

PUTNAM COUNTY, FLORIDA

AUDIT REPORT

SEPTEMBER 30, 2009

BOARD OF COUNTY COMMISSIONERS

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Kenny Eubanks
Ed Taylor
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District No. 2
District No. 3
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District No. 5

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Tim Smith

SHERIFF

Jeff Hardy

PROPERTY APPRAISER

Tim Parker

TAX COLLECTOR

Kenneth R. Mahaffey

SUPERVISOR OF ELECTIONS

Susan McCool

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September 30, 2009**

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Independent Auditors' Report

Board of County Commissioners
Putnam County, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Putnam County, Florida (the "County"), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

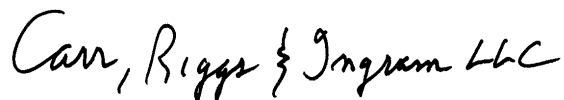
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2009, and the respective changes in financial position and cash flows where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As discussed in Note 19 to the financial statements, the County restated its beginning net assets. Our previously-issued auditors' report (dated March 10, 2009) is replaced by this report on the restated financial statements.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as "supplemental information", including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

March 2, 2010
Palatka, Florida

PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2009

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, 2009. It is intended to provide a broad overview using a short-term and long-term analysis of the County's activities based on information in the financial report and fiscal policies that have been adopted by the Board of County Commissioners. Please read it in conjunction with the Letter of Transmittal and the County's financial statements. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.*

Financial Highlights

Government-wide Statements

- Putnam County's assets exceeded its liabilities at September 30, 2009 by \$140,790 (*net assets*). Of this amount, \$13,126 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
 - 1) Capital assets, net of related debt, of \$115,852, include property, equipment and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of those capital assets.
 - 2) Net assets of \$11,812 are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$15,926 of governmental net assets less a deficit of \$2,800 of business-type net assets represents the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's total net assets increased \$15,214 over the previous year with an increase of \$6,079 resulting from governmental activities and an increase of \$9,135 resulting from business activities.

Fund Statements

- At September 30, 2009, the County's governmental funds reported combined ending fund balances of \$26,568, an increase of \$2,174 in comparison with the prior fiscal year.
- At September 30, 2009, unreserved fund balance for the General Fund (a major fund) was \$9,471 or 21.0% of General Fund operating revenue. This is within the Government Finance Officers Association's Recommended Practices guidelines for fund balance levels and within levels required by policy of the Board of County Commissioners. The General Fund Cash and Equivalent balance at year end was \$7,530.
- Governmental Fund revenues decreased \$1,536 or 2.1% from the prior year. All categories of revenue decreased from the previous year except Intergovernmental Revenue and Charges for Services which increased \$400 and \$921 respectively. Tax revenue decreased by \$623. Other decreases were as follows: licenses and permits, \$4; fines and forfeitures, \$268 and miscellaneous, \$1,962.

- The County's outstanding governmental long-term obligations decreased by \$12,377. The change was due to the following: issuance of a capital lease in the amount of \$124 for a wheel loader; issuance of a capital lease in the amount of \$166 for an excavator; payment of outstanding principal in the amount of \$2,557; an increase of accrued compensated absences in the amount of \$76; a restatement of prior year governmental debt of (\$10,533); and an increase in OPEB liability of \$347.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental funds

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

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

Proprietary funds

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

Fiduciary funds

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

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

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$140,790 at the close of the fiscal year ended September 30, 2009. By far the largest portion of the County's net assets, \$115,852 or 82.3%, reflects its investment in capital assets such as land, buildings, infrastructure and equipment, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to its citizens. Consequently, these assets are *not available* for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The payment of maintenance and debt service costs on those capital assets will require future government resources.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2009	2008	2009	2008	2009	2008	
Cash and Investments	\$ 36,918	\$ 37,887	\$ 11,580	\$ 7,726	\$ 48,498	\$ 45,613	6.3%
Other Current Assets	4,433	5,467	2,586	255	7,019	5,722	22.7%
Capital Assets, Net	107,231	106,385	41,677	26,570	148,908	132,955	12.0%
Total Assets	148,582	149,739	55,843	34,551	204,425	184,290	10.9%
Current Liabilities	11,107	16,499	3,676	479	14,783	16,978	-12.9%
Long-Term Obligations	18,824	20,668	30,028	21,068	48,852	41,736	17.1%
Total Liabilities	29,931	37,167	33,704	21,547	63,635	58,714	8.4%
Net Assets:							
Invested in Capital Assets, net of Related Debt	90,913	89,352	24,939	15,680	115,852	105,032	10.3%
Restricted	11,812	13,690	-	-	11,812	13,690	-13.7%
Unrestricted	15,926	9,530	(2,800)	(2,676)	13,126	6,854	91.5%
TOTAL NET ASSETS	\$ 118,651	\$ 112,572	\$ 22,139	\$ 13,004	\$ 140,790	\$ 125,576	12.1%
	as restated		as restated				

An additional portion of the County's net assets, \$11,812, are restricted, meaning they are subject to constraints on how they may be used, such as by laws, grantors, debt covenants, regulations or capital projects. At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate governmental and business-type activities. The County's business-type activities, however, reflect a deficit unrestricted net asset balance. This deficit balance is a direct result of large changes during the 2005 through 2009 fiscal years in estimates for closure costs, long-term care costs and remaining capacity related to the County's Landfill operations.

Change in Net Assets

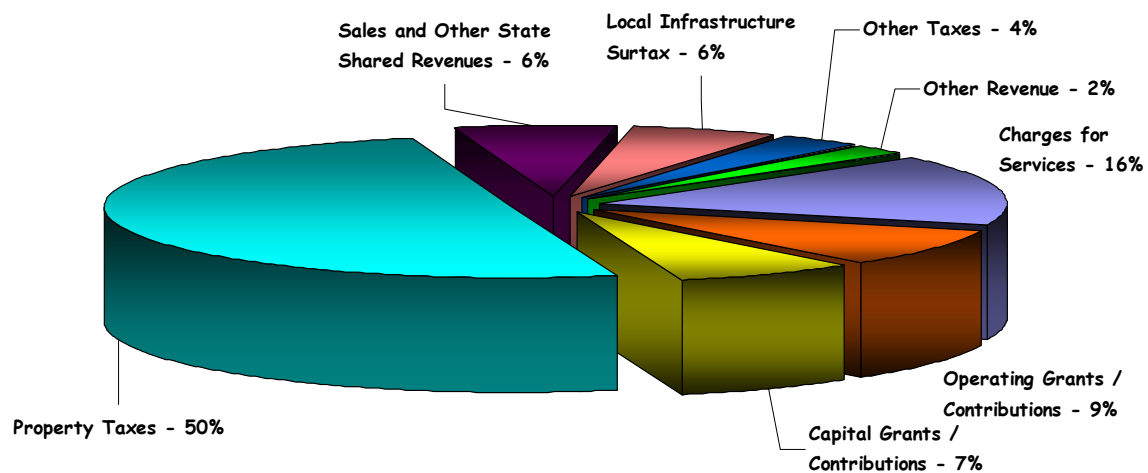
Governmental activities increased the County's net assets by \$6,079. This increase resulted from the following: capital asset acquisitions and disposals \$7,554; the recognition of (\$6,703) of depreciation expense; the issuance of debt in the amount of (\$290); principal payments of \$2,557; the recognition of accrued interest expense of \$190; the recognition of deferred revenues of (\$181); the recognition of (\$82) expense for increased compensated absences; the recognition of (\$343) expense for Other Postemployment Benefit (OPEB) obligations; the inclusion of Internal Service Funds in governmental activities in the amount of \$1,203; and a \$2,174 increase in the fund balance total for the Governmental Funds.

Putnam County, Florida Changes in Net Assets (amounts expressed in thousands)								
	Governmental Activities		Business-type Activities		Total		Percent Change	
	2009	2008	2009	2008	2009	2008		
Revenues:								
Program revenues:								
Charges for services	\$ 11,832	\$ 11,722	\$ 6,470	\$ 6,379	\$ 18,302	\$ 18,101		1.1%
Operating grants and contributions	6,306	4,689	286	583	6,592	5,272		25.0%
Capital grants and contributions	5,348	6,318	7,027	-	12,375	6,318		95.9%
General revenues:								
Property taxes	36,881	37,131	-	-	36,881	37,131		-0.7%
Sales and other state shared revenues	4,568	4,993	-	-	4,568	4,993		-8.5%
Local Infrastructure Surtax	4,362	4,715	-	-	4,362	4,715		-7.5%
Other taxes	2,517	2,542	-	-	2,517	2,542		-1.0%
Other revenue	1,530	2,148	261	341	1,791	2,489		-28.0%
Total revenues	73,344	74,258	14,044	7,303	87,388	81,561		7.1%
Expenses:								
General Government	16,714	16,081	-	-	16,714	16,081		3.9%
Public Safety	28,419	29,311	-	-	28,419	29,311		-3.0%
Physical Environment	426	431	-	-	426	431		-1.2%
Transportation	10,282	9,709	-	-	10,282	9,709		5.9%
Economic Environment	1,530	1,939	-	-	1,530	1,939		-21.1%
Human Services	2,229	1,945	-	-	2,229	1,945		14.6%
Culture/Recreation	1,997	2,326	-	-	1,997	2,326		-14.1%
Court Related	3,135	3,292	-	-	3,135	3,292		-4.8%
Interest on L-T Obligations	517	1,053	-	-	517	1,053		-50.9%
Water and Wastewater	-	-	231	127	231	127		81.9%
Solid Waste	-	-	6,585	6,827	6,585	6,827		-3.5%
Port Authority	-	-	109	133	109	133		-18.0%
Total Expenses	65,249	66,087	6,925	7,087	72,174	73,174		-1.4%
Increase in Net Assets								
Before Transfers	8,095	8,171	7,119	216	15,214	8,387		
Transfers	(2,016)	(2,611)	2,016	2,525	-	(86)		
Increase (Decrease) in net assets	6,079	5,560	9,135	2,741	15,214	8,301		
Net Assets - Beginning of Year (restated)	112,572	107,012	13,004	10,263	125,576	117,275		
Net Assets - End of Year	\$ 118,651	\$ 112,572	\$ 22,139	\$ 13,004	\$ 140,790	\$ 125,576		12.1%

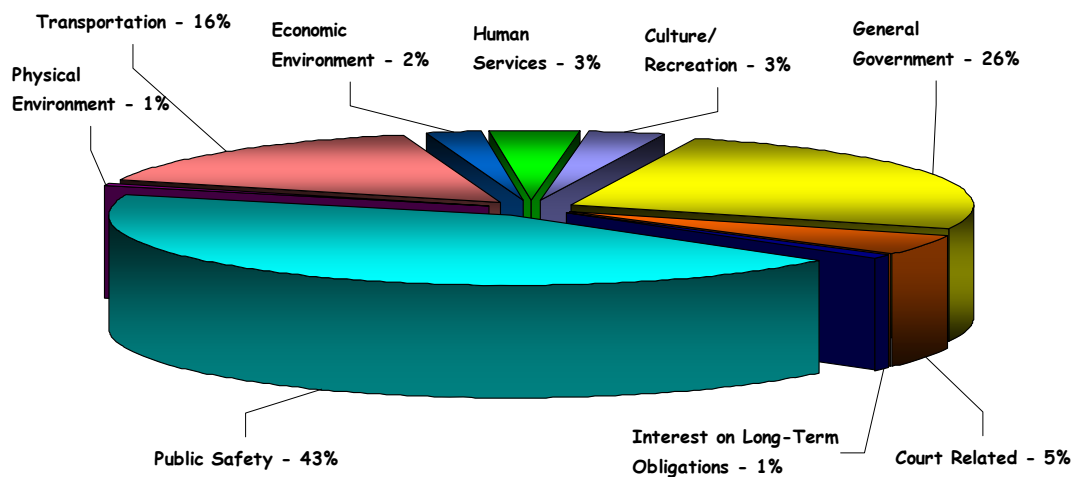
Governmental Activities

The County's overall financial position improved in comparison to the previous year. Total net assets increased \$15,214 over the prior year with an increase of \$6,079 resulting from governmental activities and an increase of \$9,135 resulting from business-type activities. The reasons for these changes are the same as enumerated above in the discussion of the statement of net assets and on the following page under the caption of Business-Type Activities.

Revenues by Source - Governmental Activities



Expenses - Governmental Activities

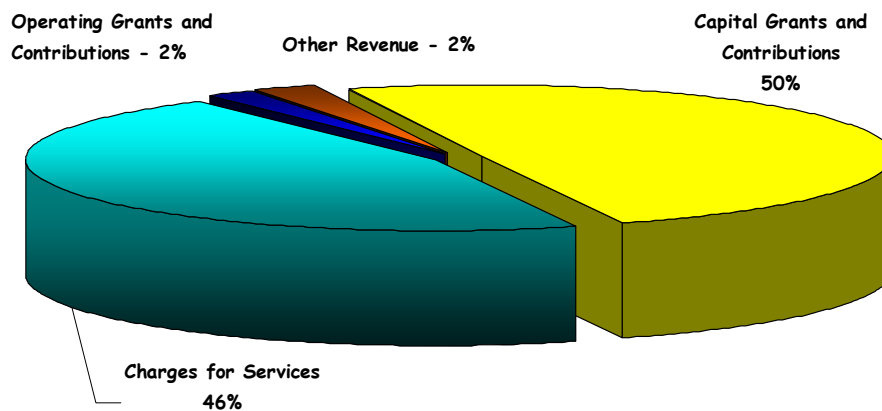


Business-type Activities

Business-type activities increased the County's net assets by \$9,135. Key elements resulting in the increase are as follows:

- Business-type activities generated a net income before capital contributions and transfers of \$7,119, while transfers in and out totaled \$95 and (\$105), respectively.
- Capital contributions, totaling \$2,026 and consisting of recently constructed East Putnam Regional Water and Wastewater infrastructure were received from Governmental Funds

Revenues by Source - Business-Type Activities



Financial Analysis of the County's Funds

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

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This difference in focus and purpose creates significant variances between the Governmental Fund Financial Statements and the Government-wide Financial Statements. For the year ended September 30, 2009, the net increase in fund balances per the Governmental Funds Financial Statements totaled \$2,174 while the governmental activities column of the Government-wide Financial Statements reported an increase of \$6,079 assets. A detailed reconciliation between these two amounts is provided on page 6 of the accompanying Financial Statements.

Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2009, the County's governmental funds reported combined ending fund balances of \$26,568. Of the total governmental fund balance, \$16,198 constitutes unreserved fund balance, which is available for spending within the constraints of each particular fund. The remainder of the fund balance is reserved for local

housing assistance (SHIP) loan guarantees \$856, future debt service \$6,811, prepaid expenditures \$325, inventory of supplies \$47 and Advances to Other Funds of \$2,331.

Governmental funds posted a \$2,174 net increase in fund balances for the fiscal year. The following funds experienced the most significant changes in fund balance for the year: the General Fund (a major fund) increased by \$2,077 largely due to fiscal conservatism; the Fire Tax Unit Fund decreased \$771 due to the purchase of new fire trucks; the fund balance for the Better Place Plan Fund increased \$2,048 as the result of lower spending than the previous year; the fund balance for The East Putnam Grant Fund (a major fund) decreased by \$1,685 because of capital acquisitions made for the construction of the East Putnam Regional Water System; the County Transportation Trust Fund balance increased by \$152 as a result of issuing debt for the purchase of a new wheel loader and excavator; and the MSBU Loan fund balance decreased by \$178 because debt service payments exceeded current year revenues.

The Sheriff (a major fund) is funded by the Board of County Commissioners. The Sheriff's expenditures for the year were \$17,974, an increase of 0.8% over the prior fiscal year. The Sheriff's expenditures were greater mainly due to cost of living increases for personnel.

Proprietary Funds

The proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. Two of the proprietary funds (Waste Management and East Putnam Water) are major funds. At September 30, 2009, total net assets amounted to \$22,139, an increase of \$9,135 from the prior fiscal year. Unrestricted net assets totaled (\$2,800). 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 45 of the accompanying Financial Statements. The variance between original and final budgeted amounts for the year is composed of the following:

- Intergovernmental revenues were increased by \$275 to account for unanticipated grant revenues received, while Miscellaneous revenues increased by \$341 because of a substantial increase in Tax Deed activity. All \$616 was transferred to the Sheriff for various law enforcement activities.

A comparison of actual revenues versus the final budget reflects that the collection of Licenses and Permits, Intergovernmental Revenue, Fines and Forfeitures and Miscellaneous Revenues were \$373, \$2,633, \$51, and \$157 less than the budgeted projections, respectively. All other categories of revenues exceeded budget estimates by a total of \$2,038. A substantial portion of the additional revenue over budget, \$1,781 is attributable to higher than anticipated tax collections. Intergovernmental revenues did not reach projections because County did not receive the total amount of grant funding anticipated.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$3,263 under budget. General Government and Public Safety expenditures were respectively \$591 and \$313 under budget projections because of sound/conservative fiscal management. Transportation expenditures were \$2,042 under budget as the result of delayed capital acquisitions. Additionally, Reserves for Contingencies of \$325 were not needed during the year.

Capital Asset and Debt Administration

	Governmental Activities		Business-type Activities		Total		Percent Change
	2009	2008	2009	2008	2009	2008	
Land	\$ 16,942	\$ 16,942	\$ 5,903	\$ 5,452	\$ 22,845	\$ 22,394	2.0%
Buildings and Improvements	23,363	24,286	666	736	24,029	25,022	-4.0%
Equipment	9,346	9,192	794	976	10,140	10,168	-0.3%
Infrastructure	57,074	55,753	-	-	57,074	55,753	2.4%
Water and Sewer Distribution System			2,619	2,701	2,619	2,701	-3.0%
Landfill			512	1,001	512	1,001	-48.9%
Construction in Progress	506	211	31,183	15,704	31,689	15,915	99.1%
Total Capital Assets, Net	\$ 107,231	\$ 106,384	\$ 41,677	\$ 26,570	\$ 148,908	\$ 132,954	12.0%

Capital Assets

The County's financial statements present capital assets in two groups: those assets subject to depreciation such as infrastructure, equipment and operational facilities, and those assets not subject to depreciation such as land and construction in progress. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$148,908 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, equipment, infrastructure (including roads and bridges), construction in progress, the Landfill, and the Water and Sewer Distribution System. Currently, infrastructure, land and buildings and improvements represent the largest components of governmental capital assets.

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

- Emergency Management and Fire Control constructed a building totaling \$220.
- Emergency Management and Fire Control acquired equipment totaling \$1,123, which includes three fire engines.
- Public Works purchased a wheel loader and excavator totaling \$290.
- Emergency Medical Services purchased two ambulances for \$358.
- The County continued its program to resurface, widen and add paved roads during the year at a capitalized cost of \$4,026.
- The Sheriff purchased equipment totaling \$298, which includes \$180 for the repair of the jail doors locking mechanism.
- The Port Authority purchased property by the Business Park for \$451.

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

Long-term Obligations

County-wide, total long-term debt obligations owed to outside institutions increased by \$6,378 from the prior year, while the long-term liability for compensated absences increased by approximately \$80. Accrued landfill closure and long-term care costs increased by a net of \$297.

Throughout fiscal year 2009, the County's governmental activities entered into two capital lease agreements totaling \$290, while the business-type activities entered into four notes payable agreements totaling \$14,685.

Governmental Activities:

- The County issued debt for a \$124 capital lease agreement to purchase a wheel loader and for a \$166 capital lease agreement to purchase an excavator.
- The County made the following principal payments during the year: special assessment debt - \$265, notes payable - \$1,377, and capital leases - \$915.
- Governmental obligations for compensated absences rose 3.5% or \$76 to \$2,215.

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2009	2008	2009	2008	2009	2008	
Revenue Bonds	\$ -	\$ -	\$ 6,323	\$ -	6,323	\$ -	-
Special Assessment Debt	2,134	2,399	-	-	2,134	2,399	-11.0%
Notes Payable	13,033	14,410	12,938	10,533	25,971	24,943	4.1%
Capital Lease Obligations	1,095	1,719	273	357	1,368	2,076	-34.1%
Total	\$ 16,262	\$ 18,528	\$ 19,534	\$ 10,890	\$ 35,796	\$ 29,418	21.7%

Business-type Activities:

- The Waste Management Fund retired \$84 of capital lease obligations.
- Accrued landfill closure and post-closure costs were increased by \$536 due to a change in accounting estimate that resulted when an engineering study revealed less than expected remaining capacity within the active cells. Those increases were offset by a reduction of \$238 due to payments made toward a cell closure.
- Obligations for compensated absences increased by \$5, or 9.9%, to \$51.
- The Waste Management Fund issued a note payable of \$4,000 for the construction of a new cell at the County Landfill.
- The East Putnam Water Fund issued a note payable for the construction of the East Putnam Water System in the amount of \$4,362 with the State of Florida Department of Environmental Protection State Revolving Loan Fund. Additionally the East Putnam Water Fund issued Revenue Bonds in the amounts of \$4,268 and \$2,055 with the United States Department of Agriculture for construction of the same water system and the retirement of a \$5,957 Bond Anticipation Note.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County for September 2009 was 12.2%. This represents a substantial increase over the previous year's 8.1%.
- The taxable value of real property decreased 4.2%, while the taxable value of personal property increased 2.1% in the 2009 fiscal year.
- Building permit activity revenues decreased approximately 26% from the prior year.
- The population decreased slightly from the prior year to an estimated 74,608 from 74,989.

During the current fiscal year, the unreserved fund balance in the General Fund decreased to \$9,471, a decrease of 2.5%. The overall fund balance in the General Fund, however, increased to \$11,849, an increase of 21.3% from the previous year. The increase was primarily the result of prudent management and fiscal conservatism. The ad valorem tax rate was remained unchanged at 8.5765 mills for fiscal year 2009.

Requests for Information

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

Putnam County, Florida
Statement of Net Assets
September 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
<u>ASSETS</u>				
Cash and Equivalents	\$ 35,415,354	\$ 3,593,012	\$ 39,008,366	\$ 274,361
Investments	1,502,216	-	1,502,216	-
Receivables	838,838	724,661	1,563,499	856
Internal Balances	525,000	(525,000)	-	-
Due From Other Governments	2,569,444	2,387,177	4,956,621	-
Inventory	147,436	-	147,436	-
Prepays	325,071	-	325,071	-
Other Assets	27,270	-	27,270	-
Restricted Cash and Equivalents	-	5,050,524	5,050,524	-
Restricted Investments	-	2,936,504	2,936,504	-
Capital Assets:				
Non-Depreciable	17,448,267	37,085,600	54,533,867	153,854
Depreciable, Net	89,782,719	4,591,045	94,373,764	113,075
TOTAL ASSETS	148,581,615	55,843,523	204,425,138	542,146
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	3,223,524	3,630,814	6,854,338	-
Other Liabilities	774,992	45,631	820,623	-
Unearned Revenue	7,108,077	-	7,108,077	-
Noncurrent Liabilities:				
Due Within One Year	3,510,282	1,278,136	4,788,418	-
Due in More Than One Year	15,313,906	28,749,615	44,063,521	-
TOTAL LIABILITIES	29,930,781	33,704,196	63,634,977	-
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	90,913,015	24,939,099	115,852,114	266,929
Restricted For:				
Affordable Housing Assistance	1,278,139	-	1,278,139	-
Court Functions and Courthouse Improvements	3,242,443	-	3,242,443	-
Fire Protection	2,882,818	-	2,882,818	-
Law Enforcement	213,003	-	213,003	-
Road and Bridge Maintenance	2,348,546	-	2,348,546	-
Public Records Modernization	911,656	-	911,656	-
Fishing Improvement	412,455	-	412,455	-
Tourist Development	262,677	-	262,677	-
Voter Equipment and Education	115,201	-	115,201	-
Other Purposes	145,094	-	145,094	-
Unrestricted	15,925,787	(2,799,772)	13,126,015	275,217
TOTAL NET ASSETS	\$ 118,650,834	\$ 22,139,327	\$ 140,790,161	\$ 542,146

See accompanying notes.

