

PUTNAM COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2015

BOARD OF COUNTY COMMISSIONERS

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Karl Flagg

Larry Harvey

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Charles L. Overturf III

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INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners
Putnam County, Florida

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2015, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as "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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 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* in considering the County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016

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PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2015

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, 2015. 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 and deferred inflows of resources at September 30, 2015 by \$146,886 (*net position*). Of this amount, \$(10,291) represents a deficit unrestricted net position.
- Total net position is comprised of the following:
 - 1) \$(10,291) deficit unrestricted net position which is primarily due to the County's long-term liabilities and related deferrals for employees which totaled \$42,055 at September 30, 2015. This total is made up of the following: OPEB payable \$2,964, compensated absences payable \$2,217, net pension liability of \$24,637 and deferred inflows of resources of \$12,237.

Fiscal year 2015 is the first year that a net pension liability is reported for the County due to the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The County now includes in the government-wide statements, its proportionate share of the net position liability of the FL Retirement System cost-sharing plans in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the FL Retirement Systems' fiduciary net position. See Note 2 of the financial statements for more information on this change.

- 2) Net Investment in Capital Assets of \$137,650, 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, including amounts owed contractors for work completed through September 30, 2015.
 - 3) Net position of \$19,527 is restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
- The County's total net position decreased \$19,140 from the previous year with a decrease of \$25,326 in governmental activities and an increase of \$6,185 from business activities. The governmental activities reflected a current year increase of \$1,145 and a \$26,471

decrease from an adjustment to restate beginning net position. The business activities reflected a current year increase of \$6,646 and a decrease of \$461 from an adjustment to restate beginning net position. The adjustment to beginning net position is further explained in Financial Statement Note 3.

Fund Statements

- At September 30, 2015, the County's governmental funds reported combined ending fund balances of \$30,511, a decrease of \$1,238 in comparison with the prior fiscal year. A detail of the components of ending fund balance follow in the Financial Analysis section on governmental funds.
- Governmental fund assets were \$38,748 at year end which is mostly made up of cash and equivalents of \$28,074 and \$5,493 balances due from other governments.
- Liabilities in the governmental funds totaled \$6,360 at year-end with most of the balance in accounts payable and accrued liabilities of \$5,311 and \$697 due to other funds. The governmental funds also have a \$1,878 balance of deferred inflows from receivables which are not available in the current period and therefore not recognized as revenue.
- Governmental Fund revenues increased \$3,176 or 5.0% from the prior year. All categories of revenue increased from the previous year except for Special Assessments which decreased by \$55. Revenue increases were as follows: Taxes, \$58; Licenses and Permits, \$69; Intergovernmental Revenue, \$2,271; Charges for Services, \$522; Fines and Forfeitures, \$36; and Miscellaneous, \$275.
- Governmental Fund expenditures increased \$19,998 or 31.4% from the prior year. Most of the increase is from \$16,502 in capital outlay for the jail expansion. Other significant changes include \$488 in general government, \$3,971 in public safety, \$304 in transportation, (\$1,078) in economic environment, (\$259) in court related, and (\$424) in debt service.
- The County's governmental funds received \$16,106 in short-term bond anticipation note proceeds for the jail and had net transfers of (\$316) for the year.
- The County's outstanding governmental long-term obligations increased by \$7,437. The change was due to the following: recording an increase in net pension liability of 8,693, payment of outstanding principal in the amount of \$1,709; a decrease in Medicaid obligation of \$83; an increase in OPEB liability of \$526; and an increase of accrued compensated absences in the amount of \$10.

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 and deferred inflows 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 Better Place Plan Fund, and the Capital Projects 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, if any. Combining statements for the County's non-major funds and budget and actual comparison schedules for any non-major funds or major capital project 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 and major capital project fund, are found in the *Supplemental Information* section of the Financial Statements.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$146,886 at the close of the fiscal year ended September 30, 2015. By far the largest portion of the County's net position, \$137,650 or 93.7%, reflects its investment in capital assets such as land, buildings, infrastructure, intangibles and equipment, less any related outstanding debt (including amounts owed to contractors for work completed through September 30, 2015) 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 and applicable obligations, 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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2015	2014	2015	2014	2015	2014	
Cash and Investments	\$ 30,289	\$ 33,284	\$ 15,112	\$ 15,313	\$ 45,401	\$ 48,597	-6.6%
Other Current Assets	7,957	4,938	1,866	(104)	9,823	4,834	103.2%
Capital Assets, Net	128,765	111,140	53,785	49,795	182,550	160,935	13.4%
Total Assets	167,011	149,362	70,763	65,004	237,774	214,366	10.9%
Deferred Outflows of Resources	11,736	384	205	-	11,941	384	3009.6%
Current Liabilities	7,860	4,449	1,681	3,061	9,541	7,510	27.0%
Interest Rate Swaps	216	384	-	-	216	384	
Long-Term and Short-Term Debt and Other Obligations	50,422	11,382	30,412	29,447	80,834	40,829	98.0%
Total Liabilities	58,498	16,215	32,093	32,508	90,591	48,723	85.9%
Deferred Inflows of Resources	12,044	-	194	-	12,238	-	100.0%
Net Position:							
Net Investment in Capital Assets	104,831	103,724	32,819	28,132	137,650	131,856	4.4%
Restricted	19,527	19,564	-	-	19,527	19,564	-0.2%
Unrestricted	(16,153)	10,243	5,862	4,364	(10,291)	14,607	-170.5%
TOTAL NET POSITION	\$ 108,205	\$ 133,531	\$ 38,681	\$ 32,496	\$ 146,886	\$ 166,027	-11.5%

An additional portion of the County's net position, \$19,527, 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's unrestricted net position was a deficit \$10,291 which is caused by recording \$24,637 of net pension liability. See Financial Statement Note 2 for more information on the pension liability and related changes.

Change in Net Position

Governmental activities increased the County's net position by \$1,145. This increase resulted from the following: capital asset acquisitions and disposals \$25,005; the recognition of (\$7,392) of depreciation expense; the issuance of debt of (\$16,106); principal payments of \$1,709; the recognition of \$1,747 of pension expense, the recognition of accrued interest expense of (\$24); the recognition of unavailable revenues of (\$134); the recognition of (\$6) expense for compensated absences; the recognition of (\$521) expense for Other Postemployment Benefit (OPEB) obligations; the recognition of \$83 expense for Medicaid obligation; the inclusion of Internal Service Funds in governmental activities in the amount of (\$1,978); and a (\$1,238) decrease in the fund balance total for the Governmental Funds.

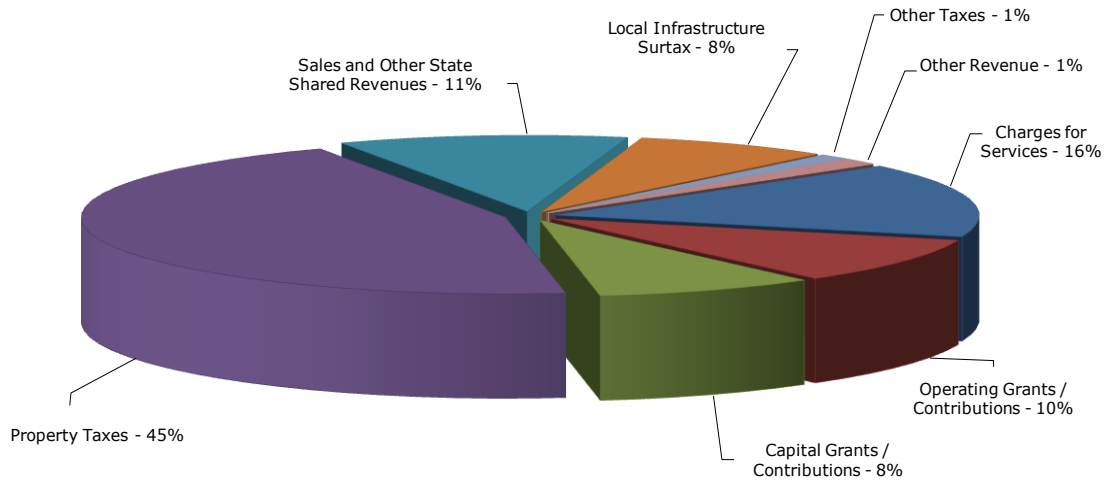
Summary Statement of Activities

	Governmental Activities		Business-type Activities		Total		Percent Change
	2015	2014	2015	2014	2015	2014	
Revenues:							
Program revenues:							
Charges for services	\$ 10,726	\$ 10,450	\$ 14,854	\$ 10,094	\$ 25,580	\$ 20,544	24.5%
Operating grants and contributions	6,657	6,697	91	91	6,748	6,788	-0.6%
Capital grants and contributions	5,745	4,011	3,088	4,080	8,833	8,091	9.2%
General revenues:							
Property taxes	30,776	31,152	-	-	30,776	31,152	-1.2%
Sales and other state shared revenues	7,537	7,457	-	-	7,537	7,457	1.1%
Local infrastructure surtax	5,115	4,825	-	-	5,115	4,825	6.0%
Other taxes	806	741	-	-	806	741	8.8%
Other revenue	968	812	150	170	1,118	982	13.8%
Total revenues	68,330	66,145	18,183	14,435	86,513	80,580	7.4%
Expenses:							
General Government	15,833	15,263	-	-	15,833	15,263	3.7%
Public Safety	31,130	30,024	-	-	31,130	30,024	3.7%
Physical Environment	764	589	-	-	764	589	29.7%
Transportation	9,848	9,668	-	-	9,848	9,668	1.9%
Economic Environment	909	1,995	-	-	909	1,995	-54.4%
Human Services	2,296	2,125	-	-	2,296	2,125	8.0%
Culture/Recreation	1,670	2,227	-	-	1,670	2,227	-25.0%
Court Related	3,822	3,922	-	-	3,822	3,922	-2.5%
Interest on L-T Obligations	328	307	-	-	328	307	6.8%
Water and Wastewater	-	-	2,441	1,893	2,441	1,893	28.9%
Solid Waste	-	-	9,336	5,358	9,336	5,358	74.2%
Port Authority	-	-	345	298	345	298	15.8%
Total Expenses	66,600	66,120	12,122	7,549	78,722	73,669	6.9%
Increase in Net Position							
Before Transfers	1,730	25	6,061	6,886	7,791	6,911	
Transfers	(585)	(615)	585	615	-	-	
Increase (Decrease) in net position	1,145	(590)	6,646	7,501	7,791	6,911	
Net Position - beginning of year as previously reported	133,531	134,121	32,496	24,995	166,027	159,116	
Adjustments to beginning net position	(26,471)	-	(461)	-	(26,932)	-	
Net Position - beginning as restated	107,060	134,121	32,035	24,995	139,095	159,116	
Net Position - End of Year	\$ 108,205	\$ 133,531	\$ 38,681	\$ 32,496	\$ 146,886	\$ 166,027	-11.5%

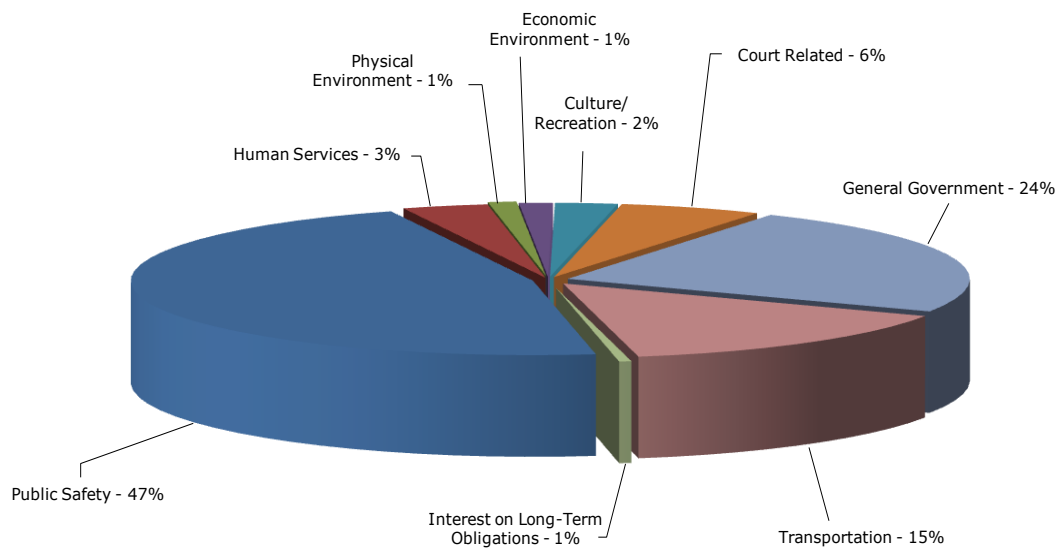
Governmental Activities

The County's governmental net position increased \$1,145 from the prior period restated net position. The current year change in net position is discussed above and the restatement of prior year net position is detailed in financial statement notes 2 and 3.

Revenues by Source - Governmental Activities



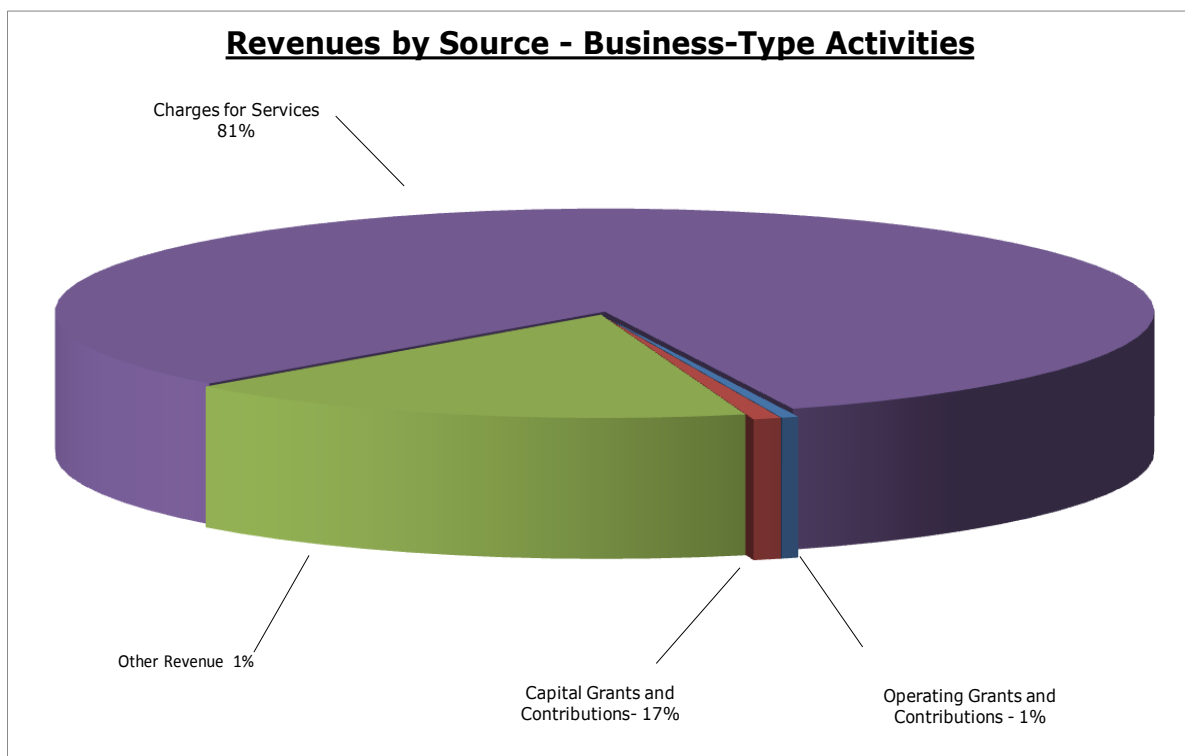
Expenses - Governmental Activities



Business-type Activities

The net position related to business-type activities increased \$6,646 from current year activities. The current year change in net position is discussed above and the restatement of net position is detailed in Financial Statement Notes 2 and 3. Key elements resulting in the current year increase are as follows:

- User fees and assessments for the Waste Management Fund increased \$4,646 from the previous year due to an increase in fee rates.
- Capital grant revenue for the East Putnam Water Fund decreased \$992 from the previous year.



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, 2015, the net decrease in fund balances per the Governmental Funds Financial Statements totaled (\$1,238) while the governmental activities column of the Government-wide Financial Statements reported an

increase of \$1,145 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, 2015, the County's governmental funds reported combined ending fund balances of \$30,511. Of the total governmental fund balance, \$3,231 constitutes unassigned fund balance, which is available for spending within each particular fund. The remainder of the fund balance is made up of \$19,974 that is restricted (primarily \$9,277 for Better Place Plan – Capital, \$3,435 for Road Projects, and \$1,385 for Court Improvement); \$414 is committed for the Sheriff's commissary; and \$6,892 is assigned (primarily \$5,941 for subsequent year's expenditures).

The following funds experienced the most significant changes in fund balance for the year: the General Fund decreased (\$2,961) largely due to transfers to support the Transportation Fund (\$1,192) and other funds; the Better Place Plan Fund and the Capital Projects Fund (major funds) increased \$1,621 and \$854, respectively, as the result of intentionally accumulating funds for future capital expenditures; the Fire Taxing Unit Fund decreased (\$1,475) due to capital outlay for fire equipment; the Road Projects Fund increased \$1,096 due to receipt of gas tax funds.

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, 2015, total net position amounted to \$38,681, an increase of \$6,646 from the prior fiscal year, before a restatement of (\$461). Unrestricted net position totaled \$5,861. 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 55 of the accompanying Financial Statements. Primary variances between original and final budgeted amounts for the year are composed of the following:

- Intergovernmental revenues were increased by \$166 to account for unanticipated grant revenues received. The majority of the grant revenues received was used by the Sheriff for various law enforcement activities. Charges for Services increased by \$135 to account for unanticipated excess revenue generated mainly by the Clerk of Courts. Additionally, Miscellaneous Revenue was increased by \$166, largely due to \$131 received from the State to help fund a special election.

A comparison of actual revenues versus the final budget reflects that Intergovernmental revenue and Tax revenue were \$372 and \$314 more than budgeted projections, respectively. This was attributable to additional grant funds received and higher than anticipated tax collections. Additionally, ambulance fees collected were \$178 over budget and largely responsible for Charges for Services being \$297 over the amount budgeted.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$1,473 under final budget. General Government expenditures were \$1,038 under budget, Culture and Recreation was \$154 under budget, and Public Safety expenditures were \$64 under budget because of sound/conservative fiscal management. Additionally, Reserves for Contingencies of \$155 were not needed during the year.

Capital Asset and Debt Administration

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2015	2014	2015	2014	2015	2014	
Land	\$ 21,168	\$ 21,109	\$ 6,176	\$ 6,176	\$ 27,344	\$ 27,285	0.2%
Intangible Assets	574	709	-	-	574	709	-19.0%
Buildings and Improvements	21,162	20,770	1,793	1,903	22,955	22,673	1.2%
Equipment	6,151	5,999	1,169	1,418	7,320	7,417	-1.3%
Infrastructure	63,324	61,418	-	-	63,324	61,418	3.1%
Water and Sewer Distribution System	-	-	26,766	27,570	26,766	27,570	-2.9%
Landfill	-	-	4,601	4,146	4,601	4,146	11.0%
Construction in Progress	16,386	1,134	13,280	8,582	29,666	9,716	205.3%
Total Capital Assets, Net	<u>\$ 128,765</u>	<u>\$ 111,139</u>	<u>\$ 53,785</u>	<u>\$ 49,795</u>	<u>\$ 182,550</u>	<u>\$ 160,934</u>	13.4%

Capital Assets

The County's financial statements present capital assets in two groups: those assets subject to depreciation 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, 2015, amounts to \$182,550 (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:

- Emergency Services constructed a new volunteer firehouse totaling \$738.
- Emergency Services purchased new vehicles totaling \$970.
- Sanitation improved the landfill by "mining" totaling \$782.
- The County continued its program to resurface, widen and add paved roads and sidewalks during the year at a capitalized cost of \$5,418.
- The Sheriff purchased new vehicles totaling \$809.

Additional information on the County's Capital Assets may be found in Note 9 beginning on page 36 of the accompanying Financial Statements.

Long-term Obligations

County-wide, total long-term obligations increased by \$10,502 from the prior year, mostly from an increase in net pension liability of \$8,841 from the implementation of GASB 68. Other changes include an increase of \$3,251 in revenue bonds, a \$(1,807) decrease in notes payable, a \$543 increase in the liability for Other Postemployment Benefits, and a \$232 increase in accrued landfill closure and long-term care costs.

Throughout fiscal year 2015, the County's governmental activities and business-type activities did not enter into any new capital lease agreements.

Governmental Activities:

- The County made the following principal payments during the year: special assessment debt - \$164, notes payable - \$1,483, capital leases - \$62, and Medicaid obligation - \$83.
- Governmental obligations for compensated absences increased \$10 or 0.5% to \$2,145.
- A Net Pension liability of \$15,497 was recorded at the beginning of the year from implementing GASB 68. The net pension liability increased \$8,694 to \$24,191 at year-end.

	Long-Term Obligations						Percent Change
	Governmental		Business-type		Total		
	Activities		Activities				
	2015	2014	2015	2014	2015	2014	
Revenue Bonds	\$ -	\$ -	\$ 9,284	\$ 6,033	9,284	6,033	53.9%
Special Assessment Debt	488	652	-	-	488	652	-25.2%
Notes Payable	4,459	5,942	9,440	9,764	13,899	15,706	-11.5%
Capital Lease Obligations	-	62	372	631	372	693	-46.3%
Landfill Closure and Post-Closure	-	-	9,767	9,535	9,767	9,535	2.4%
Other Post Employment Benefits	2,867	2,341	97	80	2,964	2,421	22.4%
Compensated Absences	2,144	2,135	72	71	2,216	2,206	0.5%
Medicaid Obligation	167	250	-	-	167	250	N/A
Net Pension Liability	24,191	15,497	446	299	24,637	15,796	56.0%
Total	\$ 34,316	\$ 26,879	\$ 29,478	\$ 26,413	\$ 63,794	\$ 53,292	19.7%

Business-type Activities:

- The following principal payments were made during the year: notes payable - \$959, revenue bonds - \$82, and capital leases - \$259.
- Accrued landfill closure and post-closure costs were increased by \$458 due to a change in accounting estimate that resulted when an engineering study revealed less than expected remaining capacity within the active cells. That increase was offset by a reduction of \$227 due to reduced long-term care cost estimates.
- A Net Pension liability of \$299 was recorded at the beginning of the year from implementing GASB 68. The net pension liability increased \$147 to \$446 at year-end.

Additional information on the County's long-term obligations can be found in Note 10 beginning on page 37 of the accompanying Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County for September 2015 was 7.2%. This represents a decrease over the previous year's average of 8.3%.
- The taxable value of real property increased 1.9%, while the taxable value of personal property decreased 1.2% in the 2015 fiscal year.
- Building permit activity revenues increased approximately 28.6% from the prior year.
- The population increased slightly from 72,523 in the prior year to an estimated 72,756.

During the current fiscal year, the unassigned fund balance in the General Fund decreased (\$3,638) or 49.4% to \$3,732. The overall fund balance in the General Fund decreased (\$2,960) or 23.3% from the previous year to \$9,728. The decrease was primarily the result of increased expenditures for public safety - \$1,471, general government - \$508, and transfers to support other funds - \$272. The ad valorem tax rate remained the same at 8.900 mills for fiscal year 2015.

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*.



