
EXCESS OF REVENUES				
UNDER EXPENDITURES	(23,250)	(23,250)	(74,664)	(51,414)
FUND BALANCES, October 1, 2011	<u>23,250</u>	<u>23,250</u>	<u>333,746</u>	<u>310,496</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,082</u>	<u>\$ 259,082</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, 2012

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ -	\$ -	\$ 2,461	\$ 2,461
Charges for Services	160,000	160,000	126,257	(33,743)
Miscellaneous Revenue	600	600	426	(174)
	<u>160,600</u>	<u>160,600</u>	<u>129,144</u>	<u>(31,456)</u>
TOTAL REVENUES				
	<u>160,600</u>	<u>160,600</u>	<u>129,144</u>	<u>(31,456)</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	167,750	167,750	183,578	(15,828)
Reserve for Contingencies	10,000	10,000	-	10,000
	<u>177,750</u>	<u>177,750</u>	<u>183,578</u>	<u>(5,828)</u>
TOTAL EXPENDITURES				
	<u>177,750</u>	<u>177,750</u>	<u>183,578</u>	<u>(5,828)</u>
EXCESS OF REVENUES				
UNDER EXPENDITURES	(17,150)	(17,150)	(54,434)	(37,284)
FUND BALANCES, October 1, 2011	<u>17,150</u>	<u>17,150</u>	<u>288,140</u>	<u>270,990</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,706</u>	<u>\$ 233,706</u>

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, 2012

	<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	\$ -	\$ 325,000	\$ -	\$ (325,000)
Miscellaneous Revenue	925	925	13,619	12,694
TOTAL REVENUES	925	325,925	13,619	(312,306)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	195,000	520,000	380,435	139,565
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	205,000	530,000	380,435	149,565
EXCESS OF REVENUES				
UNDER EXPENDITURES	(204,075)	(204,075)	(366,816)	(162,741)
FUND BALANCES, October 1, 2011	204,075	204,075	1,412,141	425,064
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 1,045,325	\$ 1,045,325

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2012

	<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	\$ 251,000	\$ 251,000	\$ 122,997	\$ (128,003)
Miscellaneous Revenue	1,500	1,500	707	(793)
	<u>252,500</u>	<u>252,500</u>	<u>123,704</u>	<u>(128,796)</u>
TOTAL REVENUES				
<u>EXPENDITURES</u>				
Current:				
Transportation	377,500	377,500	117,234	260,266
Reserve for Contingencies	25,000	25,000	-	25,000
	<u>402,500</u>	<u>402,500</u>	<u>117,234</u>	<u>285,266</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,000)	(150,000)	6,470	156,470
FUND BALANCES, October 1, 2011	150,000	150,000	389,389	239,389
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,859</u>	<u>\$ 395,859</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Sewage Utilities Fund
For the Year Ended September 30, 2012

	<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	\$ 44,850	\$ 44,850	\$ 44,893	\$ 43
Miscellaneous Revenue	-	-	1	
TOTAL REVENUES	44,850	44,850	44,894	43
<u>EXPENDITURES</u>				
Current:				
Physical Environment	48,940	48,940	41,913	7,027
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,090)	(4,090)	2,981	7,071
FUND BALANCES, October 1, 2011	4,090	4,090	(23,984)	(28,074)
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ (21,003)	\$ (21,003)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2012

	<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	\$ 32,500	\$ 32,500	\$ 32,974	\$ 474
Miscellaneous Revenue	400	400	318	(82)
TOTAL REVENUES	32,900	32,900	33,292	392
<u>EXPENDITURES</u>				
Current:				
Physical Environment	29,650	29,650	44,762	(15,112)
Reserve for Contingencies	3,250	3,250	-	3,250
TOTAL EXPENDITURES	32,900	32,900	44,762	(11,862)
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	(11,470)	(11,470)
FUND BALANCES, October 1, 2011	-	-	207,643	207,643
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 196,173	\$ 196,173

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2012

	<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	\$ 260,368	\$ 60,368
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>200,000</u>	<u>200,000</u>	<u>169,049</u>	<u>30,951</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	91,319	91,319
FUND BALANCES, October 1, 2011	<u>-</u>	<u>-</u>	<u>165,257</u>	<u>165,257</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,576</u>	<u>\$ 256,576</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, 2012

	<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	\$ 60,000	\$ 250,000	\$ 251,877	\$ 1,877
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>60,000</u>	<u>250,000</u>	<u>123,237</u>	<u>126,763</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	128,640	128,640
FUND BALANCES, October 1, 2011	<u>-</u>	<u>-</u>	<u>16,732</u>	<u>16,732</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,372</u>	<u>\$ 145,372</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, 2012

	<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	\$ 22,000	\$ 22,000	\$ 23,780	\$ 1,780
Miscellaneous Revenue	-	-	444	444
TOTAL REVENUES	22,000	22,000	24,224	2,224
<u>EXPENDITURES</u>				
Current:				
General Government Services	22,000	22,000	-	22,000
EXCESS OF REVENUES				
OVER EXPENDITURES	-	-	24,224	24,224
FUND BALANCES, October 1, 2011	-	-	303,941	303,941
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 328,165	\$ 328,165

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, 2012

	<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	\$ 60,000	\$ 60,000	\$ 66,515	\$ 6,515
Fines and Forfeitures	44,500	44,500	40,486	(4,014)
Miscellaneous Revenue	1,000	1,000	1,123	123
TOTAL REVENUES	105,500	105,500	108,124	2,624
<u>EXPENDITURES</u>				
Current:				
Court Related	105,500	105,500	57,427	48,073
EXCESS OF REVENUES OVER EXPENDITURES	-	-	50,697	50,697
FUND BALANCES, October 1, 2011	-	-	826,332	826,332
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 877,029	\$ 877,029

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Fund
For the Year Ended September 30, 2012

	<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	\$ 2,119,729	\$ 2,098,059	\$ 1,915,921	\$ (182,138)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,119,729</u>	<u>2,098,059</u>	<u>1,919,545</u>	<u>178,514</u>
EXCESS OF REVENUES				
UNDER EXPENDITURES	-	-	(3,624)	(3,624)
FUND BALANCES, October 1, 2011	<u>-</u>	<u>-</u>	<u>71,499</u>	<u>71,499</u>
FUND BALANCES, September 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,875</u></u>	<u><u>\$ 67,875</u></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, 2012

	<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	\$ 12,621	\$ 12,621	\$ 11,444	\$ (1,177)
Miscellaneous Revenues	-	-	9	9
TOTAL REVENUES	12,621	12,621	11,453	(1,168)
<u>EXPENDITURES</u>				
Current:				
General Government Services	12,621	12,621	2,772	9,849
EXCESS OF REVENUES OVER EXPENDITURES	-	-	8,681	8,681
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	1,177	1,177
NET CHANGE IN FUND BALANCES	-	-	9,858	9,858
FUND BALANCES, October 1, 2011	75,940	75,940	73,309	(2,631)
FUND BALANCES, September 30, 2012	<u>\$ 75,940</u>	<u>\$ 75,940</u>	<u>\$ 83,167</u>	<u>\$ 7,227</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, 2012

	<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	\$ 200	\$ 7	\$ (193)
<u>OTHER FINANCING USES</u>				
Transfer Out	<u>41,800</u>	<u>41,800</u>	<u>41,678</u>	<u>122</u>
NET CHANGE IN FUND BALANCES	(41,600)	(41,600)	(41,671)	(71)
FUND BALANCES, October 1, 2011	<u>41,600</u>	<u>41,600</u>	<u>41,671</u>	<u>71</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2012