Putnam County, Florida
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
General Government	\$ 16,713,743	\$ 5,140,901	\$ 8,675	\$ 40,000	\$ (11,524,167)	\$ -	\$ (11,524,167)
Public Safety	28,419,085	4,349,902	1,221,086	153,348	(22,694,749)	-	(22,694,749)
Physical Environment	426,078	221,252	42,024	344,950	182,148	-	182,148
Transportation	10,281,596	543,854	2,773,866	4,658,969	(2,304,907)	-	(2,304,907)
Economic Environment	1,530,062	11,687	862,771	-	(655,604)	-	(655,604)
Human Services	2,228,920	196,513	-	-	(2,032,407)	-	(2,032,407)
Culture and Recreation	1,997,217	90,395	263,963	150,563	(1,492,296)	-	(1,492,296)
Court Related	3,135,103	1,277,128	1,133,611	-	(724,364)	-	(724,364)
Interest on Long-Term Debt	517,142	-	-	-	(517,142)	-	(517,142)
TOTAL GOVERNMENTAL ACTIVITIES	65,248,946	11,831,632	6,305,996	5,347,830	(41,763,488)	-	(41,763,488)
BUSINESS-TYPE ACTIVITIES:							
Water and Wastewater System	230,664	48,835	-	7,027,458	-	6,845,629	6,845,629
Solid Waste	6,585,260	6,320,713	285,779	-	-	21,232	21,232
Port Authority	109,575	100,238	-	-	-	(9,337)	(9,337)
TOTAL BUSINESS-TYPE ACTIVITIES	6,925,499	6,469,786	285,779	7,027,458	-	6,857,524	6,857,524
TOTAL PRIMARY GOVERNMENT	\$ 72,174,445	\$ 18,301,418	\$ 6,591,775	\$ 12,375,288	(41,763,488)	6,857,524	(34,905,964)
COMPONENT UNIT: Putnam County Development Authority	\$ 13,106	\$ 21,990	\$ -	\$ -	-	-	8,884
GENERAL REVENUES:							
Property Taxes					36,881,354	-	36,881,354
Sales Taxes					2,346,566	-	2,346,566
Unrestricted State Shared Revenues					2,221,067	-	2,221,067
Gas Taxes					1,766,632	-	1,766,632
Local Infrastructure Surtax					4,361,575	-	4,361,575
Tourist Development Tax					209,439	-	209,439
Communications Service Tax					541,916	-	541,916
Investment Earnings					166,666	133,655	300,321
Gain on Sale of Capital Assets					-	120,363	120,363
Miscellaneous					1,363,004	7,074	1,370,078
Transfers					(2,016,185)	2,016,185	-
TOTAL GENERAL REVENUES AND TRANSFERS					47,842,034	2,277,277	50,119,311
CHANGE IN NET ASSETS					6,078,546	9,134,801	15,213,347
NET ASSETS – BEGINNING OF YEAR (as restated)					112,572,288	13,004,526	125,576,814
NET ASSETS – END OF YEAR					\$ 118,650,834	\$ 22,139,327	\$ 140,790,161
							\$ 542,146

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2009

	General Fund	Sheriff Fund	East Putnam Grant Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Equivalents	\$ 7,530,330	\$ 1,155,506	\$ 7,041,258	\$ 16,397,159	\$ 32,124,253
Investments	487,280	-	-	1,014,936	1,502,216
Receivables	731,676	-	-	107,162	838,838
Due From Other Funds	2,230,939	-	-	12,225	2,243,164
Due From Other Governments	718,938	-	-	1,846,961	2,565,899
Advances to Other Funds	2,331,005	-	-	-	2,331,005
Inventory	47,142	-	-	-	47,142
Prepays	-	-	-	325,071	325,071
Other Assets	12,167	175	-	13,924	26,266
TOTAL ASSETS	<u>\$14,089,477</u>	<u>\$ 1,155,681</u>	<u>\$ 7,041,258</u>	<u>\$ 19,717,438</u>	<u>\$ 42,003,854</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 875,435	\$ 618,834	\$ 134,293	\$ 1,203,971	\$ 2,832,533
Due to Other Funds	-	536,847	-	1,367,389	1,904,236
Due to Other Governments	2,285	-	-	343,555	345,840
Advances from Other Funds	-	-	2,331,005	-	2,331,005
Deferred Revenue	1,362,806	-	5,999,537	659,713	8,022,056
TOTAL LIABILITIES	<u>2,240,526</u>	<u>1,155,681</u>	<u>8,464,835</u>	<u>3,574,628</u>	<u>15,435,670</u>
<u>FUND BALANCES</u>					
Reserved For:					
Advances	2,331,005	-	-	-	2,331,005
Debt Service	-	-	6,811,025	-	6,811,025
Inventory	47,142	-	-	-	47,142
Loan Guarantees	-	-	-	856,093	856,093
Prepays	-	-	-	325,071	325,071
Unreserved, Reported In:					
General Fund	9,470,804	-	-	-	9,470,804
Special Revenue Funds	-	-	(8,234,602)	12,435,676	4,201,074
Debt Service Funds	-	-	-	248,860	248,860
Capital Projects Funds	-	-	-	2,277,110	2,277,110
TOTAL FUND BALANCES	<u>11,848,951</u>	<u>-</u>	<u>(1,423,577)</u>	<u>16,142,810</u>	<u>26,568,184</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$14,089,477</u>	<u>\$ 1,155,681</u>	<u>\$ 7,041,258</u>	<u>\$ 19,717,438</u>	<u>\$ 42,003,854</u>

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets –
Governmental Funds
September 30, 2009

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	\$ 26,568,184
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Capital Assets – Net.....	107,174,572
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Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

Accrued Interest on Long-term Debt.....	(142,810)
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Long-term liabilities do not require the use of current financial resources and are not reported in the funds.

Long-Term Debt.....	(15,166,962)	
Capital Lease Obligations.....	(1,094,593)	
Compensated Absences.....	(2,189,500)	
Net OPEB Obligation.....	(343,543)	
Total Long-term Liabilities.....		(18,794,598)

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

Deferred Revenues Reduced.....	913,979
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Internal service funds are used by management to charge the costs of fleet maintenance and insurance activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets because they primarily serve governmental activities of the County.

Internal Service Funds.....	2,931,507
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Net Assets of Governmental Activities	\$ 118,650,834
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See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2009

	General Fund	Sheriff Fund	East Putnam Grant Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 34,793,202	\$ -	\$ -	\$ 8,939,642	\$ 43,732,844
Licenses and Permits	430,350	-	-	166,976	597,326
Intergovernmental	5,093,687	-	-	10,577,612	15,671,299
Charges for Services	3,933,866	-	-	5,358,237	9,292,103
Fines and Forfeitures	37,455	-	-	523,756	561,211
Miscellaneous	1,066,496	-	344,949	511,157	1,922,602
TOTAL REVENUES	45,355,056	-	344,949	26,077,380	71,777,385
<u>EXPENDITURES</u>					
Current:					
General Government	8,467,738	-	-	5,946,252	14,413,990
Public Safety	7,461,496	16,772,219	-	4,518,205	28,751,920
Physical Environment	372,302	-	2,026,443	107,465	2,506,210
Transportation	665,348	-	-	6,485,733	7,151,081
Economic Environment	412,615	-	-	1,121,001	1,533,616
Human Services	2,215,082	-	-	-	2,215,082
Culture and Recreation	1,712,369	-	-	306,715	2,019,084
Court Related	223,116	557,144	-	2,374,673	3,154,933
Capital Outlay	-	-	-	4,661,133	4,661,133
Debt Service:					
Principal Retirement	324,275	620,830	-	1,611,469	2,556,574
Interest and Fiscal Charges	49,823	23,796	-	633,172	706,791
TOTAL EXPENDITURES	21,904,164	17,973,989	2,026,443	27,765,818	69,670,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	23,450,892	(17,973,989)	(1,681,494)	(1,688,438)	2,106,971
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	1,427,121	18,312,038	-	4,292,498	24,031,657
Transfers Out	(22,801,115)	(338,049)	(3,099)	(1,112,560)	(24,254,823)
Debt Issued	-	-	-	289,955	289,955
TOTAL OTHER FINANCING SOURCES (USES)	(21,373,994)	17,973,989	(3,099)	3,469,893	66,789
NET CHANGE IN FUND BALANCES	2,076,898	-	(1,684,593)	1,781,455	2,173,760
FUND BALANCES – BEGINNING OF YEAR	9,772,053	-	261,016	14,361,355	24,394,424
FUND BALANCES – END OF YEAR	\$ 11,848,951	\$ -	\$ (1,423,577)	\$ 16,142,810	\$ 26,568,184

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, 2009

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 2,173,760

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. Certain capital assets were contributed to an enterprise fund by a governmental fund, requiring the recognition of expense not reported in the funds.

Capital assets acquired by use of financial resources.....	9,721,612	
Capital assets contributed to enterprise fund.....	(2,026,443)	
Current year depreciation.....	<u>(6,702,852)</u>	992,317

Some deferred revenues related to receivables are not recognized in the current period because the resources are not available and therefore the revenues are not reported in the funds.

Change in Deferred Revenues.....		(180,603)
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In the statement of activities, only the gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the change in net assets differs from the change in fund balance by the net book value of the assets disposed.

Loss on disposal of capital assets.....		(140,675)
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Issuance of debt provides current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets.....

(289,955)

Repayment of debt principal is an expenditure in governmental funds, but the repayment results in a reduction of long-term liabilities in the statement of net assets.

Debt Principal Payments.....		2,556,574
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences.....	(81,600)	
Net OPEB Obligation.....	(343,543)	
Accrued Interest Payable.....	<u>189,649</u>	(235,494)

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

1,202,622

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 6,078,546

See accompanying notes.

Putnam County, Florida
Statement of Net Assets – Proprietary Funds
September 30, 2009

	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	\$ 2,813,588	\$ 195,626	\$ 583,798	\$ 3,593,012	\$ 3,291,101
Receivables	132,282	518,790	73,589	724,661	-
Due From Other Funds	-	-	-	-	186,072
Due From Other Governments	41,083	2,346,094	-	2,387,177	3,545
Inventory	-	-	-	-	100,294
Other Assets	-	-	-	-	1,004
TOTAL CURRENT ASSETS	2,986,953	3,060,510	657,387	6,704,850	3,582,016
NONCURRENT ASSETS:					
Restricted Cash and Equivalents	5,050,524	-	-	5,050,524	-
Restricted Investments	2,936,504	-	-	2,936,504	-
Capital Assets, Net	6,355,892	32,653,917	2,666,836	41,676,645	56,414
TOTAL NONCURRENT ASSETS	14,342,920	32,653,917	2,666,836	49,663,673	56,414
TOTAL ASSETS	17,329,873	35,714,427	3,324,223	56,368,523	3,638,430
<u>LIABILITIES</u>					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	854,896	2,774,466	1,452	3,630,814	248,181
Due to Other Funds	-	525,000	-	525,000	-
Due to Other Governments	-	-	9	9	-
Estimated Liability for Self-Insured Losses	-	-	-	-	429,152
Customer Deposits	10,570	33,052	2,000	45,622	-
Current Portion of Long-Term Liabilities	886,087	392,049	-	1,278,136	15,000
TOTAL CURRENT LIABILITIES	1,751,553	3,724,567	3,461	5,479,581	692,333
NONCURRENT LIABILITIES	13,872,659	14,876,956	-	28,749,615	14,590
TOTAL LIABILITIES	15,624,212	18,601,523	3,461	34,229,196	706,923
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	4,878,993	17,393,270	2,666,836	24,939,099	56,414
Unrestricted	(3,173,332)	(280,366)	653,926	(2,799,772)	2,875,093
TOTAL NET ASSETS	\$ 1,705,661	\$17,112,904	\$ 3,320,762	\$ 22,139,327	\$ 2,931,507

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds
For the Year Ended September 30, 2009

	Business-type Activities – Enterprise Funds				Governmental Activities
	Waste Management Fund	East Putnam Water Fund	Non-Major Proprietary Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
User Fees and Assessments	\$ 6,320,713	\$ 48,835	\$ 100,238	\$ 6,469,786	\$ 8,556,818
Miscellaneous	7,006	-	68	7,074	13,302
TOTAL OPERATING REVENUES	6,327,719	48,835	100,306	6,476,860	8,570,120
OPERATING EXPENSES					
Personal Services	816,410	99,291	-	915,701	390,398
Insurance	-	-	-	-	6,158,095
Claims Expense	-	-	-	-	408,292
Contractual Services	4,199,555	500	3,363	4,203,418	298,922
Repairs and Maintenance	183,195	26,036	8,431	217,662	44,522
Other Operating Expenses	548,051	18,294	44,629	610,974	286,004
Depreciation and Amortization	525,237	86,543	53,152	664,932	14,689
Closure and Long-Term Care Costs	297,498	-	-	297,498	-
TOTAL OPERATING EXPENSES	6,569,946	230,664	109,575	6,910,185	7,600,922
OPERATING INCOME (LOSS)	(242,227)	(181,829)	(9,269)	(433,325)	969,198
NONOPERATING REVENUES (EXPENSES)					
Interest Revenue	128,769	2,493	2,393	133,655	-
Grants	285,779	7,027,458	-	7,313,237	-
Interest Expense	(15,314)	-	-	(15,314)	-
Sale of Surplus Property	120,363	-	-	120,363	-
TOTAL NONOPERATING REVENUES (EXPENSES)	519,597	7,029,951	2,393	7,551,941	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	277,370	6,848,122	(6,876)	7,118,616	969,198
Capital Contributions	-	2,026,443	-	2,026,443	-
Transfers In	-	94,549	-	94,549	236,786
Transfers Out	(103,427)	-	(1,380)	(104,807)	(3,362)
CHANGE IN NET ASSETS	173,943	8,969,114	(8,256)	9,134,801	1,202,622
NET ASSETS – BEGINNING OF YEAR (as restated)	1,531,718	8,143,790	3,329,018	13,004,526	1,728,885
NET ASSETS – END OF YEAR	\$ 1,705,661	\$ 17,112,904	\$ 3,320,762	\$ 22,139,327	\$ 2,931,507

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2009

	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	\$6,306,417	\$ 87,421	\$ 101,500	\$ 6,495,338	\$ 8,690,772
Payments to Suppliers	(4,539,324)	(42,743)	(55,430)	(4,637,497)	(7,134,757)
Payments to Employees	(806,906)	(85,427)	-	(892,333)	(392,408)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	960,187	(40,749)	46,070	965,508	1,163,607
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers In	-	91,450	-	91,450	236,786
Transfers Out	(103,427)	-	(1,380)	(104,807)	(3,362)
Grants	285,779	-	-	285,779	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	182,352	91,450	(1,380)	272,422	233,424
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Payments Received on Mortgage Receivable	-	-	10,902	10,902	-
Loan from General Fund	-	525,000	-	525,000	-
Transfers In	-	3,099	-	3,099	-
Grants	-	6,518,571	-	6,518,571	-
Principal Paid on Debt	(83,664)	(5,956,600)	-	(6,040,264)	-
Interest Paid on Debt	(15,314)	(412,993)	-	(428,307)	-
Proceeds From Sale of Capital Assets	120,363	-	-	120,363	-
Debt Issued	4,000,000	8,072,965	-	12,072,965	-
Acquisitions of Capital Assets	(985,326)	(8,864,385)	(450,712)	(10,300,423)	(9,296)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	3,036,059	(114,343)	(439,810)	2,481,906	(9,296)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Proceeds from Investments	18,537	-	-	18,537	-
Purchase of Investments	(126,213)	-	-	(126,213)	-
Interest on Investments	128,769	2,493	2,393	133,655	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	21,093	2,493	2,393	25,979	-
NET CHANGE IN CASH AND EQUIVALENTS	4,199,691	(61,149)	(392,727)	3,745,815	1,387,735
CASH AND EQUIVALENTS – BEGINNING OF YEAR	3,664,421	256,775	976,525	4,897,721	1,903,366
CASH AND EQUIVALENTS – END OF YEAR	\$7,864,112	\$ 195,626	\$ 583,798	\$ 8,643,536	\$ 3,291,101

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2009

(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
OPERATING INCOME (LOSS)	\$ (242,227)	\$ (181,829)	\$ (9,269)	\$ (433,325)	\$ 969,198
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and Amortization	525,237	86,543	53,152	664,932	14,689
Change In:					
Receivables	(8,056)	7,686	1,193	823	12,139
Due From Other Funds	-	-	-	-	80,153
Due From Other Governments	(13,594)	-	-	(13,594)	615
Inventory	-	-	-	-	(2,594)
Other Assets	-	-	-	-	27,745
Accounts Payable and Accrued Liabilities	391,477	7,593	994	400,064	114,042
Customer Deposits	350	30,900	-	31,250	-
Estimated Liability For Self-Insured Losses	-	-	-	-	(50,370)
Compensated Absences	(600)	5,200	-	4,600	(5,800)
Accrued Landfill and Post-Closure Costs	297,498	-	-	297,498	-
Other Noncurrent Liabilities	10,102	3,158	-	13,260	3,790
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 960,187</u>	<u>\$ (40,749)</u>	<u>\$ 46,070</u>	<u>\$ 965,508</u>	<u>\$ 1,163,607</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>					
Contribution of Capital Assets	\$ -	\$2,026,443	\$ -	\$ 2,026,443	\$ -

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Assets
September 30, 2009

	Agency Funds
<u>ASSETS</u>	
Cash and Equivalents	\$ 3,248,707
Receivables	<u>6,842</u>
 TOTAL ASSETS	 3,255,549
 <u>LIABILITIES</u>	
Assets Held for Others	<u>3,255,549</u>
 NET ASSETS	 <u><u>\$ -</u></u>

See accompanying notes.

Putnam County, Florida
Index to Notes to Financial Statements
September 30, 2009

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Putnam County, Florida
Notes to Financial Statements
September 30, 2009

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Joint Ventures – The County did not participate in any joint ventures during fiscal year 2008-2009.

B. Government-wide and Fund Financial Statements

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The County reports the following other fund types:

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

Agency Funds – The Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Clerk of the Circuit Court maintains agency funds to account for assets held for others under court order; the Sheriff's agency fund accounts for assets held for use by inmates while incarcerated, and on behalf of other agencies and individuals; the Tax Collector maintains agency funds to account for taxes received but not distributed and for funds not yet distributed to the state from the sale of vehicles and other licenses and permits.

D. Assets, Liabilities and Net Assets or Equity

Cash and Investments

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Statement of Cash Flows

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

Accounts Receivable

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

Due To/From Other Funds

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

Restricted Assets

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

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

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

Prepays

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

Long-Term Receivables and Advances

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

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

Capital Assets

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

The reported values of general infrastructure exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

The landfill is depreciated proportionately based on capacity used.

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 capitalized interest in the amount of \$543,316 net of \$84,868 in investment earnings in its proprietary activities.

Unearned/Deferred Revenues

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

Compensated Absences

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

been used to eliminate the liability for compensated absences: the General Fund, the County Transportation Trust Fund, the Fire Tax Unit Fund, the E911 System Fund, the Clerk of the Circuit Court Fund, the Court Fund, the Property Appraiser Fund, the Supervisor of Elections Fund, the Tax Collector Fund and the Sheriff Fund.

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

E. Management Estimates and Assumptions

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

NOTE 2 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

Funding Policy

The System is employee noncontributory. Putnam County is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and Putnam County are established and may be amended by the Florida Legislature. Putnam County's contributions to the System for the years ending September 30, 2009, 2008 and 2007 were \$3,527,000, \$3,414,000, and \$3,267,000 respectively, equal to the required contributions for each year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 3 – DEFERRED COMPENSATION PLAN

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

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

NOTE 4 – PROPERTY TAXES

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

Procedures for collecting delinquent taxes, including applicable tax certificate sales and tax deed sales, are provided by Florida Statutes. The enforceable lien date is approximately two years after taxes become delinquent and occurs only upon request of a holder of a delinquent tax certificate. There were no significant delinquent property taxes receivable at September 30, 2009.

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

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS

As of September 30, 2009, the County had the following investments and maturities:

<u>Investment</u>	Fair Value	Less Than 1	Investment Maturities (in years)			S & P Rating
			1 - 2	2 - 3	3 - 5	
State Investment Pool - Florida PRIME, amortized cost	\$ 2,785,287	\$ 2,785,287	\$ -	\$ -	\$ -	AAAm
State Investment Pool - Fund B	13,683	-	-	-	13,683	Not Rated
Florida Local Government Investment Trust	4,438,721	1,501,619	1,309,867	1,333,836	293,399	AAAf
Money Market Funds	5,075,272	5,075,272	-	-	-	NA
TOTAL INVESTMENTS	\$ 12,312,963	\$ 9,362,178	\$ 1,309,867	\$ 1,333,836	\$ 307,082	

Total Investments include \$7,874,243 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$248,301 in non negotiable certificates of deposit of the Putnam County Development Authority, a component unit.

Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the maturity of investments to less than five years. Additionally, the investment policy requires the portfolio to be diversified by type of investment, issuer, and dates of maturity in order to protect against fluctuations in the market economy. For the Local Government Surplus Trust Funds Investment Pool (State Investment Pool), the weighted average life (WAL) of Fund B at September 30, 2009 was 6.69 years; a portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life. The weighted average days to maturity (WAM) of the Florida PRIME fund was 33 days.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS

State Investment Pool: The State Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. Last year, the SBA reported that the State Investment Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Investment Pool into two separate pools, the Florida PRIME and Fund B. The Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund and the fair value of the position in the pool is equal to the value of the pool shares. The Florida PRIME is rated by Standard and Poors' and has a rating at September 30, 2009 of AAAm. The Fund B is not rated by a nationally recognized statistical rating agency.