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Putnam County, Florida
Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
ASSETS				
Cash and Equivalents	\$ 29,352,022	\$ 7,782,569	\$ 37,134,591	\$ 237,889
Investments	937,417	-	937,417	-
Restricted Cash and Equivalents	-	94,535	94,535	-
Restricted Investments	-	839,848	839,848	-
Receivables	1,304,884	261,849	1,566,733	-
Internal Balances	915,000	(915,000)	-	-
Due From Other Governments	5,512,226	2,519,434	8,031,660	-
Inventory	206,685	-	206,685	-
Other Assets	18,234	-	18,234	-
Restricted Cash and Equivalents	-	2,547,821	2,547,821	-
Restricted Investments	-	3,847,546	3,847,546	-
Capital Assets:				
Non-Depreciable	37,553,878	19,456,172	57,010,050	473,854
Depreciable, Net	91,210,988	34,328,509	125,539,497	89,339
TOTAL ASSETS	167,011,334	70,763,283	237,774,617	801,082
DEFERRED OUTFLOWS OF RESOURCES				
Derivative Instruments-Interest Rate Swaps	215,969	-	215,969	-
Pensions	11,520,031	204,642	11,724,673	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,736,000	204,642	11,940,642	-
LIABILITIES				
Accounts Payable and Accrued Liabilities	3,748,150	680,880	4,429,030	192
Accounts Payable to Contractors	1,694,573	436,165	2,130,738	-
Retainage Payable to Contractors	1,186,697	498,533	1,685,230	-
Other Liabilities	1,214,914	65,230	1,280,144	-
Unearned Revenue	15,848	-	15,848	-
Derivative Instruments-Interest Rate Swaps	215,969	-	215,969	-
Short-term State Revolving Loan	-	934,383	934,383	-
Noncurrent Liabilities:				
Due Within One Year	19,543,998	1,550,518	21,094,516	-
Due in More Than One Year	30,878,027	27,927,329	58,805,356	-
TOTAL LIABILITIES	58,498,176	32,093,038	90,591,214	192
DEFERRED INFLOWS OF RESOURCES				
Pensions	12,043,878	193,753	12,237,631	-
NET POSITION				
Net Investment In Capital Assets	104,830,681	32,819,491	137,650,172	563,193
Restricted For:				
Affordable Housing Assistance	597,655	-	597,655	-
Court Functions and Courthouse Improvements	1,415,076	-	1,415,076	-
Law Enforcement and Other Public Safety	1,569,249	-	1,569,249	-
Capital Projects	13,601,807	-	13,601,807	-
Public Records Modernization	1,148,261	-	1,148,261	-
Fishing Improvement	322,415	-	322,415	-
Tourist Development	539,163	-	539,163	-
Water and Sewer Utilities	225,175	-	225,175	-
Other Purposes	108,656	-	108,656	-
Unrestricted	(16,152,858)	5,861,643	(10,291,215)	237,697
TOTAL NET POSITION	\$ 108,205,280	\$ 38,681,134	\$ 146,886,414	\$ 800,890

See accompanying notes.

Putnam County, Florida
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activities	Putnam Co Develop. Auth.
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 15,833,048	\$ 3,810,560	\$ 17,633	\$ -	\$ (12,004,855)	\$ -	\$ -
Public Safety	31,130,700	4,527,792	1,031,773	247,535	(25,323,600)	-	-
Physical Environment	764,026	190,711	31,540	-	(541,775)	-	-
Transportation	9,848,038	612,116	3,920,818	5,432,865	117,761	-	-
Economic Environment	908,696	-	21,215	65,094	(822,387)	-	-
Human Services	2,295,735	216,391	55,798	-	(2,023,546)	-	-
Culture and Recreation	1,670,193	73,419	266,861	-	(1,329,913)	-	-
Court Related	3,821,760	1,295,392	1,311,760	-	(1,214,608)	-	-
Interest on Long-Term Debt	328,261	-	-	-	(328,261)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	66,600,457	10,726,381	6,657,398	5,745,494	(43,471,184)	-	-
BUSINESS-TYPE ACTIVITIES:							
Water and Wastewater System	2,441,404	1,122,706	-	3,088,096	-	1,769,398	-
Solid Waste	9,336,233	13,494,327	90,909	-	-	4,249,003	-
Port Authority	344,846	237,688	-	-	-	(107,158)	-
TOTAL BUSINESS-TYPE ACTIVITIES	12,122,483	14,854,721	90,909	3,088,096	-	5,911,243	-
TOTAL PRIMARY GOVERNMENT	\$ 78,722,940	\$ 25,581,102	\$ 6,748,307	\$ 8,833,590	(43,471,184)	5,911,243	-
COMPONENT UNIT:							
Putnam County Development Authority	\$ 21,122	\$ 10,497	\$ -	\$ -	-	-	(10,625)
GENERAL REVENUES:							
Property Taxes					30,775,731	-	-
Sales Taxes					2,554,085	-	-
Unrestricted State Shared Revenues					4,982,650	-	-
Local Infrastructure Surtax					5,115,218	-	-
Tourist Development Tax					299,122	-	-
Communications Service Tax					506,707	-	-
Investment Earnings					38,612	72,593	599
Gain on Sale of Capital Assets					-	77,603	-
Miscellaneous					928,557	507	-
Transfers					(584,531)	584,531	-
TOTAL GENERAL REVENUES AND TRANSFERS					44,616,151	735,234	599
CHANGE IN NET POSITION					1,144,967	6,646,477	(10,026)
NET POSITION - BEGINNING OF YEAR , RESTATED					107,060,313	32,034,657	810,916
NET POSITION - END OF YEAR					\$ 108,205,280	\$ 38,681,134	\$ 800,890

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Better Place Plan Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Equivalents	\$ 7,940,608	\$ 9,094,224	\$ 10,306	\$ 11,028,919	\$ 28,074,057
Investments	300,603	-	-	636,814	937,417
Receivables	1,250,391	-	-	54,493	1,304,884
Due From Other Funds	2,842,000	-	-	79,804	2,921,804
Due From Other Governments	638,404	340,726	2,560,752	1,953,509	5,493,391
Other Assets	16,886	-	-	-	16,886
TOTAL ASSETS	12,988,892	9,434,950	2,571,058	13,753,539	38,748,439
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	1,765,546	81,312	2,061,664	1,402,664	5,311,186
Due to Other Funds	3,061	76,743	22,000	595,000	696,804
Due to Other Governments	88,072	-	-	188,750	276,822
Unearned Revenue	15,848	-	-	-	15,848
Customer Deposits	-	-	-	59,030	59,030
TOTAL LIABILITIES	1,872,527	158,055	2,083,664	2,245,444	6,359,690
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Revenues - unavailable	1,388,393	-	-	489,425	1,877,818
<u>FUND BALANCES</u>					
Restricted	54,922	9,276,895	-	10,642,054	19,973,871
Committed	-	-	-	414,412	414,412
Assigned	5,940,642	-	487,394	463,570	6,891,606
Unassigned	3,732,408	-	-	(501,366)	3,231,042
TOTAL FUND BALANCES	9,727,972	9,276,895	487,394	11,018,670	30,510,931
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$12,988,892	\$ 9,434,950	\$ 2,571,058	\$ 13,753,539	\$ 38,748,439

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Position-
Governmental Funds
September 30, 2015

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 30,510,931

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..... 128,716,178

Certain receivables are not available in the current period and therefore are not recognized as revenues in the Governmental Funds..... 1,877,818

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 (83,849)

Long-term liabilities do not require the use of current financial resources and are not reported in the funds.
Long-Term Debt (21,052,915)
Compensated Absences (2,107,700)
Medicaid Obligation..... (166,667)
OPEB Obligations (2,836,691)
(26,163,973)

A Net Pension liability is recorded when the plan's fiduciary net position is not sufficient for payment of those benefits. The County's proportionate share of the net pension liability of the Florida Retirement System is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.
Net Pension Liability (24,042,406)
Deferred outflows related to pensions..... 11,452,122
Deferred inflows related to pensions..... (11,979,581) (24,569,865)

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 (2,081,960)

Net Position of Governmental Activities \$ 108,205,280

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2015

	General Fund	Better Place Plan Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 29,172,794	\$ 5,115,218	\$ -	\$ 5,471,181	\$ 39,759,193
Licenses and Permits	406,925	-	-	48,574	455,499
Intergovernmental	8,089,634	-	-	8,955,460	17,045,094
Charges for Services	5,667,257	-	-	1,488,960	7,156,217
Fines and Forfeitures	49,626	-	-	400,065	449,691
Special Assessments	-	-	-	707,522	707,522
Miscellaneous	523,327	17,444	-	594,063	1,134,834
TOTAL REVENUES	43,909,563	5,132,662	-	17,665,825	66,708,050
<u>EXPENDITURES</u>					
Current:					
General Government	13,233,782	-	-	50,989	13,284,771
Public Safety	26,491,936	-	-	5,526,365	32,018,301
Physical Environment	374,135	-	-	229,583	603,718
Transportation	30,000	-	-	6,086,824	6,116,824
Economic Environment	304,490	-	-	607,005	911,495
Human Services	2,367,008	-	-	-	2,367,008
Culture and Recreation	1,738,103	-	-	316,145	2,054,248
Court Related	1,047,895	-	-	2,640,861	3,688,756
Capital Outlay	-	1,295,444	15,193,971	4,188,733	20,678,148
Debt Service:					
Principal Retirement	62,150	1,385,000	-	261,928	1,709,078
Interest and Fiscal Charges	1,648	193,179	57,999	51,144	303,970
TOTAL EXPENDITURES	45,651,147	2,873,623	15,251,970	19,959,577	83,736,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,741,584)	2,259,039	(15,251,970)	(2,293,752)	(17,028,267)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	553,907	-	-	1,604,658	2,158,565
Transfers Out	(1,772,857)	(638,177)	-	(63,374)	(2,474,408)
Debt Issued	-	-	16,105,662	-	16,105,662
TOTAL OTHER FINANCING SOURCES (USES)	(1,218,950)	(638,177)	16,105,662	1,541,284	15,789,819
NET CHANGE IN FUND BALANCES	(2,960,534)	1,620,862	853,692	(752,468)	(1,238,448)
FUND BALANCES - BEGINNING OF YEAR	12,688,506	7,656,033	(366,298)	11,771,138	31,749,379
FUND BALANCES - END OF YEAR	\$ 9,727,972	\$ 9,276,895	\$ 487,394	\$ 11,018,670	\$ 30,510,931

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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,238,448)

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	25,102,821	
Current year depreciation and amortization	(7,392,054)	
Difference.....		17,710,767

Certain items reported in the Statement of Activities are not considered available current financial resources and therefore are not reported as revenues in the Governmental Funds.....

(133,877)

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		(97,998)
--	--	----------

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

(16,105,662)

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		1,709,078
-------------------------------	--	-----------

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	(5,700)	
OPEB Obligations	(520,897)	
Accrued Interest Payable	(24,291)	
Medicaid Obligation	83,333	
Total		(467,555)

Pension expense is recorded in the statement of activities for changes in the County's proportionate share of the Florida Retirement System collective pension expense. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68.....

1,747,253

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

(1,978,591)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 1,144,967

See accompanying notes.

Putnam County, Florida
Statement of Net Position – Proprietary Funds
September 30, 2015

	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>ASSETS</u>					
CURRENT ASSETS:					
Cash and Equivalents	\$ 6,193,482	\$ 689,517	\$ 899,570	\$ 7,782,569	\$ 1,277,965
Restricted Cash and Equivalents	-	94,535	-	94,535	-
Restricted Investments	-	839,848	-	839,848	-
Receivables	89,545	164,593	7,711	261,849	-
Due From Other Governments	141,115	2,378,319	-	2,519,434	18,835
Inventory	-	-	-	-	206,685
Other Assets	-	-	-	-	1,348
TOTAL CURRENT ASSETS	6,424,142	4,166,812	907,281	11,498,235	1,504,833
NONCURRENT ASSETS:					
Restricted Cash and Equivalents	1,917,305	630,516	-	2,547,821	-
Restricted Investments	3,847,546	-	-	3,847,546	-
Capital Assets, Net	9,409,990	40,210,170	4,164,521	53,784,681	48,688
TOTAL NONCURRENT ASSETS	15,174,841	40,840,686	4,164,521	60,180,048	48,688
TOTAL ASSETS	21,598,983	45,007,498	5,071,802	71,678,283	1,553,521
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pensions	173,817	30,825	-	204,642	67,909
<u>LIABILITIES</u>					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	529,461	150,480	939	680,880	78,970
Accounts Payable to Contractors	20,073	416,092	-	436,165	-
Retainage Payable to Contractors	-	498,533	-	498,533	-
Due to Other Funds	-	915,000	-	915,000	1,310,000
Estimated Liability for Self-Insured Losses	-	-	-	-	1,534,477
Customer Deposits	8,955	55,450	825	65,230	-
Short-term State Revolving Loan	-	934,383	-	934,383	-
Current Portion of Long-Term Debt	1,007,474	543,044	-	1,550,518	22,420
TOTAL CURRENT LIABILITIES	1,565,963	3,512,982	1,764	5,080,709	2,945,867
NONCURRENT LIABILITIES	10,890,811	17,036,518	-	27,927,329	693,226
TOTAL LIABILITIES	12,456,774	20,549,500	1,764	33,008,038	3,639,093
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pensions	164,569	29,184	-	193,753	64,297
<u>NET POSITION</u>					
Net Investment in Capital Assets	7,768,227	20,886,743	4,164,521	32,819,491	48,688
Unrestricted	1,383,230	3,572,896	905,517	5,861,643	(2,130,648)
TOTAL NET POSITION	\$ 9,151,457	\$ 24,459,639	\$ 5,070,038	\$ 38,681,134	\$ (2,081,960)

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds
For the Year Ended September 30, 2015

	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	\$ 13,494,327	\$ 1,122,706	\$ 237,688	\$ 14,854,721	\$ 8,716,822
Miscellaneous	507	-	-	507	6,813
TOTAL OPERATING REVENUES	13,494,834	1,122,706	237,688	14,855,228	8,723,635
<u>OPERATING EXPENSES</u>					
Personal Services	793,830	196,292	-	990,122	415,659
Insurance	-	-	-	-	7,771,001
Claims Expense	-	-	-	-	1,333,324
Contractual Services	5,713,133	291,578	4,589	6,009,300	371,788
Repairs and Maintenance	241,034	38,199	25,296	304,529	18,824
Other Operating Expenses	1,569,053	617,333	218,019	2,404,405	507,120
Depreciation	719,049	825,357	96,942	1,641,348	15,822
Closure and Long-Term Care Costs	231,382	-	-	231,382	-
TOTAL OPERATING EXPENSES	9,267,481	1,968,759	344,846	11,581,086	10,433,538
OPERATING INCOME (LOSS)	4,227,353	(846,053)	(107,158)	3,274,142	(1,709,903)
<u>NON OPERATING REVENUES</u>					
<u>(EXPENSES)</u>					
Interest Revenue	50,744	21,455	394	72,593	-
Grants	90,909	-	-	90,909	-
Interest Expense	(68,752)	(472,645)	-	(541,397)	-
Gain on Sale of Surplus Property	77,603	-	-	77,603	-
TOTAL NONOPERATING REVENUES (EXPENSES)	150,504	(451,190)	394	(300,292)	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,377,857	(1,297,243)	(106,764)	2,973,850	(1,709,903)
Capital Contributions - Capital Grants	-	3,088,096	-	3,088,096	-
Transfers In	-	650,000	-	650,000	234,674
Transfers Out	(64,089)	-	(1,380)	(65,469)	(503,362)
CHANGE IN NET POSITION	4,313,768	2,440,853	(108,144)	6,646,477	(1,978,591)
NET POSITION - BEGINNING OF YEAR, RESTATED	4,837,689	22,018,786	5,178,182	32,034,657	(103,369)
NET POSITION - END OF YEAR	\$ 9,151,457	\$ 24,459,639	\$ 5,070,038	\$ 38,681,134	\$ (2,081,960)

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2015

	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	\$13,412,432	\$(1,176,293)	\$ 262,263	\$12,498,402	\$ 8,741,563
Payments to Suppliers	(7,980,664)	(951,666)	(247,451)	(9,179,781)	(9,031,085)
Payments to Employees	(806,146)	(189,009)	-	(995,155)	(414,548)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,625,622	(2,316,968)	14,812	2,323,466	(704,070)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers In	-	-	-	-	234,674
Transfers Out	(64,089)	-	(1,380)	(65,469)	(503,362)
Short Term Loan from General Fund	-	465,000	-	465,000	-
Grants	90,909	-	-	90,909	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	26,820	465,000	(1,380)	490,440	(268,688)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Principal Paid on Debt	(781,671)	(6,773,925)	-	(7,555,596)	-
Interest Paid on Debt	(77,135)	(498,306)	-	(575,441)	-
Proceeds From Sale of Surplus Property	77,603	-	-	77,603	-
Bonds Issued	-	3,333,000	-	3,333,000	-
Short Term Debt Issued	-	4,491,483	-	4,491,483	-
Grants	-	2,677,653	-	2,677,653	-
Transfers In	-	650,000	-	650,000	-
Acquisitions of Capital Assets	(801,486)	(5,384,767)	-	(6,186,253)	(28,466)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,582,689)	(1,504,862)	-	(3,087,551)	(28,466)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Proceeds from Investments	-	2,306,423	-	2,306,423	-
Purchase of Investments	(33,652)	-	-	(33,652)	-
Interest on Investments	50,744	21,455	394	72,593	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	17,092	2,327,878	394	2,345,364	-
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	3,086,845	(1,028,952)	13,826	2,071,719	(1,001,224)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	5,023,942	2,443,520	885,744	8,353,206	2,279,189
CASH AND EQUIVALENTS - END OF YEAR	\$ 8,110,787	\$ 1,414,568	\$ 899,570	\$10,424,925	\$ 1,277,965

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2015

(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)	\$ 4,227,353	\$ (846,053)	\$ (107,158)	\$ 3,274,142	\$ (1,709,903)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation	719,049	825,357	96,942	1,641,348	15,822
Change In:					
Receivables	24,138	609	24,575	49,322	-
Due From Other Governments	(106,340)	(1,967,876)	-	(2,074,216)	18,034
Inventory	-	-	-	-	(13,818)
Deferred Outflows	(107,011)	(18,978)	-	(125,989)	(41,809)
Other Assets	-	-	-	-	(106)
Accounts Payable and Accrued Liabilities	(456,057)	(3,190)	453	(458,794)	48,401
Due to Other Funds	-	-	-	-	560,000
Customer Deposits	(200)	925	-	725	-
Estimated Liability for Self Insured Losses	-	-	-	-	376,389
Deferred Revenue	-	(332,657)	-	(332,657)	-
Net Pension Liability	125,280	22,217	-	147,497	48,947
Deferred Inflows	(40,702)	(7,218)	-	(47,920)	(15,902)
Accrued Landfill and Post- Closure Costs	231,383	-	-	231,383	-
Compensated Absences	(4,000)	5,000	-	1,000	4,000
Other Noncurrent Liabilities	12,729	4,896	-	17,625	5,875
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,625,622</u>	<u>\$(2,316,968)</u>	<u>\$ 14,812</u>	<u>\$ 2,323,466</u>	<u>\$ (704,070)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Accounts Payable - Contractors	\$ 20,073	\$ 416,092	\$ -	\$ 436,165	\$ -
Retainage Payable - Contractors	-	498,533	-	498,533	-
	<u>\$ 20,073</u>	<u>\$ 914,625</u>	<u>\$ -</u>	<u>\$ 934,698</u>	<u>\$ -</u>

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
<u>ASSETS</u>	
Cash and Equivalents	\$ 2,698,012
Receivables	<u>28,467</u>
 TOTAL ASSETS	 <u><u>\$ 2,726,479</u></u>
 <u>LIABILITIES</u>	
Assets Held for Others	 <u><u>\$ 2,726,479</u></u>

See accompanying notes.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

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September 30, 2015

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Putnam County, Florida
Notes to Financial Statements
September 30, 2015

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.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. County management maintains operational responsibility for both entities. Additionally, the County is legally obligated to provide resources in case the component units experience deficiencies in debt service payments and resources are not available from any other remedies. 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 included as an Enterprise Fund because if excluded the County's financial statements would be misleading. 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 2014-2015.

B. Future Accounting Changes

The Governmental Accounting Standards Board has issued statements that will become effective in 2016. The statements address:

- Fair value measurement and application; and
- GAAP hierarchy.

The County is currently evaluating the effects that these statements will have on its financial statements for the year ended September 30, 2016.

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 governmental activities, whereas the business-type activities are primarily supported by user fees and charges for services.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2015

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 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.

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.

Capital Projects Fund – The Capital Projects Fund is used to account for construction or renovation projects on County facilities. For 2015, the fund accounted for the revenue and expenditures on the jail expansion.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Position 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.

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 30th 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 position 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.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 position. Recognition of governmental fund type revenues represented by noncurrent receivables is not made until they become current receivables.

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.

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 is included with depreciation expense.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 \$92,302 of capitalized interest on the East Putnam Wastewater Project.

Unearned Revenues

Unearned revenue represents revenues collected in advance of services performed. This revenue will be recognized when the services are rendered.

Compensated Absences

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Deferred Inflows and Outflows

Deferred outflows of resources are defined as a consumption of resources by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of resources by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities. Notwithstanding those similarities, deferred outflows of resources are not assets and deferred inflows of resources are not liabilities, and accordingly, are not included in those sections of the statement of financial position.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. 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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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) formal action of the County Commission, other than by Ordinance, or (b) an official to which the Commission has delegated the authority, by formal action, to assign amounts used for specific purposes. The Commission has delegated this authority to the County Administrator.

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 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services and Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. 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.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 2 – STATE OF FLORIDA PENSION PLANS

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The County's contribution rates as of September 30, 2015, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	5.60%	1.66%
Special Risk Class	20.38%	1.66%
Senior Management	19.77%	1.66%
Elected Officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The County's contributions for the year ended September 30, 2015, were \$3,108,405 to the FRS and \$344,803 to the HIS.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 2 – STATE OF FLORIDA PENSION PLANS

Pension Liabilities and Pension Expense

At September 30, 2015, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net pension liability at September 30, 2015	\$ 16,222,010	\$ 8,414,610
Proportion at:		
Current Measurement Date	0.1255929%	0.0825509%
Prior Measurement Date	0.1284665%	0.0851047%
Pension expense (benefit), year ended September 30, 2015	\$ 1,066,224	\$ 604,556

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,712,564	\$ 384,737	\$ -	\$ -
Changes of assumptions	1,076,709	-	662,010	-
Net difference between projected and actual earnings on pension plan investments	5,713,842	9,587,386	4,555	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,477,029	1,950,477	166,412	315,031
Employer contributions subsequent to the measurement date	804,975	-	106,577	-
Total	\$ 10,785,119	\$ 11,922,600	\$ 939,554	\$ 315,031

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 2 – STATE OF FLORIDA PENSION PLANS

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	<u>FRS</u>	<u>HIS</u>
2016	\$ (604,030)	\$ 83,945
2017	(604,030)	83,945
2018	(604,030)	83,945
2019	(604,030)	83,944
2020	364,356	82,806
Thereafter	109,308	99,361
Total	<u>\$ (1,942,456)</u>	<u>\$ 517,946</u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans measured as of June 30, 2015 was determined by an actuarial valuation as of July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.60%	2.60%
Salary Increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount Rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: There were no changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine total pension liability decreased from 4.29% to 3.80%.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 2 – STATE OF FLORIDA PENSION PLANS

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	3.20%	3.10%
Fixed Income	18.00%	4.80%	4.70%
Global Equity	53.00%	8.50%	7.20%
Real estate (property)	10.00%	6.80%	6.20%
Private equity	6.00%	11.90%	8.20%
Strategic Investments	<u>12.00%</u>	6.70%	6.10%
	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the County's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 2 – STATE OF FLORIDA PENSION PLANS

	FRS			HIS		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(6.65%)	(7.65%)	(8.65%)	(2.80%)	(3.80%)	(4.80%)
Employer's proportionate share of the net pension liability	\$ 42,034,900	\$16,222,010	\$(5,258,552)	\$ 9,588,056	\$8,414,610	\$ 7,436,132

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$370,500.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

The County restated the beginning net position of the governmental activities, internal service funds, the business-type activities and certain proprietary funds to implement the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

	Governmental Activities	Internal Service Funds
<u>GOVERNMENTAL ACTIVITIES:</u>		
Net position - beginning of year, as previously reported	\$133,530,639	\$ 49,839
Restatement:		
Net pension liability	(15,497,184)	(99,109)
Deferred outflow for prior year	3,278,756	21,325
Deferred outflow for contributions made subsequent to the measurement date	821,417	4,775
Deferred inflow for differences between expected and actual experience and changes in investment earnings	(15,073,315)	(80,199)
<u>Net position - beginning of year, as restated</u>	<u>\$107,060,313</u>	<u>\$ (103,369)</u>

	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Business-Type Activities
<u>BUSINESS-TYPE ACTIVITIES:</u>				
Net position - beginning of year, as previously reported	\$ 5,229,830	\$ 22,088,327	\$ 5,178,182	\$ 32,496,339
Restatement:				
Net pension liability	(253,675)	(44,986)	-	(298,661)
Deferred outflow for prior year	54,584	9,680	-	64,264
Deferred outflow for contributions made subsequent to the measurement date	12,222	2,167	-	14,389
Deferred inflow for differences between expected and actual experience and changes in investment earnings	(205,272)	(36,402)	-	(241,674)
<u>Net position - beginning of year, as restated</u>	<u>\$ 4,837,689</u>	<u>\$ 22,018,786</u>	<u>\$ 5,178,182</u>	<u>\$ 32,034,657</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 4 – 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 5 – 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, 2015.