	<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	\$ 187,000	\$ 187,000	\$ 281,954	\$ 94,954
Miscellaneous Revenue	25	25	362	337
TOTAL REVENUES	187,025	187,025	282,316	95,291
<u>EXPENDITURES</u>				
Debt Service:				
Principal Retirement	296,460	296,460	296,524	(64)
Interest and Fiscal Charges	60,207	60,207	61,695	(1,488)
TOTAL EXPENDITURES	356,667	356,667	358,219	(1,552)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(169,642)	(169,642)	(75,903)	93,739
FUND BALANCES, October 1, 2011	169,642	169,642	303,398	133,756
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,495</u>	<u>\$ 227,495</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, 2012

	<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	\$ 1,099,780	\$ 1,099,780	\$ 16,478	\$ (1,083,302)
Miscellaneous Revenue	-	-	301	301
	<u>1,099,780</u>	<u>1,099,780</u>	<u>16,779</u>	<u>(1,083,001)</u>
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-Public Safety	<u>1,099,780</u>	<u>1,099,780</u>	<u>16,478</u>	<u>1,083,302</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	301	301
FUND BALANCES, October 1, 2011	<u>-</u>	<u>-</u>	<u>532,712</u>	<u>532,712</u>
FUND BALANCES, September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,013</u>	<u>\$ 533,013</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, 2012

	<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	\$ 1,085,279	\$ 1,085,279	\$ 935,886	\$ (149,393)
Intergovernmental Revenue	1,007,592	1,007,592	4,165,367	3,157,775
Miscellaneous Revenue	1,500	1,500	396	(1,104)
TOTAL REVENUES	2,094,371	2,094,371	5,101,649	3,007,278
<u>EXPENDITURES</u>				
Capital Outlay	2,094,371	2,094,371	4,402,507	(2,308,136)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	699,142	699,142
FUND BALANCES, October 1, 2011	-	-	662,330	662,330
FUND BALANCES, September 30, 2012	\$ -	\$ -	\$ 1,361,472	\$ 1,361,472

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, 2012

	<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	\$ 4,126,538	\$ 4,126,538	\$ 4,447,881	\$ 321,343
Miscellaneous Revenue	5,000	5,000	8,197	3,197
TOTAL REVENUES	4,131,538	4,131,538	4,456,078	324,540
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-General Government	2,048,128	2,048,128	789,151	1,258,977
Debt Service:				
Principal Retirement	1,230,000	1,230,000	1,230,000	-
Interest and Fiscal Charges	353,410	353,410	352,415	995
TOTAL EXPENDITURES	3,631,538	3,631,538	2,371,566	1,259,972
EXCESS OF REVENUES OVER EXPENDITURES	500,000	500,000	2,084,512	1,584,512
<u>OTHER FINANCING USES</u>				
Transfers Out	(500,000)	(500,000)	(500,000)	-
NET CHANGE IN FUND BALANCES	-	-	1,584,512	1,584,512
FUND BALANCES, Beginning of Year	-	-	5,519,014	5,519,014
FUND BALANCES, End of Year	\$ -	\$ -	\$ 7,103,526	\$ 7,103,526

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, 2012

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 15,962	\$ 2,411,733	\$ 1,742,416	\$ 4,170,111
Due from Other Governments	184	-	-	184
Inventory	127,636	-	-	127,636
Other Assets	-	-	1,015	1,015
TOTAL CURRENT ASSETS	143,782	2,411,733	1,743,431	4,298,946
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	38,703	-	-	38,703
TOTAL ASSETS	182,485	2,411,733	1,743,431	4,337,649
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	26,226	2,137	858	29,221
Due to Other Funds	440,000	-	-	440,000
Estimated Liability for Self-Insured Losses	-	-	192,152	192,152
Compensated Absences	12,500	-	4,300	16,800
TOTAL CURRENT LIABILITIES	478,726	2,137	197,310	678,173
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	10,500	-	3,700	14,200
Estimated Liability for Self Insured Losses	-	-	300,000	300,000
Other noncurrent liabilities	12,200	-	2,500	14,700
TOTAL LIABILITIES	501,426	2,137	503,510	1,007,073
<u>NET POSITION</u>				
Invested in Capital Assets	38,703	-	-	38,703
Unrestricted	(357,644)	2,409,596	1,239,921	3,291,873
TOTAL NET POSITION	\$ (318,941)	\$ 2,409,596	\$ 1,239,921	\$ 3,330,576

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2012

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 841,755	\$5,632,748	\$ 1,158,559	\$7,633,062
Miscellaneous	1,240	161,696	2,487	165,423
TOTAL OPERATING REVENUES	842,995	5,794,444	1,161,046	7,798,485
<u>OPERATING EXPENSES</u>				
Personal Services	336,059	-	53,166	389,225
Insurance	19,895	5,805,577	388,105	6,213,577
Claims Expense	-	-	664,041	664,041
Contractual Services	284,216	15,567	3,500	303,283
Repairs and Maintenance	15,178	-	-	15,178
Other Operating Expenses	309,313	-	877	310,190
Depreciation Expense	14,887	-	-	14,887
TOTAL OPERATING EXPENSES	979,548	5,821,144	1,109,689	7,910,381
OPERATING INCOME (LOSS)	(136,553)	(26,700)	51,357	(111,896)
Transfers In	-	58,706	179,642	238,348
Transfers Out	(3,362)	(300,000)	-	(303,362)
CHANGE IN NET POSITION	(139,915)	(267,994)	230,999	(176,910)
NET POSITION, October 1, 2011	(179,026)	2,677,590	1,008,922	3,507,486
NET POSITION, September 30, 2012	<u>\$ (318,941)</u>	<u>\$ 2,409,596</u>	<u>\$ 1,239,921</u>	<u>\$3,330,576</u>

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Fund
For the Year Ended September 30, 2012

	<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	\$ 842,814	\$ 5,798,274	\$ 1,161,038	\$ 7,802,126
Payments to Suppliers	(579,140)	(5,821,498)	(1,213,567)	(7,614,205)
Payments to Employees	(334,989)	-	(51,492)	(386,481)
	<u>(71,315)</u>	<u>(23,224)</u>	<u>(104,021)</u>	<u>(198,560)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	58,706	179,642	238,348
Transfers Out	(3,362)	(300,000)	-	(303,362)
	<u>(3,362)</u>	<u>(241,294)</u>	<u>179,642</u>	<u>(65,014)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(74,677)	(264,518)	75,621	(263,574)
CASH AND EQUIVALENTS, October 1, 2011	<u>90,639</u>	<u>2,676,251</u>	<u>1,666,795</u>	<u>4,433,685</u>
CASH AND EQUIVALENTS, September 30, 2012	<u>\$ 15,962</u>	<u>\$ 2,411,733</u>	<u>\$ 1,742,416</u>	<u>\$ 4,170,111</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(136,553)	(26,700)	51,357	(111,896)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	14,887	-	-	14,887
Changes in:				
Due From Other Governments	(180)	3,830	-	3,650
Inventory	672	-	-	672
Other Assets	-	-	(8)	(8)
Accounts Payable and Accrued Liabilities	8,789	(354)	(157,044)	(148,609)
Due to Other Funds	40,000	-	-	40,000
Compensated Absences	(2,000)	-	1,000	(1,000)
Other Noncurrent Liabilities	3,070	-	674	3,744
	<u>(71,315)</u>	<u>(23,224)</u>	<u>(104,021)</u>	<u>(198,560)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				

