

PUTNAM COUNTY FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2006

Front Cover

Dependable public infrastructure is vital to the environmental and economic health of Putnam County and is the foundation of our quality of life. Through the Better Place Plan and a variety of other sources, the County has made unprecedented investments in utilities, roads, and other infrastructure to enhance the quality of life for all citizens of Putnam County.

With the limited resources of a small county, creativity and unwavering commitment are pivotal to our vision of a sustainable community. The **East Putnam Regional Water System** exemplifies such creativity and commitment. Phase I of the water system will provide safe drinking water to citizens from Cracker Swamp Road to Horse Landing Road, with future phases reaching more than 20,000 citizens in East Putnam County.

The cornerstone of the new regional water system is a .93 million gallon per day (MGD) Reverse Osmosis (RO) Water Treatment Facility that is expandable to 4.0 MGD. The County worked with the St. Johns River Water Management District to identify a water source that would minimize the impact to the area's available high quality drinking water. This was accomplished through the identification of a groundwater source that will be treated through the reverse osmosis process. The raw water supply will be from two groundwater wells and the treatment process includes cartridge filtration, RO membrane filtration, degasification towers and odor control facilities. A 250,000-gallon ground storage tank, a high service pump station and a 100,000-gallon elevated storage tank will be constructed as part of the project. The U.S. Department of Rural Development has also contributed to this project by providing a sizeable grant.

The project also includes approximately 25 miles of PVC transmission and distribution piping ranging in size from 6-inches to 24-inches in diameter. The service connections will range in size from ¾-inch to 4-inch diameter to meet the differing needs of residential, commercial, and institutional customers. The extensive distribution system and expandability of the plant provides the County with the ability to meet the growing demand for quality drinking water in East Putnam County for years to come.

INTRODUCTORY SECTION

**STATE OF FLORIDA
COUNTY OF PUTNAM**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
September 30, 2006**

Prepared by:

**Finance and Accounting Department
Of the Clerk of the Circuit Court**

**John H. Jones, CPA, CIA
Director of Finance**

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COUNTY OFFICIALS

BOARD OF COUNTY COMMISSIONERS

Nancy S. Harris	District No. 1
Chip Laibl	District No. 2
Hermon L. Somers, Jr.	District No. 3
Ed Taylor	District No. 4
Brad Purcell	District No. 5