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, 2015

NOTE 5 – 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 6 – DEPOSITS AND INVESTMENTS

As of September 30, 2015, the County had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>				<u>S & P Rating</u>
		<u>Less Than 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 8</u>	
State Investment Pool - Florida Prime, amortized cost	\$ 10,323,634	\$ 10,323,634	\$ -	\$ -	\$ -	AAAm
Florida Local Government Investment Trust	4,784,964	1,385,271	1,234,588	1,606,499	558,606	AAAf
Fixed Income Securities	839,848	102,166	359,867	377,815	-	NA
Money Market Funds	<u>4,022,921</u>	<u>4,022,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	NA
TOTAL INVESTMENTS	\$ 19,971,367	\$ 15,833,992	\$ 1,594,455	\$ 1,984,314	\$ 558,606	

Total Investments include \$14,346,556 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$113,028 in a non-negotiable interest bearing time 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. The weighted average days to maturity (WAM) of the Florida PRIME fund were 29 days. The WAM for the Florida Local Government Investment Trust was 1.53 years.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 6 – 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. 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, 2015 of AAAm.

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, 2015, the Credit Quality and Bond Fund Volatility Ratings were AAf 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, 2015

NOTE 6 – 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 7 – ACCOUNTS RECEIVABLE

Accounts receivable of the General Fund consist primarily of ambulance service accounts which are reported net of an allowance for doubtful accounts of \$2,282,366 at September 30, 2015. The allowance represents approximately 64.8% of the gross ambulance service accounts receivable at September 30, 2015. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$7,037 in utility customer receivables, court related receivables of \$49,065 and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$41,408 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 \$1,251,696 and other miscellaneous receivables resulting from normal business activities. An allowance for doubtful accounts in the amount of \$989,963 has been established. All net receivables are expected to be collected within the next year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2015:

Due To / Due From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	East Putnam Water Fund	\$ 915,000
General Fund	Capital Projects Funds	22,000
General Fund	Nonmajor Governmental Funds	595,000
General Fund	Internal Service Funds	1,310,000
Non-Major Governmental Fund	Better Place Plan Fund	76,743
Non-Major Governmental Fund	General Fund	3,061
TOTAL PRIMARY GOVERNMENT		<u><u>\$ 2,921,804</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2015, consisted of the following:

	<u>Transfer In:</u>				
	<u>General Fund</u>	<u>Nonmajor Govern- mental</u>	<u>East Putnam Water</u>	<u>Internal Service</u>	<u>Total Transfers In</u>
<u>Transfer Out:</u>					
General Fund	\$ -	\$ 1,466,481	\$ 150,000	\$ 156,376	\$ 1,772,857
Better Place Plan Fund	-	138,177	500,000	-	638,177
Nonmajor Governmental	-	-	-	63,374	63,374
Waste Management	53,907	-	-	10,182	64,089
Nonmajor Proprietary	-	-	-	1,380	1,380
Internal Service	500,000	-	-	3,362	503,362
Total Transfers Out	<u>\$ 553,907</u>	<u>\$ 1,604,658</u>	<u>\$ 650,000</u>	<u>\$ 234,674</u>	<u>\$ 3,043,239</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, 2015

NOTE 9 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Beginning Balance October 1, 2014	Increases	Decreases	Ending Balance September 30, 2015
Primary Government				
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 21,108,951	\$ 59,276	\$ -	\$ 21,168,227
Construction in Progress	1,133,680	15,251,971	-	16,385,651
Total Capital Assets Not Being Depreciated	<u>22,242,631</u>	<u>15,311,247</u>	<u>-</u>	<u>37,553,878</u>
Capital Assets Being Depreciated:				
Intangible Assets	1,346,976	-	-	1,346,976
Buildings	27,092,180	1,377,320	(84,911)	28,384,589
Improvements	9,787,756	142,596	-	9,930,352
Equipment	35,936,331	2,862,263	(1,335,407)	37,463,187
Infrastructure	86,228,740	5,437,861	(1,124,892)	90,541,709
Total Capital Assets Being Depreciated	<u>160,391,983</u>	<u>9,820,040</u>	<u>(2,545,210)</u>	<u>167,666,813</u>
Less Accumulated Depreciation For:				
Intangible Assets	(637,502)	(135,882)	-	(773,384)
Buildings	(12,422,783)	(744,890)	39,316	(13,128,357)
Improvements	(3,687,543)	(336,550)	-	(4,024,093)
Equipment	(29,936,552)	(2,658,496)	1,283,005	(31,312,043)
Infrastructure	(24,810,781)	(3,532,059)	1,124,892	(27,217,948)
Total Accumulated Depreciation	<u>(71,495,161)</u>	<u>(7,407,877)</u>	<u>2,447,213</u>	<u>(76,455,825)</u>
Total Capital Assets Being Depreciated, Net	<u>88,896,822</u>	<u>2,412,163</u>	<u>(97,997)</u>	<u>91,210,988</u>
Governmental Activities Capital Assets, Net	<u>\$ 111,139,453</u>	<u>\$ 17,723,410</u>	<u>\$ (97,997)</u>	<u>\$ 128,764,866</u>
Business-type Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 6,176,495	\$ -	\$ -	\$ 6,176,495
Construction in Progress	8,581,728	4,697,949	-	13,279,677
Total Capital Assets Not Being Depreciated	<u>14,758,223</u>	<u>4,697,949</u>	<u>-</u>	<u>19,456,172</u>
Capital Assets Being Depreciated:				
Buildings	3,177,325	-	-	3,177,325
Improvements	967,510	-	-	967,510
Landfill	10,565,561	782,333	-	11,347,894
Water and Sewer Distribution System	32,220,082	-	-	32,220,082
Equipment	2,890,541	150,866	(4,389)	3,037,018
Total Capital Assets Being Depreciated	<u>49,821,019</u>	<u>933,199</u>	<u>(4,389)</u>	<u>50,749,829</u>
Less Accumulated Depreciation For:				
Buildings	(1,405,989)	(95,428)	-	(1,501,417)
Improvements	(835,797)	(14,334)	-	(850,131)
Landfill	(6,419,635)	(327,532)	-	(6,747,167)
Water and Sewer Distribution System	(4,649,670)	(804,637)	-	(5,454,307)
Equipment	(1,473,270)	(399,417)	4,389	(1,868,298)
Total Accumulated Depreciation	<u>(14,784,361)</u>	<u>(1,641,348)</u>	<u>4,389</u>	<u>(16,421,320)</u>
Total Capital Assets Being Depreciated, Net	<u>35,036,658</u>	<u>(708,149)</u>	<u>-</u>	<u>34,328,509</u>
Business-type Activities Capital Assets, Net	<u>\$ 49,794,881</u>	<u>\$ 3,989,800</u>	<u>\$ -</u>	<u>\$ 53,784,681</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 9 – CAPITAL ASSET ACTIVITY

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

Governmental Activities:

General Government	\$ 512,358
Public Safety	2,772,576
Physical Environment	39,888
Transportation	3,658,312
Human Services	12,060
Culture and Recreation	251,009
Court Related	145,852

Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	15,822
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Total Depreciation Expense - Governmental Activities	\$ 7,407,877
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Business-type Activities:

Waste Management	\$ 719,049
Water and Sewer System	825,357
Port Authority	96,942

Total Depreciation Expense - Business-type Activities	\$ 1,641,348
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NOTE 10 – LONG-TERM OBLIGATIONS

Governmental Activities

Special Assessment Debt with Governmental Commitment \$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). \$ 487,658

Notes Payable - \$10,000,000, variable rate, 11-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 4.11%. The note is payable from and secured by a pledge of proceeds from the one cent local infrastructure surtax. Principal and interest payments of approximately \$290,000 are due quarterly until maturity on January 1, 2018. The note is payable from the Better Place Fund (a Capital Project Fund). 2,740,000

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – LONG-TERM OBLIGATIONS

\$3,500,000 variable rate, 10-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 3.75%. The note is payable from and secured by a pledge of proceeds of the one cent local infrastructure surtax. Principal payments are made annually; interest is paid semi-annually; total annual payments approximate \$420,000; note matures on January 1, 2018. The note is payable from the Better Place Fund (a Capital Project Fund). 1,200,000

\$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). 519,595

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. Payments made from the County's Revenue Sharing proceeds were \$83,333 for the years ending September 30, 2015 and 2014. Payments of \$166,667, and \$110,961 were made for the years ending September 30, 2013 and 2012, respectively. An additional payment of \$83,333 will be made in 2016 and a final payment of \$83,334 in 2017 from the same revenue source. 166,667

Other Post Employment Benefits 2,867,281

Accrued Compensated Absences 2,144,700

Net Pension Liability 24,190,462

Total Long-Term Obligations, Governmental Activities \$ 34,316,363

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – 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)

\$ 1,249,566

\$635,088 from the State of Florida State Revolving Fund loans to provide financing for the East Putnam Wastewater System. The interest rate is 1.31% and will be repaid in 40 semiannual loan payments of \$18,100. The note is secured by operating proceeds from the Wastewater System. The Better Place Plan Fund is obligated to cover any deficiencies. The note matures in fiscal year 2036.

635,088

\$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 and matures in the 2030 fiscal year.

7,555,331

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.

4,012,000

\$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.

1,939,000

\$3,057,000 from the United States Department of Agriculture is Sewer Revenue Bonds, Series 2014 (Bond R-1) to provide financing for the East Putnam Wastewater System. The interest rate is 2.75%. The loan will be repaid in 38 annual loan payments of \$126,888 beginning September 1, 2017. The bond is secured by operating proceeds from the East Putnam Wastewater System.

3,057,000

\$276,000 from the United States Department of Agriculture is Sewer Revenue Bonds, Series 2014 (Bond R-2) to provide financing for the East Putnam Wastewater System. The interest rate is 3.25%. The loan will be repaid in 38 annual loan payments of \$13,466 beginning September 1, 2017. The bond is secured by operating proceeds from the East Putnam Wastewater System.

276,000

Capital Leases consist of agreements with financial institutions for equipment with an aggregate historical cost of \$837,015. This includes the following equipment at the landfill: compactor with \$514,753 aggregate historical cost and 2.74% interest rate; wheel loader with \$231,877 aggregate historical cost and 2.24% interest rate; water truck with \$90,385 aggregate historical cost and 5.0% interest rate.

372,124

Accrued Landfill Closure and Long-Term Care Costs

9,766,577

Other Post Employment Benefits

97,003

Accrued Compensated Absences

72,000

Net Pension Liability

446,158

Total Long-Term Obligations, Business-Type Activities

\$ 29,477,847

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – 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, 2015 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Interest Rate Swaps

Notional Amounts	\$519,595	\$487,658	\$2,740,000	\$1,200,000
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	(\$33,962)	(\$19,545)	(\$114,160)	(\$48,302)
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, 2015, 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									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
Fair Value	\$ 12,096	\$ (449,829)	\$ (1,714,302)	\$ (1,388,448)	\$ (1,070,382)	\$ (807,776)	\$ (586,649)	\$ (383,856)	\$ (215,969)	
Change in Fair Value	(58,929)	(461,925)	(1,264,473)	325,854	318,066	262,606	221,127	202,793	167,887	

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – 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, 2007 through September 30, 2015. Amounts are presented based on their natural classification:

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Statement of Net Position:									
Cash	\$12,285,026	\$14,244,725	\$12,359,436	\$10,473,915	\$ 8,589,989	\$ 6,698,539	\$ 4,813,939	\$ 2,922,037	\$ 1,047,841
Deferred Outflow Resources	(12,096)	449,829	1,714,302	1,388,448	1,070,382	807,776	586,649	383,856	215,969
Derivative Instrument Liability	(12,096)	449,829	1,714,302	1,388,448	1,070,382	807,776	586,649	383,856	215,969
Notes Payable	12,652,790	15,194,553	13,903,268	12,558,605	11,160,227	9,697,778	8,180,891	6,594,181	4,947,253
Statement of Activities:									
Interest Expense	221,295	582,064	594,004	540,858	485,548	429,001	367,713	305,192	239,855

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2015, debt service requirements on the variable rate notes and interest rate swaps would be as follows:

<u>Year</u> <u>Ending Sept 30</u>	<u>Variable Rate Notes</u>		<u>Interest</u>	<u>Rate Swaps</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>			
2016	1,722,563	40,092		129,339	1,891,994
2017	1,788,632	23,787		75,793	1,888,212
2018	1,233,114	7,474		22,384	1,262,972
2019	114,236	1,717		4,525	120,478
2020	88,708	476		1,255	90,439
Total	<u>\$ 4,947,253</u>	<u>\$ 73,546</u>		<u>\$ 233,296</u>	<u>\$ 5,254,095</u>

Credit Risk

As of September 30, 2015 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, 2015

NOTE 10 – LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for long-term obligations at September 30, 2015, excluding obligations under capital leases, are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	1,722,563	172,271	\$ 1,076,406	\$ 595,247
2017	1,788,632	101,099	1,203,517	566,654
2018	1,233,114	30,407	802,743	530,211
2019	114,236	6,330	677,144	509,936
2020	88,708	1,750	696,039	490,093
2021-2025	-	-	3,714,352	2,132,482
2026-2030	-	-	3,788,577	1,552,397
2031-2035	-	-	1,461,383	1,154,827
2036-2040	-	-	1,563,824	880,852
2041-2045	-	-	1,818,000	561,122
2046-2050	-	-	1,469,000	191,460
2051-2054	-	-	453,000	32,183
	<u>\$ 4,947,253</u>	<u>\$ 311,857</u>	<u>\$ 18,723,985</u>	<u>\$ 9,197,464</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – LONG-TERM OBLIGATIONS

The annual requirements under capital lease obligations are as follows:

Year Ending September 30	Business-Type Activities
2016	179,283
2017	159,400
2018	49,571
Total Minimum Lease Payments	<u>\$ 388,254</u>
Less Amount Representing Interest	<u>(16,130)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 372,124</u></u>

Changes in long-term debt transactions of the County for the year ended September 30, 2015 are summarized below:

Governmental Activities					
	Balance October 1, 2014, <u>as restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2015</u>	Due Within <u>One Year</u>
Special Assessment Debt with					
Governmental Commitment	\$ 652,164	\$ -	\$ (164,506)	\$ 487,658	\$ 171,185
Notes Payable	5,942,017	-	(1,482,422)	4,459,595	1,551,378
Obligations under Capital					
Leases	62,150	-	(62,150)	-	-
Medicaid Obligation	250,000	-	(83,333)	166,667	83,333
Other Post Employment Benefits	2,340,509	526,772	-	2,867,281	-
Accrued Compensated					
Absences	2,135,000	2,534,200	(2,524,500)	2,144,700	1,329,400
Net Pension Liability	<u>15,497,184</u>	<u>8,693,278</u>	<u>-</u>	<u>24,190,462</u>	<u>303,040</u>
Total Long-Term Obligations, Governmental Activities	<u><u>\$26,879,024</u></u>	<u><u>\$ 11,754,250</u></u>	<u><u>\$(4,316,911)</u></u>	<u><u>\$ 34,316,363</u></u>	<u><u>\$3,438,336</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – LONG-TERM OBLIGATIONS

	Business-Type Activities				
	Balance October 1, 2014, <u>as restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2015</u>	Due Within <u>One Year</u>
Notes Payable	9,764,271	\$ 635,088	\$ (959,374)	\$ 9,439,985	\$ 991,406
Revenue Bonds	6,033,000	3,333,000	(82,000)	9,284,000	85,000
Capital Lease	631,333	-	(259,209)	372,124	169,345
Accrued Landfill Closure and Post-Closure Care Costs	9,535,195	231,382	-	9,766,577	259,582
Other Post Employment Benefits	79,378	17,625	-	97,003	-
Accrued Compensated Absences	71,000	78,000	(77,000)	72,000	39,100
Net Pension Liability	<u>298,661</u>	<u>147,497</u>	<u>-</u>	<u>446,158</u>	<u>6,085</u>
Total Long-Term Obligations, Business-Type Activities	<u>\$ 26,412,838</u>	<u>\$ 4,442,592</u>	<u>\$ (1,377,583)</u>	<u>\$ 29,477,847</u>	<u>\$ 1,550,518</u>

During 2015, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulations of changes in long-term liabilities presented.

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 \$20.462 million. Principal payments of \$518,912 were made in the current year, while interest payments totaling \$472,645 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 33% of estimated annual net revenues. The total principal and interest remaining to be paid on the notes is \$4.170 million. For the current year, principal and interest paid and surtax revenue was \$1.578 million and \$5.115 million, respectively.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 10 – LONG-TERM OBLIGATIONS

The County has pledged future special assessment revenues to repay a \$1.9 million note issued in 2005. Proceeds from the note provided financing for road improvement projects within certain Municipal Service Benefit Units. The note will mature in 2018. Annual principal and interest payments on the note 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 note is \$517,064. For the current year, principal and interest paid and special assessment revenue were \$192,748 and \$225,462, 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 note 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 \$572,355. For the current year, principal and interest paid was \$120,324, while revenue was \$36,355.

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 15% of revenues. The total principal and interest remaining to be paid on the note is \$1.309 million. For the current year, principal and interest paid was \$576,884, while revenue was \$7.394 million.

The County has pledged future wastewater system customer service revenues to repay \$3.333 million in wastewater system revenue bonds and a state revolving fund note totaling \$635,088 issued in fiscal year 2015. Additionally, the County has pledged discretionary infrastructure surtax revenue to supplement wastewater customer revenues if necessary to meet payments on the note. Proceeds from the bonds and note provided financing for the East Putnam Regional Wastewater System. The note will mature in 2036 and the bonds will mature in 2054. Annual principal and interest payments are expected to exceed 100% of future revenues. Any shortfalls in payments of the note will be made up from the discretionary infrastructure surtax while other non-ad valorem revenue sources will be applied to any shortfalls in bond payments. The total of principal and interest payments remaining to be made is \$6.271 million. No principal or interest payments were made in the current year.

NOTE 11 – SHORT-TERM FINANCING

The County obtained a \$18,519,600 bond anticipation note from a financial institution for expanding the jail. At September 30, 2015, the County had drawn \$16,105,662 on this note. The note carries an interest rate of 1.41% and will be repaid in March 2016 with bond proceeds from the United States Department of Agriculture.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 11 – SHORT-TERM FINANCING

The \$3,333,000 bond anticipation note for the East Putnam Wastewater Project was repaid in October 2015 with bond proceeds from the United States Department of Agriculture. The bonds will mature in 40 years and bear an interest rate of 2.75%.

The County obtained \$3,856,396 in short-term financing for the East Putnam Waste Water project from the Florida Department of Environmental Protection State Revolving Loan Program. The debt carried an interest rate of 1.31%. \$2,922,013 of the loan was repaid from grant funds previously received from the Florida Department of Environmental Protection that had been held in escrow for that purpose.

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015
<u>Governmental Activities:</u>				
Bond Anticipation Note	\$ -	\$ 16,105,662	\$ -	\$ 16,105,662
 <u>Business-Type Activities</u>				
Bond Anticipation Note	\$ 3,333,000	\$ -	\$ 3,333,000	\$ -
State Revolving Loan	-	3,856,396	2,922,013	934,383
Total	\$ 3,333,000	\$ 3,856,396	\$ 6,255,013	\$ 934,383

NOTE 12 – 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, 2015, the aggregate bonds outstanding were \$125,250,000.

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 13 – FUND BALANCE CLASSIFICATIONS

A schedule of County fund balances is provided as follows:

	<u>Major Governmental Funds</u>				
	<u>General Fund</u>	<u>Better Place Plan Fund</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES:</u>					
Restricted for:					
Debt Service	-	-	-	61,743	61,743
Better Place Plan - Capital Projects	-	9,276,895	-	-	9,276,895
Fishing Improvement	-	-	-	322,415	322,415
Fire Protection	-	-	-	334,858	334,858
Law Enforcement	11,765	-	-	211,803	223,568
Court Improvements	-	-	-	1,385,488	1,385,488
Drivers Education	-	-	-	260,825	260,825
Court Article V Support	-	-	-	102,594	102,594
Court Technology	-	-	-	370,016	370,016
Crime Prevention	-	-	-	69,434	69,434
E911 System	-	-	-	506,070	506,070
Tourist Development	-	-	-	539,163	539,163
MSBU Road Maintenance	-	-	-	836,563	836,563
Local Housing Assistance	-	-	-	597,655	597,655
Water Utilities	-	-	-	225,175	225,175
Interlachen Lakes Estates Lake Access	43,157	-	-	-	43,157
Federal Forfeiture - Law Enforcement	-	-	-	126,690	126,690
Public Records Modernization	-	-	-	1,148,261	1,148,261
Voter Equipment and Education	-	-	-	108,656	108,656
Road Projects	-	-	-	3,434,645	3,434,645
Committed to:					
Commissary - Inmate Benefits	-	-	-	414,412	414,412
Assigned to:					
Subsequent Year's Expenditures	5,940,642	-	-	-	5,940,642
Road and Bridge Maintenance	-	-	-	463,570	463,570
Capital Projects	-	-	487,394	-	487,394
Unassigned:	3,732,408	-	-	(501,366)	3,231,042
Total Fund Balances	<u>\$ 9,727,972</u>	<u>\$9,276,895</u>	<u>\$ 487,394</u>	<u>\$11,018,670</u>	<u>\$30,510,931</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 14 – DEFICIT BALANCES/BUDGET OVEREXPENDITURES – INDIVIDUAL FUNDS

At September 30, 2015, the Communication Improvement Fund, the Economic Development Fund, and the Sewage Utilities Fund, had deficit fund balances of \$380,487, \$88,114, and \$32,765, respectively.

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

Additionally, the Fleet Maintenance Fund, the Group Insurance Reserve, and the Risk Management Fund, all Internal Service Funds, reflected deficit net positions of \$807,546, \$460,575 and \$813,839 respectively. County Management anticipates that future rate increases for services rendered will eliminate these deficits in the near future.

For the year ended September 30, 2015, expenditures of the Fishing Improvement Fund, Fire Taxing Fund, the Communication Improvement Fund and the Miscellaneous Grants Fund were in excess of their approved annual budgets.

In future years, the County will endeavor to more closely monitor expenditures in its funds and amend future budgets if necessary.

NOTE 15 – 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 \$600,000 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, 2015

NOTE 15 – 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>Year Liability</u>	<u>Claims Incurred</u> <u>and Changes in</u> <u>Estimates</u>	<u>Claims</u> <u>Payments</u>	<u>End of Fiscal</u> <u>Year Liability</u>	<u>Due Within</u> <u>One Year</u>
2013-2014	\$710,403	\$1,603,535	\$ 655,850	\$ 1,658,088	\$ 1,158,088
2014-2015	\$1,658,088	\$1,709,713	\$ 1,333,324	\$ 2,034,477	\$ 1,534,477

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 16 – 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 \$9,766,577 reported as landfill closure and long-term care liability at September 30, 2015, 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	63.86%
Class III Landfill	100%
Huntington Landfill	100%
Central Landfill Phase I	100%

The County will recognize the remaining estimated cost of closure and long-term care of \$4,167,585 as the remaining estimated capacity is used (estimated to be 3.3 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 2015. 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, 2015

NOTE 16 – 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 \$5,764,851 to cover D.E.P.'s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2015. This is shown as restricted cash and equivalents and restricted investments of the business-type activities in the accompanying financial statements.