Florida Local Government Investment Trust: The County participates in the Florida Local Government Investment Trust (FLGIT), an external investment pool. Regulatory oversight for the pool consists of the Board of Trustees comprised of County Clerks and County Commissioners; an Investment Board comprised of finance officers throughout the State; an Independent Investment Advisor; a Custodian Bank; and an Administrator (Florida Association of Court Clerks). Additionally, the pool's investments are periodically rated by Standard & Poor's. At September 30, 2009, 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.

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.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS

Concentration of Credit Risk

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

NOTE 6 – ACCOUNTS RECEIVABLE

Accounts receivable of the General Fund consist primarily of ambulance service accounts and are reported net of an allowance for doubtful accounts of \$2,399,335 at September 30, 2009. The allowance represents approximately 77% of the gross ambulance service accounts receivable at September 30, 2009. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$10,315 in utility customer receivables, court related receivables of \$140,640 and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$70,840 for Court Receivables. All net receivables are expected to be collected within the next year.

Accounts receivable of the Enterprise Funds consist of: Landfill and Water Utility customer receivables of \$158,292 and \$57,483 of mortgages receivable by the Port Authority; and other miscellaneous receivables resulting from normal business activities. No allowances for doubtful accounts were deemed necessary. All receivables, with the exception of the mortgages receivable are expected to be collected within the next year.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a schedule of interfund receivables and payables as of September 30, 2009:

Due To/Due From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sheriff Fund	\$ 350,775
General Fund	East Putnam Water Fund	525,000
General Fund	Nonmajor Governmental Funds	1,355,164
Internal Service Funds	Sheriff Fund	186,072
Nonmajor Governmental Funds	Nonmajor Governmental Funds	12,225
Total Primary Government		<u>\$ 2,429,236</u>

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	East Putnam Fund Grant	<u>\$ 2,331,005</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2009, consisted of the following:

	Transfer In:					Total Transfers In
	General Fund	Sheriff Fund	Nonmajor Govern- mental	East Putnam Water Enterprise	Internal Service	
<u>Transfer Out:</u>						
General Fund	\$ -	\$ 18,312,038	\$ 4,239,139	\$ 91,450	\$ 158,488	\$ 22,801,115
Sheriff Fund	338,049	-	-	-	-	338,049
East Putnam Water	-	-	-	3,099	-	3,099
Nonmajor Governmental	1,036,572	-	12,614	-	63,374	1,112,560
Waste Management	52,500	-	40,745	-	10,182	103,427
Non-Major Proprietary	-	-	-	-	1,380	1,380
Internal Service	-	-	-	-	3,362	3,362
Total Transfers Out	<u>\$ 1,427,121</u>	<u>\$ 18,312,038</u>	<u>\$ 4,292,498</u>	<u>\$ 94,549</u>	<u>\$ 236,786</u>	24,362,992

Transfer of capital assets from governmental activities to business-type activities:

2,026,443
\$ 26,389,435

The General Fund had amounts due from the Constitutional Officers of \$1,336,939, which represents the return of excess fees due at the end of the fiscal year from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments are made between funds.

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 8 – CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Balance October 1, 2008 <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance September 30, 2009
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 16,942,434	\$ -	\$ -	\$ 16,942,434
Construction in Progress	211,333	294,500	-	505,833
Total Capital Assets Not Being Depreciated	<u>17,153,767</u>	<u>294,500</u>	<u>-</u>	<u>17,448,267</u>
Capital Assets Being Depreciated:				
Buildings	25,447,872	236,763	-	25,684,635
Improvements	8,373,952	33,703	-	8,407,655
Equipment	27,494,064	2,928,747	(658,218)	29,764,593
Infrastructure	69,784,415	4,210,755	(1,804,741)	72,190,429
Total Capital Assets Being Depreciated	<u>131,100,303</u>	<u>7,409,968</u>	<u>(2,462,959)</u>	<u>136,047,312</u>
Less Accumulated Depreciation For:				
Buildings	(8,280,250)	(786,256)	-	(9,066,506)
Improvements	(1,255,933)	(406,815)	-	(1,662,748)
Equipment	(18,301,713)	(2,634,936)	517,542	(20,419,107)
Infrastructure	(14,031,439)	(2,889,534)	1,804,741	(15,116,232)
Total Accumulated Depreciation	<u>(41,869,335)</u>	<u>(6,717,541)</u>	<u>2,322,283</u>	<u>(46,264,593)</u>
Total Capital Assets Being Depreciated, Net	<u>89,230,968</u>	<u>692,427</u>	<u>(140,676)</u>	<u>89,782,719</u>
Governmental Activities Capital Assets, Net	<u>\$ 106,384,735</u>	<u>\$ 986,927</u>	<u>\$ (140,676)</u>	<u>\$ 107,230,986</u>
<u>Business-type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,452,332	\$ 450,713	\$ -	\$ 5,903,045
Construction in Progress	15,703,329	15,479,226	-	31,182,555
Total Capital Assets Not Being Depreciated	<u>21,155,661</u>	<u>15,929,939</u>	<u>-</u>	<u>37,085,600</u>
Capital Assets Being Depreciated:				
Buildings	1,445,318	-	-	1,445,318
Improvements	967,510	-	-	967,510
Landfill	5,035,725	-	(218,416)	4,817,309
Water and Sewer Distribution System	3,327,513	-	-	3,327,513
Equipment	2,602,388	60,167	(118,585)	2,543,970
Total Capital Assets Being Depreciated	<u>13,378,454</u>	<u>60,167</u>	<u>(337,001)</u>	<u>13,101,620</u>
Less Accumulated Depreciation For:				
Buildings	(977,781)	(40,459)	-	(1,018,240)
Improvements	(699,029)	(29,640)	-	(728,669)
Landfill	(4,034,467)	(270,488)	-	(4,304,955)
Water and Sewer Distribution System	(626,033)	(82,324)	-	(708,357)
Equipment	(1,626,918)	(242,021)	118,585	(1,750,354)
Total Accumulated Depreciation	<u>(7,964,228)</u>	<u>(664,932)</u>	<u>118,585</u>	<u>(8,510,575)</u>
Total Capital Assets Being Depreciated, Net	<u>5,414,226</u>	<u>(604,765)</u>	<u>(218,416)</u>	<u>4,591,045</u>
Business-type Activities Capital Assets, Net	<u>\$ 26,569,887</u>	<u>\$ 15,325,174</u>	<u>\$ (218,416)</u>	<u>\$ 41,676,645</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 8 – CAPITAL ASSET ACTIVITY

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

Governmental Activities:

General Government	\$ 1,065,731
Public Safety	1,900,841
Physical Environment	28,120
Transportation	3,414,869
Human Services	13,838
Culture and Recreation	231,940
Court Related	47,513
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	14,689
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,717,541</u></u>

Business-type Activities:

Waste Management	\$ 525,237
Water and Sewer System	86,543
Port Authority	53,152
Total Depreciation Expense - Business-type Activities	<u><u>\$ 664,932</u></u>

NOTE 9 – LONG-TERM OBLIGATIONS

Governmental Activities

Special Assessment Debt with Governmental Commitment \$1,381,795, 3.58%, 10-year note issued during fiscal year 2003-2004, to fund specific road improvements within several Municipal Service Benefits Units. The note is payable from and secured by a pledge of special assessments levied pursuant to County ordinance. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest totaling \$13,748 is due monthly until maturity on August 1, 2014. The note is payable from the MSBU Loan Fund (a Debt Service Fund). \$ 750,910

\$1,900,000, variable rate, 13-year note to fund specific road improvements within several Municipal Service Benefit Units. The County entered into an interest rate swap agreement to fix the interest rate at 3.90%. The note is payable from and secured by a pledge of special assessments levied pursuant to County ordinance. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest totaling approximately \$46,900 is due quarterly until maturity on June 1, 2018. The note is payable from the MSBU Loan Fund (a Debt Service Fund). 1,383,277

Notes Payable - \$10,000,000, variable rate, 11-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 4.11%. The note is payable from and secured by a pledge of proceeds of the one cent local infrastructure surtax. Principal and interest payments of approximately \$290,000 are due quarterly until maturity on January 1, 2018. The note is payable from the Better Place Fund (a Capital Project Fund). 8,260,000

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

\$3,500,000 variable rate, 10-year note from a financial institution to finance certain road projects within the County. The County entered into an interest rate swap agreement to fix the interest rate at 3.75%. The note is payable from and secured by a pledge of proceeds of the one cent local infrastructure surtax. Principal payments are made annually; interest is paid semi-annually; total annual payments approximate \$420,000; note matures on January 1, 2018. The note payable from the Better Place Fund (a Capital Project Fund).	3,210,000
\$1,500,000 from a financial institution to pay a lawsuit settlement under a mutual release agreement. The note is to be paid from legally available non-ad valorem funds. The interest rate is 4.25%. Payments of principal and interest in the amount of \$46,359 are to be made on the first day of each calendar quarter until and including July 1, 2011. All remaining principal, together with all accrued and unpaid interest will be due October 1, 2011. The note is payable from the General Fund.	391,826
\$1,356,000, variable rate, 15-year note from a financial institution to construct and equip several communications towers within the County. The County entered into an interest rate swap agreement to fix the interest rate at 3.89%. The note is payable and secured by a pledge of a specific traffic ticket surcharge designated for communications improvements. The County is obligated to provide other non-ad valorem revenue sources for repayment to cover deficiencies. Principal and interest payments of approximately \$30,000 are due quarterly until maturity on May 1, 2020. The note is payable from the Communications Improvement Fund (a Special Revenue Fund).	1,049,990
OTTED Loan in the amount of \$260,527 through the Office of the Governor, Office of Tourism, Trade and Economic Development (OTTED) to help finance communications infrastructure in the County's new industrial park complex. The note is to be paid from legally available non-ad valorem funds. The interest rate is 3.0% fixed. Principal payments of \$9,304 plus accrued interest are due quarterly until the loan is fully paid in October 2012. The note is payable from the Economic Development Fund (a Special Revenue Fund).	120,959
Obligations Under Capital Leases	1,094,593
Other Post Employment Benefits	347,333
Accrued Compensated Absences	2,215,300
Total Long-Term Obligations, Governmental Activities	<u><u>\$ 18,824,188</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

Business-Type Activities

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

\$10,070,920 from the State of Florida in three series of State Revolving Fund loans to provide financing for the East Putnam Water System. The amount drawn to date is \$8,937,748. The interest rates range from 2.64% to 2.82%. The note is secured by operating proceeds from the East Putnam Water System. The loan will be repaid in 40 semiannual loan payments of \$329,149 beginning October 15, 2009. 8,937,748

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 approximately \$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. 4,268,000

\$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 approximately \$113,600 beginning September 1, 2011. The bond is secured by operating proceeds from the East Putnam Water System. The Better Place Plan Fund is obligated to cover deficiencies up to \$275,000 per year. 2,054,900

Capital Lease consists of an agreement with a financial institution for a compactor at the landfill, with the interest rate 4.29% and the aggregate historical cost \$454,227. 273,157

Accrued Landfill Closure and Long-Term Care Costs 10,429,786

Other Post Employment Benefits 13,260

Accrued Compensated Absences 50,900

Total Long-Term Obligations, Business-Type Activities \$ 30,027,751

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

Interest Rate Swaps

Swap Objectives

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

Terms, Fair Values and Credit Risk

The terms, fair values and credit ratings of the outstanding swaps as of September 30, 2009 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Interest Rate Swaps

Notional Amounts	\$ 1,049,990	\$ 1,383,277	\$ 8,260,000	\$ 3,210,000
Effective Date	05/31/2005	06/28/2005	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	\$ (141,906)	\$ (156,510)	\$ (1,045,427)	\$ (370,459)
Termination Date	05/01/2020	06/01/2018	01/01/2018	01/01/2018
Counterparty Credit Rating	A+/A-1	A+/A-1	A+/A-1	A+/A-1

Fair Value

The fixed payer rate for all four swaps exceeded the variable receiver rate at September 30, 2009, and consequently all had a negative fair value at that date.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2009, debt service requirements on the variable rate notes and interest rate swaps would be as follows:

Year	Variable Rate Notes		Interest	
Ending Sept 30	Principal	Interest	Rate Swaps	Total
2010	\$ 1,344,663	\$ 122,682	\$ 410,668	\$ 1,878,013
2011	1,398,378	110,193	368,599	1,877,170
2012	1,462,449	97,168	324,722	1,884,339
2013	1,516,887	83,590	278,975	1,879,452
2014	1,586,710	69,466	231,390	1,887,566
2015-2019	6,505,473	126,678	414,882	7,047,033
2020	88,707	482	1,249	90,438
Total	\$ 13,903,267	\$ 610,259	\$2,030,485	\$ 16,544,011

Credit Risk

As of September 30, 2009, 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, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for long-term obligations at September 30, 2009, excluding obligations under capital leases of the Governmental Activities, are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,693,119	\$ 583,300	\$ 799,209	\$ 668,274
2011	1,759,500	514,207	1,008,315	672,518
2012	1,691,879	444,778	1,043,337	637,658
2013	1,682,214	376,772	980,400	601,545
2014	1,746,071	308,384	1,013,349	568,394
2015-2019	6,505,473	549,995	4,563,898	2,331,165
2020-2024	88,706	1,750	3,230,512	1,771,505
2025-2029	-	-	2,522,785	1,241,400
2030-2034	-	-	834,000	877,740
2035-2039	-	-	1,030,000	680,925
2040-2044	-	-	1,275,000	437,433
2045-2048	-	-	1,233,000	136,357
	<u>\$ 15,166,962</u>	<u>\$ 2,779,186</u>	<u>\$ 19,533,805</u>	<u>\$ 10,624,914</u>

Governmental Capital Lease Obligations at September 30, 2009 are comprised of the following:

Agreements with financial institution for vehicles: Interest Rates from 4.1% to 4.7%; aggregate historical cost \$1,983,263.	\$ 233,769
Agreement with financial institution for a phone system: Interest Rate 6.53%; aggregate historical cost \$684,492.	605,579
Agreement with a heavy equipment company for a road grader, Interest rate 4.30%; historical cost \$172,300.	80,290
Agreement with a heavy equipment company for a wheel loader, Interest rate 6.25%; historical cost \$124,119.	69,119
Agreement with a heavy equipment company for an excavator, Interest rate 5.75%; historical cost \$165,836.	105,836
	<u>\$ 1,094,593</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

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

<u>Year Ending</u> <u>September 30,</u>	<u>Governmental</u> <u>Activities</u>
2010	\$ 508,801
2011	211,566
2012	199,427
2013	199,078
2014	<u>108,612</u>
Total Minimum Lease Payments	1,227,484
Less: Amount Representing Interest	<u>(132,891)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,094,593</u></u>

Changes in long-term debt transactions of the County for the year ended September 30, 2009 are summarized below:

	<u>Governmental Activities</u>				
	<u>Balance</u> <u>October 1,</u> <u>2008</u> <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30,</u> <u>2009</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Special Assessment Debt with					
Governmental Commitment	\$ 2,398,808	\$ -	\$ (264,621)	\$ 2,134,187	\$ 274,768
Notes Payable	14,251,923	-	(1,340,107)	12,911,816	1,381,133
\$260,507 Economic Development					
Loan (OTTED)	158,177	-	(37,218)	120,959	37,218
Obligations under Capital					
Leases	1,719,266	289,955	(914,628)	1,094,593	455,163
Other Post-Employment Benefits	-	347,333	-	347,333	-
Accrued Compensated					
Absences	<u>2,139,500</u>	<u>2,193,600</u>	<u>(2,117,800)</u>	<u>2,215,300</u>	<u>1,362,000</u>
Total Long-Term Obligations,					
Governmental Activities	<u><u>\$20,667,674</u></u>	<u><u>\$ 2,830,888</u></u>	<u><u>\$ (4,674,374)</u></u>	<u><u>\$18,824,188</u></u>	<u><u>\$ 3,510,282</u></u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

	Business-Type Activities				
	Balance October 1, 2008 <u>Restated</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, 2009	Due Within One Year
Notes Payable	\$10,532,729	\$ 8,361,619	\$ (5,956,600)	\$12,937,748	\$ 711,955
Revenue Bonds	-	6,322,900	-	6,322,900	-
Capital Lease	356,820	-	(83,663)	273,157	87,254
Accrued Landfill Closure and Post-Closure Care Costs	10,132,288	535,731	(238,233)	10,429,786	450,927
Other Post-Employment Benefits	-	13,260	-	13,260	-
Accrued Compensated Absences	46,300	64,600	(60,000)	50,900	28,000
Total Long-Term Obligations, Business-Type Activities	<u>\$21,068,137</u>	<u>\$ 15,298,110</u>	<u>\$ (6,338,496)</u>	<u>\$30,027,751</u>	<u>\$ 1,278,136</u>

Pledged Revenues

The County has pledged future water customer revenues to repay \$6.323 million in water system revenue bonds issued in fiscal year 2009 and State Revolving Fund notes totaling \$8.938 million issued during fiscal years 2008 and 2009. 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 2025 and the bonds will mature in 2048. It is not currently possible to accurately estimate annual water system revenues, therefore, an estimate of principal and interest payments as a percentage of estimated annual net revenues is not presented. The total of principal and interest payments that will be made is \$25.207 million. No principal payments were made in the current year, but interest payments totaling \$208,720 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 36 percent of estimated annual net revenues. The total principal and interest remaining to be paid on the notes is \$13.646 million. For the current year, principal and interest paid and surtax revenue were \$1.572 million and \$4.379 million, respectively.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 9 – LONG-TERM OBLIGATIONS

The County has pledged future special assessment revenues to repay \$1.382 million and 1.9 million in notes issued in 2004 and 2005, respectively. Proceeds from the notes provided financing for road improvement projects within certain Municipal Service Benefit Units. The 2004 note will mature in 2014, while the 2005 note will mature in 2018. Annual principal and interest payments on the notes are expected to exceed 100% of future revenues as some special assessments were prepaid and set aside for future debt service. Any potential future shortfalls will be made up from other non-ad valorem revenue sources. The total principal and interest remaining to be paid on the notes is \$2.466 million. For the current year, principal and interest paid and special assessment revenue were \$0.354 million and \$0.177 million, respectively.

The County has pledged specific traffic ticket surcharge revenues designated for communications improvements to repay a \$1.356 million note issued in 2005. The proceeds from the note were used to construct and equip several communications towers within the County. The note will mature in 2020. Annual principal and interest payments on the notes are expected to exceed 100% of future revenues. Any potential future shortfalls will be made up from other non-ad valorem revenue sources. The total principal and interest remaining to be paid on the note is \$1.294 million. For the current year, principal and interest paid was \$0.119 million, while revenue was \$0.05 million.

The County has pledged specific landfill collection special assessments to repay a \$4 million note issued in fiscal year 2009. The proceeds from the note were designated to construct a new cell at the central landfill. The note will mature in 2018. Annual principal and interest payments are expected to require less than 35% of revenues. The total principal and interest remaining to be paid on the note is \$4.654 million. No principal and interest payments were made in the current year.

NOTE 10 – CONDUIT DEBT

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

During the prior year, the Putnam County Development Authority issued two Pollution Control Revenue Refunding Bonds in an aggregate principal amount of \$125,250,000 to refund several series issued prior to July 1, 1995. At September 30, 2009, the aggregate bonds outstanding were \$125,250,000.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 11 – FUND EQUITY RESERVATIONS AND DESIGNATIONS

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

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

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

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

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

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

Balances of reported reserved fund equity at September 30, 2009, follow:

<u>Reserved For:</u>	<u>General Fund</u>	<u>East Putnam Grant Fund</u>	<u>Other Governmental Funds</u>
Advances	\$ 2,331,005	\$ -	\$ -
Debt Service	-	6,811,025	-
Inventory	47,142	-	-
Loan Guarantees	-	-	856,093
Prepaids	-	-	325,071
TOTAL	<u><u>\$ 2,378,147</u></u>	<u><u>\$ 6,811,025</u></u>	<u><u>\$ 1,181,164</u></u>

Designated fund balances consist of \$23,444 designated for use by the Emergency Services Department.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 12 – DEFICIT BALANCES/BUDGET OVEREXPENDITURES – INDIVIDUAL FUNDS

At September 30, 2009, the East Putnam Grant Fund, the Communication Improvement Fund, the Road Projects Fund, the Economic Development Fund, the E911 Fund and the Sewage Utilities Fund had deficit fund balances of \$1,423,577, \$211,169, \$82,718, \$52,607, \$11,454 and \$1,788, respectively.

The deficit fund balance in the East Putnam Grant Fund resulted from work on the future Wastewater System performed while a major highway was disrupted for work on the East Putnam Water System. Performing the work simultaneously with the Water System saved the County in excess of \$600,000. The deficit will be erased by future fundings of the Wastewater System. The deficits in the remaining funds will be eliminated by transfers from the General Fund and by future revenues generated by the funds.

For the year ended September 30, 2009, expenditures of the Law Enforcement Trust Fund, the Communication Improvement Fund, and the Sewage Utilities Fund were in excess of the approved annual budget.

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

NOTE 13 – RISK MANAGEMENT

Public Entity Risk Pool

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

Self Insurance Program – Worker's Compensation

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 13 – RISK MANAGEMENT

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

Changes in the fund's claims liability were:

	Beginning of Fiscal	Claims Incurred	Claims	End of Fiscal
	<u>Year Liability</u>	and Changes in	<u>Payments</u>	<u>Year Liability</u>
		<u>Estimates</u>		
2007-2008	\$ 479,522	\$ 430,546	\$ 430,546	\$ 479,522
2008-2009	\$ 479,522	\$ 338,580	\$ 388,950	\$ 429,152

Group Insurance

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

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

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for twenty or thirty years after closure. Although closure and long-term care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and long-term care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,429,786 reported as landfill closure and long-term care liability at September 30, 2009, 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	89.26%
Class III Landfill	100%
Huntington Landfill	100%
Interlachen Landfill	100%
Central Landfill Phase I	100%

The County will recognize the remaining estimated cost of closure and long-term care of \$787,495 as the remaining estimated capacity is used (estimated to be 1 year for Central Landfill Phase II, Cells 1 & 2). These amounts are based on what it would cost to perform all closure and long-term care in 2009. 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, 2009

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

Additionally, the Florida Department of Environmental Protection (D.E.P.) requires that landfill operators escrow landfill long-term maintenance costs in addition to closure costs, in an amount sufficient to cover the following year's long-term care costs. The County has escrowed \$3,986,809 to cover D.E.P.'s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2009. This is shown as restricted cash and equivalents and restricted investments of the business-type activities in the accompanying financial statements.

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS

Pursuant to a resolution of the Board of County Commissioners, the County provides certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County.

Plan Description

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

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

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

The OPEB Plan does not issue a stand-alone financial report.