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, 2012

	Clerk of the Circuit Court	Sheriff	Tax Collector	Totals
<u>ASSETS</u>				
Cash and Equivalents	\$ 836,289	\$ 119,017	\$ 2,144,129	\$ 3,099,435
Receivables	-	-	19,568	19,568
TOTAL ASSETS	836,289	119,017	2,163,697	3,119,003
<u>LIABILITIES</u>				
Due to Other Governments	-	-	-	-
Assets Held for Others	836,289	119,017	2,163,697	3,119,003
TOTAL LIABILITIES	836,289	119,017	2,163,697	3,119,003
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2012

	Balance October 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2012</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 740,517	\$ 930,003	\$ 834,231	\$ 836,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities:				
Assets Held for Others	\$ 740,517	\$ 930,003	\$ 834,231	\$ 836,289
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	\$ 78,343	\$ 523,442	\$ 482,768	\$ 119,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Liabilities:				
Assets Held for Others	\$ 78,343	\$ 523,442	\$ 482,768	\$ 119,017
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 1,826,686	\$ 87,993,892	\$ 87,676,449	\$2,144,129
Receivables	16,263	2,029,332	2,026,027	19,568
Total Assets	<u>\$ 1,842,949</u>	<u>\$ 90,023,224</u>	<u>\$ 89,702,476</u>	<u>\$2,163,697</u>
Liabilities:				
Due to Other Governments	\$ -	\$ 25,679	\$ 25,679	\$ -
Assets Held for Others	1,842,949	89,997,545	89,676,797	2,163,697
Total Liabilities	<u>\$ 1,842,949</u>	<u>\$ 90,023,224</u>	<u>\$ 89,702,476</u>	<u>\$2,163,697</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 2,645,546	\$ 89,447,337	\$ 88,993,448	\$3,099,435
Receivables	16,263	2,029,332	2,026,027	19,568
Due From Other Funds	-	-	-	-
Total Assets	<u>\$ 2,661,809</u>	<u>\$ 91,476,669</u>	<u>\$ 91,019,475</u>	<u>\$3,119,003</u>
Liabilities:				
Due to Other Governments	\$ -	\$ 25,679	\$ 25,679	\$ -
Assets Held for Others	2,661,809	91,450,990	90,993,796	3,119,003
Total Liabilities	<u>\$ 2,661,809</u>	<u>\$ 91,476,669</u>	<u>\$ 91,019,475</u>	<u>\$3,119,003</u>

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, 2012

<u>CURRENT ASSETS</u>	
Cash and Equivalents	\$ 263,977
Receivables	856
TOTAL CURRENT ASSETS	<u>264,833</u>
<u>NONCURRENT ASSETS</u>	
Capital Assets, Net	<u>255,061</u>
TOTAL ASSETS	<u>519,894</u>
<u>CURRENT LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	<u>656</u>
<u>NET POSITION</u>	
Invested in Capital Assets	255,061
Unrestricted	<u>264,177</u>
TOTAL NET POSITION	<u>\$ 519,238</u>

Putnam County Development Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2012

<u>OPERATING REVENUES</u>	
User Charges	\$ 9,600
<u>OPERATING EXPENSES</u>	
Contractual Services	15,403
Other Operating Expenses	1,775
Depreciation Expense	3,956
TOTAL OPERATING EXPENSES	<u>21,134</u>
OPERATING INCOME (LOSS)	<u>(11,534)</u>
<u>NON OPERATING REVENUES</u>	
Interest Revenue	<u>752</u>
CHANGE IN NET POSITION	(10,782)
NET POSITION, October 1, 2011	<u>530,020</u>
NET POSITION, September 30, 2012	<u>\$ 519,238</u>

Putnam County Development Authority
Statement of Cash Flows
For the Year Ended September 30, 2012

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers	\$ 9,600
Payments to Suppliers	<u>(17,178)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(7,578)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on Investments	<u>752</u>
NET DECREASE IN CASH AND EQUIVALENTS	(6,826)
CASH AND EQUIVALENTS, October 1, 2011	<u>270,803</u>
CASH AND EQUIVALENTS, September 30, 2012	<u><u>\$ 263,977</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(11,534)
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>\$ (7,578)</u></u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2012

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF COMMERCE</u>				
Passed Through Alachua County, Florida (Non-cash Assistance)				
Public Safety Interoperable Communications Grant Program	11.555	12-DS-8D-03-11-01-162	\$ 232,887	
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed Through State Department of Economic Opportunity				
Community Development Block Grant - Disaster Recovery	14.228	10DB-K4-04-64-01-K30	723,446	
Community Development Block Grant - Disaster Recovery	14.228	12DB-P5-04-64-01-K51	51,007	
Community Development Block Grant - Housing Rehabilitation	14.228	11DB-T3-04-64-01-H11	620,003	
Community Development Block Grant - Neighborhood Stabilization	14.228	12DB-Q5-04-64-01-F06	214,659	
Community Development Block Grant - Economic Development	14.228	10DB-4N-04-64-01-E05	480,772	2,089,887
<u>DEPARTMENT OF JUSTICE</u>				
Direct Assistance:				
US Marshalls Service Task Force	16.XXX	FATF-11-0280	9,024	
DEA Task Force Overtime	16.XXX	--	17,205	
Federal Equitable Sharing	16.XXX		123,237	
Developing, testing and Demonstrating Promising Programs	16.541	2009-DD-BX-0085	17,209	
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0315	6,324	
Bullet Proof Vest Partnership Program	16.607	7038542	6,425	
Public Safety Partnership and Community Policing	16.710	2010UMWXO077	134,807	
Juvenile Mentoring Program	16.726	2011-JU-FX-0015	8,708	
Byrne Justice Assistance Grant Program	16.738	2011-DJ-BX-2350	48,022	
Byrne Justice Assistance Grant Program	16.738	2010-DJ-BX-0966	9,198	
Passed Through Florida Department of Law Enforcement:				
Byrne Justice Assistance Grant Program	16.738	2012-JAGC-PUTN-3-C4-018	21,368	
Byrne Justice Assistance Grant Program	16.738	2009-DJ-BX-0506	6,566	
ARRA - Recovery Act - Byrne Justice Assistance Grant Program	16.803	ARRA-2010-ARRC-PUTN-7-W7-323	982	86,136
Passed Through Office of Attorney General:				
Crime Victim Assistance	16.575	V10068	3,659	
Crime Victim Assistance	16.575	V11068	81,954	85,613
Passed Through Department of Children and Families:				
Violence Against Women Formula Grant	16.588	12-8023-LE	60,480	
Violence Against Women Formula Grant	16.588	13-8023-LE	21,065	81,545
Passed Through National Association of Police Athletic Leagues				
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	ARRA -2009-SC-B9-0162	4,648	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction	20.205	403855-3-58-01, SFLT204	786,167	
Highway Planning and Construction	20.205	403855-3-68-01, AOT69	100,489	
Highway Planning and Construction	20.205	210031-7-58-01	280,259	
Highway Planning and Construction	20.205	428014-1-18-01, FLSB805R	103,837	
Highway Planning and Construction	20.205	427330-1-58-01	38,240	1,308,992