NOTE 17 – 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, 2015, participants consisted of:

Active Employees	514
Retirees Participants	42

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 17 – 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, 2013	\$ 644,365	\$ 263,000	40.82%	\$ 1,825,428
September 30, 2014	\$ 814,503	\$ 220,044	27.02%	\$ 2,419,887
September 30, 2015	\$ 805,397	\$ 261,000	32.41%	\$ 2,964,284

Determination of Change of Net OPEB Obligation at September 30, 2015

Annual Required Contribution	\$ 861,210
Interest on prior year Net OPEB Obligation	96,795
Adjustment to ARC	<u>(152,608)</u>
Annual OPEB Cost	805,397
Assumed Contributions Made	<u>(261,000)</u>
Estimated Increase in Net OPEB Obligations	<u>\$ 544,397</u>

The funded status of the OPEB Plan as of October 1, 2013 was as follows:

Actuarial Accrued Liability (AAL)	\$ 5,959,528
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,959,528</u>
Funded Ratio	0.00%
Covered Payroll	\$ 25,380,000
Ratio of UAAL to Covered Payroll	23.48%

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, 2015

NOTE 17 – 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%

NOTE 18 – 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, 2015, totaled \$227,522. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2016	175,182
Total future minimum lease payments	<u>\$ 175,182</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2015

NOTE 19 – COMMITMENTS AND CONTINGENCIES

At September 30, 2015, the County was committed under signed contracts for approximately \$1,609,600 of road construction, resurfacing and engineering work and \$4,326,500 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 20 – NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$19,527,457 of restricted net position, of which \$8.3 million is restricted by enabling legislation.

NOTE 21 – NONEXCHANGE FINANCIAL GUARANTEES

In accordance with the State Housing Initiatives Partnership Local Housing Assistance Plan, as adopted by the Board of County Commissioners, Putnam County has guaranteed \$51,908 mortgage down payment amounts for very low to moderate income citizens at September 30, 2015. Guarantees to various lending institutions are equal to a maximum of 20% of the actual mortgage amount. The guarantees extend until the borrowers attain a principal balance of 79.9% of their loans with the last maturity date of May 1, 2019. In the event that an applicant is unable to make required loan payments, Putnam County is required to pay the remaining down payment amount. The County has determined that there is no guarantee liability at September 30, 2015.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent to year end, the County issued 40 year bonds to the United States Department of Agriculture in the amount of \$17,965,300 at a rate of 3.125%. The proceeds of the bonds were used to extinguish short term bond anticipation notes related to the Jail Expansion Project.

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Taxes	\$ 28,859,193	\$ 28,859,193	\$ 29,172,794	\$ 313,601
Licenses and Permits	347,600	347,600	406,925	59,325
Intergovernmental	7,552,396	7,718,103	8,089,634	371,531
Charges for Services	5,235,456	5,370,230	5,667,257	297,027
Fines and Forfeitures	45,900	47,000	49,626	2,626
Miscellaneous	312,615	478,668	523,327	44,659
TOTAL REVENUES	42,353,160	42,820,794	43,909,563	1,088,769
<u>EXPENDITURES</u>				
Current:				
General Government	13,996,725	14,271,941	13,233,782	1,038,159
Public Safety	26,394,817	26,555,687	26,491,936	63,751
Physical Environment	378,396	378,396	374,135	4,261
Transportation	30,000	30,000	30,000	-
Economic Environment	321,711	321,711	304,490	17,221
Human Services	2,412,982	2,412,982	2,367,008	45,974
Culture and Recreation	1,915,175	1,891,809	1,738,103	153,706
Court Related	1,042,822	1,042,822	1,047,895	(5,073)
Reserve for Contingencies	200,000	155,366	-	155,366
Debt Service:	-	-	-	-
Principal Retirement	62,150	62,150	62,150	-
Interest and Fiscal Charges	1,763	1,763	1,648	115
TOTAL EXPENDITURES	46,756,541	47,124,627	45,651,147	1,473,480
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,403,381)	(4,303,833)	(1,741,584)	2,562,249
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	553,907	553,907	553,907	-
Transfers Out	(1,392,282)	(1,491,830)	(1,772,857)	(281,027)
TOTAL OTHER FINANCING SOURCES (USES)	(838,375)	(937,923)	(1,218,950)	(281,027)
NET CHANGE IN FUND BALANCES	(5,241,756)	(5,241,756)	(2,960,534)	2,281,222
FUND BALANCES - BEGINNING OF YEAR	5,241,756	5,241,756	12,688,506	7,446,750
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 9,727,972	\$ 9,727,972

Putnam County, Florida
Notes to Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2015

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, 2015

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, 2015

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
2013	10/1/2011	-	4,932,691	4,932,691	0.0%	24,745,000	19.94%
2014	10/1/2013	-	5,959,528	5,959,528	0.0%	24,525,000	24.30%
2015	10/1/2013	-	5,959,528	5,959,528	0.0%	25,380,000	23.48%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended <u>September 30,</u>	Annual Required Contribution	% Contributed
2013	\$ 673,478	39.05%
2014	\$ 861,210	25.55%
2015	\$ 861,210	30.31%

NOTES

1. See Note 17 to the financial statements for further information regarding the County's OPEB plan.

Putnam County, Florida
Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years*

Florida Retirement System	2015
Employer's proportion of the net pension liability (asset)	0.1255929%
Employer's proportionate share of the net pension liability (asset)	\$ 16,222,010
Employer's covered-employee payroll**	\$ 25,105,924
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.61%
Plan fiduciary net position as a percentage of the total pension liability	92.00%
Health Insurance Subsidy Program	2015
Employer's proportion of the net pension liability (asset)	0.0825509%
Employer's proportionate share of the net pension liability (asset)	\$ 8,414,610
Employer's covered-employee payroll**	\$ 25,105,924
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.52%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

*GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Covered employee payroll Includes defined benefit plan activities, investment plan members, and members in DROP.

**Putnam County, Florida
Schedules of Employer Contributions
Last 10 Fiscal Years**

Florida Retirement System	2015
Contractually required contribution	\$ 3,108,405
Contributions in relation to the contractually required contribution	3,108,405
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll *	\$ 25,442,040
Contributions as a percentage of covered-employee payroll	12.22%
Health Insurance Subsidy Program	2015
Contractually required contribution	\$ 344,803
Contributions in relation to the contractually required contribution	344,803
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll *	\$ 25,442,040
Contributions as a percentage of covered-employee payroll	1.36%

Notes to schedules:

* Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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 (BOCC) 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
For the Year Ended September 30, 2015

	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	\$ 6,156,252	\$ 580,419	\$ 705,138	\$ 194,594
Investments	300,603	-	-	-
Receivables	1,244,397	4,291	1,703	-
Due From Other Funds	3,670,250	-	-	-
Due From Other Governments	593,762	-	44,642	-
Other Assets	-	9,337	7,549	-
TOTAL ASSETS	<u>11,965,264</u>	<u>594,047</u>	<u>759,032</u>	<u>194,594</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	861,278	270,911	547,072	11,703
Due to Other Funds	-	309,452	131,090	161,146
Due to Other Governments	5,283	1,919	80,870	-
Unearned Revenue	15,848	-	-	-
TOTAL LIABILITIES	<u>882,409</u>	<u>582,282</u>	<u>759,032</u>	<u>172,849</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	1,366,648	-	-	21,745
<u>FUND BALANCES</u>				
Restricted	43,157	11,765	-	-
Committed	-	-	-	-
Assigned	5,940,642	-	-	-
Unassigned	3,732,408	-	-	-
TOTAL FUND BALANCES	<u>9,716,207</u>	<u>11,765</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$11,965,264</u>	<u>\$ 594,047</u>	<u>\$ 759,032</u>	<u>\$ 194,594</u>

Putnam County, Florida
Combining Balance Sheet
Board and Officer General Funds
For the Year Ended September 30, 2015

	Property Appraiser General <u>Sub-Fund</u>	Supervisor of Elections General <u>Sub-Fund</u>	Interfund Eliminations & <u>Consolidations</u>	Total General <u>Fund</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 220,021	\$ 84,184	\$ -	\$ 7,940,608
Investments	-	-	-	300,603
Receivables	-	-	-	1,250,391
Due From Other Funds	-	-	(828,250)	2,842,000
Due From Other Governments	-	-	-	638,404
Other Assets	-	-	-	16,886
TOTAL ASSETS	<u>220,021</u>	<u>84,184</u>	<u>(828,250)</u>	<u>12,988,892</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	43,742	30,840	-	1,765,546
Due to Other Funds	176,279	53,344	(828,250)	3,061
Due to Other Governments	-	-	-	88,072
Unearned Revenue	-	-	-	15,848
TOTAL LIABILITIES	<u>220,021</u>	<u>84,184</u>	<u>(828,250)</u>	<u>1,872,527</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	-	1,388,393
<u>FUND BALANCES</u>				
Restricted	-	-	-	54,922
Committed	-	-	-	-
Assigned	-	-	-	5,940,642
Unassigned	-	-	-	3,732,408
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,727,972</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 220,021</u>	<u>\$ 84,184</u>	<u>\$ (828,250)</u>	<u>\$12,988,892</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, 2015

	Board of County Commissioners Sub-fund			Sheriff Sub-fund		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final	Amounts	Original	Final	Amounts
REVENUES						
Taxes	\$ 28,859,193	\$ 28,859,193	\$ 29,172,794	\$ -	\$ -	\$ -
Licenses and Permits	347,600	347,600	406,925	-	-	-
Intergovernmental	7,332,396	7,433,103	7,802,901	-	-	-
Charges for Services	3,839,330	3,839,330	4,033,297	-	-	-
Fines and Forfeitures	43,400	43,400	43,418	2,500	3,600	6,208
Miscellaneous	227,250	261,313	289,307	-	-	62,939
TOTAL REVENUES	40,649,169	40,783,939	41,748,642	2,500	3,600	69,147
EXPENDITURES						
Current:						
General Government	8,368,160	8,411,160	7,747,750	-	-	-
Public Safety	8,128,662	8,187,725	8,301,516	18,266,155	18,367,962	18,190,420
Physical Environment	378,396	378,396	374,135	-	-	-
Transportation	30,000	30,000	30,000	-	-	-
Economic Environment	321,711	321,711	304,490	-	-	-
Human Services	2,412,982	2,412,982	2,367,008	-	-	-
Culture and Recreation	1,915,175	1,891,809	1,738,103	-	-	-
Court Related	268,380	268,380	335,606	546,044	546,044	477,036
Reserve for Contingencies	200,000	155,366	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	62,150	62,150	62,150
Interest and Fiscal Charges	-	-	-	1,763	1,763	1,648
TOTAL EXPENDITURES	22,023,466	22,057,529	21,198,608	18,876,112	18,977,919	18,731,254
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,625,703	18,726,410	20,550,034	(18,873,612)	(18,974,319)	(18,662,107)
OTHER FINANCING SOURCES (USES)						
Transfers In	940,000	940,000	1,407,274	18,873,612	18,974,319	18,974,319
Transfers Out	(24,807,459)	(24,908,166)	(24,910,590)	-	-	(309,452)
TOTAL OTHER FINANCING SOURCES (USES)	(23,867,459)	(23,968,166)	(23,503,316)	18,873,612	18,974,319	18,664,867
NET CHANGE IN FUND BALANCES	(5,241,756)	(5,241,756)	(2,953,282)	-	-	2,760
FUND BALANCES - BEGINNING OF YEAR	5,241,756	5,241,756	12,669,489	-	-	9,005
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 9,716,207	\$ -	\$ -	\$ 11,765

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, 2015

	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	220,000	285,000	286,733	-	-	-
Charges for Services	281,700	416,700	417,805	2,129,856	2,129,856	2,273,324
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	14,200	14,200	24,359	71,165	71,165	13,438
TOTAL REVENUES	515,900	715,900	728,897	2,201,021	2,201,021	2,286,762
EXPENDITURES						
Current:						
General Government	1,887,409	1,987,409	1,943,437	2,194,227	2,194,227	2,135,628
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	228,398	228,398	235,253	-	-	-
Reserve for Contingencies	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	2,115,807	2,215,807	2,178,690	2,194,227	2,194,227	2,135,628
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,599,907)	(1,499,907)	(1,449,793)	6,794	6,794	151,134
OTHER FINANCING SOURCES (USES)						
Transfers In	1,710,049	1,710,049	1,659,907	-	-	-
Transfers Out	(110,142)	(210,142)	(210,114)	(6,794)	(6,794)	(161,146)
TOTAL OTHER FINANCING SOURCES (USES)	1,599,907	1,499,907	1,449,793	(6,794)	(6,794)	(161,146)
NET CHANGE IN FUND BALANCES	-	-	-	-	-	(10,012)
FUND BALANCES - BEGINNING OF YEAR	-	-	-	-	-	10,012
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, 2015

	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	29,570	29,344	28,765	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Miscellaneous	-	-	584	-	131,990	132,700
TOTAL REVENUES	29,570	29,344	29,349	-	131,990	132,700
EXPENDITURES						
Current:						
General Government	1,701,929	1,702,155	1,525,188	890,000	1,021,990	967,713
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	1,701,929	1,702,155	1,525,188	890,000	1,021,990	967,713
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,672,359)	(1,672,811)	(1,495,839)	(890,000)	(890,000)	(835,013)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,672,359	1,672,811	1,672,118	890,000	890,000	890,000
Transfers Out	-	-	(176,279)	-	-	(54,987)
TOTAL OTHER FINANCING SOURCES (USES)	1,672,359	1,672,811	1,495,839	890,000	890,000	835,013
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, 2015

	Subtotals			Interfund Eliminations and consolidations		
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ 28,859,193	\$ 28,859,193	\$ 29,172,794	\$ -	\$ -	\$ -
Licenses and Permits	347,600	347,600	406,925	-	-	-
Intergovernmental	7,552,396	7,718,103	8,089,634	-	-	-
Charges for Services	6,280,456	6,415,230	6,753,191	(1,045,000)	(1,045,000)	(1,085,934)
Fines and Forfeitures	45,900	47,000	49,626	-	-	-
Miscellaneous	312,615	478,668	523,327	-	-	-
TOTAL REVENUES	43,398,160	43,865,794	44,995,497	(1,045,000)	(1,045,000)	(1,085,934)
EXPENDITURES						
Current:						
General Government	15,041,725	15,316,941	14,319,716	(1,045,000)	(1,045,000)	(1,085,934)
Public Safety	26,394,817	26,555,687	26,491,936	-	-	-
Physical Environment	378,396	378,396	374,135	-	-	-
Transportation	30,000	30,000	30,000	-	-	-
Economic Environment	321,711	321,711	304,490	-	-	-
Human Services	2,412,982	2,412,982	2,367,008	-	-	-
Culture and Recreation	1,915,175	1,891,809	1,738,103	-	-	-
Court Related	1,042,822	1,042,822	1,047,895	-	-	-
Reserve for Contingencies	200,000	155,366	-	-	-	-
Debt Service:						
Principal Retirement	62,150	62,150	62,150	-	-	-
Interest and Fiscal Charges	1,763	1,763	1,648	-	-	-
TOTAL EXPENDITURES	47,801,541	48,169,627	46,737,081	(1,045,000)	(1,045,000)	(1,085,934)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,403,381)	(4,303,833)	(1,741,584)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	24,086,020	24,187,179	24,603,618	(23,532,113)	(23,633,272)	(24,049,711)
Transfers Out	(24,924,395)	(25,125,102)	(25,822,568)	23,532,113	23,633,272	24,049,711
TOTAL OTHER FINANCING SOURCES (USES)	(838,375)	(937,923)	(1,218,950)	-	-	-
NET CHANGE IN FUND BALANCES	(5,241,756)	(5,241,756)	(2,960,534)	-	-	-
FUND BALANCES - BEGINNING OF YEAR	5,241,756	5,241,756	12,688,506	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 9,727,972	\$ -	\$ -	\$ -

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, 2015

(concluded)

	Totals		
	Budgeted Amounts		Actual
	Original	Final	Amounts
<u>REVENUES</u>			
Taxes	\$ 28,859,193	\$ 28,859,193	\$ 29,172,794
Licenses and Permits	347,600	347,600	406,925
Intergovernmental	7,552,396	7,718,103	8,089,634
Charges for Services	5,235,456	5,370,230	5,667,257
Fines and Forfeitures	45,900	47,000	49,626
Miscellaneous	312,615	478,668	523,327
TOTAL REVENUES	42,353,160	42,820,794	43,909,563
<u>EXPENDITURES</u>			
Current:			
General Government	13,996,725	14,271,941	13,233,782
Public Safety	26,394,817	26,555,687	26,491,936
Physical Environment	378,396	378,396	374,135
Transportation	30,000	30,000	30,000
Economic Environment	321,711	321,711	304,490
Human Services	2,412,982	2,412,982	2,367,008
Culture and Recreation	1,915,175	1,891,809	1,738,103
Court Related	1,042,822	1,042,822	1,047,895
Reserve for Contingencies	200,000	155,366	-
Debt Service:			
Principal Retirement	62,150	62,150	62,150
Interest and Fiscal Charges	1,763	1,763	1,648
TOTAL EXPENDITURES	46,756,541	47,124,627	45,651,147
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,403,381)	(4,303,833)	(1,741,584)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In	553,907	553,907	553,907
Transfers Out	(1,392,282)	(1,491,830)	(1,772,857)
TOTAL OTHER FINANCING SOURCES (USES)	(838,375)	(937,923)	(1,218,950)
NET CHANGE IN FUND BALANCES	(5,241,756)	(5,241,756)	(2,960,534)
FUND BALANCES - BEGINNING OF YEAR	5,241,756	5,241,756	12,688,506
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ 9,727,972

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.

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 Fund

A debt service fund is 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 Fund:

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

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

Major Governmental Capital Projects Fund

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

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

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<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>ASSETS</u>					
Cash and Equivalents	\$ 458,403	\$ 320,444	\$ 476,297	\$ 200,072	\$ 11,484
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	3,061	-	-
Due From Other Governments	237,415	2,598	4,588	-	1,363
	<u>237,415</u>	<u>2,598</u>	<u>4,588</u>	<u>-</u>	<u>1,363</u>
TOTAL ASSETS	<u>695,818</u>	<u>323,042</u>	<u>483,946</u>	<u>200,072</u>	<u>12,847</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	232,248	627	149,088	-	1,116
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Customer Deposits	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>232,248</u>	<u>627</u>	<u>149,088</u>	<u>-</u>	<u>1,116</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Revenues - unavailable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>					
Restricted	-	322,415	334,858	200,072	11,731
Committed	-	-	-	-	-
Assigned	463,570	-	-	-	-
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>463,570</u>	<u>322,415</u>	<u>334,858</u>	<u>200,072</u>	<u>11,731</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 695,818</u>	<u>\$ 323,042</u>	<u>\$ 483,946</u>	<u>\$ 200,072</u>	<u>\$ 12,847</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<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>ASSETS</u>					
Cash and Equivalents	\$1,376,863	\$ 259,272	\$ 104,767	\$ 368,285	\$ 68,245
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	9,375	1,553	3,429	6,280	1,189
TOTAL ASSETS	<u>1,386,238</u>	<u>260,825</u>	<u>108,196</u>	<u>374,565</u>	<u>69,434</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	750	-	5,602	4,549	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Customer Deposits	-	-	-	-	-
TOTAL LIABILITIES	<u>750</u>	<u>-</u>	<u>5,602</u>	<u>4,549</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Revenues - unavailable	-	-	-	-	-
<u>FUND BALANCES</u>					
Restricted	1,385,488	260,825	102,594	370,016	69,434
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,385,488</u>	<u>260,825</u>	<u>102,594</u>	<u>370,016</u>	<u>69,434</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$1,386,238</u>	<u>\$ 260,825</u>	<u>\$ 108,196</u>	<u>\$ 374,565</u>	<u>\$ 69,434</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<u>Special Revenue Funds</u>			
	<u>E911 System</u>	<u>Tourist Development</u>	<u>Communication Improvement</u>	<u>Economic Development</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 531,433	\$ 539,144	\$ 10,411	\$ 11,750
Investments	-	-	-	-
Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	23,702	14,172	2,569	16,584
TOTAL ASSETS	<u>555,135</u>	<u>553,316</u>	<u>12,980</u>	<u>28,334</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	12,910	14,153	8,467	26,448
Due to Other Funds	-	-	385,000	90,000
Due to Other Governments	36,155	-	-	-
Customer Deposits	-	-	-	-
TOTAL LIABILITIES	<u>49,065</u>	<u>14,153</u>	<u>393,467</u>	<u>116,448</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	-	-
<u>FUND BALANCES</u>				
Restricted	506,070	539,163	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(380,487)	(88,114)
TOTAL FUND BALANCES	<u>506,070</u>	<u>539,163</u>	<u>(380,487)</u>	<u>(88,114)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 555,135</u>	<u>\$ 553,316</u>	<u>\$ 12,980</u>	<u>\$ 28,334</u>

continued

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<u>Special Revenue Funds</u>			
			West Putnam Municipal Services Benefit Unit	Local Housing Assistance
	<u>Miscell- aneous Grants</u>	<u>Interlachen Lakes Estates</u>	<u>Benefit Unit</u>	<u>Assistance</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 3,483	\$ 175,105	\$ 208,890	\$ 6,988
Investments	-	-	-	636,814
Receivables	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	64,848	4,223	2,902	-
TOTAL ASSETS	68,331	179,328	211,792	643,802
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	18,331	4,658	4,983	16,147
Due to Other Funds	50,000	-	-	30,000
Due to Other Governments	-	-	-	-
Customer Deposits	-	-	-	-
TOTAL LIABILITIES	68,331	4,658	4,983	46,147
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	-	-
<u>FUND BALANCES</u>				
Restricted	-	174,670	206,809	597,655
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	174,670	206,809	597,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 68,331	\$ 179,328	\$ 211,792	\$ 643,802

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<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	\$ 454,724	\$ 10,165	\$ 226,742	\$ 507,326
Investments	-	-	-	-
Receivables	-	2,853	4,184	36,224
Due From Other Funds	-	-	-	-
Due From Other Governments	1,835	-	-	-
TOTAL ASSETS	<u>456,559</u>	<u>13,018</u>	<u>230,926</u>	<u>543,550</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	1,475	5,783	5,751	129,138
Due to Other Funds	-	40,000	-	-
Due to Other Governments	-	-	-	-
Customer Deposits	-	-	-	-
TOTAL LIABILITIES	<u>1,475</u>	<u>45,783</u>	<u>5,751</u>	<u>129,138</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	-	-
<u>FUND BALANCES</u>				
Restricted	455,084	-	225,175	-
Committed	-	-	-	414,412
Assigned	-	-	-	-
Unassigned	-	(32,765)	-	-
TOTAL FUND BALANCES	<u>455,084</u>	<u>(32,765)</u>	<u>225,175</u>	<u>414,412</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 456,559</u>	<u>\$ 13,018</u>	<u>\$ 230,926</u>	<u>\$ 543,550</u>

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<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>ASSETS</u>				
Cash and Equivalents	\$ 126,690	\$ 292,811	\$ 855,450	\$ 258,156
Investments	-	-	-	-
Receivables	-	-	-	11,232
Due From Other Funds	-	-	-	-
Due From Other Governments	-	-	-	992
TOTAL ASSETS	<u>126,690</u>	<u>292,811</u>	<u>855,450</u>	<u>270,380</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	-	-	-	51,098
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	152,595
Customer Deposits	-	-	-	59,030
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,723</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	-	7,657
<u>FUND BALANCES</u>				
Restricted	126,690	292,811	855,450	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>126,690</u>	<u>292,811</u>	<u>855,450</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 126,690</u>	<u>\$ 292,811</u>	<u>\$ 855,450</u>	<u>\$ 270,380</u>

Putnam County, Florida
Combining Balance Sheet – Non-major Governmental Funds
September 30, 2015