CLERK OF COURTS

Tim Smith

SHERIFF

Dean Kelly

PROPERTY APPRAISER

William L. Pritchett, Jr., CFA

TAX COLLECTOR

Kenneth R. Mahaffey, CFC

SUPERVISOR OF ELECTIONS

Susan C. McCool

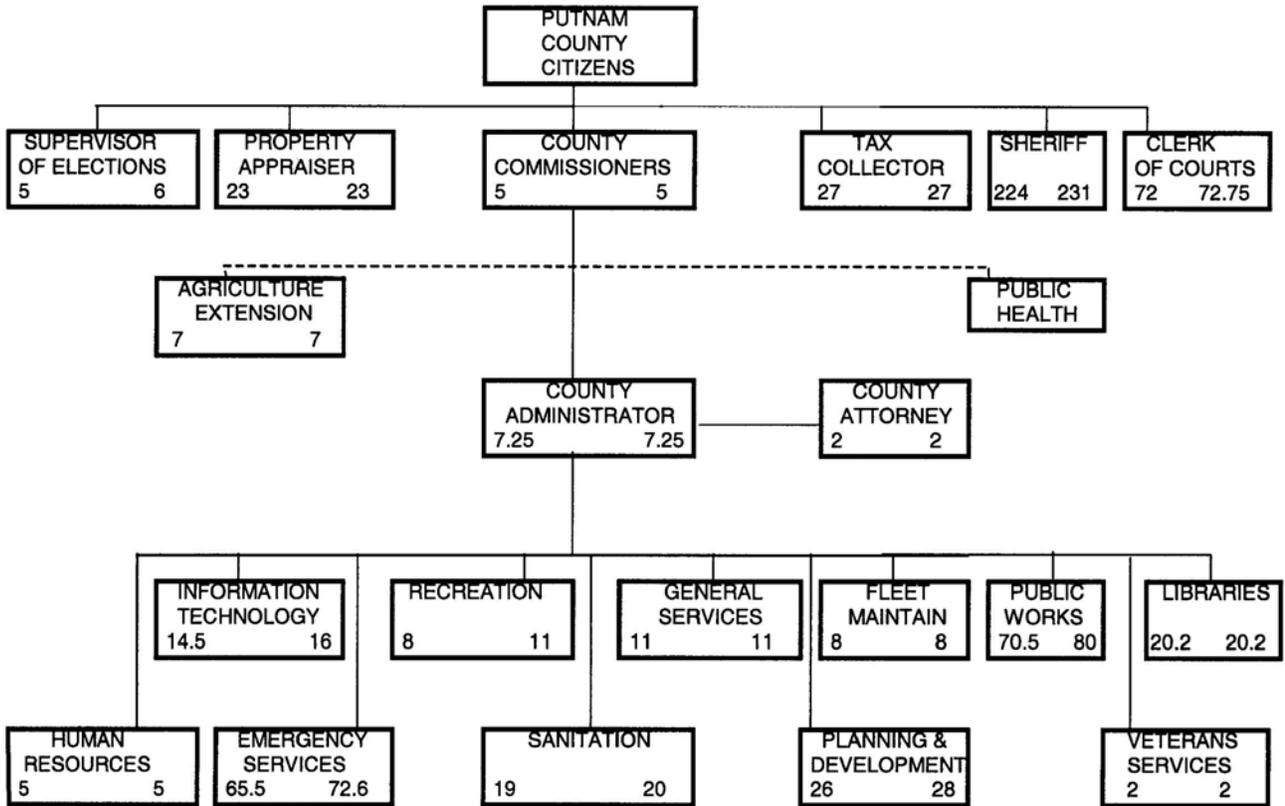
COUNTY ADMINISTRATOR

R. G. Leary

DIRECTOR OF FINANCE

John H. Jones, CPA, CIA

ORGANIZATION CHART



----- = Funded in whole or in part by the County, but administered by other agencies.

Numbers in above boxes equate to authorized Full Time Equivalent (FTE) employees at the end of the Fiscal Year:

Lower Left - Fiscal Year 2004-05
Lower Right - Fiscal Year 2005-06

Total FTE = 621.9
Total FTE = 654.8

SOURCE: PUTNAM COUNTY FLORIDA BUDGET.

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FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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LETTER OF
TRANSMITTAL



**Office of
Clerk of Court
Tim Smith**

March 15, 2007

The Honorable Brad Purcell
Chairman, Board of County Commissioners
P. O. Box 758
Palatka, FL 32178-0758

Dear Mr. Purcell:

In accordance with Section 218.39 of the Florida Statutes, we are pleased to submit to you, the Board of County Commissioners and the Citizens of Putnam County, the Comprehensive Annual Financial Report (CAFR) of Putnam County, Florida, for the fiscal year ended September 30, 2006.

This report was prepared by the Finance Department of the Clerk of the Circuit Court. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Clerk of the Circuit Court as Chief Financial Officer of Putnam County. We believe the data contained in this report is accurate in all material respects and is shown in a manner that fairly presents the financial position of the County at September 30, 2006, and the results of its operations and its cash flows for the year then ended.

County management is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance that the County's assets are safeguarded against loss from unauthorized use or disposition. Additionally, the Clerk of the Circuit Court, through the Finance Department, is responsible for providing reasonable assurance that financial records are reliable for preparing financial statements and that proper accountability for assets is maintained. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires judgments by management. All internal control evaluations occur within this framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The independent accounting firm of Davis, Monk & Company, whose report is herein included, audited the County's Financial Statements. The goal of the audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by Management, and evaluating the overall financial statement presentation. Based upon their independent audit, Davis, Monk & Company concluded that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America for the fiscal year ended September 30, 2006.

Additionally, the audit was also designed to meet the requirements of Generally Accepted Government Auditing Standards, the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996, related OMB Circular A-133, the Florida Single Audit Act, and the Rules of the Auditor General, Chapter 10.550. The standards require the auditor to report on the County's internal controls and legal compliance requirements as they specifically relate to state and federal awards. These reports are presented in the Compliance section of this report.

Putnam County o P.O. Box 758 o Palatka, FL 32178-0758

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with that document. Putnam County's MD&A can be found immediately following the report of the independent auditors.

GOVERNMENT PROFILE

Putnam County was founded in January 1849. The county seat, Palatka, was established in January 1853. The County encompasses approximately 827 square miles and is located in the Northeast region of the State of Florida between Gainesville to the west and Jacksonville to the northeast. On the St. Johns River, Palatka was a major water transportation and commerce center until a fire in 1884 destroyed the majority of the downtown/riverfront area. Today, the river is primarily used for recreational boating and fishing, as are the numerous large and small lakes located throughout the County.