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, 2012

<u>Federal Agency</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>	<u>Total</u>
<u>DEPARTMENT OF TRANSPORTATION</u>				
Direct Assistance:				
Federal Transit Capital Investment Grants	20.514	FL-04-7526-00	1,991	
Passed Through Florida Department of Transportation				
Alcohol Impaired Driving Countermeasures Incentive Grant I	20.601	K8-12-06-10	14,846	
<u>GENERAL SERVICES ADMINISTRATION</u>				
Passed Through State Department of Management Services				
Federal Surplus Property	39.003	--	337,182	
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Passed Through Florida Humanities Council				
Promotion of the Humanities - Prime Time Reading	45.129	GR1110-3605PT-2190	5,015	
Passed Through Florida Department of State				
Promotion of the Humanities - L to a Higher Power	45.129	10-LSTA-E-06	12,805	17,820
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through State Department of Revenue:				
Child Support Enforcement - Title IV-D Reimbursements	93.563	CSP90	9,286	
Child Support Enforcement - Title IV-D Reimbursements	93.563	CD354	131,147	140,433
<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	I8PNFP501Z	5,391	
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through State Department of Economic Opportunity				
Disaster Grants - Public Assistance - 2009 Flooding	97.036	09-MW-00-04-64-13-505	42,876	
Disaster Grants - Public Assistance - Tropical Storm Fay	97.036	09-FA-B9-04-64-00-910	10,342	53,218
Passed Through State Division of Emergency Management:				
Hazard Mitigation Grant	97.039	08HM-81-04-64-01-009	16,478	
Emergency Management Performance Grants	97.042	12-FG-R3-04-64-01-121	29,220	
Emergency Management Performance Grants	97.042	13-FG-86-04-64-01-121	14,222	43,442
Pre-Disaster Mitigation	97.047	12-DM-4L-04-64-01-318	106,977	
Pre-Disaster Mitigation	97.047	11DM-4L-04-64-01-449	124,196	231,173
Homeland Security Grant Program	97.067	11-DS-9z-04-64-01-463	24,625	
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FF-00139	44,736	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,143,982</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, 2012

<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	227SC	70,588	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control - State Aid	42.003	17249	18,334	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
Voter Education and Voting System Assistance	45.029	MOA2010-2011-0001	2,772	
State Aid to Libraries	45.030	12-ST-52	186,294	
<u>DEPARTMENT OF ECONOMIC OPPORTUNITY</u>				
Emergency Management Programs	52.008	12-BG-05-04-64-01-054	90,988	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	2011-2012	380,435	
<u>DEPARTMENT OF TRANSPORTATION</u>				
County Incentive Grant Program - Turn Lane SR19	55.008	424359-1-58-01	460,830	
Small County Outreach Program - Turn Lane CR 21	55.009	424329-1-58-01	2,289,094	
Small County Road Assistance Program - First Street	55.016	428992-1-58-01	110,367	
<u>DEPARTMENT OF HEALTH</u>				
County Grant Awards	64.005	C0054	6,605	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	12-04-16	52,278	
Wireless 911 Emergency Telephone System	72.001	11-04-14	11,288	
Wireless 911 Emergency Telephone System	72.001	11-10-13	52,355	
Wireless 911 Emergency Telephone System	72.001	Fees	303,591	
Wireless 911 Emergency Telephone System	72.001	11-10-24	5,662	425,174
Wireless 911 Emergency Telephone System	72.002	S4-11-06-17	289,730	
Wireless 911 Emergency Telephone System	72.002	S4-11-07-03	21,192	
E-911 State Grant Program	72.002	S3-10-11-06	45,194	356,116
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 4,397,597</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, 2012

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>\$ 1,991</u>

The County did not provide state awards to sub recipients.

**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, 2012, and have issued our report thereon dated March 26, 2013.

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, 2012, 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, 2012.

Investment of Public Funds

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

Other Matters

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

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

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

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

March 26, 2013
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, 2012, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 26, 2013. 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

Management is responsible for establishing and maintaining effective 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 12-1.

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

The County's response to the finding identified in our audit accompanies this report. We did not audit the County's response and, accordingly, we express no opinion on it.

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

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

March 26, 2013
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 project for the year ended September 30, 2012. The County's major federal programs and state project are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state project 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 on each of its major federal programs and its major state project for the year ended September 30, 2012.

Internal Control Over Compliance

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 to determine the 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.

March 26, 2013
Palatka, Florida

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012

SECTION I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s 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 disclosed noncompliance considered material to the financial statements.
- (iv) The audit did not report significant deficiencies in internal control over major federal programs or the major state project.
- (v) The auditor’s report on compliance for the major federal award programs and the state project expressed an unqualified opinion.
- (vi) The audit did not disclose findings relative to major federal programs or the major state project.
- (vii) The County’s major federal programs and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Highway Planning and Construction	20.205
Federal Surplus Property	39.003
<u>State Projects</u>	<u>State CSFA Number</u>
Small County Outreach Program	55.009

- (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, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

12-1 *Condition* – Expenditures of the Road Projects Fund, a nonmajor governmental fund, were in excess of the budget. Although funds were received for a particular purpose, the County did not amend the budget for expenditures of the unanticipated grant revenues.

Recommendation – The County should amend its budget for the prior fiscal year within the first 60 days of the ensuing fiscal year for receipts of a nature from a source not anticipated in the budget and received for a particular purpose pursuant to Section 129.06(2)(d), Florida Statutes.

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

Questioned
Costs

-None-

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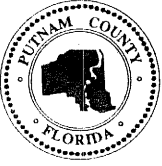
SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

-None-

--

**Putnam County, Florida
Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
For the Year Ended September 30, 2012**

There were no prior audit findings.



PUTNAM COUNTY

2509 Crill Avenue, Suite 200

PALATKA, FLORIDA 32178-0758

(386) 329-0205

BOARD OF COUNTY COMMISSIONERS

NANCY S. HARRIS
DISTRICT 1

CHIP LAIBL
DISTRICT 2

KARL N. FLAGG
DISTRICT 3

ED TAYLOR
DISTRICT 4

E. WALTON PELLICER II
DISTRICT 5

March 26, 2013

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, 2012. The response is keyed to the numbering in the Financial Statement Findings.

12-1 Controls have been added to assure that budget to actual figures for all funds receiving grant revenues are monitored on a regular basis, allowing for the passage of an amending budget resolution in a timely manner.

Sincerely,

A handwritten signature in cursive script, reading "Chip Laibl".

Chip Laibl

Vice Chairman Board of County Commissioners

PUTNAM COUNTY CLERK
OF THE CIRCUIT COURT

AUDIT REPORT

SEPTEMBER 30, 2012

**Putnam County Clerk of the Circuit Court
Audit Report
September 30, 2012**

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Independent Auditor's 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, 2012, 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, 2012, 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.

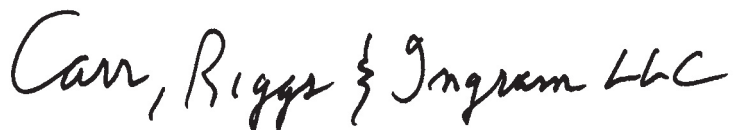
In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2013 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other

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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements 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.