At September 30, 2009, participants consisted of:

Active Employees	513
Retirees Participants	58

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS

Annual OPEB Cost and Net OPEB Obligation

The County had an actuarial valuation performed for the OPEB Plan as of December 21, 2007 to determine the annual required contribution (ARC) for the fiscal year ended September 30, 2009. The County's annual OPEB cost for the fiscal year was \$519,607 (of which \$13,260 is related to enterprise funds and \$3,790 is related to internal service funds) and the transition liability was set to zero as of September 30, 2008. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2007	N/A	N/A	N/A	N/A
September 30, 2008	N/A	N/A	N/A	N/A
September 30, 2009	\$ 519,607	\$ 159,014	30.60%	\$ 360,593

In future years, three-year trend information will be presented. Fiscal Year 2009 was the year of implementation of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," and the County has elected to implement prospectively, therefore, prior year comparative data is not available.

The funded status of the OPEB Plan as of September 30, 2009 was as follows:

Actuarial Accrued Liability (AAL)	\$ 4,347,425
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 4,347,425</u>
Funded Ratio	0.00%
Covered Payroll	\$ 23,033,731
Ratio of UAAL to Covered Payroll	18.87%

Funding Policy

Funding for the OPEB Plan is from the County's general assets. 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, 2009

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS

Actuarial Methods and Assumptions

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

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

The following actuarial methods and assumptions were used:

Actuarial Cost Method	Unit Credit Actuarial Cost Method
Amortization Method	Level Annual Payments
Amortization Period	30 Years
Remaining Amortization Period	29 Years
Asset Valuation Method	Unfunded
Actuarial Assumptions:	
Discount Rate	4%
Healthcare Cost Trend Rate	11% Initial; 5% ultimate

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 16 – OPERATING LEASES

The Transportation Fund (a Special Revenue Fund) leases seven road graders and two mowing tractors used to maintain roads within the County. The Waste Management Fund (an Enterprise Fund) leases a scraper to maintain the County landfill. These leases have five-year terms. Operating lease costs for the year ended September 30, 2009, totaled \$288,303. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2010	288,303
2011	288,303
Total minimum future lease payments	<u><u>\$ 576,606</u></u>

NOTE 17 – COMMITMENTS AND CONTINGENCIES

At September 30, 2009, the County was committed under signed contracts for approximately \$161,413 of road construction, resurfacing and engineering work and \$4,346,571 for building and other construction projects.

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

NOTE 18 – NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$11,812,032 of restricted net assets, of which \$8.9 million is restricted by enabling legislation.

Putnam County, Florida
Notes to Financial Statements
September 30, 2009

NOTE 19 – RESTATEMENT

Beginning net assets of the Governmental Activities, Business-type Activities, and the East Putnam Water (Enterprise) Fund have been restated to transfer debt previously issued by the East Putnam Grant Fund, a special revenue fund, to the East Putnam Water Fund, that will repay the debt. In accordance with generally accepted accounting principles, the debt should be reported as enterprise fund debt. Beginning net assets of the Business-type Activities and East Putnam Water Fund have also been restated for previously-overstated capitalized interest.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>East Putnam Water Fund</u>
Beginning Net Assets as Previously Reported	\$ 102,039,559	\$ 23,622,123	\$ 18,761,387
Debt Previously Issued	10,532,729	(10,532,729)	(10,532,729)
Construction in Progress	<u>-</u>	<u>(84,868)</u>	<u>(84,868)</u>
Beginning Net Assets, as Restated	<u>\$ 112,572,288</u>	<u>\$ 13,004,526</u>	<u>\$ 8,143,790</u>

NOTE 20 – SUBSEQUENT EVENTS

Subsequent to September 30, 2009, the East Putnam Water System began delivering services to over four hundred (400) new customers.

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, 2009

	Budgeted Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 33,012,179	\$ 33,012,179	\$ 34,793,202	\$ 1,781,023
Licenses and Permits	803,150	803,150	430,350	(372,800)
Intergovernmental	7,451,517	7,726,739	5,093,687	(2,633,052)
Charges for Services	3,676,465	3,676,465	3,933,866	257,401
Fines and Forfeitures	88,000	88,000	37,455	(50,545)
Miscellaneous	881,650	1,223,100	1,066,496	(156,604)
TOTAL REVENUES	45,912,961	46,529,633	45,355,056	(1,174,577)
<u>EXPENDITURES</u>				
Current:				
General Government	9,058,320	9,058,320	8,467,738	590,582
Public Safety	7,773,877	7,773,877	7,461,496	312,381
Physical Environment	430,474	430,474	372,302	58,172
Transportation	2,707,100	2,707,100	665,348	2,041,752
Economic Environment	445,526	445,526	412,615	32,911
Human Services	2,101,272	2,101,272	2,215,082	(113,810)
Culture and Recreation	1,858,534	1,858,534	1,712,369	146,165
Court Related	281,680	281,680	223,116	58,564
Reserve for Contingencies	325,000	325,000	-	325,000
Debt Service:				
Principal Retirement	164,105	164,105	324,275	(160,170)
Interest and Fiscal Charges	21,330	21,330	49,823	(28,493)
TOTAL EXPENDITURES	25,167,218	25,167,218	21,904,164	3,263,054
EXCESS OF REVENUES OVER EXPENDITURES	20,745,743	21,362,415	23,450,892	2,088,477
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	377,500	377,500	1,427,121	1,049,621
Transfers Out	(22,141,659)	(22,758,331)	(22,801,115)	(42,784)
TOTAL OTHER FINANCING SOURCES (USES)	(21,764,159)	(22,380,831)	(21,373,994)	1,006,837
NET CHANGE IN FUND BALANCES	(1,018,416)	(1,018,416)	2,076,898	3,095,314
FUND BALANCES – BEGINNING OF YEAR	1,018,416	1,018,416	9,772,053	8,753,637
FUND BALANCES – END OF YEAR	\$ -	\$ -	\$ 11,848,951	\$ 11,848,951

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final</u>
				<u>Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	16,624,298	17,080,020	16,772,219	307,801
Court Related	618,318	618,318	557,144	61,174
Reserve for Contingencies	20,000	-	-	-
Debt Service:				
Principal Retirement	591,376	591,376	620,830	(29,454)
Interest and Fiscal Charges	22,324	22,324	23,796	(1,472)
TOTAL EXPENDITURES	<u>17,876,316</u>	<u>18,312,038</u>	<u>17,973,989</u>	<u>338,049</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(17,876,316)</u>	<u>(18,312,038)</u>	<u>(17,973,989)</u>	<u>338,049</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	17,876,316	18,312,038	18,312,038	-
Transfers Out	-	-	(338,049)	(338,049)
TOTAL OTHER FINANCING SOURCES (USES)	<u>17,876,316</u>	<u>18,312,038</u>	<u>17,973,989</u>	<u>(338,049)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES – BEGINNING OF YEAR	-	-	-	-
FUND BALANCES – END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – East Putnam Grant Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 9,784,200	\$ 9,784,200	\$ -	\$ (9,784,200)
Miscellaneous Revenue	6,128,037	6,128,037	344,949	(5,783,088)
TOTAL REVENUES	15,912,237	15,912,237	344,949	(15,567,288)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	22,614,000	22,614,000	2,026,443	20,587,557
Debt Service				
Interest & Fiscal Changes	2,500	2,500	-	2,500
TOTAL EXPENDITURES	22,616,500	22,616,500	2,026,443	20,590,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,704,263)	(6,704,263)	(1,681,494)	5,022,769
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	-	-	(3,099)	(3,099)
Debt Issued	6,704,263	6,704,263	-	(6,704,263)
TOTAL OTHER FINANCING SOURCES (USES)	6,704,263	6,704,263	(3,099)	(6,707,362)
NET CHANGE IN FUND BALANCES	-	-	(1,684,593)	(1,684,593)
FUND BALANCES, October 1, 2008	-	-	261,016	261,016
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ (1,423,577)	\$ (1,423,577)

Putnam County, Florida
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2009

Basis of Budgetary Accounting

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

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

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

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

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

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

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

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

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

Putnam County, Florida
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2009

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

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

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

Putnam County, Florida
Other Post-Employment Benefits
For the Year Ended September 30, 2009

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
12/21/2007	\$ -	\$ 4,347,425	\$4,347,425	0.0%	\$ 23,033,731	18.87%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended September 30	Annual Required Contribution	% Contributed
2007	NA	NA
2008	NA	NA
2009	\$ 519,607	30.60%

Notes

1. 2009 is the transition year and the County has elected to implement GASB Statement No. 45 prospectively. Information for the two preceding valuations is not available. The County is electing to use the Actuarial Valuation Report dated 12/31/2007 for implementation in the transition year.
2. See Note 15 to the financial statements for further information regarding the County's OPEB plan.

SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

The County maintains the following Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Governmental Funds

Debt Service Funds

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

The County maintains the following Debt Service Funds:

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

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

Capital Projects Funds

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

The County maintains the following nonmajor Capital Projects Funds:

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

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

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

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds				
	County Transpor- tation Trust	Fishing Improve- ment	Fire Taxing Unit	Law Enforce- ment Trust	E911 System
<u>ASSETS</u>					
Cash and Equivalents	\$ 1,626,877	\$ 410,487	\$2,989,737	\$ 74,875	\$ 192,231
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	11,398	-	-
Due From Other Governments	585,856	1,994	8,647	-	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,212,733</u>	<u>\$ 412,481</u>	<u>\$3,009,782</u>	<u>\$ 74,875</u>	<u>\$ 192,231</u>
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and					
Accrued Liabilities	\$ 193,570	\$ 26	\$ 173,953	\$ -	\$ 9,197
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	194,488
TOTAL LIABILITIES	<u>193,570</u>	<u>26</u>	<u>173,953</u>	<u>-</u>	<u>203,685</u>
<u>FUND BALANCES</u>					
Reserved for:					
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	-
Undesignated	2,019,163	412,455	2,835,829	74,875	(11,454)
TOTAL FUND BALANCES	<u>2,019,163</u>	<u>412,455</u>	<u>2,835,829</u>	<u>74,875</u>	<u>(11,454)</u>
TOTAL LIABILITIES AND FUND					
BALANCES	<u>\$ 2,212,733</u>	<u>\$ 412,481</u>	<u>\$3,009,782</u>	<u>\$ 74,875</u>	<u>\$ 192,231</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds				
	Court Improve- ment	Article V	Court Technology	Law enforce- ment Education	Miscell- aneous Grants
<u>ASSETS</u>					
Cash and Equivalents	\$ 2,506,213	\$ 223,025	\$ 542,963	\$ 50,279	\$ 73,327
Investments	-	-	-	-	-
Receivables	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	13,125	3,725	6,830	2,231	34,214
Prepays	-	-	-	-	-
Other Assets	-	-	101	-	-
	<u>-</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,519,338</u>	<u>\$ 226,750</u>	<u>\$ 549,894</u>	<u>\$ 52,510</u>	<u>\$107,541</u>
<u>LIABILITIES AND FUND</u>					
<u>BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 4,860	\$ 5,538	\$ -	\$ -	\$ 67,940
Due to Other Funds	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>4,860</u>	<u>5,538</u>	<u>-</u>	<u>-</u>	<u>67,940</u>
<u>FUND BALANCES</u>					
Reserved for:					
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	23,444
Undesignated	2,514,478	221,212	549,894	52,510	16,157
	<u>2,514,478</u>	<u>221,212</u>	<u>549,894</u>	<u>52,510</u>	<u>39,601</u>
TOTAL FUND BALANCES	<u>2,514,478</u>	<u>221,212</u>	<u>549,894</u>	<u>52,510</u>	<u>39,601</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,519,338</u>	<u>\$ 226,750</u>	<u>\$ 549,894</u>	<u>\$ 52,510</u>	<u>\$107,541</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds					
	Interlachen Lakes Estates	Drivers Education	SHIP	Hurricane Housing Assistance	Tourist Develop- ment	Communi- cation Improvement
<u>ASSETS</u>						
Cash and Equivalents	\$270,292	\$242,420	\$ 244,749	\$ 53,075	\$ 265,563	\$ 10,696
Investments	-	-	1,014,936	-	-	-
Receivables	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	6,479	2,543	-	-	13,239	3,616
Prepays	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$276,771</u>	<u>\$244,963</u>	<u>\$1,259,685</u>	<u>\$ 53,075</u>	<u>\$ 278,802</u>	<u>\$ 14,312</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 14,608	\$ -	\$ 34,621	\$ -	\$ 16,125	\$ 481
Due to Other Funds	-	-	-	-	-	225,000
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>14,608</u>	<u>-</u>	<u>34,621</u>	<u>-</u>	<u>16,125</u>	<u>225,481</u>
<u>FUND BALANCES</u>						
Reserved for:						
Loan Guarantees	-	-	856,093	-	-	-
Prepays	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Undesignated	262,163	244,963	368,971	53,075	262,677	(211,169)
TOTAL FUND BALANCES	<u>262,163</u>	<u>244,963</u>	<u>1,225,064</u>	<u>53,075</u>	<u>262,677</u>	<u>(211,169)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$276,771</u>	<u>\$244,963</u>	<u>\$1,259,685</u>	<u>\$ 53,075</u>	<u>\$ 278,802</u>	<u>\$ 14,312</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds				
	West Putnam Municipal Services <u>Benefit Unit</u>	Sewage <u>Utilities</u>	Water <u>Utilities</u>	<u>MSBU</u>	Economic Develop- ment
<u>ASSETS</u>					
Cash and Equivalents	\$ 282,850	\$ 1,498	\$195,346	\$ 529,616	\$ 4,808
Investments	-	-	-	-	-
Receivables	-	5,453	4,862	-	-
Due From Other Funds	-	-	-	-	-
Due From Other Governments	6,880	-	-	2,839	-
Prepays	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	<u>\$ 289,730</u>	<u>\$ 6,951</u>	<u>\$200,208</u>	<u>\$ 532,455</u>	<u>\$ 4,808</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ 3,540	\$ 4,739	\$ 5,763	\$ 15,773	\$ 17,415
Due to Other Funds	-	4,000	-	-	40,000
Due to Other Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>3,540</u>	<u>8,739</u>	<u>5,763</u>	<u>15,773</u>	<u>57,415</u>
<u>FUND BALANCES</u>					
Reserved for:					
Loan Guarantees	-	-	-	-	-
Prepays	-	-	-	-	-
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	-
Undesignated	286,190	(1,788)	194,445	516,682	(52,607)
TOTAL FUND BALANCES	<u>286,190</u>	<u>(1,788)</u>	<u>194,445</u>	<u>516,682</u>	<u>(52,607)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 289,730</u>	<u>\$ 6,951</u>	<u>\$200,208</u>	<u>\$ 532,455</u>	<u>\$ 4,808</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds						
	ILE Lake Access Trust	Crime Prevention	Impact Fee	Commis- sary	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation
<u>ASSETS</u>							
Cash and Equivalents	\$74,212	\$ 68,393	\$687,502	\$ 117,275	\$ 9,819	\$210,796	\$537,624
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	22,158	-	-	-
Due From Other Funds	-	-	-	-	-	-	-
Due From Other Governments	-	1,352	-	-	-	-	-
Prepays	-	-	-	-	-	40,809	122,427
Other Assets	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$74,212</u>	<u>\$ 69,745</u>	<u>\$687,502</u>	<u>\$ 139,433</u>	<u>\$ 9,819</u>	<u>\$251,605</u>	<u>\$660,051</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts Payable and Accrued Liabilities	\$ -	\$ 2,779	\$ -	\$ 38,042	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>2,779</u>	<u>-</u>	<u>38,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>							
Reserved for:							
Loan Guarantees	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	40,809	122,427
Unreserved:							
Designated for:							
Public Safety	-	-	-	-	-	-	-
Undesignated	74,212	66,966	687,502	101,391	9,819	210,796	537,624
TOTAL FUND BALANCES	<u>74,212</u>	<u>66,966</u>	<u>687,502</u>	<u>101,391</u>	<u>9,819</u>	<u>251,605</u>	<u>660,051</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$74,212</u>	<u>\$ 69,745</u>	<u>\$687,502</u>	<u>\$ 139,433</u>	<u>\$ 9,819</u>	<u>\$251,605</u>	<u>\$660,051</u>

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	Special Revenue Funds					
	Clerk of the Circuit Court	Court Fund	Supervisor of Elections	Supervisor of Elections Grants	Tax Collector	Property Appraiser
ASSETS						
Cash and Equivalents	\$ 165,467	\$ 347,022	\$ 448,617	\$ 116,028	\$ 685,729	\$ 204,676
Investments	-	-	-	-	-	-
Receivables	3,155	71,534	-	-	-	-
Due From Other Funds	-	-	827	-	-	-
Due From Other Governments	24,582	917	-	-	-	-
Prepays	-	-	61,835	-	100,000	-
Other Assets	6,942	-	-	-	1,300	5,581
TOTAL ASSETS	\$ 200,146	\$ 419,473	\$ 511,279	\$ 116,028	\$ 787,029	\$ 210,257
LIABILITIES AND FUND						
BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 115,512	\$ 55,917	\$ 1,735	\$ -	\$ 86,052	\$ 32,971
Due to Other Funds	34,836	-	226,110	827	559,330	177,286
Due to Other Governments	49,798	293,757	-	-	-	-
Deferred Revenue	-	69,799	221,599	-	41,647	-
TOTAL LIABILITIES	200,146	419,473	449,444	827	687,029	210,257
FUND BALANCES						
Reserved for:						
Loan Guarantees	-	-	-	-	-	-
Prepays	-	-	61,835	-	100,000	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Undesignated	-	-	-	115,201	-	-
TOTAL FUND BALANCES	-	-	61,835	115,201	100,000	-
TOTAL LIABILITIES AND FUND						
BALANCES	\$ 200,146	\$ 419,473	\$ 511,279	\$ 116,028	\$ 787,029	\$ 210,257

continued

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2009

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>			
	<u>Future Capital Improvement Debt</u>	<u>MSBU Loan</u>	<u>Capital Projects</u>	<u>Road Projects</u>	<u>Better Place Plan</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>						
Cash and Equivalents	\$ 41,478	\$ 206,370	\$ 405,712	\$ 6,195	\$ 1,273,317	\$ 16,397,159
Investments	-	-	-	-	-	1,014,936
Receivables	-	-	-	-	-	107,162
Due From Other Funds	-	-	-	-	-	12,225
Due From Other Governments	132,180	1,012	136,968	130,066	727,666	1,846,961
Prepays	-	-	-	-	-	325,071
Other Assets	-	-	-	-	-	13,924
TOTAL ASSETS	<u>\$173,658</u>	<u>\$ 207,382</u>	<u>\$ 542,680</u>	<u>\$ 136,261</u>	<u>\$ 2,000,983</u>	<u>\$ 19,717,438</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and						
Accrued Liabilities	\$ -	\$ -	\$ 183,835	\$ 118,979	\$ -	\$ 1,203,971
Due to Other Funds	-	-	-	100,000	-	1,367,389
Due to Other Governments	-	-	-	-	-	343,555
Deferred Revenue	132,180	-	-	-	-	659,713
TOTAL LIABILITIES	<u>132,180</u>	<u>-</u>	<u>183,835</u>	<u>218,979</u>	<u>-</u>	<u>3,574,628</u>
<u>FUND BALANCES</u>						
Reserved for:						
Loan Guarantees	-	-	-	-	-	856,093
Prepays	-	-	-	-	-	325,071
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	23,444
Undesignated	41,478	207,382	358,845	(82,718)	2,000,983	14,938,202
TOTAL FUND BALANCES	<u>41,478</u>	<u>207,382</u>	<u>358,845</u>	<u>(82,718)</u>	<u>2,000,983</u>	<u>16,142,810</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$173,658</u>	<u>\$ 207,382</u>	<u>\$ 542,680</u>	<u>\$ 136,261</u>	<u>\$ 2,000,983</u>	<u>\$ 19,717,438</u>

concluded

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds			
	County Transpor- tation <u>Trust</u>	Fishing Improve- ment <u>ment</u>	Fire Taxing <u>Unit</u>	Law Enforce- ment <u>Trust</u>
<u>REVENUES</u>				
Taxes	\$ 1,695,276	\$ -	\$ 2,673,353	\$ -
Licenses and Permits	5,500	52,663	-	-
Intergovernmental Revenue	4,130,234	-	1,180	-
Charges For Services	-	-	-	-
Fines and Forfeitures	-	-	-	93,823
Miscellaneous Revenue	136,964	1,052	41,855	98
TOTAL REVENUES	5,967,974	53,715	2,716,388	93,921
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	-	-	3,464,734	45,773
Physical Environment	-	16,635	-	-
Transportation	5,938,397	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	133,441	-	-	-
Interest and Fiscal Charges	4,245	-	-	-
TOTAL EXPENDITURES	6,076,083	16,635	3,464,734	45,773
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(108,109)	37,080	(748,346)	48,148
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	11,398	-
Transfers Out	(29,827)	-	(33,547)	-
Debt Issued	289,955	-	-	-
TOTAL OTHER FINANCING				
SOURCES (USES)	260,128	-	(22,149)	-
NET CHANGE IN FUND BALANCES	152,019	37,080	(770,495)	48,148
FUND BALANCES, October 1, 2008	1,867,144	375,375	3,606,324	26,727
FUND BALANCES, September 30, 2009	\$ 2,019,163	\$ 412,455	\$ 2,835,829	\$ 74,875

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds			
	<u>E911 System</u>	<u>Court Improve- ment</u>	<u>Article V</u>	<u>Court Technology</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	6,695	-	-	-
Charges For Services	337,045	104,540	67,190	84,184
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	32,689	554	1,491
TOTAL REVENUES	343,740	137,229	67,744	85,675
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	455,328	-	-	-
Physical Environment	-	-	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	-
Culture/Recreation	-	-	-	-
Court Related	-	55,297	36,256	89,761
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	455,328	55,297	36,256	89,761
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(111,588)	81,932	31,488	(4,086)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Debt Issued	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(111,588)	81,932	31,488	(4,086)
FUND BALANCES, October 1, 2008	100,134	2,432,546	189,724	553,980
FUND BALANCES, September 30, 2009	\$ (11,454)	\$ 2,514,478	\$ 221,212	\$ 549,894

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds			
	Law enforce- ment <u>Education</u>	Miscell- aneous <u>Grants</u>	Interlachen Lakes <u>Estates</u>	Drivers <u>Education</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue	-	460,575	13,013	-
Charges For Services	-	-	255,879	-
Fines and Forfeitures	28,393	-	-	30,517
Miscellaneous Revenue	155	190	803	639
TOTAL REVENUES	28,548	460,765	269,695	31,156
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
Public Safety	37,595	195,411	-	15,500
Physical Environment	-	-	-	-
Transportation	-	-	239,610	-
Economic Environment	-	-	-	-
Culture/Recreation	-	306,715	-	-
Court Related	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
TOTAL EXPENDITURES	37,595	502,126	239,610	15,500
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(9,047)	(41,361)	30,085	15,656
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Debt Issued	-	-	-	-
TOTAL OTHER FINANCING				
SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	(9,047)	(41,361)	30,085	15,656
FUND BALANCES, October 1, 2008	61,557	80,962	232,078	229,307
FUND BALANCES, September 30, 2009	\$ 52,510	\$ 39,601	\$ 262,163	\$ 244,963