The Board of County Commissioners of Putnam County (the Board) operates under a non-charter form of government under the authority provided in Article III of the Constitution of the State of Florida, which empowers the creation of counties as political subdivisions of the State. Under the Constitution of the State of Florida, the offices of Clerk of Circuit Court, Property Appraiser, Sheriff, Tax Collector and Supervisor of Elections are specifically authorized and empowered to provide their functional services independently of the Board. All elected officials serve four-year terms and those currently in office are identified at the front of this CAFR.

The Board is composed of five members, one from each district within the County. However, each commissioner is elected Countywide. The Commissioners appoint a County Administrator whose duties include the administration of directives and policies of the Board and who has the responsibility for the operation of all business centers and the provision of services under the purview of the Board.

The County is financially accountable for an organization when the County appoints a voting majority of the organization's governing body and is able to impose its will on the organization; or there is a potential for the organization to provide a financial benefit or impose a financial burden on the County; or the organization is fiscally dependent on the County. The Putnam County Development Authority is included as a component unit in the County's reporting entity because the Authority has been deemed to be fiscally dependent on the County. However, the County has determined that the Putnam County Fair Association and the Putnam County School District do not meet the criteria for inclusion in the reporting entity.

Annual budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Prior to June 1, elected constitutional officers, with the exception of the Tax Collector, submit tentative budget requests for the operation of their offices to the Board. Prior to July 15, the County Administrator/Budget Officer and the other members of the Budget Review Committee review these requests and those of the County's various departments for expenditures for the next fiscal year. All previous expenditures, accomplishments and objectives are reviewed. In particular, additional personnel, vehicles, computer equipment and software, and capital outlay appropriation requests are scrutinized. By July 15 the proposed budget is submitted to the Board. The final adoption of the budget by resolution occurs in September after two advertised public hearings are held to obtain taxpayer input. All budget appropriations lapse at year end and are not rolled forward into the next fiscal year unless they are included as expenditures in the next year's budget.

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. The County Administrator/Budget Officer and the Department managers can transfer appropriations within the budget, but cannot change the total appropriation of an individual fund without the approval of the Board.

ECONOMIC CONDITION AND OUTLOOK

Putnam County is a rural county with a population of 74,508 of which approximately 80% is located within the unincorporated areas of the County. The County is growing relatively slowly, but is expected to accelerate its growth pattern supported by increased economic development, the improvement of major transportation arteries and some spillover from surrounding counties which are experiencing explosive growth.

Despite modest growth in financial resources, County management has worked hard to manage the increasing demands on services and infrastructure. Critical review and prioritization of proposed projects has allowed the county to support a reasonable amount of growth, and begin to develop the means to expand commercial development. A one cent voter approved surtax has provided in excess of \$17 million for infrastructure improvements since January 2003. The improvements are helping to promote economic development and an overall improvement in quality of life for the citizens of Putnam County.

The County's unemployment rate of 3.8% for September 2006 is slightly higher than the State's rate of 3.5%, but is 0.5 points or 11.1% lower than the 4.3% rate for September 2005.

The outlook for future economic growth in the County is strong. Some of the factors indicating future growth are as follows:

1. Seminole Electric, the County's largest taxpayer, is planning to expand its operations by adding a third generating unit. Construction is scheduled to begin in September 2008 with commercial operations scheduled to begin in May 2012. While significantly increasing the County's tax base, the \$1.2 billion project will provide an estimated 1,500 skilled construction jobs during the four year construction period. An additional 50 employees will be added to Seminole's work force when the unit goes into service.
2. Wal-Mart has announced plans to construct a large distribution center in the southern end of the County. The proposed 850,000 square foot facility is projected to employ approximately 600 people.
3. Plans for several large residential developments have been revealed in recent months.
4. The recent completion of the four lane Highway 207 from East Palatka to St. Augustine along with the future widening to four lanes of Highway 20 between Palatka and Gainesville will greatly enhance access to the County.

Major Initiatives

To enhance the tax base and create jobs, the County continues to focus on economic development. The Business Park on St. John's Avenue is a major attraction to companies and businesses considering relocation. In March of 2006, the County finalized the sale of 10 acres in the Business Park to a developer who is planning the construction of an upscale office complex. This work is expected to start in 2007. Efforts continue to market a County-owned 50,000 square foot industrial shell building in the Park. Industrial prospects have a keen interest in facilities which can be readily completed to expedite start-up in new locations. Efforts to market the building, when successful, may lead to the construction of another building in the Business Park and commensurate employment opportunities.