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Supervisor of Elections Grants</u>	<u>MSBU Loan</u>	<u>Road Projects</u>	
<u>ASSETS</u>				
Cash and Equivalents	\$ 108,656	\$ 60,335	\$2,996,528	\$ 11,028,919
Investments	-	-	-	636,814
Receivables	-	-	-	54,493
Due From Other Funds	-	-	76,743	79,804
Due From Other Governments	-	1,408	1,552,484	1,953,509
	<u>-</u>	<u>1,408</u>	<u>1,552,484</u>	<u>1,953,509</u>
TOTAL ASSETS	<u>108,656</u>	<u>61,743</u>	<u>4,625,755</u>	<u>13,753,539</u>
<u>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and				
Accrued Liabilities	-	-	709,342	1,402,664
Due to Other Funds	-	-	-	595,000
Due to Other Governments	-	-	-	188,750
Customer Deposits	-	-	-	59,030
	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,030</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>709,342</u>	<u>2,245,444</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Revenues - unavailable	-	-	481,768	489,425
<u>FUND BALANCES</u>				
Restricted	108,656	61,743	3,434,645	10,642,054
Committed	-	-	-	414,412
Assigned	-	-	-	463,570
Unassigned	-	-	-	(501,366)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(501,366)</u>
TOTAL FUND BALANCES	<u>108,656</u>	<u>61,743</u>	<u>3,434,645</u>	<u>11,018,670</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 108,656</u>	<u>\$ 61,743</u>	<u>\$4,625,755</u>	<u>\$ 13,753,539</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<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	\$1,944,625	\$ -	\$2,152,395	\$ -	\$ -
Licenses and Permits	3,800	44,774	-	-	-
Intergovernmental Revenue	2,373,443	-	178,104	-	-
Charges For Services	134,168	-	-	-	-
Fines and Forfeitures	-	-	-	37,689	21,394
Special Assessments	-	-	-	-	-
Miscellaneous Revenue	5,361	145	841	94	5
TOTAL REVENUES	4,461,397	44,919	2,331,340	37,783	21,399
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	-	3,775,539	44,934	20,987
Physical Environment	-	158,476	-	-	-
Transportation	5,204,517	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	5,204,517	158,476	3,775,539	44,934	20,987
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	(743,120)	(113,557)	(1,444,199)	(7,151)	412
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	1,191,830	-	3,061	-	-
Transfers Out	(29,827)	-	(33,547)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,162,003	-	(30,486)	-	-
NET CHANGE IN FUND BALANCES	418,883	(113,557)	(1,474,685)	(7,151)	412
FUND BALANCES, October 1, 2014	44,687	435,972	1,809,543	207,223	11,319
FUND BALANCES, September 30, 2015	\$ 463,570	\$ 322,415	\$ 334,858	\$ 200,072	\$ 11,731

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<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	147,544	-	72,987	79,282	-
Fines and Forfeitures	-	24,444	-	-	28,798
Special Assessments	-	-	-	-	-
Miscellaneous Revenue	335	117	49	162	30
TOTAL REVENUES	147,879	24,561	73,036	79,444	28,828
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	25,000	-	-	26,882
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	261,960	-	79,613	110,386	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	261,960	25,000	79,613	110,386	26,882
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(114,081)	(439)	(6,577)	(30,942)	1,946
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(114,081)	(439)	(6,577)	(30,942)	1,946
FUND BALANCES, October 1, 2014	1,499,569	261,264	109,171	400,958	67,488
FUND BALANCES, September 30, 2015	\$1,385,488	\$ 260,825	\$ 102,594	\$ 370,016	\$ 69,434

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<u>Special Revenue Funds</u>				
	<u>E911 System</u>	<u>Tourist Development</u>	<u>Communication Improvement</u>	<u>Economic Development</u>	<u>Impact Fee</u>
<u>REVENUES</u>					
Taxes	\$ -	\$ 299,122	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	371,607	-	-	17,594	-
Charges For Services	-	-	27,113	-	-
Fines and Forfeitures	-	-	36,355	-	-
Special Assessments	-	-	-	-	-
Miscellaneous Revenue	152	213	-	1	167
TOTAL REVENUES	<u>371,759</u>	<u>299,335</u>	<u>63,468</u>	<u>17,595</u>	<u>167</u>
<u>EXPENDITURES</u>					
Current:					
General Government Services	-	-	-	-	-
Public Safety	291,472	-	68,892	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	484,967
Economic Environment	-	229,749	-	180,594	-
Culture/Recreation	-	-	-	-	51,741
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	97,422	-	-
Interest and Fiscal Charges	-	-	22,902	-	-
TOTAL EXPENDITURES	<u>291,472</u>	<u>229,749</u>	<u>189,216</u>	<u>180,594</u>	<u>536,708</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	<u>80,287</u>	<u>69,586</u>	<u>(125,748)</u>	<u>(162,999)</u>	<u>(536,541)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	-	-	83,127	186,820	-
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>83,127</u>	<u>186,820</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>80,287</u>	<u>69,586</u>	<u>(42,621)</u>	<u>23,821</u>	<u>(536,541)</u>
FUND BALANCES, October 1, 2014	<u>425,783</u>	<u>469,577</u>	<u>(337,866)</u>	<u>(111,935)</u>	<u>536,541</u>
FUND BALANCES, September 30, 2015	<u>\$ 506,070</u>	<u>\$ 539,163</u>	<u>\$ (380,487)</u>	<u>\$ (88,114)</u>	<u>\$ -</u>

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<u>Special Revenue Funds</u>			
			<u>West</u>	
	<u>Miscellaneous</u>	<u>Interlachen</u>	<u>Putnam</u>	<u>Local</u>
	<u>Grants</u>	<u>Lake</u>	<u>Municipal</u>	<u>Housing</u>
		<u>Estates</u>	<u>Services</u>	<u>Assistance</u>
			<u>Benefit Unit</u>	
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	751,913	-	-	15,645
Charges For Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Special Assessments	-	230,964	132,683	-
Miscellaneous Revenue	57,500	83	90	5,595
TOTAL REVENUES	809,413	231,047	132,773	21,240
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	693,119	-	-	-
Physical Environment	-	-	-	-
Transportation	-	190,762	106,571	-
Economic Environment	-	-	-	196,662
Culture/Recreation	264,404	-	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	957,523	190,762	106,571	196,662
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(148,110)	40,285	26,202	(175,422)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	138,177	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING				
SOURCES (USES)	138,177	-	-	-
NET CHANGE IN FUND BALANCES	(9,933)	40,285	26,202	(175,422)
FUND BALANCES, October 1, 2014	9,933	134,385	180,607	773,077
FUND BALANCES, September 30, 2015	\$ -	\$ 174,670	\$ 206,809	\$ 597,655

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<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	-	45,139	33,574	-
Fines and Forfeitures	-	-	-	-
Special Assessments	118,413	-	-	-
Miscellaneous Revenue	202	-	98	518,480
TOTAL REVENUES	<u>118,615</u>	<u>45,139</u>	<u>33,672</u>	<u>518,480</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	-	-	-	525,628
Physical Environment	-	47,960	23,147	-
Transportation	100,007	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	<u>100,007</u>	<u>47,960</u>	<u>23,147</u>	<u>525,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>18,608</u>	<u>(2,821)</u>	<u>10,525</u>	<u>(7,148)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>18,608</u>	<u>(2,821)</u>	<u>10,525</u>	<u>(7,148)</u>
FUND BALANCES, October 1, 2014	<u>436,476</u>	<u>(29,944)</u>	<u>214,650</u>	<u>421,560</u>
FUND BALANCES, September 30, 2015	<u>\$ 455,084</u>	<u>\$ (32,765)</u>	<u>\$ 225,175</u>	<u>\$ 414,412</u>

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<u>Special Revenue Funds</u>			
	<u>Federal Forfeiture</u>	<u>Records Modernization</u>	<u>Article V Records Modernization</u>	<u>Court Fund</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	-	-	-	1,025,027
Charges For Services	-	27,079	75,316	846,758
Fines and Forfeitures	80,845	-	33,832	136,708
Special Assessments	-	-	-	-
Miscellaneous Revenue	-	428	900	1,937
TOTAL REVENUES	80,845	27,507	110,048	2,010,430
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	48,745	-	-
Public Safety	53,912	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	-	178,472	2,010,430
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	53,912	48,745	178,472	2,010,430
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,933	(21,238)	(68,424)	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	26,933	(21,238)	(68,424)	-
FUND BALANCES, October 1, 2014	99,757	314,049	923,874	-
FUND BALANCES, September 30, 2015	\$ 126,690	\$ 292,811	\$ 855,450	\$ -

concluded

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended September 30, 2015

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Supervisor of Elections Grants</u>	<u>MSBU Loan</u>	<u>Road Projects</u>	
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$1,075,039	\$ 5,471,181
Licenses and Permits	-	-	-	48,574
Intergovernmental Revenue	13,199	-	4,208,928	8,955,460
Charges For Services	-	-	-	1,488,960
Fines and Forfeitures	-	-	-	400,065
Special Assessments	-	225,462	-	707,522
Miscellaneous Revenue	70	36	972	594,063
TOTAL REVENUES	<u>13,269</u>	<u>225,498</u>	<u>5,284,939</u>	<u>17,665,825</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,244	-	-	50,989
Public Safety	-	-	-	5,526,365
Physical Environment	-	-	-	229,583
Transportation	-	-	-	6,086,824
Economic Environment	-	-	-	607,005
Culture/Recreation	-	-	-	316,145
Court Related	-	-	-	2,640,861
Capital Outlay	-	-	4,188,733	4,188,733
Debt Service:				
Principal Retirement	-	164,506	-	261,928
Interest and Fiscal Charges	-	28,242	-	51,144
TOTAL EXPENDITURES	<u>2,244</u>	<u>192,748</u>	<u>4,188,733</u>	<u>19,959,577</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>11,025</u>	<u>32,750</u>	<u>1,096,206</u>	<u>(2,293,752)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,643	-	-	1,604,658
Transfers Out	-	-	-	(63,374)
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>1,643</u>	<u>-</u>	<u>-</u>	<u>1,541,284</u>
NET CHANGE IN FUND BALANCES	12,668	32,750	1,096,206	(752,468)
FUND BALANCES, October 1, 2014	<u>95,988</u>	<u>28,993</u>	<u>2,338,439</u>	<u>11,771,138</u>
FUND BALANCES, September 30, 2015	<u>\$ 108,656</u>	<u>\$ 61,743</u>	<u>\$3,434,645</u>	<u>\$ 11,018,670</u>

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, 2015

	<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	\$ 1,845,150	\$ 1,845,150	\$ 1,944,625	\$ 99,475
Licenses and Permits	6,000	6,000	3,800	(2,200)
Intergovernmental Revenue	2,255,000	2,255,000	2,373,443	118,443
Charges for Services	118,400	118,400	134,168	15,768
Miscellaneous Revenue	19,650	19,650	5,361	(14,289)
TOTAL REVENUES	4,244,200	4,244,200	4,461,397	217,197
<u>EXPENDITURES</u>				
Current:				
Transportation	5,571,562	5,571,562	5,204,517	367,045
Debt Service:				
Principal Retirement	33,583	33,583	-	33,583
Interest and Fiscal Charges	5,017	5,017	-	5,017
TOTAL EXPENDITURES	5,610,162	5,610,162	5,204,517	405,645
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,365,962)	(1,365,962)	(743,120)	622,842
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,191,830	1,191,830	1,191,830	-
Transfers Out	(29,827)	(29,827)	(29,827)	-
NET CHANGE IN FUND BALANCES	(203,959)	(203,959)	418,883	622,842
FUND BALANCES, October 1, 2014	203,959	203,959	44,687	(159,272)
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 463,570	\$ 463,570

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2015

	<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>				
Licenses and Permits	\$ 41,500	\$ 41,500	\$ 44,774	\$ 3,274
Miscellaneous Revenue	750	750	145	(605)
TOTAL REVENUES	42,250	42,250	44,919	2,669
<u>EXPENDITURES</u>				
Current:				
Physical Environment	104,500	104,500	158,476	(53,976)
Reserve for Contingencies	5,000	5,000	-	5,000
TOTAL EXPENDITURES	109,500	109,500	158,476	(48,976)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(67,250)	(67,250)	(113,557)	(46,307)
FUND BALANCES, October 1, 2014	67,250	67,250	435,972	368,722
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 322,415	\$ 322,415

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Taxes	\$ 2,138,100	\$ 2,138,100	\$ 2,152,395	\$ 14,295
Intergovernmental Revenue	182,087	182,087	178,104	(3,983)
Miscellaneous Revenues	3,800	3,800	841	(2,959)
TOTAL REVENUES	<u>2,323,987</u>	<u>2,323,987</u>	<u>2,331,340</u>	<u>7,353</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>3,686,978</u>	<u>3,686,978</u>	<u>3,775,539</u>	<u>(88,561)</u>
DEFICIENCY OF REVENUES				
OVER EXPENDITURES	<u>(1,362,991)</u>	<u>(1,362,991)</u>	<u>(1,444,199)</u>	<u>(81,208)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	6,000	6,000	3,061	(2,939)
Transfers Out	<u>(33,547)</u>	<u>(33,547)</u>	<u>(33,547)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES				
(USES)	<u>(27,547)</u>	<u>(27,547)</u>	<u>(30,486)</u>	<u>(2,939)</u>
NET CHANGE IN FUND BALANCES	<u>(1,390,538)</u>	<u>(1,390,538)</u>	<u>(1,474,685)</u>	<u>(84,147)</u>
FUND BALANCES, October 1, 2014	<u>1,390,538</u>	<u>1,390,538</u>	<u>1,809,543</u>	<u>419,005</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,858</u>	<u>\$ 334,858</u>

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, 2015

	<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	\$ 21,500	\$ 21,500	\$ 37,689	\$ 16,189
Miscellaneous Revenue	400	400	94	(306)
TOTAL REVENUES	<u>21,900</u>	<u>21,900</u>	<u>37,783</u>	<u>15,883</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>85,000</u>	<u>85,000</u>	<u>44,934</u>	<u>40,066</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,100)	(63,100)	(7,151)	55,949
FUND BALANCES, October 1, 2014	<u>63,100</u>	<u>63,100</u>	<u>207,223</u>	<u>144,123</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,072</u>	<u>\$ 200,072</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Law Enforcement Education Fund
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 21,394	\$ (3,606)
Miscellaneous Revenue	50	50	5	(45)
TOTAL REVENUES	25,050	25,050	21,399	(3,651)
<u>EXPENDITURES</u>				
Current:				
Public Safety	26,500	26,500	20,987	5,513
Reserve for Contingencies	1,500	1,500	-	1,500
TOTAL EXPENDITURES	28,000	28,000	20,987	7,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,950)	(2,950)	412	3,362
FUND BALANCES, October 1, 2014	2,950	2,950	11,319	8,369
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 11,731	\$ 11,731

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Improvement Fund
For the Year Ended September 30, 2015

	<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	\$ 182,500	\$ 182,500	\$ 147,544	\$ (34,956)
Miscellaneous Revenue	850	850	335	(515)
TOTAL REVENUES	183,350	183,350	147,879	(35,471)
<u>EXPENDITURES</u>				
Current:				
Court Related	446,750	446,750	261,960	184,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(263,400)	(263,400)	(114,081)	149,319
FUND BALANCES, October 1, 2014	263,400	263,400	1,499,569	1,236,169
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 1,385,488	\$ 1,385,488

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Drivers Education Fund
For the Year Ended September 30, 2015

	<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	\$ 30,000	\$ 30,000	\$ 24,444	\$ (5,556)
Miscellaneous Revenue	450	450	117	(333)
TOTAL REVENUES	30,450	30,450	24,561	(5,889)
<u>EXPENDITURES</u>				
Current:				
Public Safety	55,450	55,450	25,000	30,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(25,000)	(439)	24,561
FUND BALANCES, October 1, 2014	25,000	25,000	261,264	236,264
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 260,825	\$ 260,825

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Article V Fund
For the Year Ended September 30, 2015

	<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	\$ 88,000	\$ 88,000	\$ 72,987	\$ (15,013)
Miscellaneous Revenue	160	160	49	(111)
TOTAL REVENUES	88,160	88,160	73,036	(15,124)
<u>EXPENDITURES</u>				
Current:				
Court Related	108,485	108,485	79,613	28,872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(20,325)	(20,325)	(6,577)	13,748
<u>OTHER FINANCING USES</u>				
Transfers Out	(5,000)	(5,000)	-	5,000
NET CHANGE IN FUND BALANCES	(25,325)	(25,325)	(6,577)	18,748
FUND BALANCES, October 1, 2014	25,325	25,325	109,171	83,846
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 102,594	\$ 102,594

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Technology Fund
For the Year Ended September 30, 2015

	<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	\$ 76,500	\$ 76,500	\$ 79,282	\$ 2,782
Miscellaneous Revenue	750	750	162	(588)
TOTAL REVENUES	77,250	77,250	79,444	2,194
<u>EXPENDITURES</u>				
Current:				
Court Related	229,245	229,245	110,386	118,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(151,995)	(151,995)	(30,942)	121,053
FUND BALANCES, October 1, 2014	151,995	151,995	400,958	248,963
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 370,016	\$ 370,016

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Crime Prevention Fund
For the Year Ended September 30, 2015

	<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	\$ 30,000	\$ 30,000	\$ 28,798	\$ (1,202)
Miscellaneous Revenue	<u>75</u>	<u>75</u>	<u>30</u>	<u>(45)</u>
TOTAL REVENUES	30,075	30,075	28,828	(1,247)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>35,000</u>	<u>35,000</u>	<u>26,882</u>	<u>8,118</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,925)	(4,925)	1,946	6,871
FUND BALANCES, October 1, 2014	<u>4,925</u>	<u>4,925</u>	<u>67,488</u>	<u>62,563</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,434</u>	<u>\$ 69,434</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 330,000	\$ 430,405	\$ 371,607	\$ (58,798)
Miscellaneous Revenue	300	300	152	(148)
TOTAL REVENUES	330,300	430,705	371,759	(58,946)
<u>EXPENDITURES</u>				
Current:				
Public Safety	313,511	413,916	291,472	122,444
Reserve for Contingencies	16,789	16,789	-	16,789
TOTAL EXPENDITURES	330,300	430,705	291,472	139,233
EXCESS OF REVENUES OVER EXPENDITURES	-	-	80,287	80,287
FUND BALANCES, October 1, 2014	-	-	425,783	425,783
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 506,070	\$ 506,070

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Tourist Development Fund
For the Year Ended September 30, 2015

	<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	\$ 225,000	\$ 225,000	\$ 299,122	\$ 74,122
Miscellaneous Revenue	500	500	213	(287)
TOTAL REVENUES	225,500	225,500	299,335	73,835
<u>EXPENDITURES</u>				
Current:				
Economic Environment	250,500	250,500	229,749	20,751
Reserve for Contingencies	20,000	20,000	-	20,000
TOTAL EXPENDITURES	270,500	270,500	229,749	40,751
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,000)	(45,000)	69,586	114,586
FUND BALANCES, October 1, 2014	45,000	45,000	469,577	424,577
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 539,163	\$ 539,163

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2015

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 25,052	\$ 25,052	\$ 27,113	\$ 2,061
Fines and Forfeitures	48,000	48,000	36,355	(11,645)
TOTAL REVENUES	73,052	73,052	63,468	(9,584)
<u>EXPENDITURES</u>				
Current:				
Public Safety	35,841	35,841	68,892	(33,051)
Debt Service:				
Principal	97,422	97,422	97,422	-
Interest and Fiscal Charges	22,916	22,916	22,902	14
TOTAL EXPENDITURES	156,179	156,179	189,216	(33,037)
DEFICIENCY OF REVENUES OVER EXPENDITURES	(83,127)	(83,127)	(125,748)	(42,621)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	83,127	83,127	83,127	-
NET CHANGE IN FUND BALANCES	-	-	(42,621)	(42,621)
FUND BALANCES, October 1, 2014	-	-	(337,866)	(337,866)
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ (380,487)	\$ (380,487)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Economic Development Fund
For the Year Ended September 30, 2015

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 17,594	\$ 17,594
Miscellaneous Revenue	-	-	1	1
TOTAL REVENUES	-	-	17,595	17,595
<u>EXPENDITURES</u>				
Current:				
Economic Environment	186,820	186,820	180,594	6,226
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(186,820)	(186,820)	(162,999)	23,821
<u>OTHER FINANCING SOURCES</u>				
Transfers In	186,820	186,820	186,820	-
NET CHANGE IN FUND BALANCES	-	-	23,821	23,821
FUND BALANCES, October 1, 2014	-	-	(111,935)	(111,935)
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ (88,114)	\$ (88,114)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Impact Fee Fund
For the Year Ended September 30, 2015

	<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	\$ 725	\$ 725	\$ 167	\$ (558)
<u>EXPENDITURES</u>				
Current:				
Transportation	519,553	519,553	484,967	34,586
Culture/Recreation	51,701	51,701	51,741	(40)
TOTAL EXPENDITURES	571,254	571,254	536,708	34,546
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(570,529)	(570,529)	(536,541)	33,988
FUND BALANCES, October 1, 2014	570,529	570,529	536,541	(33,988)
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Miscellaneous Grants Fund
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>With Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 385,016	\$ 756,697	\$ 751,913	\$ (4,784)
Miscellaneous Revenue	-	60,760	57,500	(3,260)
TOTAL REVENUES	<u>385,016</u>	<u>817,457</u>	<u>809,413</u>	<u>(8,044)</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	179,451	703,410	693,119	10,291
Culture/Recreation	<u>205,565</u>	<u>254,047</u>	<u>264,404</u>	<u>(10,357)</u>
TOTAL EXPENDITURES	<u>385,016</u>	<u>957,457</u>	<u>957,523</u>	<u>(66)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(140,000)	(148,110)	(8,110)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>-</u>	<u>140,000</u>	<u>138,177</u>	<u>(1,823)</u>
NET CHANGE IN FUND BALANCES	-	-	(9,933)	(9,933)
FUND BALANCES, October 1, 2014	<u>-</u>	<u>-</u>	<u>9,933</u>	<u>9,933</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Interlachen Lakes Estates Fund
For the Year Ended September 30, 2015

	<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>
Special Assessments	\$ 220,000	\$ 220,000	\$ 230,964	\$ 10,964
Miscellaneous Revenue	500	500	83	(417)
TOTAL REVENUES	220,500	220,500	231,047	10,547
<u>EXPENDITURES</u>				
Current:				
Transportation	254,075	254,075	190,762	63,313
Reserve for Contingencies	5,000	5,000	-	5,000
TOTAL EXPENDITURES	259,075	259,075	190,762	68,313
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,575)	(38,575)	40,285	78,860
FUND BALANCES, October 1, 2014	38,575	38,575	134,385	95,810
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 174,670	\$ 174,670

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, 2015

	<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>
Special Assessments	\$ 122,000	\$ 122,000	\$ 132,683	\$ 10,683
Miscellaneous Revenue	500	500	90	(410)
TOTAL REVENUES	122,500	122,500	132,773	10,273
<u>EXPENDITURES</u>				
Current:				
Transportation	155,875	155,875	106,571	49,304
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,375)	(33,375)	26,202	59,577
FUND BALANCES, October 1, 2014	33,375	33,375	180,607	147,232
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 206,809	\$ 206,809

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, 2015

	<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	\$ 381,362	\$ 381,362	\$ 15,645	\$ (365,717)
Miscellaneous Revenue	3,500	3,500	5,595	2,095
TOTAL REVENUES	384,862	384,862	21,240	(363,622)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	550,000	550,000	196,662	353,338
Reserve for Contingencies	20,000	20,000	-	20,000
TOTAL EXPENDITURES	570,000	570,000	196,662	373,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,138)	(185,138)	(175,422)	9,716
FUND BALANCES, October 1, 2014	185,138	185,138	773,077	587,939
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 597,655	\$ 597,655