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds					
	SHIP	Hurricane Housing Assistance	Tourist Develop- ment	Communi- cation Improvement	West Putnam Municipal Services Benefit Unit	Sewage Utilities
REVENUES						
Taxes	\$ -	\$ -	\$ 209,439	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	825,497	-	-	-	4,244	-
Charges For Services	-	-	-	34,560	148,785	42,012
Fines and Forfeitures	-	-	-	50,381	-	-
Miscellaneous Revenue	49,416	360	597	3,041	917	58
TOTAL REVENUES	874,913	360	210,036	87,982	153,946	42,070
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	76,827	-	-
Physical Environment	-	-	-	-	-	65,154
Transportation	-	-	-	-	179,638	-
Economic Environment	702,340	109,067	139,050	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	76,726	-	-
Interest and Fiscal Charges	-	-	-	42,145	-	-
TOTAL EXPENDITURES	702,340	109,067	139,050	195,698	179,638	65,154
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	172,573	(108,707)	70,986	(107,716)	(25,692)	(23,084)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	18,000	-	-
Transfers Out	-	-	-	-	-	-
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	18,000	-	-
NET CHANGE IN FUND BALANCES	172,573	(108,707)	70,986	(89,716)	(25,692)	(23,084)
FUND BALANCES, October 1, 2008	1,052,491	161,782	191,691	(121,453)	311,882	21,296
FUND BALANCES, September 30, 2009	\$ 1,225,064	\$ 53,075	\$ 262,677	\$ (211,169)	\$ 286,190	\$ (1,788)

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds					
	Water Utilities	MSBU	Economic Develop- ment	ILE Lake Access Trust	Crime Prevention	Impact Fee
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	108,813
Intergovernmental Revenue	-	18,994	-	-	-	-
Charges For Services	29,693	250,206	-	-	-	-
Fines and Forfeitures	-	-	-	-	24,168	-
Miscellaneous Revenue	527	1,292	86	205	169	1,741
TOTAL REVENUES	30,220	270,492	86	205	24,337	110,554
<u>EXPENDITURES</u>						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	-	14,880	-
Physical Environment	25,676	-	-	-	-	-
Transportation	-	128,088	-	-	-	-
Economic Environment	-	-	170,544	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	37,218	-	-	-
Interest and Fiscal Charges	-	-	4,327	-	-	-
TOTAL EXPENDITURES	25,676	128,088	212,089	-	14,880	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,544	142,404	(212,003)	205	9,457	110,554
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	-	-	112,500	-	-	-
Transfers Out	-	-	-	-	-	-
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	112,500	-	-	-
NET CHANGE IN FUND BALANCES	4,544	142,404	(99,503)	205	9,457	110,554
FUND BALANCES, October 1, 2008	189,901	374,278	46,896	74,007	57,509	576,948
FUND BALANCES, September 30, 2009	\$ 194,445	\$ 516,682	\$ (52,607)	\$ 74,212	\$ 66,966	\$ 687,502

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds					
	Commis- sary	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation	Clerk of the Circuit Court	Court Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	225,758	907,858
Charges For Services	-	-	28,890	79,973	353,918	754,691
Fines and Forfeitures	-	-	-	9,659	-	286,815
Miscellaneous Revenue	200,584	44	375	735	18,240	904
TOTAL REVENUES	200,584	44	29,265	90,367	597,916	1,950,268
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	1,797,624	-
Public Safety	189,944	22,213	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	243,091	1,950,268
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	14,464	-
Interest and Fiscal Charges	-	-	-	-	525	-
TOTAL EXPENDITURES	189,944	22,213	-	-	2,055,704	1,950,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,640	(22,169)	29,265	90,367	(1,457,788)	-
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	1,492,624	-
Transfers Out	(50,408)	-	-	-	(34,836)	-
Debt Issued	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(50,408)	-	-	-	1,457,788	-
NET CHANGE IN FUND BALANCES	(39,768)	(22,169)	29,265	90,367	-	-
FUND BALANCES, October 1, 2008	141,159	31,988	222,340	569,684	-	-
FUND BALANCES, September 30, 2009	\$ 101,391	\$ 9,819	\$ 251,605	\$ 660,051	\$ -	\$ -

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue Funds				Debt Service Funds
	Supervisor of <u>Elections</u>	Supervisor of Elections <u>Grants</u>	Tax <u>Collector</u>	Property <u>Appraiser</u>	Future Capital Improvement <u>Debt</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	-	40,000	-
Charges For Services	-	-	2,562,775	43,344	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	2,307	116	651	1,261	123
TOTAL REVENUES	2,307	116	2,563,426	84,605	123
EXPENDITURES					
Current:					
General Government Services	741,850	-	1,904,096	1,502,682	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	741,850	-	1,904,096	1,502,682	-
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	(739,543)	116	659,330	(1,418,077)	123
OTHER FINANCING SOURCES (USES)					
Transfers In	936,397	1,216	-	1,595,363	-
Transfers Out	(227,326)	-	(559,330)	(177,286)	-
Debt Issued	-	-	-	-	-
TOTAL OTHER FINANCING					
SOURCES (USES)	709,071	1,216	(559,330)	1,418,077	-
NET CHANGE IN FUND BALANCES	(30,472)	1,332	100,000	-	123
FUND BALANCES, October 1, 2008	92,307	113,869	-	-	41,355
FUND BALANCES, September 30, 2009	\$ 61,835	\$ 115,201	\$ 100,000	\$ -	\$ 41,478

continued

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Debt Service Funds	Capital Projects Funds			Total Nonmajor Governmental Funds
	MSBU Loan	Capital Projects	Road Projects	Better Place Plan	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 4,361,574	\$ 8,939,642
Licenses and Permits	-	-	-	-	166,976
Intergovernmental Revenue	-	283,066	3,660,498	-	10,577,612
Charges For Services	180,552	-	-	-	5,358,237
Fines and Forfeitures	-	-	-	-	523,756
Miscellaneous Revenue	933	9,559	-	426	511,157
TOTAL REVENUES	181,485	292,625	3,660,498	4,362,000	26,077,380
EXPENDITURES					
Current:					
General Government Services	-	-	-	-	5,946,252
Public Safety	-	-	-	-	4,518,205
Physical Environment	-	-	-	-	107,465
Transportation	-	-	-	-	6,485,733
Economic Environment	-	-	-	-	1,121,001
Culture/Recreation	-	-	-	-	306,715
Court Related	-	-	-	-	2,374,673
Capital Outlay	-	286,171	3,633,398	741,564	4,661,133
Debt Service:					
Principal Retirement	264,620	-	-	1,085,000	1,611,469
Interest and Fiscal Charges	94,675	-	-	487,255	633,172
TOTAL EXPENDITURES	359,295	286,171	3,633,398	2,313,819	27,765,818
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	(177,810)	6,454	27,100	2,048,181	(1,688,438)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	125,000	-	-	4,292,498
Transfers Out	-	-	-	-	(1,112,560)
Debt Issued	-	-	-	-	289,955
TOTAL OTHER FINANCING					
SOURCES (USES)	-	125,000	-	-	3,469,893
NET CHANGE IN FUND BALANCES	(177,810)	131,454	27,100	2,048,181	1,781,455
FUND BALANCES, October 1, 2008	385,192	227,391	(109,818)	(47,198)	14,361,355
FUND BALANCES, September 30, 2009	\$ 207,382	\$ 358,845	\$ (82,718)	\$ 2,000,983	\$ 16,142,810

concluded

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – County Transportation Trust Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 1,965,198	\$ 1,965,198	\$ 1,695,276	\$ (269,922)
Licenses and Permits	2,000	2,000	5,500	3,500
Intergovernmental Revenue	3,819,894	3,819,894	4,130,234	310,340
Miscellaneous Revenue	20,500	20,500	136,964	116,464
TOTAL REVENUES	5,807,592	5,807,592	5,967,974	160,382
<u>EXPENDITURES</u>				
Current:				
Transportation	6,279,274	6,279,274	5,938,397	340,877
Reserve for Contingencies	27,988	27,988		27,988
Debt Service:				
Principal Retirement	-	-	133,441	(133,441)
Interest and Fiscal Charges	-	-	4,245	(4,245)
TOTAL EXPENDITURES	6,307,262	6,307,262	6,076,083	231,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(499,670)	(499,670)	(108,109)	391,561
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(29,827)	(29,827)	(29,827)	-
Debt Issued	-	-	289,955	289,955
TOTAL OTHER FINANCING SOURCES (USES)	(29,827)	(29,827)	260,128	289,955
NET CHANGE IN FUND BALANCES	(529,497)	(529,497)	152,019	681,516
FUND BALANCES, October 1, 2008	529,497	529,497	1,867,144	1,337,647
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 2,019,163	\$ 2,019,163

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Licenses and Permits	\$ 50,500	\$ 50,500	\$ 52,663	\$ 2,163
Miscellaneous Revenue	3,500	3,500	1,052	(2,448)
TOTAL REVENUES	54,000	54,000	53,715	(285)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	119,000	119,000	16,635	102,365
Reserve For Contingencies	35,000	10,000	-	10,000
TOTAL EXPENDITURES	154,000	129,000	16,635	112,365
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(100,000)	(75,000)	37,080	112,080
FUND BALANCES, October 1, 2008	100,000	75,000	375,375	300,375
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 412,455	\$ 412,455

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, 2009

	<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	\$ 2,535,400	\$ 2,535,400	\$ 2,673,353	\$ 137,953
Intergovernmental Revenue	-	-	1,180	1,180
Miscellaneous Revenue	41,000	41,000	41,855	855
TOTAL REVENUES	<u>2,576,400</u>	<u>2,576,400</u>	<u>2,716,388</u>	<u>139,988</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	4,215,071	4,215,071	3,464,734	750,337
Reserve For Contingencies	100,000	100,000	-	100,000
TOTAL EXPENDITURES	<u>4,315,071</u>	<u>4,315,071</u>	<u>3,464,734</u>	<u>850,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,738,671)</u>	<u>(1,738,671)</u>	<u>(748,346)</u>	<u>990,325</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	2,500	2,500	11,398	8,898
Transfers Out	(33,547)	(33,547)	(33,547)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(31,047)</u>	<u>(31,047)</u>	<u>(22,149)</u>	<u>8,898</u>
NET CHANGE IN FUND BALANCES	(1,769,718)	(1,769,718)	(770,495)	999,223
FUND BALANCES, October 1, 2008	<u>1,769,718</u>	<u>1,769,718</u>	<u>3,606,324</u>	<u>1,836,606</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,835,829</u>	<u>\$ 2,835,829</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, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 22,350	\$ 22,350	\$ 93,823	\$ 71,473
Miscellaneous Revenue	150	150	98	(52)
TOTAL REVENUES	22,500	22,500	93,921	71,421
<u>EXPENDITURES</u>				
Current:				
Public Safety	23,500	23,500	45,773	(22,273)
Reserve for Contingencies	1,500	1,500	-	1,500
TOTAL EXPENDITURES	25,000	25,000	45,773	(20,773)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,500)	(2,500)	48,148	50,648
FUND BALANCES, October 1, 2008	2,500	2,500	26,727	24,227
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 74,875	\$ 74,875

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 120,392	\$ 324,575	\$ 6,695	\$ (317,880)
Charges for Services	365,000	365,000	337,045	(27,955)
Miscellaneous Revenue	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>(1,200)</u>
TOTAL REVENUES	486,592	690,775	343,740	(347,035)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>595,884</u>	<u>800,067</u>	<u>455,328</u>	<u>344,739</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(109,292)	(109,292)	(111,588)	(2,296)
FUND BALANCES, October 1, 2008	<u>109,292</u>	<u>109,292</u>	<u>100,134</u>	<u>(9,158)</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,454)</u>	<u>\$ (11,454)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Improvement Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Charges for Services	25,000	25,000	104,540	79,540
Miscellaneous Revenue	-	-	32,689	32,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	45,000	45,000	137,229	92,229
<u>EXPENDITURES</u>				
Current:				
Court Related	909,175	909,175	55,297	853,878
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(864,175)	(864,175)	81,932	946,107
FUND BALANCES, October 1, 2008	<u>864,175</u>	<u>864,175</u>	<u>2,432,546</u>	<u>1,568,371</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,514,478</u>	<u>\$ 2,514,478</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Article V Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 160,000	\$ 160,000	\$ 67,190	\$ (92,810)
Miscellaneous Revenue	<u>1,650</u>	<u>1,650</u>	<u>554</u>	<u>(1,096)</u>
TOTAL REVENUES	161,650	161,650	67,744	(93,906)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>161,650</u>	<u>161,650</u>	<u>36,256</u>	<u>125,394</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	31,488	31,488
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>189,724</u>	<u>189,724</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,212</u>	<u>\$ 221,212</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Technology Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 135,000	\$ 135,000	\$ 84,184	\$ (50,816)
Miscellaneous Revenue	<u>5,000</u>	<u>5,000</u>	<u>1,491</u>	<u>(3,509)</u>
TOTAL REVENUES	140,000	140,000	85,675	(54,325)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>206,797</u>	<u>206,797</u>	<u>89,761</u>	<u>117,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(66,797)	(66,797)	(4,086)	62,711
FUND BALANCES, October 1, 2008	<u>66,797</u>	<u>66,797</u>	<u>553,980</u>	<u>487,183</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,894</u>	<u>\$ 549,894</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, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 32,000	\$ 32,000	\$ 28,393	\$ (3,607)
Miscellaneous Revenue	<u>600</u>	<u>600</u>	<u>155</u>	<u>(445)</u>
TOTAL REVENUES	32,600	32,600	28,548	(4,052)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>51,600</u>	<u>51,600</u>	<u>37,595</u>	<u>14,005</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,000)	(19,000)	(9,047)	9,953
FUND BALANCES, October 1, 2008	<u>19,000</u>	<u>19,000</u>	<u>61,557</u>	<u>42,557</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,510</u>	<u>\$ 52,510</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Miscellaneous Grants Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 563,501	\$ 563,501	\$ 460,575	\$ (102,926)
Miscellaneous Revenue	650	650	190	(460)
TOTAL REVENUES	564,151	564,151	460,765	(103,386)
<u>EXPENDITURES</u>				
Current:				
Public Safety	284,643	284,643	195,411	89,232
Culture/Recreation	243,423	243,423	306,715	(63,292)
Reserve for Contingencies	36,085	36,085	-	36,085
TOTAL EXPENDITURES	564,151	564,151	502,126	62,025
EXCESS OF REVENUES UNDER				
EXPENDITURES	-	-	(41,361)	(41,361)
FUND BALANCES, October 1, 2008	-	-	80,962	80,962
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 39,601	\$ 39,601

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, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 13,013	\$ 13,013
Charges for Services	265,250	265,250	255,879	(9,371)
Miscellaneous Revenue	<u>3,500</u>	<u>3,500</u>	<u>803</u>	<u>(2,697)</u>
TOTAL REVENUES	<u>268,750</u>	<u>268,750</u>	<u>269,695</u>	<u>945</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	376,800	376,800	239,610	137,190
Reserve for Contingencies	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>386,800</u>	<u>386,800</u>	<u>239,610</u>	<u>147,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(118,050)	(118,050)	30,085	148,135
FUND BALANCES, October 1, 2008	<u>118,050</u>	<u>118,050</u>	<u>232,078</u>	<u>114,028</u>
FUND BALANCES, September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 262,163</u></u>	<u><u>\$ 262,163</u></u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Drivers Education Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 34,500	\$ 34,500	\$ 30,517	\$ (3,983)
Miscellaneous Revenue	<u>1,800</u>	<u>1,800</u>	<u>639</u>	<u>(1,161)</u>
TOTAL REVENUES	36,300	36,300	31,156	(5,144)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>100,000</u>	<u>100,000</u>	<u>15,500</u>	<u>84,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(63,700)	(63,700)	15,656	79,356
FUND BALANCES, October 1, 2008	<u>63,700</u>	<u>63,700</u>	<u>229,307</u>	<u>165,607</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,963</u>	<u>\$ 244,963</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – SHIP Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 671,180	\$ 671,180	\$ 825,497	\$ 154,317
Miscellaneous Revenue	61,700	61,700	49,416	(12,284)
TOTAL REVENUES	732,880	732,880	874,913	142,033
<u>EXPENDITURES</u>				
Current:				
Economic Environment	1,050,000	1,050,000	702,340	347,660
Reserve for Contingencies	32,880	32,880	-	32,880
TOTAL EXPENDITURES	1,082,880	1,082,880	702,340	380,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(350,000)	(350,000)	172,573	522,573
FUND BALANCES, October 1, 2008	350,000	350,000	1,052,491	702,491
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 1,225,064	\$ 1,225,064

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Hurricane Housing Assistance Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 1,000	\$ 1,000	\$ 360	\$ (640)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	<u>151,000</u>	<u>151,000</u>	<u>109,067</u>	<u>41,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,000)	(150,000)	(108,707)	41,293
FUND BALANCES, October 1, 2008	<u>150,000</u>	<u>150,000</u>	<u>161,782</u>	<u>11,782</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,075</u>	<u>\$ 53,075</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Tourist Development Fund
For the Year Ended September 30, 2009

	<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	\$ 112,000	\$ 112,000	\$ 209,439	\$ 97,439
Miscellaneous Revenue	1,800	1,800	597	(1,203)
TOTAL REVENUES	113,800	113,800	210,036	96,236
<u>EXPENDITURES</u>				
Current:				
Economic Environment	146,000	146,000	139,050	6,950
Reserve for Contingencies	25,000	15,000	-	15,000
TOTAL EXPENDITURES	171,000	161,000	139,050	21,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,200)	(47,200)	70,986	118,186
FUND BALANCES, October 1, 2008	57,200	47,200	191,691	144,491
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 262,677	\$ 262,677

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 30,000	\$ 30,000	\$ 34,560	\$ 4,560
Fines and Forfeitures	85,000	85,000	50,381	(34,619)
Miscellaneous Revenue	2,500	2,500	3,041	541
TOTAL REVENUES	117,500	117,500	87,982	(29,518)
<u>EXPENDITURES</u>				
Current:				
Public Safety	65,442	65,442	76,827	(11,385)
Debt Service				
Principal	76,726	76,726	76,726	-
Interest and Fiscal Changes	43,332	43,332	42,145	1,187
TOTAL EXPENDITURES	185,500	185,500	195,698	(10,198)
EXCESS OF REVENUES UNDER				
 EXPENDITURES	(68,000)	(68,000)	(107,716)	(39,716)
<u>OTHER FINANCING SOURCES</u>				
Transfers In	18,000	18,000	18,000	-
NET CHANGE IN FUND BALANCES	(50,000)	(50,000)	(89,716)	(39,716)
FUND BALANCES, October 1, 2008	50,000	50,000	(121,453)	(171,453)
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ (211,169)	\$ (211,169)

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, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 250	\$ 250	\$ -	\$ (250)
Intergovernmental Revenue	-	-	4,244	4,244
Charges for Services	150,650	150,650	148,785	(1,865)
Miscellaneous Revenue	3,750	3,750	917	(2,833)
TOTAL REVENUES	154,650	154,650	153,946	(704)
<u>EXPENDITURES</u>				
Current:				
Transportation	268,250	268,250	179,638	88,612
Reserve for Contingencies	10,000	10,000	-	10,000
TOTAL EXPENDITURES	278,250	278,250	179,638	98,612
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(123,600)	(123,600)	(25,692)	97,908
FUND BALANCES, October 1, 2008	123,600	123,600	311,882	188,282
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 286,190	\$ 286,190

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sewage Utilities Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 43,650	\$ 43,650	\$ 42,012	\$ (1,638)
Miscellaneous Revenue	1,000	1,000	58	(942)
TOTAL REVENUES	44,650	44,650	42,070	(2,580)
<u>EXPENDITURES</u>				
Current:				
Physical Environment	53,040	53,040	65,154	(12,114)
Reserve for Contingencies	1,180	1,180	-	1,180
TOTAL EXPENDITURES	54,220	54,220	65,154	(10,934)
EXCESS OF REVENUES UNDER EXPENDITURES	(9,570)	(9,570)	(23,084)	(13,514)
FUND BALANCES, October 1, 2008	9,570	9,570	21,296	11,726
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ (1,788)	\$ (1,788)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 31,000	\$ 29,500	\$ 29,693	\$ 193
Miscellaneous Revenue	<u>1,800</u>	<u>1,800</u>	<u>527</u>	<u>(1,273)</u>
TOTAL REVENUES	<u>32,800</u>	<u>31,300</u>	<u>30,220</u>	<u>(1,080)</u>
<u>EXPENDITURES</u>				
Current:				
Physical Environment	28,800	28,800	25,676	3,124
Reserve for Contingencies	<u>4,000</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
TOTAL EXPENDITURES	<u>32,800</u>	<u>31,300</u>	<u>25,676</u>	<u>5,624</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	4,544	4,544
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>189,901</u>	<u>189,901</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,445</u>	<u>\$ 194,445</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 18,994	\$ 18,994
Charges for Services	300,350	300,350	250,206	(50,144)
Miscellaneous Revenue	3,250	3,250	1,292	(1,958)
	<u>303,600</u>	<u>303,600</u>	<u>270,492</u>	<u>(33,108)</u>
TOTAL REVENUES				
<u>EXPENDITURES</u>				
Current:				
Transportation	450,350	450,350	128,088	322,262
Reserve for Contingencies	25,000	25,000	-	25,000
	<u>475,350</u>	<u>475,350</u>	<u>128,088</u>	<u>347,262</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(171,750)	(171,750)	142,404	314,154
FUND BALANCES, October 1, 2008	<u>171,750</u>	<u>171,750</u>	<u>374,278</u>	<u>202,528</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,682</u>	<u>\$ 516,682</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Economic Development Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 1,400	\$ 1,400	\$ 86	\$ (1,314)
<u>EXPENDITURES</u>				
Current:				
Transportation	20,000	20,000	-	20,000
Economic Environment	162,550	162,550	170,544	(7,994)
Reserve For Contingencies	14,805	14,805	-	14,805
Debt Service:				
Principal Retirement	37,218	37,218	37,218	-
Interest and Fiscal Charges	4,327	4,327	4,327	-
TOTAL EXPENDITURES	238,900	238,900	212,089	26,811
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	(237,500)	(237,500)	(212,003)	25,497
<u>OTHER FINANCING SOURCES</u>				
Transfers In	112,500	112,500	112,500	-
NET CHANGE IN FUND BALANCES	(125,000)	(125,000)	(99,503)	25,497
FUND BALANCES, October 1, 2008	125,000	125,000	46,896	(78,104)
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ (52,607)	\$ (52,607)

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – ILE Lake Access Trust Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 1,000	\$ 1,000	\$ 205	\$ (795)
<u>EXPENDITURES</u>				
Current:				
Culture/Recreation	57,500	57,500	-	57,500
Reserve for Contingencies	5,000	5,000	-	5,000
TOTAL EXPENDITURES	62,500	62,500	-	62,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(61,500)	(61,500)	205	61,705
FUND BALANCES, October 1, 2008	61,500	61,500	74,007	12,507
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 74,212	\$ 74,212