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

February 1, 2013
Palatka, Florida

**Balance Sheet – Governmental Funds
September 30, 2012
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	\$ 293,424	\$ 357,255	\$ 328,165	\$ 877,029	\$1,855,873
Accounts Receivable	667	9,591	-	-	10,258
Due From Other Governments	21,069	695	-	-	21,764
Other Assets	7,543	-	-	-	7,543
TOTAL ASSETS	<u>\$ 322,703</u>	<u>\$ 367,541</u>	<u>\$ 328,165</u>	<u>\$ 877,029</u>	<u>\$1,895,438</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued					
Liabilities	\$ 90,123	\$ 61,753	\$ -	\$ -	\$ 151,876
Due to Other County Agencies	173,851	29,328	-	-	203,179
Due To Other Governments	58,729	200,252	-	-	258,981
Deferred Revenue	-	8,333	-	-	8,333
TOTAL LIABILITIES	<u>322,703</u>	<u>299,666</u>	<u>-</u>	<u>-</u>	<u>622,369</u>
<u>FUND BALANCES</u>					
<u>Restricted</u>					
Restricted for Records Modernization	-	-	328,165	877,029	1,205,194
Restricted for Court Operations	-	67,875	-	-	67,875
TOTAL FUND BALANCES	<u>-</u>	<u>67,875</u>	<u>328,165</u>	<u>877,029</u>	<u>1,273,069</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 322,703</u>	<u>\$ 367,541</u>	<u>\$ 328,165</u>	<u>\$ 877,029</u>	<u>\$1,895,438</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, 2012
Putnam County Clerk of the Circuit Court

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
<u>REVENUES</u>					
Intergovernmental	\$ 131,147	\$2,098,059	\$ -	\$ -	\$2,229,206
Charges for Services	225,032	-	23,780	66,515	315,327
Fines and Forfeitures	-	-	-	40,486	40,486
Interest	1,732	-	444	1,123	3,299
Other Miscellaneous Revenue	31,597	-	-	-	31,597
TOTAL REVENUES	389,508	2,098,059	24,224	108,124	2,619,915
<u>EXPENDITURES</u>					
Current:					
General Government Services	1,568,936	-	-	-	1,568,936
Court Related	258,676	1,919,545	-	57,427	2,235,648
TOTAL EXPENDITURES	1,827,612	1,919,545	-	57,427	3,804,584
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,438,104)	178,514	24,224	50,697	(1,184,669)
<u>OTHER FINANCING SOURCES (USES)</u>					
Appropriation from Board of County Commissioners	1,605,228	-	-	-	1,605,228
Budget Appropriation Reverted to Board of County Commissioners	(167,124)	-	-	-	(167,124)
Reversion to the Justice Administrative Commission	-	(182,138)	-	-	(182,138)
TOTAL OTHER FINANCING SOURCES (USES)	1,438,104	(182,138)	-	-	1,255,966
NET CHANGE IN FUND BALANCES	-	(3,624)	24,224	50,697	71,297
FUND BALANCES - October 1, 2011	-	71,499	303,941	826,332	1,201,772
FUND BALANCES - September 30, 2012	\$ -	\$ 67,875	\$ 328,165	\$ 877,029	\$1,273,069

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

Statement of Fiduciary Net Assets
September 30, 2012
Putnam County Clerk of the Circuit Court

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Equivalents	\$836,289
<u>LIABILITIES</u>	
Assets Held for Others	<u>836,289</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, 2012
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, 2012
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 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.

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 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 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, 2012
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, 2012
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.

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, 2012
Putnam County Clerk of the Circuit Court

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 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 collateralized throughout the fiscal year.

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	\$ 105,494
Fund B	<u>1,942</u>
Total	<u><u>\$ 107,436</u></u>

Notes to Financial Statements
September 30, 2012
Putnam County Clerk of the Circuit Court

NOTE 2 – DEPOSITS AND INVESTMENTS

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, 2012 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, 2012 was 39 days.

The weighted average life (WAL) of Fund B at September 30, 2012 was 4.08 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, <u>2011</u>			BALANCE SEPTEMBER 30, <u>2012</u>	DUE WITHIN <u>ONE YEAR</u>
		<u>ADDITIONS</u>	<u>DEDUCTIONS</u>		
Compensated Absences	\$ 198,000	\$293,000	\$ 294,000	\$ 197,000	\$106,000

Notes to Financial Statements
September 30, 2012
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 current year 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, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. 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, 2012, 2011 and 2010 were approximately \$126,000, \$246,000 and \$272,000, 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, 2012
Putnam County Clerk of the Circuit Court

	Budgeted Amounts			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Intergovernmental	\$ 366,358	\$ 366,358	\$ 131,147	\$(235,211)
Charges for Services	231,800	231,800	225,032	(6,768)
Interest	1,500	1,500	1,732	232
Other Miscellaneous Revenue	13,000	13,000	31,597	18,597
TOTAL REVENUES	612,658	612,658	389,508	(223,150)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,648,448	1,648,448	1,568,936	79,512
Court Related	231,722	231,722	258,676	(26,954)
TOTAL EXPENDITURES	1,880,170	1,880,170	1,827,612	52,558
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,267,512)	(1,267,512)	(1,438,104)	(170,592)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,433,870	1,433,870	1,605,228	171,358
Budget Appropriation Reverted to Board of County Commissioners	(166,358)	(166,358)	(167,124)	(766)
TOTAL OTHER FINANCING SOURCES (USES)	1,267,512	1,267,512	1,438,104	170,592
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012
Putnam County Clerk of the Circuit Court

	Budgeted Amounts			Variance With Final
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
<u>REVENUES</u>				
Intergovernmental	\$2,119,729	\$2,117,042	\$2,098,059	\$ (18,983)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,119,729</u>	<u>2,117,042</u>	<u>1,919,545</u>	<u>197,497</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	178,514	178,514
<u>OTHER FINANCING SOURCES (USES)</u>				
Reversion to the Justice Administrative Commission	<u>-</u>	<u>-</u>	<u>(182,138)</u>	<u>(182,138)</u>
NET CHANGE IN FUND BALANCES	-	-	(3,624)	(3,624)
FUND BALANCES - October 1, 2011	<u>-</u>	<u>-</u>	<u>71,499</u>	<u>71,499</u>
FUND BALANCES - September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,875</u>	<u>\$ 67,875</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 of activity from the State's 2012 fiscal year and three months of activity from the State's 2013 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, 2012
Putnam County Clerk of the Circuit Court

	Budgeted Amounts			Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>REVENUES</u>				
Charges for Services	\$ 22,000	\$ 22,000	\$ 23,780	\$ 1,780
Interest	-	-	444	444
TOTAL REVENUES	22,000	22,000	24,224	2,224
<u>EXPENDITURES</u>				
Current:				
General Government Services	22,000	22,000	-	22,000
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	24,224	24,224
FUND BALANCES - October 1, 2011	-	-	303,941	303,941
FUND BALANCES - September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,165</u>	<u>\$ 328,165</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, 2012
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>			Variance With Final
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 60,000	\$ 60,000	\$ 66,515	\$ 6,515
Fines and Forfeitures	44,500	44,500	40,486	(4,014)
Interest	1,000	1,000	1,123	123
TOTAL REVENUES	105,500	105,500	108,124	2,624
<u>EXPENDITURES</u>				
Current:				
Court Related	105,500	105,500	57,427	48,073
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	-	-	50,697	50,697
FUND BALANCES - October 1, 2011	-	-	826,332	826,332
FUND BALANCES - September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$877,029</u>	<u>\$877,029</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.