In February 2006, construction was completed on a 4,200 square foot building in the Bostwick area. The building will function as a Youth Center / Senior Center for that community and replaces a building destroyed by fire in 2003. The County is currently evaluating potential centers in the southern and western areas of the County.

Following the hurricane season of 2004, the County determined that its existing emergency operations center was inadequate to provide shelter and serve as a base of operations for emergency management personnel. The County

acquired a former telephone center encompassing 20,000 square feet to serve as the new emergency operations center. The building was acquired in June of 2005. Several grant applications have been approved or are pending that would provide funding to make the facility both habitable and functional to withstand a category 5 storm. The space currently occupied by Emergency Services will be turned over to the Sheriff's Department when the renovations at the new location are complete. This will help relieve some overcrowding in the facility where the Sheriff's Department is housed.

The 2004 hurricane season also highlighted deficiencies in countywide coverage of the emergency communications system. Two major communications towers of 400' feet each have been constructed and three shorter receiver towers have been put in place during this fiscal year. Equipment acquisition and installation and microwave installation to achieve connectivity has been completed. These investments have resulted in expanding coverage to 95% of the County, allowing emergency response and coordination to make a major leap forward. Portable radio communication, previously virtually non-existent, is now the norm.

Road projects, including resurfacing, widening and turning "dirt to pavement", continue to place a high demand on the dollars being collected from the one cent infrastructure surtax approved by referendum in 2002. The County is committed to spending \$1,000,000 of these funds each year for resurfacing, with remaining costs funded by grants and general revenue dollars. Although the high cost of asphalt reduced the number of miles that could be resurfaced with the available funds, approximately fifty-seven miles of resurfacing was completed. In addition, Federal Point Rd., Bardin Rd. and CR308 were resurfaced and widened with help from this surtax, in collaboration with funding from the Florida Department of Transportation. Outside consultants designed approximately nine miles of dirt to pavement projects which were completed during the fiscal year.

The Public Works staff continues to pursue grant funds from the State to resurface roads which were formerly the responsibility of the State. County Road 308B and Yelvington Road are projects for the coming year being funded with grants received through their efforts.

Phase II of a Master Stormwater Plan was completed and presented. The first phase identified the major drainage basins and problems associated with each. The Phase II data focused on the work to be done in specific basins to improve drainage on a priority basis. The County will pursue funding to enable it to correct deficiencies in its drainage systems in the coming years.

The design work on the East Putnam Regional Water System was submitted to cognizant state and federal agencies for review. The system will consist of a reverse osmosis treatment plant, storage, transmission and distribution lines. Upon finalization of some funding issues due to increased construction costs, the project, estimated at \$26 million, will be sent to bid. These issues should be resolved in early 2007. Construction time is estimated at eighteen months. The County is continuing to evaluate the various options for developing a wastewater system in the same area as that which will be served by the water system.

The existing jail facility continues to be a situation that must be addressed in the future. A needs assessment indicated that a two hundred bed expansion, renovation of existing cells and improved and expanded ancillary services is necessary. The estimated costs vary, but approximately \$20 million will be required. Rising construction costs and the ensuing anticipated increased operational costs have slowed progress on this project during a time when limited resources make it difficult to consider undertaking a project of this magnitude.

A consultant previously conducted a needs assessment of the court functions and judicial offices. An increasing number of court cases, requiring the assignment of additional court personnel, has created overcrowded conditions in the courthouse and in offices that support the judicial process. A Task Force recommended that the County consider a new, stand-alone structure to address the space requirements for the judiciary and support functions. To this end, a fifty-six acre parcel of property adjacent to the existing jail was acquired in January, 2006. Progress on this project has been slowed by limited resources just as the jail project has been impacted.

Space constraints hamper not only the jail and court system, but also general county government functions. In July 2006 the County purchased an 80,000 square foot shopping complex in another part of the city. Renovation of some of this space to house general county government, which is currently housed in buildings adjacent to the courthouse, will enable the County to ease overcrowding in general county government offices. This will have a domino effect on some of the court-related functions which could then expand into vacated county office space. This will be a short-term solution for some of the court office overcrowding. An architect is working on the renovation design, and it is anticipated that bids will be solicited in April, 2007.

In November 2005 the County satisfied the mortgage on the Putnam Behavioral Healthcare, Inc. facility and the property was transferred to the County. This agency receives annual support from the County and provides mental health and substance abuse services to county residents. Funding reductions from outside entities had jeopardized the agency's continued existence. The fiscal relief provided by the County's payment of the \$1.1 million mortgage has enabled Putnam Behavioral to continue to serve the citizens.