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Crime Prevention Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Fines and Forfeitures	\$ 33,000	\$ 33,000	\$ 24,168	\$ (8,832)
Miscellaneous Revenue	150	150	169	19
TOTAL REVENUES	33,150	33,150	24,337	(8,813)
<u>EXPENDITURES</u>				
Current:				
Public Safety	43,150	43,150	14,880	28,270
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000)	(10,000)	9,457	19,457
FUND BALANCES, October 1, 2008	10,000	10,000	57,509	47,509
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 66,966	\$ 66,966

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Impact Fee Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Licenses and Permits	\$ -	\$ -	\$ 108,813	\$ 108,813
Miscellaneous Revenue	-	-	1,741	1,741
TOTAL REVENUES	-	-	110,554	110,554
<u>EXPENDITURES</u>	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	110,554	110,554
FUND BALANCES, October 1, 2008	-	-	576,948	576,948
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,502</u>	<u>\$ 687,502</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 237,830	\$ 237,830	\$ 200,584	\$ (37,246)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>224,381</u>	<u>225,381</u>	<u>189,944</u>	<u>35,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	13,449	12,449	10,640	(1,809)
<u>OTHER FINANCING USES</u>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(50,408)</u>	<u>(50,408)</u>
NET CHANGE IN FUND BALANCES	13,449	12,449	(39,768)	(52,217)
FUND BALANCES, October 1, 2008	<u>(13,449)</u>	<u>(12,449)</u>	<u>141,159</u>	<u>153,608</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,391</u>	<u>\$ 101,391</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 60,000	\$ 60,000	\$ 44	\$ (59,956)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>60,000</u>	<u>60,000</u>	<u>22,213</u>	<u>37,787</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	(22,169)	(22,169)
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>31,988</u>	<u>31,988</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,819</u>	<u>\$ 9,819</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 40,000	\$ 40,000	\$ 28,890	\$ (11,110)
Miscellaneous Revenue	<u>5,000</u>	<u>5,000</u>	<u>375</u>	<u>(4,625)</u>
TOTAL REVENUES	45,000	45,000	29,265	(15,735)
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	29,265	29,265
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>222,340</u>	<u>222,340</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,605</u>	<u>\$ 251,605</u>

Putnam County, Florida
Schedule of Revenue, Expenditures and Changes in Fund Balances
Budget and Actual - Article V Records Modernization Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 82,000	\$ 82,000	\$ 79,973	\$ (2,027)
Fines and Forfeitures	-	-	9,659	9,659
Miscellaneous Revenue	<u>8,000</u>	<u>8,000</u>	<u>735</u>	<u>(7,265)</u>
TOTAL REVENUES	90,000	90,000	90,367	367
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	90,367	90,367
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>569,684</u>	<u>569,684</u>
FUND BALANCES, September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 660,051</u></u>	<u><u>\$ 660,051</u></u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Clerk of the Circuit Court Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 224,900	\$ 224,900	\$ 225,758	\$ 858
Charges for Services	487,420	487,420	353,918	(133,502)
Miscellaneous Revenue	<u>93,500</u>	<u>93,500</u>	<u>18,240</u>	<u>(75,260)</u>
TOTAL REVENUES	<u>805,820</u>	<u>805,820</u>	<u>597,916</u>	<u>(207,904)</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,019,174	2,019,174	1,797,624	221,550
Court Related	269,670	269,670	243,091	26,579
Debt Service:				
Principal Retirement	8,500	8,500	14,464	(5,964)
Interest and Fiscal Charges	<u>1,100</u>	<u>1,100</u>	<u>525</u>	<u>575</u>
TOTAL EXPENDITURES	<u>2,298,444</u>	<u>2,298,444</u>	<u>2,055,704</u>	<u>242,740</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,492,624)</u>	<u>(1,492,624)</u>	<u>(1,457,788)</u>	<u>34,836</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,492,624	1,492,624	1,492,624	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(34,836)</u>	<u>(34,836)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,492,624</u>	<u>1,492,624</u>	<u>1,457,788</u>	<u>(34,836)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 591,542	\$ 979,140	\$ 907,858	\$ (71,282)
Charges for Services	1,320,000	866,922	754,691	(112,231)
Fines and Forfeitures	450,000	295,541	286,815	(8,726)
Miscellaneous Revenue	-	-	904	904
	<u>2,361,542</u>	<u>2,141,603</u>	<u>1,950,268</u>	<u>(191,335)</u>
TOTAL REVENUES	2,361,542	2,141,603	1,950,268	(191,335)
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,361,542</u>	<u>2,141,603</u>	<u>1,950,268</u>	<u>191,335</u>
EXCESS OF REVENUES OVER				
 EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Supervisor of Elections Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 2,307	\$ 2,307
<u>EXPENDITURES</u>				
Current:				
General Government Services	934,397	934,397	741,850	192,547
Reserve for Contingencies	2,000	2,000	-	2,000
TOTAL EXPENDITURES	936,397	936,397	741,850	194,547
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(936,397)	(936,397)	(739,543)	196,854
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	936,397	936,397	936,397	-
Transfers Out	-	-	(227,326)	(227,326)
TOTAL OTHER FINANCING SOURCES (USES)	936,397	936,397	709,071	(227,326)
NET CHANGE IN FUND BALANCES	-	-	(30,472)	(30,472)
FUND BALANCES, October 1, 2008	-	-	92,307	92,307
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,835</u>	<u>\$ 61,835</u>

Putnum County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Supervisor of Elections Grants Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 116	\$ 116
<u>EXPENDITURES</u>				
Current:				
General Government Services	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	116	116
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	1,216	1,216
NET CHANGE IN FUND BALANCES	-	-	1,332	1,332
FUND BALANCES, October 1, 2008	-	-	113,869	113,869
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,201</u>	<u>\$ 115,201</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Tax Collector Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 2,114,570	\$ 2,114,570	\$ 2,562,775	\$ 448,205
Miscellaneous Revenue	51,700	51,700	651	(51,049)
TOTAL REVENUES	2,166,270	2,166,270	2,563,426	397,156
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,019,364	2,019,364	1,904,096	115,268
EXCESS OF REVENUES OVER EXPENDITURES	146,906	146,906	659,330	512,424
<u>OTHER FINANCING USES</u>				
Transfers Out	(146,906)	(146,906)	(559,330)	(412,424)
NET CHANGE IN FUND BALANCES	-	-	100,000	100,000
FUND BALANCES, October 1, 2008	-	-	-	-
FUND BALANCES, September 30, 2009	\$ -	\$ -	\$ 100,000	\$ 100,000

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Property Appraiser Fund
For the Year Ended September 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 40,000	\$ 40,000
Charges for Services	36,966	42,716	43,344	628
Miscellaneous Revenue	-	-	1,261	1,261
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	36,966	42,716	84,605	41,889
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>1,632,062</u>	<u>1,638,079</u>	<u>1,502,682</u>	<u>135,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,595,096)</u>	<u>(1,595,363)</u>	<u>(1,418,077)</u>	<u>177,286</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,595,096	1,595,363	1,595,363	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(177,286)</u>	<u>(177,286)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,595,096</u>	<u>1,595,363</u>	<u>1,418,077</u>	<u>(177,286)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Future Capital Improvement Debt Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 123	\$ 123
<u>EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	123	123
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>41,355</u>	<u>41,355</u>
FUND BALANCES, September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 41,478</u></u>	<u><u>\$ 41,478</u></u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – MSBU Loan Fund
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for Services	\$ 250,175	\$ 250,175	\$ 180,552	\$ (69,623)
Miscellaneous Revenue	<u>3,525</u>	<u>3,525</u>	<u>933</u>	<u>(2,592)</u>
TOTAL REVENUES	<u>253,700</u>	<u>253,700</u>	<u>181,485</u>	<u>(72,215)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	20,000	20,000	-	20,000
Debt Service:				
Principal Retirement	264,525	264,525	264,620	(95)
Interest and Fiscal Charges	<u>95,662</u>	<u>95,662</u>	<u>94,675</u>	<u>987</u>
TOTAL EXPENDITURES	<u>380,187</u>	<u>380,187</u>	<u>359,295</u>	<u>20,892</u>
EXCESS OF REVENUES UNDER				
EXPENDITURES	(126,487)	(126,487)	(177,810)	(51,323)
FUND BALANCES, October 1, 2008	<u>126,487</u>	<u>126,487</u>	<u>385,192</u>	<u>258,705</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,382</u>	<u>\$ 207,382</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, 2009

	<u>Budgeted Amounts</u>			<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 1,963,260	\$ 1,963,260	\$ 283,066	\$(1,680,194)
Miscellaneous Revenue	850	850	9,559	8,709
TOTAL REVENUES	<u>1,964,110</u>	<u>1,964,110</u>	<u>292,625</u>	<u>(1,671,485)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	25,850	25,850	-	25,850
Capital Outlay	1,963,260	2,063,260	286,171	1,777,089
TOTAL EXPENDITURES	<u>1,989,110</u>	<u>2,089,110</u>	<u>286,171</u>	<u>1,802,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(125,000)	6,454	131,454
<u>OTHER FINANCING SOURCES</u>				
Transfers In	25,000	125,000	125,000	-
NET CHANGE IN FUND BALANCES	-	-	131,454	131,454
FUND BALANCES, October 1, 2008	-	-	227,391	227,391
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,845</u>	<u>\$ 358,845</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, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 1,500,000	\$ 4,423,198	\$ 3,660,498	\$ (762,700)
<u>EXPENDITURES</u>				
Capital Outlay	<u>1,500,000</u>	<u>4,423,198</u>	<u>3,633,398</u>	<u>789,800</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	27,100	27,100
FUND BALANCES, October 1, 2008	<u>-</u>	<u>-</u>	<u>(109,818)</u>	<u>(109,818)</u>
FUND BALANCES, September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,718)</u>	<u>\$ (82,718)</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Better Place Plan Fund
For the Year Ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Taxes	\$ 4,989,500	\$ 4,989,500	\$ 4,361,574	\$ (627,926)
Miscellaneous Revenue	-	-	426	426
TOTAL REVENUES	<u>4,989,500</u>	<u>4,989,500</u>	<u>4,362,000</u>	<u>(627,500)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	96,959	96,959	-	96,959
Capital Outlay	3,725,000	3,725,000	741,564	2,983,436
Debt Service:				
Principal Retirement	795,000	795,000	1,085,000	(290,000)
Interest and Fiscal Charges	<u>372,541</u>	<u>372,541</u>	<u>487,255</u>	<u>(114,714)</u>
TOTAL EXPENDITURES	<u>4,989,500</u>	<u>4,989,500</u>	<u>2,313,819</u>	<u>2,675,681</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	2,048,181	2,048,181
FUND BALANCES - October 1, 2008	<u>-</u>	<u>-</u>	<u>(47,198)</u>	<u>(47,198)</u>
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,983</u>	<u>\$ 2,000,983</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 Assets - Internal Service Funds
September 30, 2009

	<u>Fleet Maintenance</u>	<u>Group Insurance</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 19,298	\$ 1,676,726	\$ 1,595,077	\$ 3,291,101
Due From Other Funds	-	186,072	-	186,072
Due From Other Governments	3,545	-	-	3,545
Inventory	100,294	-	-	100,294
Other Assets	-	-	1,004	1,004
TOTAL CURRENT ASSETS	123,137	1,862,798	1,596,081	3,582,016
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	56,414	-	-	56,414
TOTAL ASSETS	179,551	1,862,798	1,596,081	3,638,430
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	23,576	103,613	120,992	248,181
Estimated Liability for Self-Insured Losses	-	-	429,152	429,152
Compensated Absences	11,000	-	4,000	15,000
TOTAL CURRENT LIABILITIES	34,576	103,613	554,144	692,333
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	8,000	-	2,800	10,800
Other Noncurrent Liabilities	3,158	-	632	3,790
TOTAL LIABILITIES	45,734	103,613	557,576	706,923
<u>NET ASSETS</u>				
Invested in Capital Assets	56,414	-	-	56,414
Unrestricted	77,403	1,759,185	1,038,505	2,875,093
TOTAL NET ASSETS	<u>\$ 133,817</u>	<u>\$ 1,759,185</u>	<u>\$ 1,038,505</u>	<u>\$ 2,931,507</u>

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2009

	<u>Fleet Maintenance</u>	<u>Group Insurance Reserve</u>	<u>Risk Management Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 871,339	\$ 6,526,920	\$ 1,158,559	\$ 8,556,818
Miscellaneous	<u>7,309</u>	<u>2,034</u>	<u>3,959</u>	<u>13,302</u>
TOTAL OPERATING REVENUES	<u>878,648</u>	<u>6,528,954</u>	<u>1,162,518</u>	<u>8,570,120</u>
<u>OPERATING EXPENSES</u>				
Personal Services	336,456	-	53,942	390,398
Insurance	19,895	5,454,084	684,116	6,158,095
Claims Expense	-	-	408,292	408,292
Contractual Services	284,161	14,411	350	298,922
Repairs and Maintenance	21,864	-	22,658	44,522
Other Operating Expenses	285,113	167	724	286,004
Depreciation Expense	<u>14,689</u>	<u>-</u>	<u>-</u>	<u>14,689</u>
TOTAL OPERATING EXPENSES	<u>962,178</u>	<u>5,468,662</u>	<u>1,170,082</u>	<u>7,600,922</u>
OPERATING INCOME (LOSS)	<u>(83,530)</u>	<u>1,060,292</u>	<u>(7,564)</u>	<u>969,198</u>
<u>TRANSFERS</u>				
Transfers In	-	57,144	179,642	236,786
Transfers Out	<u>(3,362)</u>	<u>-</u>	<u>-</u>	<u>(3,362)</u>
TOTAL TRANSFERS	<u>(3,362)</u>	<u>57,144</u>	<u>179,642</u>	<u>233,424</u>
CHANGE IN NET ASSETS	(86,892)	1,117,436	172,078	1,202,622
NET ASSETS, October 1, 2008	<u>220,709</u>	<u>641,749</u>	<u>866,427</u>	<u>1,728,885</u>
NET ASSETS, September 30, 2009	<u><u>\$ 133,817</u></u>	<u><u>\$ 1,759,185</u></u>	<u><u>\$ 1,038,505</u></u>	<u><u>\$ 2,931,507</u></u>

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended September 30, 2009

	<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	\$ 879,263	\$ 6,609,107	\$ 1,202,402	\$ 8,690,772
Payments to Suppliers	(629,324)	(5,397,921)	(1,107,512)	(7,134,757)
Payments to Employees	(340,598)	-	(51,810)	(392,408)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(90,659)</u>	<u>1,211,186</u>	<u>43,080</u>	<u>1,163,607</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	57,144	179,642	236,786
Transfers Out	(3,362)	-	-	(3,362)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(3,362)</u>	<u>57,144</u>	<u>179,642</u>	<u>233,424</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(9,296)	-	-	(9,296)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(103,317)	1,268,330	222,722	1,387,735
CASH AND EQUIVALENTS, October 1, 2008	<u>122,615</u>	<u>408,396</u>	<u>1,372,355</u>	<u>1,903,366</u>
CASH AND EQUIVALENTS, September 30, 2009	<u><u>\$ 19,298</u></u>	<u><u>\$ 1,676,726</u></u>	<u><u>\$ 1,595,077</u></u>	<u><u>\$ 3,291,101</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (83,530)	\$ 1,060,292	\$ (7,564)	\$ 969,198
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	14,689	-	-	14,689
Changes in:				
Receivables	-	-	12,139	12,139
Due From Other Funds	-	80,153	-	80,153
Due From Other Governments	615	-	-	615
Inventory	(2,594)	-	-	(2,594)
Other Assets	-	-	27,745	27,745
Accounts Payable and Accrued Liabilities	(15,697)	70,741	58,998	114,042
Estimated Liability For Self-Insured Losses	-	-	(50,370)	(50,370)
Compensated Absences	(7,300)	-	1,500	(5,800)
Other Noncurrent Liabilities	3,158	-	632	3,790
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (90,659)</u></u>	<u><u>\$ 1,211,186</u></u>	<u><u>\$ 43,080</u></u>	<u><u>\$ 1,163,607</u></u>

Fiduciary Funds

Agency Funds

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

The County maintains the following Agency Funds:

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

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

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

Putnam County, Florida
Combining Statement of Fiduciary Net Assets – Agency Funds
September 30, 2009

	Clerk of the Circuit <u>Court</u>	<u>Sheriff</u>	Tax <u>Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 1,137,574	\$ 84,427	\$ 2,026,706	\$ 3,248,707
Receivables	<u>-</u>	<u>-</u>	<u>6,842</u>	<u>6,842</u>
TOTAL ASSETS	1,137,574	84,427	2,033,548	3,255,549
<u>LIABILITIES</u>				
Assets Held for Others	<u>1,137,574</u>	<u>84,427</u>	<u>2,033,548</u>	<u>3,255,549</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2009

	Balance October 1, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2009</u>
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 1,878,308	\$ 1,794,507	\$ 2,535,241	\$ 1,137,574
Liabilities:				
Assets Held for Others	\$ 1,878,308	\$ 1,794,507	\$ 2,535,241	\$ 1,137,574
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	\$ 79,408	\$ 1,816,439	\$ 1,811,420	\$ 84,427
Liabilities:				
Assets Held for Others	\$ 79,408	\$ 1,816,439	\$ 1,811,420	\$ 84,427
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 1,795,506	\$ 125,685,534	\$ 125,454,334	\$ 2,026,706
Receivables	7,285	27,203,184	27,203,627	6,842
Due From Other Funds	-	5,804	5,804	-
Total Assets	<u>\$ 1,802,791</u>	<u>\$ 152,894,522</u>	<u>\$ 152,663,765</u>	<u>\$ 2,033,548</u>
Liabilities:				
Due to Other Governments	\$ 27,125	\$ 36,522,629	\$ 36,549,754	\$ -
Assets Held for Others	1,775,666	116,370,965	116,113,083	2,033,548
Due to Other Funds	-	928	928	-
Total Liabilities	<u>\$ 1,802,791</u>	<u>\$ 152,894,522</u>	<u>\$ 152,663,765</u>	<u>\$ 2,033,548</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 3,753,222	\$ 129,296,480	\$ 129,800,995	\$ 3,248,707
Receivables	7,285	27,203,184	27,203,627	6,842
Due From Other Funds	-	5,804	5,804	-
Total Assets	<u>\$ 3,760,507</u>	<u>\$ 156,505,468</u>	<u>\$ 157,010,426</u>	<u>\$ 3,255,549</u>
Liabilities:				
Due to Other Funds	\$ -	\$ 928	\$ 928	\$ -
Due to Other Governments	27,125	36,522,629	36,549,754	-
Assets Held for Others	3,733,382	119,981,911	120,459,744	3,255,549
Total Liabilities	<u>\$ 3,760,507</u>	<u>\$ 156,505,468</u>	<u>\$ 157,010,426</u>	<u>\$ 3,255,549</u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2009

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>	<u>Program Total</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
Direct Assistance:				
Water and Waste Disposal Loans - Rural Development	10.770	Series 2008A and 2008B	\$ 6,142,498	
Water and Waste Disposal Grants - Rural Development	10.770		3,762,537	9,905,035
Watershed Protection and Flood Prevention	10.904	69-4209-9-1697	179,524	
<u>DEPARTMENT OF EDUCATION</u>				
Passed Through Florida Department of Law Enforcement:				
Safe and Drug-Free Schools and Communities	84.186	2008-DCF-PUTN1-T6-029	65,000	
<u>DEPARTMENT OF THE INTERIOR</u>				
Passed Through Florida Department of Environmental Protection:				
Outdoor Recreation Acquisition, Development and Planning	15.916	LWCF12-00539	143,550	
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
Office of National Drug Control and Policy				
Passed Through St Johns County, Florida				
High Intensity Drug Trafficking	07.XXX	I8PNFP501Z	2,789	
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through State Department of Community Affairs:				
Disaster Grants - Public Assistance - Tropical Storm Fay	97.036	09-FA-B9-04-64-00-610	444,012	
Disaster Grants - Public Assistance - N.E. Florida Flooding	97.036	09-MW-00-04-64-13-505	268,833	712,845
Emergency Management Performance Grants	97.042	09-BG-20-04-64-01-060	29,220	
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Passed Through State Department of Environmental Protection:				
Capitalization Grant for Drinking Water State Revolving Fund	66.468	DW 5401010	4,361,619	
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through State Department of Revenue:				
Child Support Enforcement-Title IV-D Reimbursements	93.563	CD354	225,758	
<u>DEPARTMENT OF JUSTICE</u>				
Direct Assistance:				
Public Safety Partnership and Community Policing	16.710	2005-CK-WX-0159	7,629	
Public Safety Partnership and Community Policing	16.710	2006-CK-WX-0378	6,430	
Public Safety Partnership and Community Policing	16.710	2008-CK-WX-0340	120,541	134,600
Byrne Justice Assistance Grant Program	16.738	2008-DJ-BX-0572	19,187	
Passed Through Florida Department of Law Enforcement:				
Byrne Justice Assistance Grant Program	16.738	2009-JAGC-PUTN-2-T7-033	13,978	33,165
Passed Through Department of Juvenile Justice:				
Juvenile Justice and Delinquency Prevention	16.540	Q8910	73,900	
Juvenile Justice and Delinquency Prevention	16.540	0270A, 2007JFFX047	12,300	86,200
Passed Through Office of Attorney General:				
Crime Victim Assistance	16.575	V-8144	76,897	
Passed Through Department of Children and Families:				
Violence Against Women Formula Grant	16.588	LN825	52,273	
Violence Against Women Formula Grant	16.588	LN925	17,115	69,388
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed Through Florida Department of Transportation:				
State and Community Highway Safety - Motorcycle Safety	20.600	MC-09-10-03	2,253	
State and Community Highway Safety - Teen Safety	20.600	CP-09-04-21, APH07	13,197	
Alcohol Traffic Safety and Drunk Driving Incentive Grant	20.601	K8-08-06-16	30,777	
Total Highway Safety Cluster				46,227
Highway Planning and Construction	20.205	403855-3-38-01, SFLT204	266,549	
Highway Planning and Construction	20.205	210031-7-38-01, 3751007P	113,911	
Highway Planning and Construction	20.205	210031-6-38-01, 3751008P	125,308	505,768
Direct Assistance:				
Federal Transit Capital Investment Grants	20.500	FL-04-7526	595,896	
Federal Transit Capital Investment Grants	20.500	FL-03-7525	37,345	633,241
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 17,210,826</u>	

The accompanying notes are an integral part of this schedule.