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2012
Putnam County Clerk of the Circuit Court

	Circuit Court Trust <u>Fund</u>	Jury And Witness <u>Fund</u>	Total Agency <u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Equivalents	\$818,534	\$ 17,755	\$836,289
<u>LIABILITIES</u>			
Assets Held for Others	<u>818,534</u>	<u>17,755</u>	<u>836,289</u>
NET ASSETS	<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, 2012, and have issued our report thereon dated February 1, 2013.

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 12-1.

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

February 1, 2013
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, 2012, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated February 1, 2013. 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

Management of the Office is responsible for establishing and maintaining effective 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. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

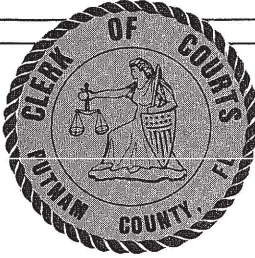
February 1, 2013
Palatka, Florida

**Schedule of Findings
For the Year Ended September 30, 2012
Putnam County Clerk of the Circuit Court**

12-1 (Reported in previous audit reports as item 11-1 and in the 2010 Management Letter.)

Finding – Collection performance standards were not met as of June 30, 2012 for Circuit Criminal and Civil Traffic cases. Also, timeliness performance standards were not met as of June 30, 2012 for Criminal County, Criminal Circuit, Civil Circuit Probate and Civil Juvenile Dependency.

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

February 1, 2013

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, 2012.

Collection standards were not met largely due to the current economic climate. Additionally, prior 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,

A handwritten signature in cursive script that reads "Tim Smith".

Tim Smith
Clerk of Circuit Court

PUTNAM COUNTY
SHERIFF

AUDIT REPORT

SEPTEMBER 30, 2012

**Putnam County Sheriff
Audit Report
September 30, 2012**

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Independent Auditor's 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, 2012, 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, 2012, 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 9, 2013 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

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

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram LLC".

January 9, 2013
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	FEDERAL FORFEITURES FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Equivalents	\$ 786,199	\$ 226,299	\$ 145,372	\$ 1,157,870
Accounts Receivable	8,868	34,645	-	43,513
Other Assets	800	-	-	800
TOTAL ASSETS	<u><u>\$ 795,867</u></u>	<u><u>\$ 260,944</u></u>	<u><u>\$ 145,372</u></u>	<u><u>\$ 1,202,183</u></u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 336,633	\$ 4,368	\$ -	\$ 341,001
Due to Other County Agencies	459,234	-	-	459,234
TOTAL LIABILITIES	<u>795,867</u>	<u>4,368</u>	<u>-</u>	<u>800,235</u>
<u>FUND BALANCES</u>				
Assigned for Inmate Benefits	-	181,417	-	181,417
Restricted for Law Enforcement	-	-	145,372	145,372
Restricted for Inmate Benefits	-	75,159	-	75,159
TOTAL FUND BALANCES	<u>-</u>	<u>256,576</u>	<u>145,372</u>	<u>401,948</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 795,867</u></u>	<u><u>\$ 260,944</u></u>	<u><u>\$ 145,372</u></u>	<u><u>\$ 1,202,183</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	FEDERAL FORFEITURES FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Fines and Forfeitures	\$ 20,000	\$ -	\$ 251,877	\$ 271,877
Miscellaneous Revenue	416	260,368	-	260,784
TOTAL REVENUES	20,416	260,368	251,877	532,661
<u>EXPENDITURES</u>				
Current:				
Public Safety	17,945,420	169,049	123,237	18,237,706
Court Related	447,078	-	-	447,078
Debt Service:				
Principal	407,325	-	-	407,325
Interest	32,676	-	-	32,676
TOTAL EXPENDITURES	18,832,499	169,049	123,237	19,124,785
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,812,083)	91,319	128,640	(18,592,124)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	18,629,419	-	-	18,629,419
Reversion to Board of County Commissioners	(455,807)	-	-	(455,807)
TOTAL OTHER FINANCING SOURCES (USES)	18,173,612	-	-	18,173,612
NET CHANGE IN FUND BALANCES	(638,471)	91,319	128,640	(418,512)
FUND BALANCES – October 1, 2011	638,471	165,257	16,732	820,460
FUND BALANCES – September 30, 2012	\$ -	\$256,576	\$ 145,372	\$ 401,948

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

Statement of Fiduciary Net Assets
September 30, 2012
Putnam County Sheriff

	AGENCY FUNDS
<u>ASSETS</u>	
Cash and Equivalents	\$ 111,356
Accounts Receivable	<u>7,661</u>
TOTAL ASSETS	<u>\$ 119,017</u>
 <u>LIABILITIES</u>	
Assets Held for Others	<u>119,017</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, 2012
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, 2012
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2012
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, 2012
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, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012
Capital Assets Being Depreciated:				
Buildings	\$ 65,325	\$ -	\$ -	\$ 65,325
Equipment	1,527,769	123,648	13,537	1,637,880
Intangible Assets	449,944	107,491	-	557,435
Vehicles	3,576,582	986,361	695,778	3,867,165
Total Capital Assets Being Depreciated	5,619,620	1,217,500	709,315	6,127,805
Less Accumulated Depreciation:				
Buildings	26,314	4,309	-	30,623
Equipment	1,077,971	138,093	13,537	1,202,527
Intangible Assets	5,356	77,075	-	82,431
Vehicles	2,652,982	442,585	666,579	2,428,988
Total Accumulated Depreciation	3,762,623	662,062	680,116	3,744,569
Total Net Capital Assets	<u>\$1,856,997</u>	<u>\$ 555,438</u>	<u>\$ 29,199</u>	<u>\$2,383,236</u>

Depreciation expense of \$662,062 applies to the *public safety* function.

Notes to Financial Statements
September 30, 2012
Putnam County Sheriff

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	\$ 838,000	\$ 589,000	\$ 580,000	\$ 847,000	\$ 596,000
Capital Lease Obligation	1,018,891	-	407,325	611,566	322,676
Total	<u>\$1,856,891</u>	<u>\$ 589,000</u>	<u>\$ 987,325</u>	<u>\$ 1,458,566</u>	<u>\$ 918,676</u>

Capital lease obligations at September 30, 2012 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. \$ 314,334

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. 297,232
\$ 611,566

The remaining minimum lease payments at September 30, 2012 are:

2013	\$ 340,001
2014	233,383
2015	<u>63,099</u>
Total Minimum Lease Payments	636,483
Less Amount Representing Interest	<u>24,917</u>
Present Value of Minimum Lease Payments	<u>\$ 611,566</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, 2012
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 Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately \$1,129,500, \$1,580,500 and \$1,642,700, 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, 2012
Putnam County Sheriff