Early in the 2006-07 fiscal year, the County purchased approximately 560 acres of additional property adjacent to its current landfill. The acquisition will assure the County of 50-75 years of land availability for the future disposal of solid waste.

In March 2006 the County joined with the Health Department to construct an additional building at the site of the current Health Department facility. This 3,000 sq. ft. structure will permit expansion for the Health Department into a hardened facility so the Department can continue operations under adverse conditions. Total cost is projected at \$698,000, with completion anticipated in early 2007.

The County partnered with the University of Florida to develop a Master Plan for parks and recreation. The plan is expected to be completed in May 2007 and will recommend facilities expansion/construction to meet the growing demand in organized athletics. Grant funding is enabling the Parks and Recreation Department to oversee improvements at the Francis Sports Complex and the South Putnam Recreation Complex. The County partnered with the Rotary Club to undertake a project of restroom construction adjacent to the children's play area at the central complex. The restrooms were completed in November 2005, and the Rotary Club is undertaking an additional club project to construct a picnic pavilion in the same area of the park. Grant funds were used to replace the Elgin Grove boat ramp with a floating dock. Grant funds will also fund improvements to the Brown's Landing and Welaka boat ramps.

During the previous year, the County was notified that a grant of \$500,000 had been awarded for the expansion of the branch library in Interlachen. Bids were awarded in April, 2006 and the project is expected to be complete in early 2007. The expansion area of nearly 4,000 square feet will double the size of the library. The County will be undertaking the third phase of the renovation of the historic schoolhouse in Bostwick to house a branch library. This work should begin in the Spring of 2007.

The County evaluated the advantages of a fire assessment in lieu of the current fire tax. A Task Force's recommendations for improvements in fire protection services would have necessitated additional revenue in order for all of them to be implemented. An assessment for fire would be applicable to all property without regard to the homestead exemption, and might be a more equitable way to assess the costs for fire protection. In July 2006 the Board of Commissioners determined that it would no longer consider this option.

In the coming year, the county will impose impact fees to generate revenue to offset the capital costs of providing infrastructure for essential county services. Impact fees for schools, fire, transportation, EMS and parks and recreation will become effective March 1, 2007. Impact fees for water and sewer will be considered at a later date.

FINANCIAL POLICIES

General Fund Balance: In 2002, the Board of County Commissioners adopted a General Fund Balance policy which established a “Rainy Day Fund” to be used for the following nonrecurring purposes: (1) the acquisition of capital assets, (2) the non-scheduled retirement of outstanding debt, and (3) for fiscal stabilization such as offsetting short-term revenue shortfalls due to economic downturns.

The policy further requires that the level of unreserved, undesignated fund balance (identified in the policy as the “General Fund Reserve”) shall not be less than 10% of annual General Fund revenues excluding transfers and other financing sources. The County has consistently exceeded the mandated requirement.

Cash Management: The County utilizes a pooled cash account and maintains separate “zero balance” checking accounts for Payroll and Accounts Payable. Funds are automatically drawn from the concentration (operating) account as needed. The County’s financial institution does not require compensating balances. Interest is received monthly on funds remaining in the concentration account.

Cash in excess of amounts needed for immediate operations is invested primarily with the State Board of Administration (state investment pool) and the Florida Local Government Investment Trust. Other cash is invested in money market funds, certificates of deposit, obligations of the United States and Repurchase Agreements.

The County invests funds in accordance with Board policy, which was developed in compliance with the guidelines established in Section 218.415(17), Florida Statutes. This policy allows the County to achieve market rates of return using safety, liquidity and yield, in that order of priority, as its three main objectives.

Risk Management: The County administers a self-insurance program for worker’s compensation coverage. The Risk Management Fund, an Internal Service Fund, provides worker’s compensation coverage for its employees up to a maximum of \$500,000 for each occurrence.

The County provides health and life insurance for its employees via the Group Insurance Reserve Fund (an Internal Service Fund). Under this program, the Insurance Reserve Fund provides life insurance coverage up to a maximum of three times the employee’s salary. Effective October 1, 2002, the County became “fully insured” for its health insurance coverage. As such, the County has no liability for claims beyond the monthly premiums charged by the commercial insurance carrier.

The County is a member of the Florida Association of Counties Trust (the “Trust”), which insures various risks of loss related to general liability, personal injury, and errors and omissions. 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.