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2009

<u>State Agency</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expend- itures</u>	<u>Project Total</u>
<u>DEPARTMENT OF HEALTH</u>				
County Grant Awards – Emergency Medical Services	64.005	C8054	\$ 13,324	
Emergency Medical Services - Matching Awards	64.003	M8044	42,510	
<u>DEPARTMENT OF REVENUE</u>				
Digital Map Conversion Grant Program	73.023	P0084	40,000	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	--	337,045	
Wireless 911 Emergency Telephone System	72.001	W911RS	6,695	343,740
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP-6090	150,000	
Small County Consolidated Grants	37.012	SC927	277,316	
Passed Through St Johns River Water Management District				
Water Protection and Sustainability Program	37.066	SKK33712,WPSP	134,096	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control – State Aid	42.003	14158	39,000	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Emergency Management Programs	52.008	09-BG-03-04-64-01-120	98,365	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	2007-2008	11,315	
State Housing Initiatives Program	52.901	2008-2009	685,726	
State Housing Initiatives Program	52.901	2009-2010	5,299	702,340
Hurricane Housing Recovery Program	52.902	--	109,067	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
State Aid to Libraries	45.030	09-ST-70	263,963	
<u>DEPARTMENT OF TRANSPORTATION</u>				
County Incentive Grant Program - Turn Lane SR100 at 309c	55.008	210031-5-58-01	34,682	
County Incentive Grant Program - Turn Lane at SR115/US17	55.008	209970-4-58-01	29,869	64,551
Small County Road Assistance Program – CR309	55.016	424172-1-58-01	1,337,501	
Small County Road Assistance Program - CR310	55.016	424170-1-58-01	1,425,443	2,762,944
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 5,041,216</u>	

The accompanying notes are an integral part of this schedule.

Putnam County, Florida
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2009

NOTE 1 – BASIS OF PRESENTATION

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

Use of Estimates

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

NOTE 2 – SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Federal Transit Grants	20.500	<u>\$ 633,248</u>

The County did not provide state awards to subrecipients.

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

Management Letter

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of Putnam County, Florida (the "County"), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated March 2, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and U.S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior-year findings 08-2 and 08-3 are once again addressed in the accompanying Schedule of Findings and Questioned Costs as items 09-1 and 09-2. Prior year finding 08-1 was resolved.

Financial Condition

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

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

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the fiscal year ended September 30, 2009, 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, 2009.

Investment of Public Funds

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

Other Matters

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

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

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

Car, Riggs & Ingram LLC

March 2, 2010
Palatka, Florida

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

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Putnam County, Florida (the "County"), as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 2, 2010. Our report on the financial statements explained that the County restated its beginning net assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Carr, Riggs & Ingram LLC

March 2, 2010
Palatka, Florida

**Report on Compliance and on Internal Control Over Compliance Applicable
to Each Major Federal Awards Program and State Financial Assistance
Project**

The Honorable County Commissioners
Putnam County, Florida

Compliance

We have audited the compliance of Putnam County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. The County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding 09-2.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 09-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 09-1 to be a material weakness.

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

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

Car, Riggs & Ingram LLC

March 2, 2010
Palatka, Florida

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2009

SECTION I – SUMMARY OF AUDITORS' RESULTS

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

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Water and Waste Disposal Loans and Grants	10.770
Federal Transit Administration Grants	20.500
Disaster Grants Public Assistance	97.036
<u>State Projects</u>	<u>State CSFA Number</u>
Small County Road Assistance Program	55.016
Wireless 911 Emergency Telephone System	72.001

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

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

-None-

SECTION III – FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS

Questioned
Costs

- 09-1 *Condition* – Internal controls over compliance for the major federal program, CFDA 20.500 - Federal Transit Administration, were not sufficient to ensure that County procurement policies were followed. The County's purchasing policies require written quotes and bid proposals for purchases over certain thresholds. We noted four instances in which the County did not comply with these policies.

--

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

- 09-2 *Condition* – The County did not verify the excluded parties list, or incorporate in its contracts with certain vendors the certification requirements pertaining to debarment and suspension.

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

--

SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relating to the major state projects.

Putnam County, Florida
Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
For the Year Ended September 30, 2009

The following is an update of prior audit findings and is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(b). Prior audit finding 08-2(a) was resolved.

Prior Audit Finding 08-2(b)

Summary of prior audit finding – The County did not always comply with its purchasing policies that require written quotes and bid proposals for purchases over certain thresholds.

Status – As of September 30, 2009 this finding had not been corrected.

Planned corrective action – For all future transactions, the County will adhere to established purchasing policies.

Prior Audit Finding 08-3

Summary of prior audit finding – The County did not incorporate in its contract with a contractor the certification requirements pertaining to suspension and debarment certifications.

Status – As of September 30, 2009 this finding had not been corrected.

Planned corrective action – When the County enters into a covered transaction the County will either include the appropriate suspension and debarment language in the contract with the vendor or it will verify that the vendor is not suspended or debarred by checking the Excluded Parties List System maintained by the General Services Administration and placing appropriate documentation in the grant file.

PUTNAM COUNTY



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

BOARD OF COUNTY COMMISSIONERS

NANCY S. HARRIS
District 1

CHIP LAIBL
District 2

KENNY EUBANKS
District 3

ED TAYLOR
District 4

BRAD PURCELL
District 5

March 2, 2010

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

**SUBJECT: CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009
PUTNAM COUNTY BOARD OF COUNTY COMMISSIONERS**

Dear Mr. Martin:

In accordance with Section 218.39 (8), Florida Statutes, the following statements are submitted in response to the Putnam County Board of County Commissioners Audit Report for the fiscal year ending September 30, 2009. The response is keyed to the numbering of the Schedule of Findings:

- 09-1 For all future transactions, the County will strictly adhere to the established purchasing policies.
- 09-2 When the County enters into a covered transaction it will verify that the vendor is not suspended or debarred or otherwise excluded by checking the Excluded Parties List System maintained by the General Services Administration and placing appropriate documentation in the grant file.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Laibl".

Chip Laibl
Chairman, Board of County Commissioners

PUTNAM COUNTY
CLERK OF THE CIRCUIT COURT

AUDIT REPORT

SEPTEMBER 30, 2009

**Putnam County Clerk of the Circuit Court
Audit Report
September 30, 2009**

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Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

Gainesville

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Independent Auditors' Report

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

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Putnam County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office at September 30, 2009, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2009 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

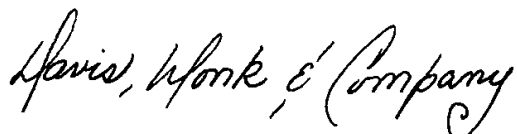
The Honorable Tim Smith
Clerk of the Circuit Court
Putnam County, Florida

Page Two

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

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

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

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

December 30, 2009
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2009
Putnam County Clerk of the Circuit Court

	General <u>Fund</u>	Court <u>Fund</u>	Records Modernization <u>Fund</u>	Article V Records Modernization <u>Fund</u>	Total Governmental <u>Funds</u>
<u>ASSETS</u>					
Equity in Pooled Cash and Equivalents	\$ 165,467	\$ 347,022	\$ 210,796	\$ 537,624	\$1,260,909
Accounts Receivable	3,155	71,534	-	-	74,689
Due From Other Governments	24,582	917	-	-	25,499
Prepays	-	-	40,809	122,427	163,236
Other Assets	6,942	-	-	-	6,942
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 200,146</u>	<u>\$ 419,473</u>	<u>\$ 251,605</u>	<u>\$ 660,051</u>	<u>\$1,531,275</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued					
Liabilities	\$ 115,512	\$ 55,917	\$ -	\$ -	\$ 171,429
Due to Other County Agencies	44,116	26,967	-	-	71,083
Due to Other Governments	40,518	266,790	-	-	307,308
Deferred Revenue	-	69,799	-	-	69,799
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>200,146</u>	<u>419,473</u>	<u>-</u>	<u>-</u>	<u>619,619</u>
<u>FUND BALANCES</u>					
Reserved for Prepays	-	-	40,809	122,427	163,236
Unreserved – Undesignated	-	-	210,796	537,624	748,420
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>251,605</u>	<u>660,051</u>	<u>911,656</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 200,146</u>	<u>\$ 419,473</u>	<u>\$ 251,605</u>	<u>\$ 660,051</u>	<u>\$1,531,275</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009
Putnam County Clerk of the Circuit Court

	General Fund	Court Fund	Records Modernization Fund	Article V Records Modernization Fund	Total Governmental Funds
<u>REVENUES</u>					
Intergovernmental	\$ 225,758	\$ 995,081	\$ -	\$ -	\$ 1,220,839
Charges for Services	353,918	754,691	28,890	79,973	1,217,472
Fines and Forfeitures	-	286,815	-	9,659	296,474
Interest	5,689	204	375	735	7,003
Other Miscellaneous Revenue	12,551	700	-	-	13,251
TOTAL REVENUES	597,916	2,037,491	29,265	90,367	2,755,039
<u>EXPENDITURES</u>					
Current:					
General Government Services	1,797,624	-	-	-	1,797,624
Court Related	243,091	1,950,268	-	-	2,193,359
Debt Service:					
Principal	14,464	-	-	-	14,464
Interest	525	-	-	-	525
TOTAL EXPENDITURES	2,055,704	1,950,268	-	-	4,005,972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,457,788)	87,223	29,265	90,367	(1,250,933)
<u>OTHER FINANCING SOURCES (USES)</u>					
Appropriation from Board of County Commissioners	1,492,624	-	-	-	1,492,624
Budget Appropriation Reverted to Board of County Commissioners	(34,836)	-	-	-	(34,836)
Reversion to the Clerks of Court Operations Corporation	-	(53,195)	-	-	(53,195)
Reversion to the Justice Administrative Commission	-	(34,028)	-	-	(34,028)
TOTAL OTHER FINANCING SOURCES (USES)	1,457,788	(87,223)	-	-	1,370,565
NET CHANGE IN FUND BALANCES	-	-	29,265	90,367	119,632
FUND BALANCES - October 1, 2008	-	-	222,340	569,684	792,024
FUND BALANCES - September 30, 2009	\$ -	\$ -	\$ 251,605	\$ 660,051	\$ 911,656

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

Statement of Fiduciary Net Assets
September 30, 2009
Putnam County Clerk of the Circuit Court

	AGENCY <u>FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Equivalents	\$1,137,574
<u>LIABILITIES</u>	
Assets Held for Others	<u>1,137,574</u>
NET ASSETS	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2009
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

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

The Office reports the following major governmental funds:

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

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

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

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

Notes to Financial Statements
September 30, 2009
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the Office reports the following fiduciary fund:

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

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Equity in Pooled Cash and Equivalents

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

Notes to Financial Statements
September 30, 2009
Putnam County Clerk of the Circuit Court

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

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

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

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

Prepays

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

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

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

Notes to Financial Statements
September 30, 2009
Putnam County Clerk of the Circuit Court

NOTE 2 – DEPOSITS AND INVESTMENTS

Investment in State Pool

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

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

Florida PRIME	\$ 102,740
Fund B	<u>3,841</u>
Total	<u><u>\$ 106,581</u></u>

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

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

The Florida PRIME is rated by Standard and Poors and has a rating at September 30, 2009 of AAAm.

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

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

The weighted average maturity (WAM) of Florida PRIME at September 30, 2009 was 33 days.

The weighted average life (WAL) of Fund B at September 30, 2009 was 6.69 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. Since Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

Notes to Financial Statements
September 30, 2009
Putnam County Clerk of the Circuit Court

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2008</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE SEPTEMBER 30, <u>2009</u>	DUE WITHIN <u>ONE YEAR</u>
Note Payable	\$ 14,464	\$ -	\$ 14,464	\$ -	\$ -
Compensated Absences	<u>230,000</u>	<u>290,000</u>	<u>272,000</u>	<u>248,000</u>	<u>134,000</u>
Totals	<u>\$244,464</u>	<u>\$ 290,000</u>	<u>\$ 286,464</u>	<u>\$ 248,000</u>	<u>\$134,000</u>

The note payable consists of a 5.1% agreement with a financial institution and is secured by a new vehicle. There is no future debt service as of September 30, 2009.

NOTE 4 – PENSION PLAN

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

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office’s contributions to the System for the years ended September 30, 2009, 2008 and 2007 were approximately \$265,000, \$267,000 and \$270,000, respectively, equal to the required contributions for each year.

NOTE 5 – RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2009
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 224,900	\$ 224,900	\$ 225,758	\$ 858
Charges for Services	487,420	487,420	353,918	(133,502)
Interest	90,000	90,000	5,689	(84,311)
Other Miscellaneous Revenue	3,500	3,500	12,551	9,051
TOTAL REVENUES	805,820	805,820	597,916	(207,904)
<u>EXPENDITURES</u>				
Current:				
General Government Services	2,019,174	2,019,174	1,797,624	221,550
Court Related	269,670	269,670	243,091	26,579
Debt Service:				
Principal	8,500	8,500	14,464	(5,964)
Interest	1,100	1,100	525	575
TOTAL EXPENDITURES	2,298,444	2,298,444	2,055,704	242,740
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,492,624)	(1,492,624)	(1,457,788)	34,836
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,492,624	1,492,624	1,492,624	-
Budget Appropriation Reverted to Board of County Commissioners	-	-	(34,836)	(34,836)
TOTAL OTHER FINANCING SOURCES (USES)	1,492,624	1,492,624	1,457,788	(34,836)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2008	-	-	-	-
FUND BALANCES - September 30, 2009	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Court Fund
For the Year Ended September 30, 2009
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 591,542	\$ 979,140	\$ 995,081	\$ 15,941
Charges for Services	1,320,000	866,922	754,691	(112,231)
Fines and Forfeitures	450,000	295,541	286,815	(8,726)
Interest	-	-	204	204
Other Miscellaneous Revenue	-	-	700	700
	<u>2,361,542</u>	<u>2,141,603</u>	<u>2,037,491</u>	<u>(104,112)</u>
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>2,361,542</u>	<u>2,141,603</u>	<u>1,950,268</u>	<u>191,335</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>87,223</u>	<u>87,223</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Reversion to the Clerks of Court				
Operations Corporation	-	-	(53,195)	(53,195)
Reversion to the Justice				
Administrative Commission	-	-	(34,028)	(34,028)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(87,223)</u>	<u>(87,223)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

For the period October 1, 2008 through June 30, 2009, the budget was funded from fees, service charges, court costs and fines retained by the Clerk of Courts and supplemented by the Clerks of Court Operations Corporation. Pursuant to Section 28.36, Florida Statutes, the budget became subject to the General Appropriations Act of the Florida Legislature effective July 1, 2009. The State of Florida releases this appropriation on a monthly basis, therefore, only three months of this appropriation is available during the county fiscal year reporting period. As such, the budgeted amounts reflected in the schedule are comprised of nine months of activity from the Clerk's 2009 fiscal year and three months of activity from the State's 2010 fiscal year. The fund is the legal level of control.

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
For the Year Ended September 30, 2009
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for Services	\$ 40,000	\$ 40,000	\$ 28,890	\$ (11,110)
Interest	<u>5,000</u>	<u>5,000</u>	<u>375</u>	<u>(4,625)</u>
TOTAL REVENUES	45,000	45,000	29,265	(15,735)
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	29,265	29,265
FUND BALANCES - October 1, 2008	<u>-</u>	<u>-</u>	<u>222,340</u>	<u>222,340</u>
FUND BALANCES - September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 251,605</u></u>	<u><u>\$ 251,605</u></u>

Notes to Schedule:

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

SUPPLEMENTAL INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Article V Records Modernization Fund
For the Year Ended September 30, 2009
Putnam County Clerk of the Circuit Court

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final <u>Budget</u>
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>		
Charges for Services	\$ 82,000	\$ 82,000	\$ 79,973	\$ (2,027)
Fines and Forfeitures	-	-	9,659	9,659
Interest	8,000	8,000	735	(7,265)
TOTAL REVENUES	90,000	90,000	90,367	367
<u>EXPENDITURES</u>				
Current:				
Court Related	90,000	90,000	-	90,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	90,367	90,367
FUND BALANCES - October 1, 2008	-	-	569,684	569,684
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 660,051</u>	<u>\$ 660,051</u>

Notes to Schedule:

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

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



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& Business Consultants

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Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Management Letter

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no findings or recommendations in the preceding audit report.

Investment of Public Funds

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

Sections 28.35 and 28.36, Florida Statutes

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

Other Matters

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

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

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

Page Two

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.

Harris, Hunk, & Company

December 30, 2009
Palatka, Florida



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

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Putnam County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated December 30, 2009. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting

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

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

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

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Compliance and Other Matters

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

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

Page Three

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

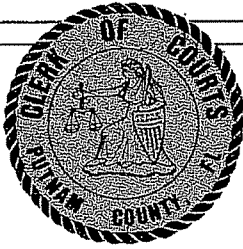
Management Representations

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

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

Lewis, Work, & Company

December 30, 2009
Palatka, Florida



Office of
Clerk of Court
Tim Smith

December 30, 2009

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

Dear Mr. Martin:

In accordance with Section 218.39 (8), Florida Statutes, the following statement is submitted in response to the Putnam County Clerk of the Circuit Court Audit Report for the fiscal year ending September 30, 2009.

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

Sincerely,

Tim Smith
Clerk of Circuit Court

PUTNAM COUNTY
SHERIFF

AUDIT REPORT

SEPTEMBER 30, 2009

**Putnam County Sheriff
Audit Report
September 30, 2009**

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Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Independent Auditors' Report

The Honorable Jeff Hardy
Putnam County Sheriff
Putnam County, Florida

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Putnam County Sheriff (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

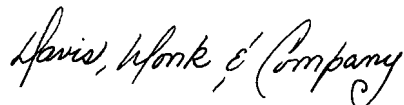
In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office at September 30, 2009, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2009 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

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

December 17, 2009
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2009
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash and Equivalents	\$1,155,506	\$117,275	\$ 9,819	\$1,282,600
Accounts Receivable	-	22,158	-	22,158
Other Assets	175	-	-	175
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$1,155,681</u>	<u>\$139,433</u>	<u>\$ 9,819</u>	<u>\$1,304,933</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	\$ 618,834	\$ 38,042	\$ -	\$ 656,876
Due to Other County Agencies	536,847	-	-	536,847
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,155,681</u>	<u>38,042</u>	<u>-</u>	<u>1,193,723</u>
<u>FUND BALANCES</u>				
Unreserved – Undesignated	-	101,391	9,819	111,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,155,681</u>	<u>\$139,433</u>	<u>\$ 9,819</u>	<u>\$1,304,933</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009
Putnam County Sheriff

	GENERAL FUND	COMMISSARY FUND	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ 200,584	\$ 44	\$ 200,628
<u>EXPENDITURES</u>				
Current:				
Public Safety	16,772,219	189,944	22,213	16,984,376
Court Related	557,144	-	-	557,144
Debt Service:				
Principal	620,830	-	-	620,830
Interest	23,796	-	-	23,796
TOTAL EXPENDITURES	17,973,989	189,944	22,213	18,186,146
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,973,989)	10,640	(22,169)	(17,985,518)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	18,312,038	-	-	18,312,038
Reversion to Board of County Commissioners	(338,049)	(50,408)	-	(388,457)
TOTAL OTHER FINANCING SOURCES (USES)	17,973,989	(50,408)	-	17,923,581
NET CHANGE IN FUND BALANCES	-	(39,768)	(22,169)	(61,937)
FUND BALANCES – October 1, 2008	-	141,159	31,988	173,147
FUND BALANCES – September 30, 2009	\$ -	\$ 101,391	\$ 9,819	\$ 111,210

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

Statement of Fiduciary Net Assets
September 30, 2009
Putnam County Sheriff

	AGENCY
	<u>FUNDS</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 84,427
<u>LIABILITIES</u>	
Assets Held for Others	<u>84,427</u>
NET ASSETS	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2009
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

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

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

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

The Office reports the following nonmajor governmental fund:

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

Notes to Financial Statements
September 30, 2009
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Office also reports the following fiduciary fund type:

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

Measurement Focus/Basis of Accounting

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

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

Notes to Financial Statements
September 30, 2009
Putnam County Sheriff

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Use of Estimates

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

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	BALANCE OCTOBER 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2009
Capital Assets Being Depreciated:				
Buildings	\$ 53,270	\$ -	\$ -	\$ 53,270
Equipment	887,874	298,356	59,577	1,126,653
Vehicles	3,529,981	91,897	105,044	3,516,834
Total Capital Assets Being Depreciated	<u>4,471,125</u>	<u>390,253</u>	<u>164,621</u>	<u>4,696,757</u>
Less Accumulated Depreciation:				
Buildings	15,526	296	-	15,822
Equipment	562,160	47,829	21,891	588,098
Vehicles	1,984,269	111,347	74,381	2,021,235
Total Accumulated Depreciation	<u>2,561,955</u>	<u>159,472</u>	<u>96,272</u>	<u>2,625,155</u>
Total Net Capital Assets	<u>\$ 1,909,170</u>	<u>\$ 230,781</u>	<u>\$ 68,349</u>	<u>\$ 2,071,602</u>

Depreciation expense of \$159,472 applies to the *public safety* function.

Notes to Financial Statements
September 30, 2009
Putnam County Sheriff

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2009	DUE WITHIN ONE YEAR
Compensated Absences	\$ 846,000	\$ 630,000	\$ 627,000	\$ 849,000	\$ 630,000
Capital Lease Obligation	854,599	-	620,830	233,769	221,720
Total	<u>\$ 1,700,599</u>	<u>\$ 630,000</u>	<u>\$ 1,247,830</u>	<u>\$ 1,082,769</u>	<u>\$ 851,720</u>

The capital lease obligations at September 30, 2009 is comprised of an agreement with a financial institution for vehicles with interest rates from 4.1% to 4.7%. The aggregate historical cost of the vehicles is \$1,983,263.

Future minimum lease payments at September 30, 2009 are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2010	\$ 225,632
2011	<u>12,139</u>
Total	237,771
Less: Amount Representing Interest	<u>4,002</u>
Total Minimum Lease Payments	<u>\$ 233,769</u>

NOTE 4 – PENSION PLAN

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

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established

Notes to Financial Statements
September 30, 2009
Putnam County Sheriff

NOTE 4 – PENSION PLAN

and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2009, 2008 and 2007 were approximately \$1,613,800, \$1,542,200 and \$1,498,700, respectively, equal to the required contributions for each year.