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Fines and Forfeitures	\$ 10,000	\$ 20,000	\$ 20,000	\$ -
Miscellaneous Revenues	-	374	416	42
TOTAL REVENUES	<u>10,000</u>	<u>20,374</u>	<u>20,416</u>	<u>42</u>
EXPENDITURES				
Current:				
Public Safety	17,631,790	18,447,228	17,945,420	501,808
Court Related	490,086	490,086	447,078	43,008
Debt Service:				
Principal	340,002	340,002	407,325	(67,323)
Interest	-	-	32,676	(32,676)
TOTAL EXPENDITURES	<u>18,461,878</u>	<u>19,277,316</u>	<u>18,832,499</u>	<u>444,817</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,451,878)</u>	<u>(19,256,942)</u>	<u>(18,812,083)</u>	<u>444,859</u>
OTHER FINANCING SOURCES (USES)				
Appropriation from Board of County Commissioners	18,451,878	18,629,419	18,629,419	-
Reversion to Board of County Commissioners	-	-	(455,807)	(455,807)
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,451,878</u>	<u>18,629,419</u>	<u>18,173,612</u>	<u>(455,807)</u>
NET CHANGE IN FUND BALANCES	-	(627,523)	(638,471)	(10,948)
FUND BALANCES - October 1, 2011	<u>-</u>	<u>627,523</u>	<u>638,471</u>	<u>10,948</u>
FUND BALANCES - September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. The final budget includes escrow funds available and expended in the year ended September 30, 2012.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Commissary Fund
For the Year Ended September 30, 2012
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	\$ 260,368	\$ 60,368
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>200,000</u>	<u>200,000</u>	<u>169,049</u>	<u>30,951</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	91,319	91,319
FUND BALANCES - October 1, 2011	<u>-</u>	<u>-</u>	<u>165,257</u>	<u>165,257</u>
FUND BALANCES - September 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,576</u>	<u>\$ 256,576</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 - Federal Forfeitures Fund
For the Year Ended September 30, 2012
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	<u>\$ 60,000</u>	<u>\$ 250,000</u>	<u>\$ 251,877</u>	<u>\$ 1,877</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>60,000</u>	<u>250,000</u>	<u>123,237</u>	<u>126,763</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	128,640	128,640
FUND BALANCES - October 1, 2011	<u>-</u>	<u>-</u>	<u>16,732</u>	<u>16,732</u>
FUND BALANCES - September 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 145,372</u></u>	<u><u>\$ 145,372</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.

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2012
Putnam County Sheriff

	INMATE BANK FUND	TRUST FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>			
Cash and Equivalents	\$ 59,216	\$ 52,140	\$ 111,356
Accounts Receivable	-	7,661	7,661
TOTAL ASSETS	59,216	59,801	119,017
 <u>LIABILITIES</u>			
Assets Held for Others	59,216	59,801	119,017
 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, 2012, and have issued our report thereon dated January 9, 2013.

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 9, 2013
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, 2012, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 9, 2013. 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

Management of the Office is responsible for establishing and maintaining effective 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 12-1 to be a material weakness.

Compliance and Other Matters

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements 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 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 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 9, 2013
Palatka, Florida

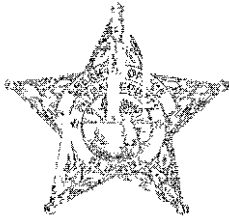
**Putnam County Sheriff
Schedule of Findings
For the Year Ended September 30, 2012**

12-1 (Reported in previous audit reports as items 11-1 and 10-1.)

Condition: As part of the audit process, it was necessary for us to assist with the preparation of the Office's financial statements.

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, 2013

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, 2012 has been completed by Carr, Riggs and Ingram, LLC.

Their audit disclosed a significant deficiency in internal control identified as item 12-1 in the Schedule of Findings.

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

Sincerely,

A handwritten signature in black ink that reads "Jeff Hardy".

Jeff Hardy
Sheriff

JH:db



PUTNAM COUNTY
TAX COLLECTOR

AUDIT REPORT

SEPTEMBER 30, 2012

**Putnam County Tax Collector
Audit Report
September 30, 2012**

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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, 2012, 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, 2012, 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 November 27, 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements 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.



November 27, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 417,114</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 69,551
Due to Other County Agencies	336,656
Deferred Revenue	<u>10,907</u>
TOTAL LIABILITIES	417,114
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 417,114</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, 2012
Putnam County Tax Collector

	<u>GENERAL FUND</u>
<u>REVENUES</u>	
Charges for Services	\$ 2,170,978
Miscellaneous Revenue	<u>44,428</u>
TOTAL REVENUES	2,215,406
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,875,300</u>
EXCESS OF REVENUES OVER EXPENDITURES	340,106
<u>OTHER FINANCING USES</u>	
Reversion to Board of County Commissioners	<u>(340,106)</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2011	<u>-</u>
FUND BALANCE - September 30, 2012	<u><u>\$ -</u></u>

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

Statement of Fiduciary Net Assets
September 30, 2012
Putnam County Tax Collector

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 2,144,129
Accounts Receivable	<u>19,568</u>
TOTAL ASSETS	2,163,697
<u>LIABILITIES</u>	
Assets Held for Others	<u>2,163,697</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, 2012
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, 2012
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, 2012
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, 2012
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.

**Notes to Financial Statements
September 30, 2012
Putnam County Tax Collector**

NOTE 3 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 100,000</u>	<u>\$ 58,000</u>	<u>\$ 52,000</u>	<u>\$ 106,000</u>	<u>\$ 53,000</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 Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately \$58,300, \$105,000 and \$120,000, 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 - 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, 2012
Putnam County Tax Collector

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
<u>REVENUES</u>				
Charges for Services	\$ 2,140,802	\$ 2,140,802	\$ 2,170,978	\$ 30,176
Miscellaneous Revenue	38,000	38,000	44,428	6,428
TOTAL REVENUES	2,178,802	2,178,802	2,215,406	36,604
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,038,668	2,038,668	1,875,300	163,368
EXCESS OF REVENUES OVER EXPENDITURES	140,134	140,134	340,106	199,972
<u>OTHER FINANCING USES</u>				
Reversion to Board of County Commissioners	(140,134)	(140,134)	(340,106)	(199,972)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES- September 30, 2012	\$ -	\$ -	\$ -	\$ -

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.

SUPPLEMENTARY INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2012
Putnam County Tax Collector

	TAX FUND	TAG FUND	ESCROW FUND	TOTAL AGENCY FUNDS
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,034,461	\$ 103,057	\$ 6,611	\$ 2,144,129
Accounts Receivable	5,200	14,368	-	19,568
TOTAL ASSETS	2,039,661	117,425	6,611	2,163,697
<u>LIABILITIES</u>				
Assets Held for Others	2,039,661	117,425	6,611	2,163,697
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, 2012, and have issued our report thereon dated November 27, 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

November 27, 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, 2012, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated November 27, 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

Management of the Office is responsible for establishing and maintaining effective 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*.

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

November 27, 2012
Palatka, Florida

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



November 27, 2012

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

Dear Sir:

An audit of the operations of the Putnam County Tax Collector's for the fiscal year ending September 30, 2012, has been completed by Carr, Riggs & Ingram, LLC.

I am pleased to report that their audit did not disclose any deficiencies in internal control over financial reporting or instances of noncompliance that require disclosure under Government Auditing Standards.

Sincerely,

A handwritten signature in cursive script that reads "Ken Mahaffey".

Ken Mahaffey, CFC
Constitutional Tax Collector

KM/ccr

PUTNAM COUNTY
PROPERTY APPRAISER

AUDIT REPORT

SEPTEMBER 30, 2012

**Putnam County Property Appraiser
Audit Report
September 30, 2012**

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Independent Auditor's 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, 2012, 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, 2012, 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 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 6, 2012
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Putnam County Property Appraiser

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and Equivalents	<u><u>\$ 331,992</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 36,516
Due to Other County Agencies	<u>295,476</u>
TOTAL LIABILITIES	331,992
FUND BALANCE	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 331,992</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2012
Putnam County Property Appraiser

	GENERAL FUND
<u>REVENUES</u>	
Charges for Services	\$ 32,462
Miscellaneous Revenue	171
TOTAL REVENUES	32,633
<u>EXPENDITURES</u>	
Current:	
General Government Services	1,312,927
EXCESS OF REVENUES UNDER EXPENDITURES	(1,280,294)
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,575,770
Reversion to Board of County Commissioners	(295,476)
TOTAL OTHER FINANCING SOURCES (USES)	1,280,294
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2011	-
FUND BALANCE - September 30, 2012	\$ -

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

Notes to Financial Statements
September 30, 2012
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, 2012
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, 2012
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, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 82,000</u>	<u>\$102,000</u>	<u>\$ 107,000</u>	<u>\$ 77,000</u>	<u>\$ 32,000</u>

NOTE 3 – 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.