LONG-TERM FINANCING PLANNING

The County’s long-term Capital Improvement Plan serves as the starting point in the determination of the need for future financing, however, the decision to issue debt is made on a case by case basis after careful evaluation of all relevant factors. Some of the factors that are considered include the following:

- Current constraints under existing debt covenants
- The County’s current financial condition
- Current market conditions, including current interest rates
- The type, availability and stability of revenues pledged for debt repayment
- Evaluation between the availability of internal and external funding sources

The County’s responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Putnam County’s fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2005/06.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended September 30, 2005. This was the 22nd consecutive year the County has received this prestigious award.

In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement Program. This report will be submitted to the GFOA to determine its eligibility for another certificate.

Additionally, the County has received the GFOA's Distinguished Budget Presentation Award for each of the past twenty one years and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the last three years.

Acknowledgments: A Comprehensive Annual Financial Report of this nature could not have been prepared without the dedicated efforts of the Finance Department staff of the Office of Clerk of Courts. Each member of the department has our sincere appreciation for the contributions made in the presentation of this report. We thank the Board of County Commissioners and the Constitutional Officers for their leadership and support in planning the financial operations of the County in a responsible and progressive manner. We would also like to recognize and thank the members of Davis, Monk & Company, our independent auditors; Mr. Scott Fleming, Assistant Director of Finance; Ms. Sherry Mehl, Director of Administration; Mr. Michael Anderson, Deputy County Administrator/Budget Officer; Ms. Linda Vining, Staff Accountant and Ms. Susan Lemmon, Administrative Assistant; for their valuable assistance and contributions toward this effort.

Respectfully submitted,

Tim Smith

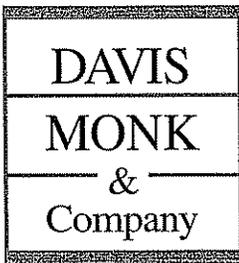
Tim Smith
Clerk of the Circuit Court

John H. Jones

John H. Jones, CPA, CIA
Director of Finance

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FINANCIAL SECTION



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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Members:

CPAmerica International

Florida Institute of
Certified Public Accountants

American Institute of
Certified Public Accountants

Horwath International

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, 2006, 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.

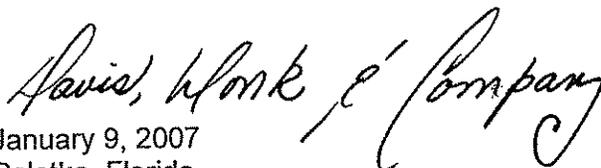
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the County as of September 30, 2006, 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 January 9, 2007 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 beginning net assets to retroactively apply the capitalization requirements to all major general governmental infrastructure assets, and to record certain land that had not been reported in previous years.

Management's discussion and analysis and the budgetary comparison schedules listed in the table of contents as "required supplementary information" 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.


January 9, 2007
Palatka, Florida

MANAGEMENT'S
DISCUSSION
&
ANALYSIS

PUTNAM COUNTY, FLORIDA
Management's Discussion and Analysis
September 30, 2006

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, 2006. 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, 2006 by \$101,171 (*net assets*). Of this amount, \$6,684 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 \$83,983, 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 \$10,504 are restricted by constraints imposed from outside of the County such as debt covenants, grantors, laws, or regulations.
 - 3) \$7,593 of governmental net assets less a deficit of \$909 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 \$13,755 over the previous year with an increase of \$13,040 resulting from governmental activities and an increase of \$715 resulting from business activities.

Fund Statements

- At September 30, 2006, the County's governmental funds reported combined ending fund balances of \$17,166 a decrease of \$2,273 in comparison with the prior fiscal year.
- At September 30, 2006, unreserved fund balance for the General Fund (a major fund) was \$6,907 or 17.8% 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 \$4,756.
- Governmental Fund revenues increased \$8,123 or 13.3% over the prior year. All categories of revenue increased for the year except fines and forfeitures. Tax revenue increased by \$3,430 largely because of a \$2,661 increase in ad valorem tax collections, while intergovernmental revenue increased by \$4,217 because of substantial increases in grant dollars received. Other increases (decreases) were as follow: charges for services, \$570; licenses and permits, \$39; fines and forfeitures, (\$331); and miscellaneous, \$200,

including a \$655 increase in interest earnings and a (\$128) decrease in special assessment collections.

- The County's outstanding governmental long-term obligations decreased by \$12. The change was due to the following: issuances of debt for Sheriff's vehicles in the amount of \$1,052; payment of outstanding principal in the amount of \$1,222; and an increase of accrued compensated absences in the amount of \$158.