NOTE 5 – RISK MANAGEMENT

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

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

NOTE 6 – CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2009
Putnam County Sheriff

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	16,624,298	17,080,020	16,772,219	307,801
Court Related	618,318	618,318	557,144	61,174
Reserve for Contingencies	20,000	-	-	-
Debt Service:				
Principal	591,376	591,376	620,830	(29,454)
Interest	22,324	22,324	23,796	(1,472)
TOTAL EXPENDITURES	17,876,316	18,312,038	17,973,989	338,049
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,876,316)	(18,312,038)	(17,973,989)	338,049
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	17,876,316	18,312,038	18,312,038	-
Reversion to Board of County Commissioners	-	-	(338,049)	(338,049)
TOTAL OTHER FINANCING SOURCES (USES)	17,876,316	18,312,038	17,973,989	(338,049)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2008	-	-	-	-
FUND BALANCES - September 30, 2009	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Commissary Fund
For the Year Ended September 30, 2009
Putnam County Sheriff

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 237,830	\$ 237,830	\$ 200,584	\$ (37,246)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>224,381</u>	<u>225,381</u>	<u>189,944</u>	<u>35,437</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,449	12,449	10,640	(1,809)
<u>OTHER FINANCING SOURCES (USES)</u>				
Reversion to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(50,408)</u>	<u>(50,408)</u>
NET CHANGE IN FUND BALANCES	13,449	12,449	(39,768)	(52,217)
FUND BALANCES - October 1, 2008	<u>(13,449)</u>	<u>(12,449)</u>	<u>141,159</u>	<u>141,159</u>
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,391</u>	<u>\$ 101,391</u>

Notes to Schedule:

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

SUPPLEMENTAL INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2009
Putnam County Sheriff

	INMATE BANK <u>FUND</u>	TRUST <u>FUND</u>	TOTAL AGENCY <u>FUNDS</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 22,801	\$ 61,626	\$ 84,427
<u>LIABILITIES</u>			
Assets Held for Others	<u>22,801</u>	<u>61,626</u>	<u>84,427</u>
NET ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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



Certified Public Accountants
& Business Consultants

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Management Letter

The Honorable Jeff Hardy
Putnam County Sheriff
Putnam County, Florida

We have audited the financial statements of the Putnam County Sheriff, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated December 17, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior-year finding 08-1 is once again addressed in the accompanying Schedule of Findings as item 09-1.

Investment of Public Funds

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

Other Matters

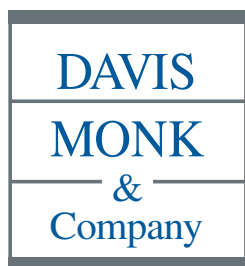
Our audit did not reveal any other matters that we are required to include in this management letter.

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

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

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

December 17, 2009
Palatka, Florida



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The Honorable Jeff Hardy
Putnam County Sheriff
Putnam County, Florida

We have audited the financial statements of each major fund and aggregate remaining fund information of the Putnam County Sheriff (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated December 17, 2009. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 09-1 to be a material weakness.

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Compliance and Other Matters

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

The Honorable Jeff Hardy
Putnam County Sheriff
Putnam County, Florida

Page Three

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Certain material, corrected misstatements were detected as a result of our audit procedures. These misstatements related to accounts payable of the Commissary.

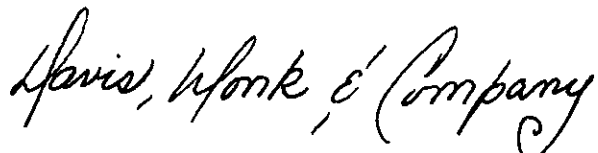
Disagreements with Management

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

Management Representations

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

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

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

December 17, 2009
Palatka, Florida

Putnam County Sheriff
Schedule of Findings
For the Year Ended September 30, 2009

09-1 *Condition:* As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist with the preparation of your financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

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

Jeff Hardy, Sheriff



SHERIFF

Putnam County

December 17, 2009

Honorable David W. Martin
Auditor General
111 West Madison St.
Tallahassee, Florida 32399-1450

Dear Sir,

The financial statement audit of the Putnam County Sheriff's Office for the fiscal year ending September 30, 2009 has been completed by Davis, Monk and Company.

Their audit disclosed a significant deficiency in internal control identified as item 09-1 in the Schedule of Findings.

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

Sincerely,

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

Jeff Hardy
Sheriff

JH:db

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386-329-0800



"To serve and protect"

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

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PUTNAM COUNTY
TAX COLLECTOR

AUDIT REPORT

SEPTEMBER 30, 2009

**Putnam County Tax Collector
Audit Report
September 30, 2009**

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the Putnam County Tax Collector (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the major fund and the aggregate remaining fund information of the Office at September 30, 2009, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2009 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

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

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

December 3, 2009
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2009
Putnam County Tax Collector

	GENERAL <u>FUND</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 685,729
Prepays	100,000
Other Assets	<u>1,300</u>
TOTAL ASSETS	<u><u>\$ 787,029</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 86,052
Due to Other County Agencies	559,330
Deferred Revenue	<u>41,647</u>
TOTAL LIABILITIES	687,029
FUND BALANCE	
Reserved	<u>100,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 787,029</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2009
Putnam County Tax Collector

	GENERAL <u>FUND</u>
<u>REVENUES</u>	
Charges for Services	\$ 2,562,775
Miscellaneous Revenue	<u>651</u>
TOTAL REVENUES	2,563,426
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,904,096</u>
EXCESS OF REVENUES OVER EXPENDITURES	659,330
<u>OTHER FINANCING USES</u>	
Reversion to Board of County Commissioners	<u>(559,330)</u>
NET CHANGE IN FUND BALANCE	100,000
FUND BALANCE - October 1, 2008	<u>-</u>
FUND BALANCE - September 30, 2009	<u><u>\$ 100,000</u></u>

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

Statement of Fiduciary Net Assets
September 30, 2009
Putnam County Tax Collector

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$2,026,706
Accounts Receivable	<u>6,842</u>
TOTAL ASSETS	2,033,548
<u>LIABILITIES</u>	
Assets Held for Others	<u>2,033,548</u>
NET ASSETS	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2009
Putnam County Tax Collector

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

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

The Office reports the following major governmental fund:

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

Additionally, the Office reports the following fiduciary funds:

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

Notes to Financial Statements
September 30, 2009
Putnam County Tax Collector

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Equity in Pooled Cash and Investments

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

Prepays

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

Notes to Financial Statements
September 30, 2009
Putnam County Tax Collector

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

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

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

Notes to Financial Statements
September 30, 2009
Putnam County Tax Collector

NOTE 2 - DEPOSITS AND INVESTMENTS

with Dreyfus Cash Management Institutional Fund. Fund 288 is a Securities and Exchange Commission registered money market fund with the highest credit quality rating from a nationally recognized rating agency. The Office moves excess funds when available during the year into the Dreyfus fund. At September 30, 2009 the office had zero balances held in the fund.

NOTE 3 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, <u>2008</u>			BALANCE SEPTEMBER 30, <u>2009</u>	
		<u>ADDITIONS</u>	<u>DEDUCTIONS</u>		<u>DUE WITHIN ONE YEAR</u>
Compensated Absences	<u>\$ 74,000</u>	<u>\$ 53,800</u>	<u>\$ 42,800</u>	<u>\$ 85,000</u>	<u>\$ 49,000</u>

NOTE 4 - PENSION PLAN

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

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2009, 2008 and 2007 were approximately \$117,000, \$114,000 and \$106,000, respectively, equal to the required contributions for each year.

NOTE 5 - RISK MANAGEMENT

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

Notes to Financial Statements
September 30, 2009
Putnam County Tax Collector

NOTE 6 – DEFERRED COMPENSATION PLANS

The Office offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Putnam County Tax Collector has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 7 - CONTINGENCIES

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2009
Putnam County Tax Collector

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Charges for Services	\$2,114,570	\$2,114,570	\$2,562,775	\$ 448,205
Miscellaneous Revenue	<u>51,700</u>	<u>51,700</u>	<u>651</u>	<u>(51,049)</u>
TOTAL REVENUES	2,166,270	2,166,270	2,563,426	397,156
<u>EXPENDITURES</u>				
Current:				
General Government Services	<u>2,019,364</u>	<u>2,019,364</u>	<u>1,904,096</u>	<u>115,268</u>
EXCESS OF REVENUES OVER EXPENDITURES	146,906	146,906	659,330	512,424
<u>OTHER FINANCING USES</u>				
Reversion to Board of County Commissioners	<u>(146,906)</u>	<u>(146,906)</u>	<u>(559,330)</u>	<u>(412,424)</u>
NET CHANGE IN FUND BALANCES	-	-	100,000	100,000
FUND BALANCES - October 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES- September 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 100,000</u></u>

Notes to Schedule:

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

SUPPLEMENTAL INFORMATION

Combining Statement of Fiduciary Net Assets
Agency Funds
September 30, 2009
Putnam County Tax Collector

	TAX <u>FUND</u>	DELINQUENT TAX <u>FUND</u>	TAG <u>FUND</u>	ESCROW <u>FUND</u>	TOTAL AGENCY <u>FUNDS</u>
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$1,111,755	\$794,569	\$ 87,327	\$ 33,055	\$2,026,706
Accounts Receivable	<u>3,439</u>	<u>3,403</u>	<u>-</u>	<u>-</u>	<u>6,842</u>
TOTAL ASSETS	1,115,194	797,972	87,327	33,055	2,033,548
<u>LIABILITIES</u>					
Assets Held for Others	<u>1,115,194</u>	<u>797,972</u>	<u>87,327</u>	<u>33,055</u>	<u>2,033,548</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



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Management Letter

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

We have audited the financial statements of the Putnam County Tax Collector, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated December 3, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no such findings or recommendations made in the preceding audit.

Investment of Public Funds

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

Other Matters

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

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

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

Davis, Monk, & Company

December 3, 2009
Palatka, Florida



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

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Putnam County Tax Collector (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements and have issued our report thereon dated December 3, 2009. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office, which is an integral part of Putnam County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

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

Page Three

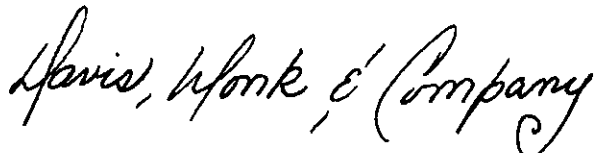
Disagreements with Management

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

Management Representations

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

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

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

December 3, 2009
Palatka, Florida

PUTNAM COUNTY TAX COLLECTOR
KEN MAHAFFEY, CFC

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



December 4, 2009

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

Dear Sir:

An audit of the operations of the Putnam County Tax collector's Office for the fiscal year ending September 30, 2009, has been completed by Davis, Monk and Company.

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

Sincerely,


Ken Mahaffey, CFC
Putnam County Tax Collector

KM/crr

PUTNAM COUNTY
PROPERTY APPRAISER

AUDIT REPORT

SEPTEMBER 30, 2009

**Putnam County Property Appraiser
Audit Report
September 30, 2009**

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Independent Auditors' Report

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

We have audited the accompanying special purpose financial statements of the Putnam County Property Appraiser (the "Office") as of and for the year ended September 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Office at September 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

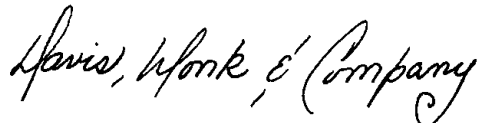
In accordance with *Government Auditing Standards*, we have also issued a report dated January 4, 2010 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Page Two

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

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

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

January 4, 2010
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2009
Putnam County Property Appraiser

	GENERAL <u>FUND</u>
<u>ASSETS</u>	
Cash and Equivalents	\$ 204,676
Other Assets	<u>5,581</u>
TOTAL ASSETS	<u><u>210,257</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable and Accrued Liabilities	\$ 32,971
Due to Other County Agencies	<u>177,286</u>
TOTAL LIABILITIES	210,257
<u>FUND BALANCE</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 210,257</u></u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2009
Putnam County Property Appraiser

	GENERAL FUND
<u>REVENUES</u>	
Intergovernmental Revenue	\$ 40,000
Charges for Services	43,344
Miscellaneous Revenue	<u>1,261</u>
TOTAL REVENUES	84,605
<u>EXPENDITURES</u>	
Current:	
General Government Services	<u>1,502,682</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(1,418,077)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Appropriation from Board of County Commissioners	1,595,363
Reversion to Board of County Commissioners	<u>(177,286)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,418,077</u>
NET CHANGE IN FUND BALANCE	-
FUND BALANCE - October 1, 2008	<u>-</u>
FUND BALANCE - September 30, 2009	<u><u>\$ -</u></u>

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

Notes to Financial Statements
September 30, 2009
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

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

The Office reports the follow major governmental fund:

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements
September 30, 2009
Putnam County Property Appraiser

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

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

	BALANCE OCTOBER 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2009	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 70,000</u>	<u>\$ 83,000</u>	<u>\$ 82,000</u>	<u>\$ 71,000</u>	<u>\$ 29,000</u>

Notes to Financial Statements
September 30, 2009
Putnam County Property Appraiser

NOTE 3 - DEFERRED COMPENSATION PLAN

The Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Putnam County Property Appraiser has complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

NOTE 4 - PENSION PLAN

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

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2009, 2008 and 2007 were approximately \$100,000, \$98,100 and \$107,300, respectively, equal to the required contributions for each year.

NOTE 5 - RISK MANAGEMENT

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

NOTE 6 - CONTINGENCIES

The Office is involved in various lawsuits regarding the assessments of real and tangible personal property. It is the opinion of legal counsel that the outcome of these lawsuits cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2009
Putnam County Property Appraiser

	BUDGETED AMOUNTS			VARIANCE WITH FINAL
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 40,000	\$ 40,000
Charges for Services	36,966	42,716	43,344	628
Miscellaneous Revenue	-	-	1,261	1,261
TOTAL REVENUES	36,966	42,716	84,605	41,889
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,632,062	1,638,079	1,502,682	135,397
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,595,096)	(1,595,363)	(1,418,077)	177,286
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	1,595,096	1,595,363	1,595,363	-
Reversion to Board of County Commissioners	-	-	(177,286)	(177,286)
TOTAL OTHER FINANCING SOURCES (USES)	1,595,096	1,595,363	1,418,077	(177,286)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - October 1, 2008	-	-	-	-
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Schedule:

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

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



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Management Letter

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

We have audited the financial statements of the Putnam County Property Appraiser, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 4, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. There were no findings or recommendations in the preceding audit report.

Investment of Public Funds

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

Other Matters

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

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

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

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

Palatka, Florida



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www.davismonk.com

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

We have audited the financial statements of the Putnam County Property Appraiser (the "Office") as of and for the year ended September 30, 2009, and have issued our report thereon dated January 4, 2010. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting

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

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

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

Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

Compliance and Other Matters

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

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

Page Three

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

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

Harris, Wolk, & Company

January 4, 2010
Palatka, Florida



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

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January 4, 2010

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

Dear Mr. Martin:

Pursuant to the provisions of Section 218.39(6) Florida Statutes, the following is a statement in response to the audit of our office conducted by Davis, Monk and Company for the period of October 1, 2008 to September 30, 2009.

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

Yours very truly,

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

TEP/mbd

cc: Director of Finance, Putnam County

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386/698-4284

Main Office
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312 Oak Street
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Interlachen Annex
Hitchcock's Plaza, SR #20
386/684-3383

PUTNAM COUNTY
SUPERVISOR OF ELECTIONS

AUDIT REPORT

SEPTEMBER 30, 2009

**Putnam County Supervisor of Elections
Audit Report
September 30, 2009**

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Independent Auditors' Report

The Honorable Susan McCool
Supervisor of Elections
Putnam County
Palatka, Florida

We have audited the accompanying financial statements of each major fund of the Putnam County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Office. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Office at September 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

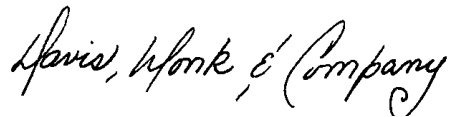
In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2010 on our consideration of the Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable Susan McCool
Supervisor of Elections
Putnam County
Palatka, Florida

Page Two

The budgetary comparison schedule listed in the table of contents as “required supplementary information” is not a required part of the special purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Office has not presented the budgetary comparison information for the Grant Fund that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the special purpose financial statements.

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

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

January 5, 2010
Palatka, Florida

Balance Sheet – Governmental Funds
September 30, 2009
Putnam County Supervisor of Elections

	GENERAL <u>FUND</u>	GRANT <u>FUND</u>	TOTAL GOVERNMENTAL <u>FUNDS</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 448,617	\$ 116,028	\$ 564,645
Due From Other Funds	827	-	827
Prepaid Asset	61,835	-	61,835
TOTAL ASSETS	<u>\$ 511,279</u>	<u>\$ 116,028</u>	<u>\$ 627,307</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts Payable and Accrued Liabilities	\$ 1,735	\$ -	\$ 1,735
Due to Other Funds	-	827	827
Due to Other County Agencies	226,110	-	226,110
Deferred Revenue	221,599	-	221,599
TOTAL LIABILITIES	<u>449,444</u>	<u>827</u>	<u>450,271</u>
<u>FUND BALANCES</u>			
Unreserved – Undesignated	-	115,201	115,201
Reserved	61,835	-	61,835
TOTAL FUND BALANCES	<u>61,835</u>	<u>115,201</u>	<u>177,036</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 511,279</u>	<u>\$ 116,028</u>	<u>\$ 627,307</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2009
Putnam County Supervisor of Elections

	GENERAL FUND	GRANT FUND	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Miscellaneous Revenue	\$ 2,307	\$ 116	\$ 2,423
<u>EXPENDITURES</u>			
Current:			
General Government Services	<u>741,850</u>	<u>-</u>	<u>741,850</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(739,543)</u>	<u>116</u>	<u>(739,427)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Appropriation from Board of County Commissioners	936,397	-	936,397
Reversion to Board of County Commissioners	(226,110)	-	(226,110)
Transfers In	-	1,216	1,216
Transfers Out	<u>(1,216)</u>	<u>-</u>	<u>(1,216)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>709,071</u>	<u>1,216</u>	<u>710,287</u>
NET CHANGE IN FUND BALANCES	(30,472)	1,332	(29,140)
FUND BALANCES - October 1, 2008	<u>92,307</u>	<u>113,869</u>	<u>206,176</u>
FUND BALANCES - September 30, 2009	<u><u>\$ 61,835</u></u>	<u><u>\$ 115,201</u></u>	<u><u>\$ 177,036</u></u>

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

Notes to Financial Statements
September 30, 2009
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds; there are no nonmajor governmental funds:

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

Grant Fund – The Grant Fund is used to account for revenues and expenditures restricted for voter education and voting equipment.

Notes to Financial Statements
September 30, 2009
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus/Basis of Accounting

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

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Prepays

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

Notes to Financial Statements
September 30, 2009
Putnam County Supervisor of Elections

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	BALANCE OCTOBER 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 2009	DUE WITHIN ONE YEAR
Compensated Absences	<u>\$ 28,000</u>	<u>\$ 40,000</u>	<u>\$ 43,000</u>	<u>\$ 25,000</u>	<u>\$ 14,000</u>

NOTE 3 - PENSION PLAN

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

Funding Policy. The System is employee noncontributory. The Office is required to contribute at an actuarially determined rate. The rates at September 30, 2009 were as follows: Regular Employees 9.85%; Special Risk Employees 20.92%; Senior Management 13.12%; Elected Officials 16.53%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2009, 2008 and 2007 were approximately \$32,700, \$35,100 and \$35,000, respectively, equal to the required contributions for each year.

NOTE 4 - RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2009
Putnam County Supervisor of Elections

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 2,307	\$ 2,307
<u>EXPENDITURES</u>				
Current:				
General Government Services	934,397	934,397	741,850	192,547
Reserve for Contingency	2,000	2,000	-	2,000
TOTAL EXPENDITURES	936,397	936,397	741,850	194,547
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(936,397)	(936,397)	(739,543)	196,854
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriation from Board of County Commissioners	936,397	936,397	936,397	-
Reversion to Board of County Commissioners	-	-	(226,110)	(226,110)
Transfers Out	-	-	(1,216)	(1,216)
TOTAL OTHER FINANCING SOURCES (USES)	936,397	936,397	709,071	(227,326)
NET CHANGE IN FUND BALANCES	-	-	(30,472)	(30,472)
FUND BALANCES - October 1, 2008	-	-	92,307	92,307
FUND BALANCES - September 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,835</u>	<u>\$ 61,835</u>

Notes to Schedule:

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

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



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Management Letter

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

We have audited the financial statements of the Putnam County Supervisor of Elections, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 5, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. In that regard, prior-year audit finding 08-2 and 08-3 are once again addressed in the accompanying schedule of findings as items 09-1 and 09-2. Prior-year audit findings 08-1, 08-4 and 08-5 have been corrected.

Investment of Public Funds

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

Other Matters

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

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

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

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

January 5, 2010
Palatka, Florida



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

We have audited the financial statements of each major fund of the Putnam County Supervisor of Elections, (the "Office") as of and for the year ended September 30, 2009, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated January 5, 2010. Our report on the financial statements included a paragraph explaining that the financial statements include only the financial activities of the Office and, accordingly, are not intended to be a complete presentation for Putnam County, the primary government for financial reporting purposes. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

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

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 09-1 and 09-2 to be material weaknesses.

Compliance and Other Matters

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

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

Communication with Those Charged with Governance

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

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Certain material, corrected misstatements were detected as a result of our audit procedures. These misstatements related to the improper recording of deferred revenue and the reversion to the Board.

Additionally, we detected an immaterial uncorrected misstatement to the financial statements which related to an unrecorded liability. Management has determined that the effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

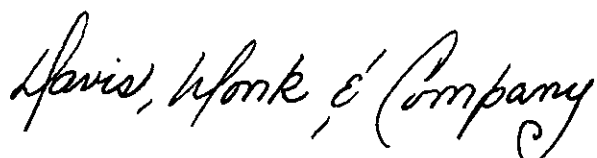
Disagreements with Management

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

Management Representations

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

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



January 5, 2010
Palatka, Florida

Schedule of Findings
For the Year Ended September 30, 2009
Putnam County Supervisor of Elections

- 09-1 *Condition* – Incompatible duties were not adequately segregated so that no one employee had access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation – Duties should be separated to the extent possible.

- 09-2 *Condition* – As part of the audit process, we proposed material adjustments to the Office's financial statements. It was also necessary for us to assist with the preparation of your financial statements. Our proposed adjustments were accepted by management, enabling the financial statements to be fairly presented in conformity with generally accepted accounting principles.

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

Susan C. McCool
Supervisor of Elections
Putnam County



2509 Crill Ave., Suite 900
Palatka, Florida 32177

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

Kim Hankemeyer, Administrative Assistant

January 5, 2010

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

Dear Mr. Martin:

An audit of the financial records of the Putnam County Supervisor of Election for the fiscal year ending September 30, 2009, has been completed by Davis, Monk and Company.

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

In reference to auditor findings # 09-01:

In the matter of incompatible duties, this office recognizes that some duties should be segregated. This office has taken steps to segregate as much as practicable considering the number of employees. We are continually implementing enhancements to the segregation of duties.

In reference to auditor findings #09-02:

In the matter of the audit process, the auditors proposed material adjustments to the Office's financial statements and to assist with preparation of our financial statements; we fully accepted and appreciated their help in conforming to the ever changing generally accepted accounting principles. In the future, we will be requiring our bookkeeper to attend workshops held by Davis, Monk and Company Auditing Firm concerning new or changes to laws pertaining to the Uniform Accounting System Manual (uasm) and Governmental Accounting Standards Board (gasb).

Respectfully submitted,

Susan C. McCool
Supervisor of Elections

cc: Davis, Monk & Company CPA

audit resp ltr fy08-09