Notes to Financial Statements
September 30, 2012
Putnam County Property Appraiser

NOTE 3 – PENSION PLAN

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately \$53,200, \$86,500 and \$100,600, 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.

NOTE 5 – 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, 2012
Putnam County Property Appraiser

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
<u>REVENUES</u>				
Charges for Services	\$ 34,850	\$ 34,771	\$ 32,462	\$ (2,309)
Miscellaneous Revenue	-	-	171	171
TOTAL REVENUES	34,850	34,771	32,633	(2,138)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,610,620	1,610,541	1,312,927	297,614
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,575,770)	(1,575,770)	(1,280,294)	295,476
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,575,770	1,575,770	1,575,770	-
Reversion to Board of County Commissioners	-	-	(295,476)	(295,476)
TOTAL OTHER FINANCING SOURCES (USES)	1,575,770	1,575,770	1,280,294	(295,476)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2011	-	-	-	-
FUND BALANCES - September 30, 2012	\$ -	\$ -	\$ -	\$ -

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, 2012, and have issued our report thereon dated December 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. 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 6, 2012
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, 2012, and have issued our report thereon dated December 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

Management of the Office is responsible for establishing and maintaining effective 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. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. 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 Timothy E. Parker
Property Appraiser
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 misstatements detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor'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 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 6, 2012
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 6, 2012

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, 2011 to September 30, 2012.

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

PUTNAM COUNTY
SUPERVISOR OF ELECTIONS

AUDIT REPORT

SEPTEMBER 30, 2012

**Putnam County Supervisor of Elections
Audit Report
September 30, 2012**

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Independent Auditor's 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, 2012, 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, 2012, 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 4, 2013 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
Putnam County Supervisor of Elections
Putnam County, Florida
Page 2

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 4, 2013
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2012
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and Equivalents	\$ 198,268	\$ 83,167	\$ 281,435
Prepaid Asset	13,522	-	13,522
TOTAL ASSETS	<u><u>\$ 211,790</u></u>	<u><u>\$ 83,167</u></u>	<u><u>\$ 294,957</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 46,079	\$ -	\$ 46,079
Due to Other County Agencies	152,189	-	152,189
TOTAL LIABILITIES	<u>198,268</u>	<u>-</u>	<u>198,268</u>
<u>FUND BALANCES</u>			
Nonspendable	13,522	-	13,522
Restricted for Elections	-	83,167	83,167
TOTAL FUND BALANCES	<u>13,522</u>	<u>83,167</u>	<u>96,689</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 211,790</u></u>	<u><u>\$ 83,167</u></u>	<u><u>\$ 294,957</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Intergovernment Revenue	\$ -	\$ 11,444	\$ 11,444
Miscellaneous Revenue	5,512	9	5,521
TOTAL REVENUES	5,512	11,453	16,965
<u>EXPENDITURES</u>			
Current:			
General Government Services	818,541	2,772	821,313
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(813,029)	8,681	(804,348)
<u>OTHER FINANCING SOURCES (USES)</u>			
Appropriation from Board of County Commissioners	948,000	-	948,000
Reversion to Board of County Commissioners	(152,189)	-	(152,189)
Transfers In	-	1,177	1,177
Transfers Out	(1,177)	-	(1,177)
TOTAL OTHER FINANCING SOURCES (USES)	794,634	1,177	795,811
NET CHANGE IN FUND BALANCES	(18,395)	9,858	(8,537)
FUND BALANCES - October 1, 2011	31,917	73,309	105,226
FUND BALANCES - September 30, 2012	\$ 13,522	\$ 83,167	\$ 96,689

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

Notes to Financial Statements
September 30, 2012
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 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 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, 2012
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, 2012
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, 2012
Putnam County Supervisor of Elections

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2011	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$16,000</u>	<u>\$45,000</u>	<u>\$ 21,000</u>	<u>\$ 40,000</u>	<u>\$22,400</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 Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2012 were as follows: Regular Employees 5.18%; Special Risk Employees 14.90%; Senior Management 6.30%; Elected Officials 10.23%; DROP 5.44%. Employees are required to contribute 3.00%. 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, 2012, 2011 and 2010 were approximately \$13,030, \$27,900 and \$31,800, 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, 2012
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>BUDGET</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 5,512	\$ 5,512
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>948,000</u>	<u>948,000</u>	<u>818,541</u>	<u>129,459</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>(948,000)</u>	<u>(948,000)</u>	<u>(813,029)</u>	<u>134,971</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County				
Commissioners	948,000	948,000	948,000	-
Reversion to Board of County Commissioners	-	-	(152,189)	(152,189)
Transfers Out	<u>-</u>	<u>-</u>	<u>(1,177)</u>	<u>(1,177)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>948,000</u>	<u>948,000</u>	<u>794,634</u>	<u>(153,366)</u>
NET CHANGE IN FUND BALANCES	-	-	(18,395)	(18,395)
FUND BALANCES - October 1, 2011	<u>-</u>	<u>-</u>	<u>31,917</u>	<u>31,917</u>
FUND BALANCES - September 30, 2012	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,522</u></u>	<u><u>\$ 13,522</u></u>

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Grant Fund
For the Year Ended September 30, 2012
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>				
Intergovernmental Revenue	\$ 12,621	\$ 12,621	\$ 11,444	\$ (1,177)
Miscellaneous Revenue	-	-	9	9
	<u>12,621</u>	<u>12,621</u>	<u>11,453</u>	<u>(1,168)</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>12,621</u>	<u>12,621</u>	<u>2,772</u>	<u>9,849</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	8,681	8,681
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>-</u>	<u>-</u>	<u>1,177</u>	<u>1,177</u>
NET CHANGE IN FUND BALANCES	-	-	9,858	9,858
FUND BALANCES - October 1, 2011	<u>75,940</u>	<u>75,940</u>	<u>73,309</u>	<u>(2,631)</u>
FUND BALANCES - September 30, 2012	<u><u>\$ 75,940</u></u>	<u><u>\$ 75,940</u></u>	<u><u>\$ 83,167</u></u>	<u><u>\$ 7,227</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.

**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, 2012, and have issued our report thereon dated January 4, 2013.

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
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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 4, 2013
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, 2012, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 4, 2013. 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

Management of the Office is responsible for establishing and maintaining effective 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 12-1 and 12-2 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. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

A handwritten signature in cursive script that reads "Carr, Riggs & Ingram LLC".

January 4, 2013
Palatka, Florida

**Schedule of Findings
For the Year Ended September 30, 2012
Putnam County Supervisor of Elections**

12-1 (Reported in previous audit reports as items 11-1 and 10-1.)

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.

Recommendation – Duties should be separated to the extent possible.

12-2 (Reported in previous audit reports as items 11-2 and 10-2.)

Condition – As part of the audit process, it was necessary for us to assist with the preparation of your financial statements, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

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



January 4, 2013

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, 2012, 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 # 12-1:

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 #12-2:

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 past couple of years, 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