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.

The County has adopted the provision for retroactive reporting of general government infrastructure assets. The retroactive reporting provision was implemented for the year ended September 30, 2006.

Fund Financial Statements

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

Governmental funds

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

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

Proprietary funds

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

Fiduciary funds

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

the resources of these funds are not available to support the County's own programs. However, the *Statement of Fiduciary Net Assets-Fiduciary Funds* in the *Basic Financial Statements* is provided for information on the fiduciary funds. In addition, the individual agency funds are presented in the *Supplemental Information* section of this report.

Notes to the Financial Statements

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

Other Information

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

Government-wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$101,171 at the close of the fiscal year ended September 30, 2006. By far the largest portion of the County's net assets, \$83,983 or 83.0%, 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
	2006	2005	2006	2005	2006	2005	
Cash and Investments	\$ 23,404	\$ 22,536	\$ 9,558	\$ 7,465	\$ 32,962	\$ 30,001	9.9%
Other Current Assets	6,472	4,935	319	467	6,791	5,402	25.7%
Capital Assets	80,270	31,787	11,649	12,061	91,919	43,848	109.6%
Total Assets	110,146	59,258	21,526	19,993	131,672	79,251	66.1%
Current Liabilities	9,976	5,908	475	400	10,451	6,308	65.7%
Long-Term Obligations	9,555	9,567	10,495	9,751	20,050	19,318	3.8%
Total Liabilities	19,531	15,475	10,970	10,151	30,501	25,626	19.0%
Net Assets:							
Invested in Capital Assets, net of Related Debt	72,518	26,330	11,465	11,778	83,983	38,108	120.4%
Restricted	10,504	9,044	-	-	10,504	9,044	16.1%
Unrestricted	7,593	8,409	(909)	(1,936)	6,684	6,473	3.3%
TOTAL NET ASSETS	\$ 90,615	\$ 43,783	\$ 10,556	\$ 9,842	\$ 101,171	\$ 53,625	88.7%

An additional portion of the County's net assets, \$10,504, 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 and 2006 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 \$13,040. This increase resulted primarily from the following: the capitalization of expenditures for infrastructure made by the Road Projects Fund, MSBU Fund and Better Place Plan Fund totaling approximately \$9,908 (the expenditures funded planned road paving projects); the capitalization of expenditures for land, buildings and equipment made by other governmental funds totaling \$9,919; and the recognition of \$4,607 and \$1,585, respectively, of depreciation expense and expenses related to compensated absences.

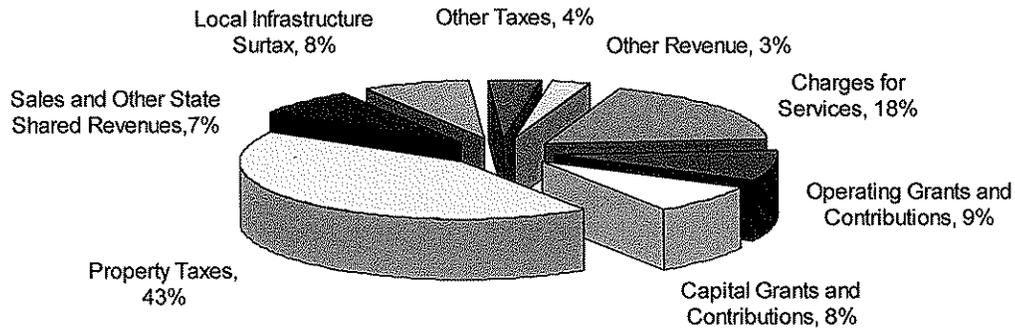
Putnam County, Florida
Changes in Net Assets
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2006	2005	2006	2005	2006	2005	
Revenues:							
Program revenues:							
Charges for services	\$ 12,913	\$ 12,128	\$ 6,188	\$ 6,044	\$ 19,101	\$ 18,172	5.1%
Operating grants and contributions	6,107	5,526	1,686	1,353	7,793	6,879	13.3%
Capital grants and contributions	5,826	2,777	-	-	5,826	2,777	109.8%
General revenues:							
Property taxes	29,935	27,274	-	-	29,935	27,274	9.8%
Sales and other state shared revenues	5,261	4,824	-	-	5,261	4,824	9.1%
Local Infrastructure Surtax	5,585	4,834	-	-	5,585	4,834	15.5%
Other taxes	2,649	2,629	-	-	2,649	2,629	0.8%
Other revenue	2,015	1,430	783	108	2,798	1,538	81.9%
Total revenues	70,291	61,422	8,657	7,505	78,948	68,927	14.5%
Expenses:							
General Government	13,296	12,780	-	-	13,296	12,780	4.0%
Public Safety	22,232	21,461	-	-	22,232	21,461	3.6%
Physical Environment	579	388	-	-	579	388	49.2%
Transportation	11,402	11,750	-	-	11,402	11,750	-3.0%
Economic Environment	1,786	1,865	-	-	1,786	1,865	-4.2%
Human Services	2,417	2,481	-	-	2,417	2,481	-2.6%
Culture/Recreation	1,863	1,559	-	-	1,863	1,559	19.5%
Court Related	3,034	2,798	-	-	3,034	2,798	8.4%
Interest on L-T Obligations	317	218	-	-	317	218	45.4%
Water and Wastewater	-	-	122	143	122	143	-14.7%
Solid Waste	-	-	7,971	10,415	7,971	10,415	-23.5%
Port Authority	-	-	174	124	174	124	40.3%
Total Expenses	56,926	55,300	8,267	10,682	65,193	65,982	-1.2%
Increase in Net Assets							
Before Transfers	13,365	6,122	390	(3,177)	13,755	2,945	
Transfers	(325)	(650)	325	650	-	-	
Increase (Decrease) in net assets	13,040	5,472	715	(2,527)	13,755	2,945	
Net Assets - Beginning of Year	77,575	38,311	9,841	12,369	87,416	50,680	
Net Assets - End of Year	\$ 90,615	\$ 43,783	\$ 10,556	\$ 9,842	\$ 101,171	\$ 53,625	88.7%