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2015

	<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>
Special Assessments	\$ 121,000	\$ 121,000	\$ 118,413	\$ (2,587)
Miscellaneous Revenue	500	500	202	(298)
TOTAL REVENUES	121,500	121,500	118,615	(2,885)
<u>EXPENDITURES</u>				
Current:				
Transportation	114,550	114,550	100,007	14,543
Reserve for Contingencies	6,950	6,950	-	6,950
TOTAL EXPENDITURES	121,500	121,500	100,007	21,493
EXCESS OF REVENUES OVER EXPENDITURES	-	-	18,608	18,608
FUND BALANCES, October 1, 2014	-	-	436,476	436,476
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,084</u>	<u>\$ 455,084</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, 2015

	<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	\$ 45,650	\$ 45,650	\$ 45,139	\$ (511)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	<u>48,940</u>	<u>48,940</u>	<u>47,960</u>	<u>980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,290)	(3,290)	(2,821)	469
FUND BALANCES, October 1, 2014	<u>3,290</u>	<u>3,290</u>	<u>(29,944)</u>	<u>(33,234)</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,765)</u>	<u>\$ (32,765)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2015

	<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	\$ 33,250	\$ 33,250	\$ 33,574	\$ 324
Miscellaneous Revenue	325	325	98	(227)
TOTAL REVENUES	33,575	33,575	33,672	97
<u>EXPENDITURES</u>				
Current:				
Physical Environment	33,575	33,575	23,147	10,428
EXCESS OF REVENUES				
OVER EXPENDITURES	-	-	10,525	10,525
FUND BALANCES, October 1, 2014	-	-	214,650	214,650
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 225,175	\$ 225,175

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 384,302	\$ 518,480	\$ 518,480	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>384,302</u>	<u>525,628</u>	<u>525,628</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(7,148)	(7,148)	-
FUND BALANCES, October 1, 2014	<u>-</u>	<u>7,148</u>	<u>421,560</u>	<u>414,412</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,412</u>	<u>\$ 414,412</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, 2015

	<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	\$ 18,800	\$ 55,000	\$ 80,845	\$ 25,845
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>18,800</u>	<u>55,000</u>	<u>53,912</u>	<u>1,088</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	26,933	26,933
FUND BALANCES, October 1, 2014	<u>-</u>	<u>-</u>	<u>99,757</u>	<u>99,757</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,690</u>	<u>\$ 126,690</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, 2015

	<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	\$ 26,000	\$ 26,000	\$ 27,079	\$ 1,079
Miscellaneous Revenue	500	500	428	(72)
TOTAL REVENUES	26,500	26,500	27,507	1,007
<u>EXPENDITURES</u>				
Current:				
General Government Services	50,000	50,000	48,745	1,255
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,500)	(23,500)	(21,238)	2,262
FUND BALANCES, October 1, 2014	23,500	23,500	314,049	290,549
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 292,811	\$ 292,811

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, 2015

	<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	\$ 76,000	\$ 76,000	\$ 75,316	\$ (684)
Fines and Forfeitures	41,500	41,500	33,832	(7,668)
Miscellaneous Revenue	1,200	1,200	900	(300)
TOTAL REVENUES	118,700	118,700	110,048	(8,652)
<u>EXPENDITURES</u>				
Current:				
Court Related	140,000	190,000	178,472	11,528
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,300)	(71,300)	(68,424)	2,876
FUND BALANCES, October 1, 2014	21,300	71,300	923,874	852,574
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 855,450	\$ 855,450

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Court Fund
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
<u>REVENUES</u>				<u>Budget</u>
Intergovernmental Revenue	\$ 1,089,314	\$ 988,071	\$ 1,025,027	\$ 36,956
Charges for Services	841,450	839,418	846,758	7,340
Fines and Forfeitures	191,990	190,000	136,708	(53,292)
Miscellaneous Revenue	<u>2,060</u>	<u>500</u>	<u>1,937</u>	<u>1,437</u>
TOTAL REVENUES	2,124,814	2,017,989	2,010,430	(7,559)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,124,814</u>	<u>2,017,989</u>	<u>2,010,430</u>	<u>7,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Supervisor of Elections - Grant Fund
For the Year Ended September 30, 2015

	<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	\$ -	\$ -	\$ 13,199	\$ 13,199
Miscellaneous Revenues	-	-	70	70
TOTAL REVENUES	-	-	13,269	13,269
<u>EXPENDITURES</u>				
Current:				
General Government Services	95,992	95,992	2,244	93,748
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(95,992)	(95,992)	11,025	107,017
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	1,643	1,643
NET CHANGE IN FUND BALANCES	(95,992)	(95,992)	12,668	108,660
FUND BALANCES, October 1, 2014	95,992	95,992	95,988	(4)
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 108,656	\$ 108,656

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – MSBU Loan Fund
For the Year Ended September 30, 2015

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Special Assessments	\$ 203,500	\$ 203,500	\$ 225,462	\$ 21,962
Miscellaneous Revenue	150	150	36	(114)
TOTAL REVENUES	<u>203,650</u>	<u>203,650</u>	<u>225,498</u>	<u>21,848</u>
<u>EXPENDITURES</u>				
Current:				
Reserve for Contingencies	8,759	8,759	-	8,759
Debt Service:				
Principal Retirement	164,506	164,506	164,506	-
Interest and Fiscal Charges	<u>30,385</u>	<u>30,385</u>	<u>28,242</u>	<u>2,143</u>
TOTAL EXPENDITURES	<u>203,650</u>	<u>203,650</u>	<u>192,748</u>	<u>10,902</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	32,750	32,750
FUND BALANCES, October 1, 2014	<u>-</u>	<u>-</u>	<u>28,993</u>	<u>28,993</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,743</u>	<u>\$ 61,743</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, 2015

	<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	\$ 1,010,000	\$ 1,010,000	\$ 1,075,039	\$ 65,039
Intergovernmental Revenue	4,074,000	4,152,740	4,208,928	56,188
Miscellaneous Revenue	1,000	1,000	972	(28)
TOTAL REVENUES	5,085,000	5,163,740	5,284,939	121,199
<u>EXPENDITURES</u>				
Capital Outlay-Transportation	5,419,385	5,498,125	4,188,733	1,309,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(334,385)	(334,385)	1,096,206	1,430,591
FUND BALANCES, October 1, 2014	334,385	334,385	2,338,439	2,004,054
FUND BALANCES, September 30, 2015	\$ -	\$ -	\$ 3,434,645	\$ 3,434,645

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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 4,586,574	\$ 4,586,574	\$ 5,115,218	\$ 528,644
Miscellaneous Revenue	8,000	8,000	17,444	9,444
TOTAL REVENUES	<u>4,594,574</u>	<u>4,594,574</u>	<u>5,132,662</u>	<u>538,088</u>
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-General Government	4,515,986	4,375,986	1,295,444	3,080,542
Debt Service:				
Principal Retirement	1,385,000	1,385,000	1,385,000	-
Interest and Fiscal Charges	193,588	193,588	193,179	409
TOTAL EXPENDITURES	<u>6,094,574</u>	<u>5,954,574</u>	<u>2,873,623</u>	<u>3,080,951</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,500,000)</u>	<u>(1,360,000)</u>	<u>2,259,039</u>	<u>3,619,039</u>
<u>OTHER FINANCING USES</u>				
Transfers Out	(500,000)	(640,000)	(638,177)	1,823
NET CHANGE IN FUND BALANCES	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>1,620,862</u>	<u>3,620,862</u>
FUND BALANCES, Beginning of Year	<u>2,000,000</u>	<u>2,000,000</u>	<u>7,656,033</u>	<u>5,656,033</u>
FUND BALANCES, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,276,895</u>	<u>\$ 9,276,895</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Capital Outlay-Public Safety	17,000,000	17,000,000	15,193,971	1,806,029
Debt Service:				
Interest and Fiscal Charges	-	-	57,999	(57,999)
TOTAL EXPENDITURES	<u>17,000,000</u>	<u>17,000,000</u>	<u>15,251,970</u>	<u>1,748,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,000,000)	(17,000,000)	(15,251,970)	1,748,030
<u>OTHER FINANCING SOURCES</u>				
Debt Issued	<u>17,000,000</u>	<u>17,000,000</u>	<u>16,105,662</u>	<u>(894,338)</u>
NET CHANGE IN FUND BALANCES	-	-	853,692	853,692
FUND BALANCES, October 1, 2014	<u>-</u>	<u>-</u>	<u>(366,298)</u>	<u>(366,298)</u>
FUND BALANCES, September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,394</u>	<u>\$ 487,394</u>

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 Funds
September 30, 2015

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 9,836	\$ 11,782	\$ 1,256,347	\$ 1,277,965
Due from Other Governments	950	17,885	-	18,835
Inventory	206,685	-	-	206,685
Other Assets	-	-	1,348	1,348
TOTAL CURRENT ASSETS	217,471	29,667	1,257,695	1,504,833
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	48,688	-	-	48,688
TOTAL ASSETS	266,159	29,667	1,257,695	1,553,521
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pensions	58,295	-	9,614	67,909
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	77,225	242	1,503	78,970
Due to Other Funds	820,000	490,000	-	1,310,000
Estimated Liability for Self-Insured Losses	-	-	1,534,477	1,534,477
Compensated Absences	15,000	-	5,400	20,400
Net Pension Liability	1,730	-	290	2,020
TOTAL CURRENT LIABILITIES	913,955	490,242	1,541,670	2,945,867
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	12,000	-	4,600	16,600
Estimated Liability for Self Insured Losses	-	-	500,000	500,000
Net Pension Liability	125,365	-	20,671	146,036
Other noncurrent liabilities	25,486	-	5,104	30,590
TOTAL LIABILITIES	1,076,806	490,242	2,072,045	3,639,093
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	55,194	-	9,103	64,297
<u>NET POSITION</u>				
Net Investment in Capital Assets	48,688	-	-	48,688
Unrestricted	(856,234)	(460,575)	(813,839)	(2,130,648)
TOTAL NET POSITION	<u>\$ (807,546)</u>	<u>\$ (460,575)</u>	<u>\$ (813,839)</u>	<u>\$(2,081,960)</u>

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2015

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 1,186,804	\$6,371,459	\$ 1,158,559	\$ 8,716,822
Miscellaneous	<u>2,222</u>	<u>3,936</u>	<u>655</u>	<u>6,813</u>
TOTAL OPERATING REVENUES	<u>1,189,026</u>	<u>6,375,395</u>	<u>1,159,214</u>	<u>8,723,635</u>
<u>OPERATING EXPENSES</u>				
Personal Services	358,841	-	56,818	415,659
Insurance	19,895	7,085,200	665,906	7,771,001
Claims Expense	-	-	1,333,324	1,333,324
Contractual Services	352,686	19,102	-	371,788
Repairs and Maintenance	18,824	-	-	18,824
Other Operating Expenses	505,941	-	1,179	507,120
Depreciation Expense	<u>15,822</u>	<u>-</u>	<u>-</u>	<u>15,822</u>
TOTAL OPERATING EXPENSES	<u>1,272,009</u>	<u>7,104,302</u>	<u>2,057,227</u>	<u>10,433,538</u>
OPERATING INCOME (LOSS)	<u>(82,983)</u>	<u>(728,907)</u>	<u>(898,013)</u>	<u>(1,709,903)</u>
Transfers In	-	55,032	179,642	234,674
Transfers Out	<u>(3,362)</u>	<u>(500,000)</u>	<u>-</u>	<u>(503,362)</u>
CHANGE IN NET POSITION	(86,345)	(1,173,875)	(718,371)	(1,978,591)
NET POSITION, October 1, 2014, restated	<u>(721,201)</u>	<u>713,300</u>	<u>(95,468)</u>	<u>(103,369)</u>
NET POSITION, September 30, 2015	<u><u>\$ (807,546)</u></u>	<u><u>\$ (460,575)</u></u>	<u><u>\$ (813,839)</u></u>	<u><u>\$ (2,081,960)</u></u>

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended September 30, 2015

	<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	\$ 1,190,408	\$6,392,047	\$ 1,159,108	\$ 8,741,563
Payments to Suppliers	(793,147)	(6,614,129)	(1,623,809)	(9,031,085)
Payments to Employees	(358,469)	-	(56,079)	(414,548)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>38,792</u>	<u>(222,082)</u>	<u>(520,780)</u>	<u>(704,070)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	55,032	179,642	234,674
Transfers Out	(3,362)	(500,000)	-	(503,362)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(3,362)</u>	<u>(444,968)</u>	<u>179,642</u>	<u>(268,688)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(28,466)	-	-	(28,466)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	6,964	(667,050)	(341,138)	(1,001,224)
CASH AND EQUIVALENTS, October 1, 2014	<u>2,872</u>	<u>678,832</u>	<u>1,597,485</u>	<u>2,279,189</u>
CASH AND EQUIVALENTS, September 30, 2015	<u>\$ 9,836</u>	<u>\$ 11,782</u>	<u>\$ 1,256,347</u>	<u>\$ 1,277,965</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	(82,983)	(728,907)	(898,013)	(1,709,903)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	15,822	-	-	15,822
Changes in:				
Due From Other Governments	1,382	16,652	-	18,034
Inventory	(13,818)	-	-	(13,818)
Deferred Outflows	(35,890)	-	(5,919)	(41,809)
Other Assets	-	-	(106)	(106)
Accounts Payable & Accrued Liabilities	48,017	173	211	48,401
Due to Other Funds	70,000	490,000	-	560,000
Net Pension Liability	42,017	-	6,930	48,947
Deferred Inflows	(13,651)	-	(2,251)	(15,902)
Estimated Liability for Self Insured Losses	-	-	376,389	376,389
Compensated Absences	3,000	-	1,000	4,000
Other Noncurrent Liabilities	4,896	-	979	5,875
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 38,792</u>	<u>\$ (222,082)</u>	<u>\$ (520,780)</u>	<u>\$ (704,070)</u>

Fiduciary Funds

Agency Funds

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

The County maintains the following Agency Funds:

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

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

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

Putnam County, Florida
Combining Statement of Fiduciary Net Position – Agency Funds
September 30, 2015

	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 681,884	\$ 81,142	\$ 1,934,986	\$2,698,012
Receivables	<u>-</u>	<u>13</u>	<u>28,454</u>	<u>28,467</u>
TOTAL ASSETS	<u>\$ 681,884</u>	<u>\$ 81,155</u>	<u>\$ 1,963,440</u>	<u>\$2,726,479</u>
<u>LIABILITIES</u>				
Assets Held for Others	<u>\$ 681,884</u>	<u>\$ 81,155</u>	<u>\$ 1,963,440</u>	<u>\$2,726,479</u>

Putnam County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2015

	Balance October 1, <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2015</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 1,196,659	\$ 4,616,114	\$ 5,130,889	\$ 681,884
Receivables	15,512	-	15,512	-
Total Assets	<u>1,212,171</u>	<u>4,616,114</u>	<u>5,146,401</u>	<u>681,884</u>
Liabilities:				
Assets Held for Others	<u>\$ 1,212,171</u>	<u>\$ 4,606,057</u>	<u>\$ 5,136,344</u>	<u>\$ 681,884</u>
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	\$ 86,486	\$ 499,325	\$ 504,669	\$ 81,142
Receivables	1,619	13	1,619	13
Total Assets	<u>88,105</u>	<u>499,338</u>	<u>506,288</u>	<u>81,155</u>
Liabilities:				
Assets Held for Others	<u>\$ 88,105</u>	<u>\$ 524,143</u>	<u>\$ 531,093</u>	<u>\$ 81,155</u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 1,799,994	\$ 94,584,346	\$ 94,449,354	\$ 1,934,986
Receivables	13,661	3,292,611	3,277,818	28,454
Due From Other Funds	-	179	179	-
Total Assets	<u>\$ 1,813,655</u>	<u>\$ 97,877,136</u>	<u>\$ 97,727,351</u>	<u>\$ 1,963,440</u>
Liabilities:				
Assets Held for Others	<u>\$ 1,813,655</u>	<u>\$101,997,724</u>	<u>\$101,847,939</u>	<u>\$ 1,963,440</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 3,083,139	\$ 99,699,785	\$100,084,912	\$ 2,698,012
Receivables	30,792	3,292,624	3,294,949	28,467
Due From Other Funds	-	179	179	-
Total Assets	<u>\$ 3,113,931</u>	<u>\$102,992,588</u>	<u>\$103,380,040</u>	<u>\$ 2,726,479</u>
Liabilities:				
Assets Held for Others	<u>\$ 3,113,931</u>	<u>\$107,127,924</u>	<u>\$107,515,376</u>	<u>\$ 2,726,479</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, 2015

CURRENT ASSETS

Cash and Equivalents	\$ 237,889
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NONCURRENT ASSETS

Capital Assets, Net	<u>563,193</u>
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TOTAL ASSETS	<u>801,082</u>
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CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	<u>192</u>
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NET POSITION

Net Investment in Capital Assets	563,193
Unrestricted	<u>237,697</u>

TOTAL NET POSITION	<u><u>\$ 800,890</u></u>
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Putnam County Development Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended September 30, 2015

<u>OPERATING REVENUES</u>	
User Charges	<u>\$ 10,497</u>
<u>OPERATING EXPENSES</u>	
Contractual Services	13,757
Other Operating Expenses	3,409
Depreciation Expense	<u>3,956</u>
TOTAL OPERATING EXPENSES	<u>21,122</u>
OPERATING INCOME (LOSS)	<u>(10,625)</u>
<u>NON OPERATING REVENUES</u>	
Interest Revenue	<u>599</u>
CHANGE IN NET POSITION	(10,026)
NET POSITION, October 1, 2014	<u>810,916</u>
NET POSITION, September 30, 2015	<u><u>\$ 800,890</u></u>

Putnam County Development Authority
Statement of Cash Flows
For the Year Ended September 30, 2015

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from Customers	\$ 10,497
Payments to Suppliers	<u>(17,158)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(6,661)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest on Investments	<u>599</u>
NET DECREASE IN CASH AND EQUIVALENTS	(6,062)
CASH AND EQUIVALENTS, October 1, 2014	<u>243,951</u>
CASH AND EQUIVALENTS, September 30, 2015	<u><u>\$ 237,889</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(10,625)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	3,956
Change in:	
Receivables	-
Accounts Payable and Accrued Liabilities	<u>8</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (6,661)</u></u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2015

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE</u>				
Direct Assistance				
Community Facilities Loans and Grants - Jail Expansion	10.766	Series 2016	16,145,142	
Water and Waste Disposal Systems- Rural Development	10.760	Grant	2,332,236	
Water and Waste Disposal Systems- Rural Development	10.760	Series 2014A and 2014B	284,645	2,616,881
<u>DEPARTMENT OF JUSTICE</u>				
Direct Assistance:				
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0807	5,641	
Passed Through Office of Attorney General:				
Crime Victim Assistance	16.575	V086-14068	88,212	
Passed Through Florida Coalition Against Domestic Violence:				
Violence Against Women Formula Grant	16.588	15-8023-LE-ENH	47,967	
Violence Against Women Formula Grant	16.588	16-8023-LE-ENH	15,989	63,956
Passed Through National Association of Police Athletic Leagues:				
Juvenile Mentoring Program	16.726	2013-JU-FX-0024	6,198	
Passed Through Florida Department of Law Enforcement:				
Byrne Justice Assistance Grant Program	16.738	2014-DJ-BX-0399	33,659	
Byrne Justice Assistance Grant Program	16.738	2015-JAGD-PUTN-2-D8-150	1,966	
Byrne Justice Assistance Grant Program	16.738	2015-JAGC-PUTN-4-R3-033	15,363	50,988
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed Through Florida Department of Transportation:				
Highway Planning and Construction - Bike Trail	20.205	430512-1-38-01	55,915	
Highway Planning and Construction - Ferry Landings	20.205	AQP01	15,919	71,834
Passed Through Florida Department of Environmental Protection:				
Recreational Trails Program	20.219	T11023	42,981	
<u>GENERAL SERVICES ADMINISTRATION</u>				
Passed Through State Department of Management Services:				
Federal Surplus Property	39.003	--	130,868	

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, 2015

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through State Department of Revenue:				
Child Support Enforcement - Title IV-D Reimbursements	93.563	COC54	286,733	286,733
Election Assistance for Individuals with Disabilities	93.617	MOA 2014-2015-0003-PUT	2,244	
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
Office of National Drug Control and Policy				
Passed Through St. Johns County, Florida:				
High Intensity Drug Trafficking (HIDTA)	95.001	G11NF0001A	3,156	
High Intensity Drug Trafficking (HIDTA)	95.001	G15NF0001A	1,016	
HIDTA - DEA Task Force Overtime	95.001	DEAOTF	15,805	19,977
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through State Division of Emergency Management:				
Disaster Grants - Public Assistance - Tropical Storm Debby	97.036	13-DB-73-04-64-02-611	29,076	
Disaster Grants - Public Assistance - Tropical Storm Debby	97.036	13-DB-73-04-64-02-611	256,299	285,375
Hazard Mitigation Grant - Palmetto Bluff	97.039	13-HM-3E-04-64-01-300	7,725	
Hazard Mitigation Grant - Towles Rd	97.039	14-HM-6B-04-64-01-318	13,050	20,775
Emergency Management Performance Grants	97.042	15-FG-4D-04-64-01-121	26,360	
Emergency Management Performance Grants	97.042	16-FG-5A-04-64-01-121	31,524	57,884
Pre-Disaster Mitigation	97.047	13-DM-4L-04-64-01-419	188,343	
Pre-Disaster Mitigation	97.047	12-DM-4L-04-64-01-318	10,858	199,201
Homeland Security Grant Program	97.067	14-DS-L5-04-64-01-439	10,900	
Direct Assistance:				
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FF-00139	125,199	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 20,230,989</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, 2015

<u>State Agency</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Project Total</u>
<u>EXECUTIVE OFFICE OF THE GOVERNOR</u>				
Division of Emergency Management				
Emergency Management Program	31.063	15-BG-83-04-64-01-054	91,149	
Emergency Management Program	31.063	16-BG-83-04-64-01-054	14,613	105,762
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Small County Consolidated Grants	37.012	527SC	90,909	
Centralized Wastewater System Project	37.039	LP-54060	24,798	
Wastewater Treatment Facility Construction	37.077	WW17005P	2,091,346	
<u>DEPARTMENT OF ECONOMIC OPPORTUNITY</u>				
Rural Infrastructure Fund	40.013	D0043	17,594	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control - State Aid	42.003	#021308	31,540	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
State Aid to Libraries	45.030	14-ST-55	256,861	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	2012 - 2013	4,161	
State Housing Initiatives Program	52.901	2013 - 2014	157,523	
State Housing Initiatives Program	52.901	2014 - 2015	29,190	
State Housing Initiatives Program	52.901	2015 - 2016	5,788	196,662
<u>DEPARTMENT OF TRANSPORTATION</u>				
Small County Outreach Program - CR209	55.009	424331-1-58-01	2,342,785	
Small County Outreach Program - Holloway Rd	55.009	430700-1-58-01	80,367	2,423,152
Small County Road Assistance Program - CR315	55.016	431639-1-58-01	661,225	
Small County Road Ass't Program - Strickland Rd	55.016	434589-1-58-01	33,838	695,063
<u>DEPARTMENT OF HEALTH</u>				
County Grant Awards	64.005	C3054	6,921	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	13-4-20	(515)	
Wireless 911 Emergency Telephone System	72.001	14-10-17	90,235	
Wireless 911 Emergency Telephone System	72.001	14-10-23	10,170	
Wireless 911 Emergency Telephone System	72.001	Fees	263,370	363,260
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 6,303,868</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, 2015

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

The County did not provide federal or 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, 2015, and have issued our report thereon dated June 30, 2016. That report should be considered in conjunction with this management letter.

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(78). 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, 2015, 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, 2015.

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.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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.

Caru, Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016



**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES**

The Honorable County Commissioners
Putnam County, Florida

We have examined the Putnam County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS
365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

The Honorable County Commissioners
Putnam County, Florida

We have examined Putnam County, Florida's (the "County") compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable County Commissioners
Putnam County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2015-001 and 2015-002, which we consider to be significant deficiencies.

Compliance and Other Matters

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

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

The County's Response to Finding

The County's response to the finding identified in our audit is described in its accompanying letter of response. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Car, Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable County Commissioners
Putnam County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Putnam County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2015.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Carri Riggs & Ingram, L.L.C.

Palatka, Florida
June 30, 2016

Summary Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed an unmodified opinion.
- (ii) The audit did not disclose material weaknesses, but did report significant deficiencies in internal control over financial reporting.
- (iii) No instances of noncompliance considered material to the financial statements were disclosed by the audit.
- (iv) The audit did not report significant deficiencies in internal control over major federal programs or major state projects.
- (v) The auditor’s report on compliance for the major federal programs and state projects expressed an unmodified opinion.
- (vi) The audit did not disclose findings relative to major federal programs or major state projects.
- (vii) The County’s major federal programs and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Water and Waste Disposal Systems for Rural Communities	10.760
Community Facility Loans and Grants	10.766
Child Support Enforcement	93.563
<u>State Projects</u>	<u>State CFSA Number</u>
Wastewater Treatment Facility Construction	37.077
Small County Road 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 qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Summary Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

2015-001 Condition: The County's information technology (IT) controls currently provide reasonable assurance that a risk of material misstatement would not occur as a result of an IT control. However, certain additional IT controls could be strengthened. a) We noted that IT personnel have full administrative access to the HTE pay system. b) Two users share an account in Time Trex with administrator access. c) Duties for initiating and processing ACH transactions are not fully separated. However, another person does view the account activity daily after transactions are made.

Recommendation: a) Management should consider granting administrative access to this system to non-IT personnel only and who have a need to access. b) We recommend that each user requiring administrative privilege be assigned a unique log-in. c) To the extent possible, steps should be taken to separate the duties, so that no one individual has access to both initiating and approving transactions.

2015-002 Condition: In our review of purchase card (p-card) transactions, we noted that five purchases did not document the reason for not obtaining quotes as policy requires. Four of the five were determined to be sole source type purchases.

Recommendation: The County should ensure that quotes are obtained in accordance with policy. In instances of sole source type purchases, explanation of such should be documented with the purchase invoice package, for review by the approver.

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

Questioned
Costs

-None-

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SECTION IV – FINDINGS AND QUESTIONED COSTS –
STATE PROJECTS

Questioned
Costs

-None-

--

Putnam County, Florida

Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)

There were no prior audit findings.



PUTNAM COUNTY

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

BOARD OF COUNTY COMMISSIONERS

NANCY S. HARRIS
District 1

CHIP LAIBL
District 2

KARL N. FLAGG
District 3

LARRY HARVEY
District 4

WALTON PELLICER, II
District 5

June 30, 2016

The Honorable Sherill F. Norman
Florida Auditor General
P. O. Box 1735
Tallahassee, FL 32302

Dear Ms. Norman:

In accordance with Section 218.39, Florida Statutes, the following statements are submitted in response to the Putnam County Board of County Commissioners Audit Report for the fiscal year ending September 30, 2015. The responses are keyed to the numbering of the Schedule of Findings:

15-1 County IT Department will strengthen controls as follows:

- a. Access to the H.T.E. pay system will be limited to personnel as designated by the Human Resources Director.
- b. Users will receive independent accounts in Time Trex with access only as needed.
- c. The process of initiating and making ACH payments will be reviewed and strengthened with a secondary approval by management before payment is completed.

15-2 The county will continue to monitor purchases with p-cards closely to ensure compliance with purchasing policies. In addition, the county will document reasons for sole source purchases.

Sincerely,

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

Chip Laibl
Chairman, Board of County Commissioners

**Putnam County
Clerk of the Circuit Court**

Audit Report

September 30, 2015



CRI CARR
RIGGS &
INGRAM

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**Putnam County Clerk of the Circuit Court
September 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Putnam County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the 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 as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend 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.

Other Information

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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida

May 27, 2016

Putnam County Clerk of the Circuit Court

Balance Sheet - Governmental Funds

As of September 30,

2015

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
Assets					
Equity in pooled cash and equivalents	\$ 705,138	\$ 258,156	\$ 292,811	\$ 855,450	\$ 2,111,555
Accounts receivable	1,703	11,232	-	-	12,935
Due from other governments	44,642	992	-	-	45,634
Other Assets	7,549	-	-	-	7,549
Total assets	\$ 759,032	\$ 270,380	\$ 292,811	\$ 855,450	\$ 2,177,673
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 547,072	\$ 51,098	\$ -	\$ -	\$ 598,170
Due to other county agencies	139,660	20,204	-	-	159,864
Due to other governments	72,300	132,391	-	-	204,691
Customer Deposits	-	59,030	-	-	59,030
Total liabilities	759,032	262,723	-	-	1,021,755
Deferred Inflows of Resources					
Revenues - unavailable	-	7,657	-	-	7,657
Fund Balances:					
Restricted:					
Restricted for records modernization	-	-	292,811	-	292,811
Restricted for court-related technology and program enhancements	-	-	-	855,450	855,450
Total fund balances	-	-	292,811	855,450	1,148,261
Total liabilities, deferred inflows and fund balances	\$ 759,032	\$ 270,380	\$ 292,811	\$ 855,450	\$ 2,177,673

See accompanying notes.

Putnam County Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30,

2015

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
Revenues					
Intergovernmental	\$ 286,733	\$ 1,026,321	\$ -	\$ -	\$1,313,054
Charges for services	417,805	846,758	27,079	75,316	1,366,958
Fines and forfeitures	-	136,708	-	33,832	170,540
Interest	1,034	198	428	900	2,560
Other miscellaneous revenue	23,325	1,739	-	-	25,064
Total revenues	728,897	2,011,724	27,507	110,048	2,878,176
Expenditures					
Current:					
General government services	1,943,437	-	48,745	-	1,992,182
Court related	235,253	2,010,430	-	178,472	2,424,155
Total expenditures	2,178,690	2,010,430	48,745	178,472	4,416,337
Excess of revenues over (under) expenditures	(1,449,793)	1,294	(21,238)	(68,424)	(1,538,161)
Other financing sources (uses)					
Appropriation from board of county commissioners	1,659,907	-	-	-	1,659,907
Budget appropriation reverted to board of county commissioners	(210,114)	-	-	-	(210,114)
Reversion to the clerks of court operations corporation	-	(1,294)	-	-	(1,294)
Total other financing sources (uses)	1,449,793	(1,294)	-	-	1,448,499
Net change in fund balances	-	-	(21,238)	(68,424)	(89,662)
Fund balances - October 1, 2014	-	-	314,049	923,874	1,237,923
Fund balances - September 30, 2015	\$ -	\$ -	\$ 292,811	\$ 855,450	\$1,148,261

See accompanying notes.

Putnam County Clerk of the Circuit Court

Statement of Fiduciary Net Position

<i>As of September 30,</i>	2015
	Agency Funds
Assets	
Equity in pooled cash and equivalents	\$ 681,884
Liabilities	
Assets held for others	681,884
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Putnam County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles 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, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely 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 required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, 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.

Court Fund – The Court Fund is used to account for all court-related activities funded by appropriations from the state and certain fees retained by the office.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Article V Records Modernization Fund – The Article V Records Modernization Fund is used to account for fees and fines charged pursuant to Sections 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.

The Office also reports the following fiduciary fund:

Agency Funds – Agency Funds are used to account for assets 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. Management has designated the General Fund as the fund to report a receivable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period.

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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; interest bearing time 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.

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.

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 \$110,630 invested in the Local Government Surplus Funds Trust Fund (the “State Pool”).

The Office’s investment in the State Pool exposes it to credit risk. The Office does not have a formal investment policy relating to this risk, which is 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, 2015 of AAAm.

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net Pension Liability	1,425,842	813,449	-	2,239,291	32,100
Compensated Absences	210,000	302,000	299,000	213,000	115,000
Total Long-Term Obligations	\$ 1,635,842	\$1,115,449	\$ 299,000	\$ 2,452,291	\$ 147,100

During 2015, The Clerk implemented *GASB Statement No. 68 Accounting and Financial Reporting for Pensions* and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 – STATE OF FLORIDA PENSION PLANS**Defined Benefit Plans**

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services and Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular Class	5.60%	1.66%
Special Risk Class	20.38%	1.66%
Senior Management Service Class	19.77%	1.66%
Elected Officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were \$251,313 to the FRS and \$34,506 to the HIS.

Putnam County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

At September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability at September 30, 2015	\$ 1,365,174	\$ 874,117
Proportion at:		
Current measurement date	0.0105694%	0.0085711%
Prior measurement date	0.0100718%	0.0086769%
Pension expense (benefit), year ended		
September 30, 2015	\$ 174,585	\$ 64,511

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 144,122	\$ (32,378)	\$ -	\$ -
Changes of assumptions	90,611	-	68,770	-
Net difference between projected and actual earnings on pension plan investments	480,852	(806,832)	473	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	343,348	-	3,711	(8,213)
Employer contributions subsequent to the measurement date	54,677	-	9,611	-
Total	\$ 1,113,610	\$ (839,210)	\$ 82,565	\$ (8,213)

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	21,468	10,484
2017	21,468	10,484
2018	21,468	10,484
2019	21,468	10,484
2020	102,963	10,367
Thereafter	30,888	12,438
Total	219,723	64,741

Actuarial Assumptions

The total pension liability for each of the defined benefit plans measured as of June 30, 2015, was determined by an actuarial valuation as of July 1, 2015, using the entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount Rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: There were no changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1.00%	3.20%	3.10%
Fixed Income	18.00%	4.80%	4.70%
Global Equity	53.00%	8.50%	7.20%
Real estate (property)	10.00%	6.80%	6.20%
Private Equity	6.00%	11.90%	8.20%
Strategic Investments	12.00%	6.70%	6.10%
	100.00%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

Putnam County Clerk of the Circuit Court

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (6.65%)	Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	\$3,537,473	\$1,365,174	\$(442,537)	\$ 996,016	\$874,117	\$772,472

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$11,146.

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

Putnam County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund

For the Year Ended September 30,

2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 220,000	\$ 285,000	\$ 286,733	\$ 1,733
Charges for services	281,700	416,700	417,805	1,105
Interest	1,200	1,200	1,034	(166)
Other miscellaneous revenue	13,000	13,000	23,325	10,325
Total revenues	515,900	715,900	728,897	12,997
Expenditures				
Current:				
General government services	1,887,409	1,987,409	1,943,437	43,972
Court related	228,398	228,398	235,253	(6,855)
Total expenditures	2,115,807	2,215,807	2,178,690	37,117
Excess of revenues over (under) expenditures	(1,599,907)	(1,499,907)	(1,449,793)	50,114
Other financing sources (uses)				
Appropriation from board of county commissioners	1,710,049	1,710,049	1,659,907	(50,142)
Budget appropriation reverted to board of county commissioners	(110,142)	(210,142)	(210,114)	28
Total other financing sources (uses)	1,599,907	1,499,907	1,449,793	(50,114)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2014	-	-	-	-
Fund balances - September 30, 2015	\$ -	\$ -	\$ -	\$ -

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.

Putnam County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Fund

For the Year Ended September 30,

2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,089,314	\$ 988,071	\$ 1,026,321	\$ 38,250
Charges for services	841,450	839,418	846,758	7,340
Fines and forfeitures	191,990	190,000	136,708	(53,292)
Interest	500	500	198	(302)
Other miscellaneous revenue	1,560	-	1,739	1,739
Total revenues	2,124,814	2,017,989	2,011,724	(6,265)
Expenditures				
Current:				
Court related	2,124,814	2,017,989	2,010,430	7,559
Excess of revenues over (under) expenditures	-	-	1,294	1,294
Other financing sources (uses)				
Reversion to the Clerks of court operations corporation	-	-	(1,294)	(1,294)
Net changes in fund balances	-	-	-	-
Fund balances - October 1, 2014	-	-	-	-
Fund balances - September 30, 2015	\$ -	\$ -	\$ -	\$ -

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. The fund is the legal level of control.

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.

Putnam County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Records Modernization Fund

For the Year Ended September 30,

2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 26,000	\$ 26,000	\$ 27,079	\$ 1,079
Interest	500	500	428	(72)
Total revenues	26,500	26,500	27,507	1,007
Expenditures				
Current:				
General government services	50,000	50,000	48,745	1,255
Excess of revenues over (under) expenditures	(23,500)	(23,500)	(21,238)	2,262
Fund balances - October 1, 2014	23,500	23,500	314,049	290,549
Fund balances - September 30, 2015	\$ -	\$ -	\$ 292,811	\$ 292,811

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.

Putnam County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Article V Records Modernization Fund

For the Year Ended September 30,

2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 76,000	\$ 76,000	\$ 75,316	\$ (684)
Fines and forfeitures	41,500	41,500	33,832	(7,668)
Interest	1,200	1,200	900	(300)
 Total revenues	 118,700	 118,700	 110,048	 (8,652)
Expenditures				
Current:				
Court related	140,000	190,000	178,472	11,528
 Excess of revenues over (under) expenditures	 (21,300)	 (71,300)	 (68,424)	 2,876
 Fund Balances - October 1, 2014	 21,300	 71,300	 923,874	 852,574
 Fund Balances - September 30, 2015	 \$ -	 \$ -	 \$ 855,450	 \$ 855,450

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.

Putnam County Clerk of the Circuit Court

Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years*

Florida Retirement System	2015
Employer's proportion of the net pension liability (asset)	0.0105694%
Employer's proportionate share of the net pension liability (asset)	\$ 1,365,174
Employer's covered-employee payroll **	\$ 2,600,343
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.50%
Plan fiduciary net position as a percentage of the total pension liability	92.00%
Health Insurance Subsidy Program	2015
Employer's proportion of the net pension liability (asset)	0.0085711%
Employer's proportionate share of the net pension liability (asset)	\$ 874,117
Employer's covered-employee payroll **	\$ 2,600,343
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.62%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

** Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Putnam County Clerk of the Circuit Court

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	\$	251,313
Contributions in relation to the contractually required contribution		251,313
Contribution deficiency (excess)	\$	-
Employer's covered-employee payroll**		2,554,661
Contributions as a percentage of covered-employee payroll		9.837%
Health Insurance Subsidy Program		2015
Contractually required contribution	\$	34,506
Contributions in relation to the contractually required contribution		34,506
Contribution deficiency (excess)	\$	-
Employer's covered-employee payroll **		2,554,661
Contributions as a percentage of covered-employee payroll		1.351%

Notes to schedules:

**Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information

Putnam County Clerk of the Circuit Court

Combining Statement of Fiduciary Net Position
Agency Funds

As of September 30,	2015		
	Circuit Court Trust Fund	Jury and Witness Fund	Total Agency Funds
Assets			
Equity in pooled cash and equivalents	\$ 670,328	\$ 11,556	\$ 681,884
Liabilities			
Assets held for others	670,328	11,556	681,884
Net position	\$ -	\$ -	\$ -

Additional Elements Required by the Rules of the Auditor General

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Putnam County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 27, 2016. That report should be considered in conjunction with this management letter.

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 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 Rules of the Auditor General.

Other Matters

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

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 27, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Putnam County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2015-002 and 2015-003, which we consider to be significant deficiencies.

Compliance and Other Matters

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

The Office's Response to Findings

The Office's response to the findings identified in our audit is described in its accompanying letter of response. The Office's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Palatka, Florida
May 27, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined the office of the Putnam County Clerk of Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 27, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

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

We have examined the office of the Putnam County Clerk of Court's (the "Office"), compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015. However, we did note an immaterial instance of noncompliance as reported in the schedule of findings as item 2015-001.

The Office's response to item 2015-001 is described in its accompanying letter of response. The Office's response was not subjected to the examination procedures applied in the examination of compliance with sections 28.35 and 28.36, Florida Statutes, and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 27, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

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

We have examined the Office of the Putnam County Clerk of Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 27, 2016

Schedule of Findings

- 2015-001 Condition – The Office did not achieve the following performance measures:
- Collections performance standards for Circuit Criminal, County Criminal, and Juvenile Delinquency.
- Recommendation – The Office should continue to pursue the goal of meeting the performance standards for which it has the ability to control.
- 2015-002 Condition – Duties for initiating and processing ACH transactions are not fully separated. However, another person does view the account activity daily after transactions are made.
- Recommendation – To the extent possible, steps should be taken to separate the duties, so that no one individual has access to both initiating and approving transactions.
- 2015-003 Condition – In our review of purchase card (p-card) transactions, we noted one purchase was made which did not document the reason for not obtaining quotes as Office purchasing policy requires. In addition, one cardholder did not have independent approval of the p-card purchase.
- Recommendation – The Office should ensure that quotes are obtained in accordance with policy. The Office's policies should also require independent approval for p-card purchases.



Office of
Clerk of Court
Tim Smith

May 27, 2016

The Honorable Sherill F. Norman
Florida Auditor General
P. O. Box 1735
Tallahassee, FL 32302

SUBJECT: CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
CLERK OF THE CIRCUIT COURT, PUTNAM COUNTY, FL

Dear Mrs. Norman:

In accordance with Section 218.39, Florida Statutes, the following statements are submitted in response to the Putnam County Clerk of the Circuit Court Audit Report for the fiscal year ending September 30, 2015. The responses are keyed to the numbering of the Schedule of Findings:

- 15-1 Collection standards were not met largely due to the recent economic climate. Additionally, prior legislated budget reductions have negatively impacted this office's ability to meet certain output and timeliness standards. Efforts continue to meet all performance standards.
- 13-2 The process of initiating and making ACH payments will be reviewed and strengthened with a secondary approval by management before payment is completed.
- 13-3 The office will monitor purchases with p-cards more closely to ensure compliance with purchasing policies. In addition, all purchases will be reviewed for independent approvals.

Sincerely,

Tim Smith
Clerk of Circuit Court

Putnam County Sheriff

Audit Report

September 30, 2015



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INDEPENDENT AUDITOR'S REPORT

The Honorable Jeff Hardy
Sheriff
Putnam County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Putnam County Sheriff (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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 as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend 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.

Other Information

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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Palatka, Florida
May 23, 2016

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Commissary Fund	Forfeiture Fund	Total Governmental Funds
Assets				
Cash and equivalents	\$ 580,419	\$ 507,326	\$ 126,690	\$ 1,214,435
Accounts receivable	4,291	36,224	-	40,515
Other assets	9,337	-	-	9,337
Total assets	\$ 594,047	\$ 543,550	\$ 126,690	\$ 1,264,287
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 270,911	\$ 129,138	\$ -	\$ 400,049
Due to other county agencies	311,371	-	-	311,371
Total liabilities	582,282	129,138	-	711,420
Fund balances				
Restricted for law enforcement	11,765	-	126,690	138,455
Committed for inmate benefits	-	414,412	-	414,412
Total fund balances	11,765	414,412	126,690	552,867
Total liabilities and fund balances	\$ 594,047	\$ 543,550	\$ 126,690	\$ 1,264,287

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Commissary Fund	Forfeiture Fund	Total Governmental Funds
Revenues				
Fines and forfeitures	\$ 6,208	\$ -	\$ 80,845	\$ 87,053
Miscellaneous revenue	62,939	518,480	-	581,419
Total revenues	69,147	518,480	80,845	668,472
Expenditures				
Current:				
Public safety	18,190,420	525,628	53,912	18,769,960
Court related	477,036	-	-	477,036
Debt service:				
Principal	62,150	-	-	62,150
Interest	1,648	-	-	1,648
Total expenditures	18,731,254	525,628	53,912	19,310,794
Excess of revenues over (under) expenditures	(18,662,107)	(7,148)	26,933	(18,642,322)
Other financing sources (uses)				
Appropriation from board of county commissioners	18,974,319	-	-	18,974,319
Reversion to board of county commissioners	(309,452)	-	-	(309,452)
Total other financing sources (uses)	18,664,867	-	-	18,664,867
Net change in fund balances	2,760	(7,148)	26,933	22,545
Fund balances – October 1, 2014	9,005	421,560	99,757	530,322
Fund balances – September 30, 2015	\$ 11,765	\$ 414,412	\$ 126,690	\$ 552,867

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

Putnam County Sheriff

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Cash and equivalents	\$ 81,142
Accounts receivable	13
Total assets	81,155
Liabilities	
Assets held for others	81,155
Net position	\$ -

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Putnam County Sheriff (the “Office”) conform to generally accepted accounting principles 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, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely 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 required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, 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.

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.

Forfeiture Fund – the Forfeiture Fund is used to account for the proceeds of confiscated property that is legally restricted to specific activities.

The Office also reports the following fiduciary fund type:

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. For this purpose, the Office considers revenues available if they are collected within sixty days of the end of the current fiscal year. 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 Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Accounts Receivable

The Office considers accounts receivable to be fully collectible and no allowance for doubtful accounts is provided.

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.

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 capital 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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

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, 2014	Additions	Deductions	Balance September 30, 2015
Capital assets being depreciated:				
Buildings	\$ 65,684	\$ 19,227	\$ 84,911	\$ -
Equipment	1,831,333	258,593	69,826	2,020,100
Intangible assets	557,435	-	-	557,435
Vehicles	4,954,482	808,537	859,094	4,903,925
Total capital assets being depreciated	7,408,934	1,086,357	1,013,831	7,481,460
Less accumulated depreciation:				
Buildings	36,559	2,757	39,316	-
Equipment	1,413,637	143,551	63,390	1,493,798
Intangible assets	241,699	79,634	-	321,333
Vehicles	2,759,478	742,474	813,128	2,688,824
Total accumulated depreciation	4,451,373	968,416	915,834	4,503,955
Total net capital assets	\$2,957,561	\$ 117,941	\$ 97,997	\$ 2,977,505

Depreciation expense of \$968,416 applies to the public safety function.

Notes to Financial Statements

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	\$ 649,000	\$ 627,000	\$ 625,000	\$ 651,000	\$ 537,000
Capital lease obligation	62,150	-	62,150	-	-
Net pension liability	6,408,359	3,760,941	-	10,169,300	114,600
Total	\$7,119,509	\$4,387,941	\$ 687,150	\$10,820,300	\$ 651,600

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 – STATE OF FLORIDA PENSION PLANS***Defined Benefit Plans***

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were \$1,350,540 to the FRS and \$126,125 to the HIS.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 7,049,742	\$ 3,119,558
Proportion at:		
Current measurement date	0.0546%	0.0306%
Prior measurement date	0.0568%	0.0315%
Pension expense (benefit)	\$ 141,686	\$ 203,098

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 744,244	\$ 167,198	\$ -	\$ -
Changes of assumptions	467,915	-	245,428	-
Net difference between projected and actual earnings on pension plan investments	2,483,115	4,166,475	1,689	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,612,545	-	163,614
Employer contributions subsequent to the measurement date	363,686	-	39,518	-
Total	\$ 4,058,960	\$ 5,946,218	\$ 286,635	\$ 163,614

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	\$ (527,932)	\$ 13,618
2017	(527,932)	13,618
2018	(527,932)	13,618
2019	(527,932)	13,618
2020	(107,092)	13,197
Thereafter	(32,124)	15,834
Total	<u><u>\$(2,250,944)</u></u>	<u><u>\$ 83,503</u></u>

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(6.65%)	(7.65%)	(8.65%)	(2.80%)	(3.80%)	(4.80%)
Employer's proportionate share of the net pension liability	\$ 18,267,476	\$ 7,049,742	\$ (2,285,255)	\$ 3,554,591	\$ 3,119,558	\$ 2,756,806

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$170,164.

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
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 2,500	\$ 3,600	\$ 6,208	\$ 2,608
Miscellaneous revenues	-	-	62,939	62,939
Total revenues	2,500	3,600	69,147	65,547
Expenditures				
Current:				
Public safety	18,266,155	18,367,962	18,190,420	177,542
Court related	546,044	546,044	477,036	69,008
Debt service:	-	-	-	-
Principal	62,150	62,150	62,150	-
Interest	1,763	1,763	1,648	115
Total expenditures	18,876,112	18,977,919	18,731,254	246,665
Excess of revenues over (under) expenditures	(18,873,612)	(18,974,319)	(18,662,107)	312,212
Other financing sources (uses)				
Appropriation from board of county commissioners	18,873,612	18,974,319	18,974,319	-
Reversion to board of county commissioners	-	-	(309,452)	(309,452)
Total other financing sources (uses)	18,873,612	18,974,319	18,664,867	(309,452)
Net change in fund balances	-	-	2,760	2,760
Fund balances - October 1, 2014	-	-	9,005	9,005
Fund balances - September 30, 2015	\$ -	\$ -	\$ 11,765	\$ 11,765

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Commissary Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ 384,302	\$ 518,480	\$ 518,480	\$ -
Expenditures				
Current:				
Public safety	384,302	525,628	525,628	-
Excess of revenues over (under) expenditures	-	(7,148)	(7,148)	-
Fund balances - October 1, 2014	-	7,148	421,560	414,412
Fund balances - September 30, 2015	\$ -	\$ -	\$ 414,412	\$ 414,412

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 - Forfeiture Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		With Final Budget
Revenues				
Fines and forfeitures	\$ 18,800	\$ 55,000	\$ 80,845	\$ 25,845
Expenditures				
Current:				
Public safety	18,800	55,000	53,912	1,088
Excess of revenues over expenditures	-	-	26,933	26,933
Fund balances - October 1, 2014	-	-	99,757	99,757
Fund balances - September 30, 2015	\$ -	\$ -	\$ 126,690	\$ 126,690

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.

Schedules of Proportionate Share of Net Pension Liability Last 10 Fiscal Years (1)

Florida Retirement System	2015
Employer's proportion of the net pension liability (asset)	0.0546%
Employer's proportionate share of the net pension liability (asset)	\$ 7,049,742
Employer's covered-employee payroll (2)	\$ 9,283,539
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	75.94%
Plan fiduciary net position as a percentage of the total pension liability	92.00%
Health Insurance Subsidy Program	2015
Employer's proportion of the net pension liability (asset)	0.0306%
Employer's proportionate share of the net pension liability (asset)	\$ 3,119,558
Employer's covered-employee payroll (2)	\$ 9,283,539
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.60%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Putnam County Sheriff**Schedules of Employer Contributions
Last 10 Fiscal Years**

Florida Retirement System	2015
Contractually required contribution	\$ 1,350,540
Contributions in relation to the contractually required contribution	1,350,540
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 9,257,572
Contributions as a percentage of covered-employee payroll	14.59%
Health Insurance Subsidy Program	2015
Contractually required contribution	\$ 126,125
Contributions in relation to the contractually required contribution	126,125
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 9,257,572
Contributions as a percentage of covered-employee payroll	1.36%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015

	Inmate Bank Fund	Trust Fund	Total Agency Funds
Assets			
Cash and equivalents	\$ 45,005	\$ 36,137	\$ 81,142
Accounts receivable	-	13	13
Total assets	45,005	36,150	81,155
Liabilities			
Assets held for others	45,005	36,150	81,155
Net position	\$ -	\$ -	\$ -

Additional Elements Required by the Rules of the Auditor General

MANAGEMENT LETTER

The Honorable Jeff Hardy
Sheriff
Putnam County, Florida

We have audited the financial statements of the office of the Putnam County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 23, 2016. That report should be considered in conjunction with this management letter.

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 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.

Other Matters

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

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 23, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Jeff Hardy
Sheriff
Putnam County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Putnam County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 23, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Palatka, Florida

May 23, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Jeff Hardy
Sheriff
Putnam County, Florida

We have examined the Putnam County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 23, 2016

Jeff Hardy, Sheriff



SHERIFF

Putnam County

May 23, 2016

Sherrill F. Norman, CPA
Auditor General
111 West Madison St.
Tallahassee, Florida 32399-1450

Dear Sir/Madam

We are pleased that there are no findings for the current fiscal year.

We are also very pleased that our office's efforts to maintain quality and the integrity of our staff are being recognized.

Sincerely,

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

JH:db

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Palatka, FL 32177-2435

386-329-0800



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Palatka, FL 32178-1578

www.pcsos.us

Putnam County Tax Collector

Audit Report

September 30, 2015



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RIGGS &
INGRAM

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September 30, 2015

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INDEPENDENT AUDITOR'S REPORT

The Honorable Linda Myers
Tax Collector
Putnam County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Putnam County Tax Collector (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion(s) is (are) not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of proportionate share of net pension liability and employer contributions 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.

Other Information

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 listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida

May 10, 2016

Putnam County Tax Collector

**Balance Sheet – Governmental Funds
September 30, 2015**

	General Fund
Assets	
Equity in pooled cash	\$ 194,594
Liabilities	
Accounts payable and accrued liabilities	\$ 11,703
Due to other county agencies	161,146
Total liabilities	172,849
Deferred inflows of resources	
Unavailable revenue	21,745
Fund balance	-
Total liabilities, deferred inflows of resources and fund balance	\$ 194,594

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

**Statement of Revenues, Expenditures and
Changes in Fund Balance – Governmental Funds
Year ended September 30, 2015**

	General Fund
Revenues	
Charges for services	\$ 2,273,324
Miscellaneous revenue	13,438
Total revenues	2,286,762
Expenditures	
Current:	
General government services	2,135,628
Excess of revenues over expenditures	151,134
Other financing uses	
Reversion to board of county commissioners	(161,146)
Net change in fund balance	(10,012)
Fund balance - October 1, 2014	10,012
Fund balance - September 30, 2015	\$ -

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

Putnam County Tax Collector

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets	
Equity in pooled cash	\$ 1,934,986
Accounts receivable	28,454
Total assets	1,963,440
Liabilities	
Assets held for others	1,963,440
Net position	\$ -

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Putnam County Tax Collector (the “Office”) conform to generally accepted accounting principles 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, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely 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 required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, 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 and account groups, 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 has no nonmajor governmental funds

The Office reports the following major governmental fund:

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.

The Office also reports the following fiduciary funds:

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Office maintains a cash 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." 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflow/Inflow of Resources

A *deferred outflow* of resources is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow* of resources is an acquisition of net assets that is applicable to a future reporting period.

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

All deposits 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 Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer 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) Repurchase agreements fully collateralized by U.S. government obligations, as provided in Section 218.415(16)(g), Florida Statutes.
- (d) Interest bearing time deposits are savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.
- (e) Other investment accounts authorized by law or by ordinance for the County.

Notes to Financial Statements

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The Office held no investments during the year ended September 30, 2015.

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1,			Balance September 30, Due Within	
	2014	Additions	Deductions	2015	One Year
Compensated absences	\$ 114,000	\$ 260,000	\$ 224,000	\$ 150,000	\$ 69,600
Net pension liability	730,064	448,116	-	1,178,180	15,200
Total	\$ 844,064	\$ 708,116	\$ 224,000	\$ 1,328,180	\$ 84,800

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 4 – STATE OF FLORIDA PENSION PLANS***Defined Benefit Plans***

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were \$150,664 to the FRS and \$17,487 to the HIS.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS		HIS	
Net pension liability	\$	765,211	\$	412,969
Proportion at:				
Current measurement date		0.0059%		0.0040%
Prior measurement date		0.0056%		0.0041%
Pension expense (benefit)	\$	109,480	\$	29,591

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,784	\$ 18,148	\$ -	\$ -
Changes of assumptions	50,790	-	32,490	-
Net difference between projected and actual earnings on pension plan investments	269,529	452,248	224	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	243,176	-	30	7,314
Employer contributions subsequent to the measurement date	39,032	-	5,564	-
Total	\$ 683,311	\$ 470,396	\$ 38,308	\$ 7,314

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	\$ 21,603	\$ 4,121
2017	21,603	4,121
2018	21,603	4,121
2019	21,603	4,121
2020	67,284	4,065
Thereafter	20,187	4,881
Total	\$ 173,883	\$ 25,430

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	\$ 1,982,835	\$ 765,211	\$ (248,052)	\$ 470,559	\$ 412,969	\$ 364,948

Notes to Financial Statements

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. The Office had no employees participating in the defined contribution plan during the year ended September 30, 2015.

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
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Charges for services	\$ 2,129,856	\$ 2,129,856	\$ 2,273,324	\$ 143,468
Miscellaneous revenue	71,165	71,165	13,438	(57,727)
Total revenues	2,201,021	2,201,021	2,286,762	85,741
Expenditures				
Current:				
General government services	2,194,227	2,194,227	2,135,628	58,599
Excess of revenue over expenditures	6,794	6,794	151,134	144,340
Other financing uses				
Reversion to board of county commissioners	(6,794)	(6,794)	(161,146)	(154,352)
Net change in fund balances	-	-	(10,012)	(10,012)
Fund balances - October 1, 2014	-	-	10,012	10,012
Fund balances - September 30, 2015	\$ -	\$ -	\$ -	\$ -

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.

Putnam County Tax Collector**Schedules of Proportionate Share of Net Pension Liability
Last 10 Fiscal Years (1)**

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0059%
Employer's proportionate share of the net pension liability (asset)	\$	765,211
Employer's covered-employee payroll (2)	\$	1,228,498
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		62.29%
Plan fiduciary net position as a percentage of the total pension liability		92.00%
Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0040%
Employer's proportionate share of the net pension liability (asset)	\$	412,969
Employer's covered-employee payroll (2)	\$	1,228,498
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Putnam County Tax Collector

**Schedules of Employer Contributions
Last 10 Fiscal Years**

Florida Retirement System	2015
Contractually required contribution	\$ 150,664
Contributions in relation to the contractually required contribution	150,664
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 1,281,368
Contributions as a percentage of covered-employee payroll	11.76%
Health Insurance Subsidy Program	2015
Contractually required contribution	\$ 17,487
Contributions in relation to the contractually required contribution	17,487
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 1,281,368
Contributions as a percentage of covered-employee payroll	1.36%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Supplementary Information

Putnam County Tax Collector

**Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015**

	Tax Fund	Tag Fund	Escrow Fund	Total Agency Funds
Assets				
Equity in pooled cash	\$ 1,812,617	\$ 116,085	\$ 6,284	\$ 1,934,986
Accounts receivable	6,800	21,654	-	28,454
Total assets	1,819,417	137,739	6,284	1,963,440
Liabilities				
Assets held for others	1,819,417	137,739	6,284	1,963,440
Net position	\$ -	\$ -	\$ -	\$ -

Additional Elements Required by the Rules of the Auditor General

MANAGEMENT LETTER

The Honorable Linda Myers
Tax Collector
Putnam County, Florida

We have audited the financial statements of the office of the Putnam County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 10, 2016. That report should be considered in conjunction with this management letter.

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 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.

Other Matters

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

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 10, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Linda Myers
Tax Collector
Putnam County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Putnam County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 10, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 10, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Linda Myers
Tax Collector
Putnam County, Florida

We have examined the Putnam County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 10, 2016



Linda Myers
Putnam County Tax Collector

May 10, 2016

The Honorable Sherill Norman
Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Madam:

An audit of the operations of the Putnam County Tax Collector's for the fiscal year ending September 30, 2015, 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,

Linda Myers
Constitutional Tax Collector

LM/ccr

Putnam County Property Appraiser

Audit Report

September 30, 2015



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September 30, 2015

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Putnam County Property Appraiser (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of proportionate share of net pension liabilities and employer contributions 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 12, 2016

Putnam County Property Appraiser

**Balance Sheet – Governmental Funds
September 30, 2015**

	General Fund
Assets	
Cash and equivalents	\$ 220,021
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 43,742
Due to other county agencies	176,279
Total liabilities	220,021
Fund balance	-
Total liabilities and fund balance	\$ 220,021

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

Putnam County Property Appraiser

**Statement of Revenues, Expenditures
and Changes in Fund Balance – Governmental Funds
Year ended September, 30 2015**

	General Fund
Revenues	
Charges for services	\$ 28,765
Miscellaneous revenue	584
Total revenues	29,349
Expenditures	
Current:	
General government services	1,525,188
Excess of revenues under expenditures	(1,495,839)
Other financing sources (uses)	
Appropriation from board of county commissioners	1,672,118
Reversion to board of county commissioners	(176,279)
Total other financing sources (uses)	1,495,839
Net change in fund balance	-
Fund balance – October 1, 2014	-
Fund balance – September 30, 2015	\$ -

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Putnam County Property Appraiser (the “Office”) conform to generally accepted accounting principles 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, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely 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 required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, 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 fund:

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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

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

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities as follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	\$ 67,000	\$ 84,000	\$ 62,000	\$ 89,000	\$ 45,000
Net pension liability	537,792	439,344	-	977,136	11,100
Total	\$ 604,792	\$523,344	\$ 62,000	\$ 1,066,136	\$ 56,100

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plan

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were \$125,061 to the FRS and \$11,816 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

Putnam County Property Appraiser

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	\$ 675,218	\$ 301,918
Proportion at:		
Current measurement date	0.0052%	0.0030%
Prior measurement date	0.0044%	0.0029%
Pension expense (benefit)	\$ 113,742	\$ 22,046

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,283	\$ 16,014	\$ -	\$ -
Changes of assumptions	44,816	-	23,753	-
Net difference between projected and actual earnings on pension plan investments	237,830	399,061	163	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	302,131	-	5,958	7,322
Employer contributions subsequent to the measurement date	26,496	-	3,091	-
Total	\$ 682,556	\$ 415,075	\$ 32,965	\$ 7,322

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	\$ 35,583	\$ 3,652
2017	35,583	3,652
2018	35,583	3,652
2019	35,581	3,651
2020	75,889	3,611
Thereafter	22,766	4,334
Total	\$ 240,985	\$ 22,552

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Putnam County Property Appraiser

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
	(6.65%)	(7.65%)	(8.65%)	(2.80%)	(3.80%)	(4.80%)
Employer's proportionate share of the net pension liability	\$ 1,749,642	\$ 675,218	\$ (218,880)	\$ 344,022	\$ 301,918	\$ 266,810

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$9,827.

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
Year ended September, 30 2015**

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
Revenues				
Charges for services	\$ 29,570	\$ 29,344	\$ 28,765	\$ (579)
Miscellaneous revenue	-	-	584	584
Total revenues	29,570	29,344	29,349	5
Expenditures				
Current:				
General government services	1,701,929	1,702,155	1,525,188	176,967
Excess of revenues over (under) expenditures	(1,672,359)	(1,672,811)	(1,495,839)	176,972
Other financing sources (uses)				
Appropriation from board of county commissioners	1,672,359	1,672,811	1,672,118	(693)
Reversion to board of county commissioners	-	-	(176,279)	(176,279)
Total other financing sources (uses)	1,672,359	1,672,811	1,495,839	(176,972)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2014	-	-	-	-
Fund balances – September 30, 2015	\$ -	\$ -	\$ -	\$ -

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.

Schedules of Proportionate Share of Net Pension Liability Last 10 Fiscal Years (1)

Florida Retirement System	2015
Employer's proportion of the net pension liability (asset)	0.0052%
Employer's proportionate share of the net pension liability (asset)	\$ 675,218
Employer's covered-employee payroll (2)	\$ 898,153
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	75.20%
Plan fiduciary net position as a percentage of the total pension liability	92.00%
Health Insurance Subsidy Program	2015
Employer's proportion of the net pension liability (asset)	0.0030%
Employer's proportionate share of the net pension liability (asset)	\$ 301,918
Employer's covered-employee payroll (2)	\$ 898,153
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.60%
Plan fiduciary net position as a percentage of the total pension liability	0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Putnam County Property Appraiser

**Schedules of Employer Contributions
Last 10 Fiscal Years**

Florida Retirement System		2015
Contractually required contribution	\$	125,061
Contributions in relation to the contractually required contribution		125,061
Contribution deficiency (excess)	\$	-
Employer's covered-employee payroll (1)	\$	878,650
Contributions as a percentage of covered-employee payroll		14.23%
Health Insurance Subsidy Program		2015
Contractually required contribution	\$	11,816
Contributions in relation to the contractually required contribution		11,816
Contribution deficiency (excess)	\$	-
Employer's covered-employee payroll (1)	\$	878,650
Contributions as a percentage of covered-employee payroll		1.34%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

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 office of the Putnam County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated May 12, 2016. That report should be considered in conjunction with this management letter.

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 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.

Other Matters

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

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 12, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Putnam County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 12, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined the Putnam County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
May 12, 2016



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

May 12, 2016

Honorable Sherrill F. Norman, Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399

Dear Ms. Norman:

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, 2014 to September 30, 2015.

We are pleased that the results of the auditor's tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. We are further pleased that the audit noted no matters involving the internal control over financial reporting and its operation that were considered to be reportable conditions or material weaknesses.

Yours very truly,

A handwritten signature in blue ink that reads "Timothy E. Parker".

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

TEP/dhh

cc: Director of Finance, Putnam County

**Putnam County
Supervisor of Elections**

Audit Report

September 30, 2015



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Putnam County Supervisor of Elections

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INDEPENDENT AUDITOR'S REPORT

The Honorable Charles Overturf
Supervisor of Elections
Putnam County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the office of the Putnam County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Office as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

We also draw attention to Note 2 to the financial statement, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedules of proportionate share of net pension liabilities and employer contributions 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Palatka, Florida
April 26, 2016

Putnam County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Grant Fund	Total Governmental Funds
Assets			
Cash and equivalents	\$ 84,184	\$ 108,656	\$ 192,840
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 30,840	\$ -	\$ 30,840
Due to other county agencies	53,344	-	53,344
Total liabilities	84,184	-	84,184
Fund balances			
Restricted for elections	-	108,656	108,656
Total liabilities and fund balances	\$ 84,184	\$ 108,656	\$ 192,840

See accompanying notes.

Putnam County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds Year ended September 30, 2015

	General Fund	Grant Fund	Total Governmental Funds
Revenues			
Intergovernment revenue	\$ -	\$ 13,199	\$ 13,199
Miscellaneous revenue	132,700	70	132,770
Total revenues	132,700	13,269	145,969
Expenditures			
Current:			
General government services	967,713	2,244	969,957
Excess of revenue over (under) expenditures	(835,013)	11,025	(823,988)
Other financing sources (uses)			
Appropriation from board of county commissioners	890,000	-	890,000
Reversion to board of county commissioners	(53,344)	-	(53,344)
Transfers in	-	1,643	1,643
Transfers out	(1,643)	-	(1,643)
Total other financing sources (uses)	835,013	1,643	836,656
Net change in fund balances	-	12,668	12,668
Fund balances - October 1	-	95,988	95,988
Fund balances - September 30	\$ -	\$ 108,656	\$ 108,656

See accompanying notes.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the office of the Putnam County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles 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, which is the primary government for financial reporting purposes.

Basis of Presentation

The Office’s financial statements are special purpose financial statements that have been prepared solely 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 required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, 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 has no nonmajor governmental funds.

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.

Grant Fund – Used to account for and report grant resources that are restricted for voter education and voting equipment.

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Chief Financial Officer eligible collateral equal to, or in excess of, an amount to be determined by the Chief Financial Officer. The Chief Financial Officer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

A *deferred outflow of resources* is a consumption of net assets that is applicable to a future reporting period.

A *deferred inflow of resources* is an acquisition of net assets that is applicable to a future reporting period.

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Compensated absences	\$ 23,000	\$ 38,200	\$ 45,500	\$ 15,700	\$ 8,800
Net pension liability	194,795	169,324	-	364,119	3,700
Total	\$ 217,795	\$ 207,524	\$ 45,500	\$ 379,819	\$ 12,500

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide 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 State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The Office's contributions for the year ended September 30, 2015, were \$50,047 to the FRS and \$4,174 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	\$ 264,308	\$ 99,811
Proportion at:		
Current measurement date	0.0020%	0.0010%
Prior measurement date	0.0018%	0.0009%
Pension expense (benefit)	\$ 47,462	\$ 7,849

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,903	\$ 6,269	\$ -	\$ -
Changes of assumptions	17,543	-	7,853	-
Net difference between projected and actual earnings on pension plan investments	93,097	156,209	54	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	129,375	-	4,522	1,635
Employer contributions subsequent to the measurement date	11,143	-	1,186	-
Total	\$ 279,061	\$ 162,478	\$ 13,615	\$ 1,635

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	\$ 16,024	\$ 1,746
2017	16,024	1,746
2018	16,024	1,746
2019	16,024	1,744
2020	31,802	1,732
Thereafter	9,542	2,080
Total	\$ 105,440	\$ 10,794

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Office's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

Putnam County Supervisor of Elections

Notes to Financial Statements

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS			HIS		
	Current Discount			Current Discount		
	1% Decrease (6.65%)	Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share						
of the net pension liability	\$ 684,882	\$ 264,308	\$ (85,678)	\$ 113,730	\$ 99,811	\$ 88,205

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled \$2,358.

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

Putnam County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Miscellaneous revenue	\$ -	\$ 131,990	\$ 132,700	\$ 710
Expenditures				
Current:				
General government services	890,000	1,021,990	967,713	54,277
Excess of revenue over (under) expenditures	(890,000)	(890,000)	(835,013)	54,987
Other financing sources (uses)				
Appropriation from board of county commissioners	890,000	890,000	890,000	-
Reversion to board of county commissioners	-	-	(53,344)	(53,344)
Transfers out	-	-	(1,643)	(1,643)
Total other financing sources (uses)	890,000	890,000	835,013	(54,987)
Net change in fund balances	-	-	-	-
Fund balances - October 1	-	-	-	-
Fund balances - September 30	\$ -	\$ -	\$ -	\$ -

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.

Putnam County Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Grant Fund Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ -	\$ 13,199	\$ 13,199
Miscellaneous revenue	-	-	70	70
Total revenues	-	-	13,269	13,269
Expenditures				
Current:				
General government services	95,992	95,992	2,244	93,748
Excess of revenues over (under) expenditures	(95,992)	(95,992)	11,025	107,017
Other financing sources				
Transfers in	-	-	1,643	1,643
Net change in fund balances	(95,992)	(95,992)	12,668	108,660
Fund balances - October 1	95,992	95,992	95,988	(4)
Fund balances - September 30	\$ -	\$ -	\$ 108,656	\$ 108,656

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.

Putnam County Supervisor of Elections

Schedules of Proportionate Share of Net Pension Liability Last 10 Fiscal Years (1)

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0020%
Employer's proportionate share of the net pension liability (asset)	\$	264,308
Employer's covered-employee payroll (2)	\$	296,916
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		89.02%
Plan fiduciary net position as a percentage of the total pension liability		92.00%
Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0010%
Employer's proportionate share of the net pension liability (asset)	\$	99,811
Employer's covered-employee payroll (2)	\$	296,916
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

(1) The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year.

(2) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

Putnam County Supervisor of Elections

**Schedules of Employer Contributions
Last 10 Fiscal Years**

Florida Retirement System	2015
Contractually required contribution	\$ 50,047
Contributions in relation to the contractually required contribution	50,047
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 310,672
Contributions as a percentage of covered-employee payroll	16.11%
Health Insurance Subsidy Program	2015
Contractually required contribution	\$ 4,174
Contributions in relation to the contractually required contribution	4,174
Contribution deficiency (excess)	\$ -
Employer's covered-employee payroll (1)	\$ 310,672
Contributions as a percentage of covered-employee payroll	1.34%

Notes to schedules:

(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Additional Elements Required by
the Auditor General**

MANAGEMENT LETTER

The Honorable Charles Overturf
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, 2015, and have issued our report thereon dated April 26, 2016. That report should be considered in conjunction with this management letter.

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.

Other Matters

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

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

Carr, Riggs & Ingram, LLC

Palatka, Florida
April 26, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Charles Overturf
Putnam County Supervisor of Elections
Putnam County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of the office of the Putnam County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated April 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Cam, Riggs & Ingram, L.L.C.

Palatka, Florida

April 26, 2016

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Charles Overturf
Putnam County Supervisor of Elections
Putnam County, Florida

We have examined the Putnam County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of 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.

Carr, Riggs & Ingram, L.L.C.

Palatka, Florida
April 26, 2016

Charles L. Overturf III
Supervisor of Elections
Putnam County



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April 26, 2016

The Honorable Sherrill F. Norman, CPA
Auditor General
P. O. Box 1735
Tallahassee, FL 32302

Dear Mrs. Norman:

An audit of the operations of the Putnam County Supervisor of Elections Office for the fiscal year ending September 30, 2015 has been completed by Carr, Riggs, & Ingram, LLC.

I am pleased to report that the results of the auditor's tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. I am 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Charles L. Overturf III', with a long horizontal line extending to the right.

Charles L. Overturf III
Putnam County Supervisor of Elections