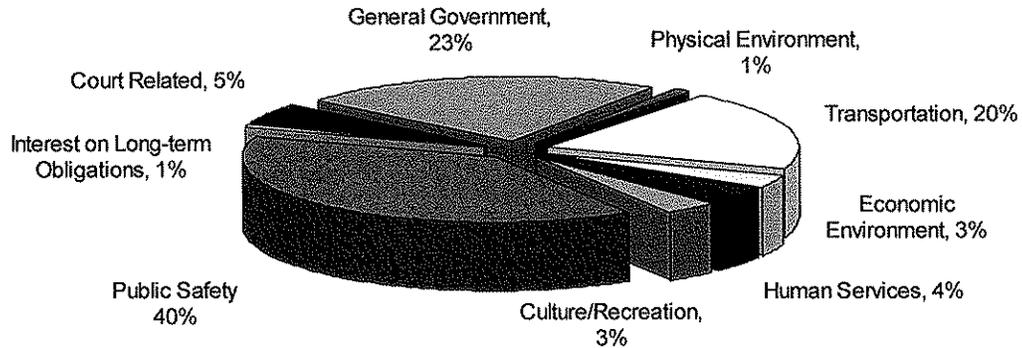
Governmental Activities

The County's overall financial position improved in comparison to the previous year. Total net assets increased \$13,755 over the prior year with an increase of \$13,040 resulting from governmental activities and an increase of \$715 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

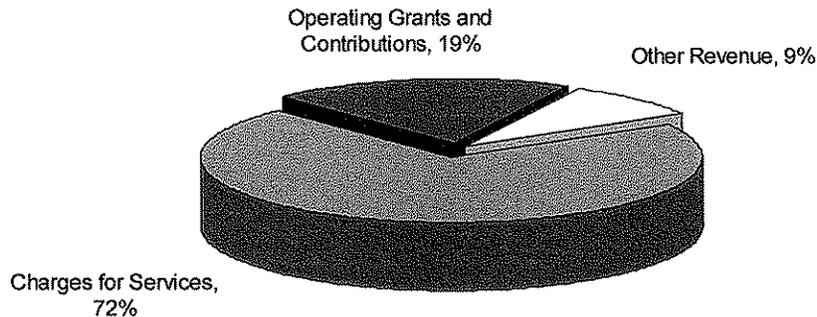


Business-type Activities

Business-type activities increased the County's net assets by \$715. Key elements resulting in the increase are as follows:

- The County's Waste Management (Solid Waste) operation absorbed closure and long-term care costs of \$856 as a result of revised engineering estimates. Additionally, depreciation expense increased \$350 over the previous year, largely due to revised estimates of remaining landfill capacity.
- The County received \$1,157 in reimbursements for debris removal associated with hurricanes Frances and Jeanne from the Federal Emergency Management Agency (FEMA). Additionally, the County received \$337 in similar reimbursements from the State of Florida.
- Capital contributions, totaling \$431 and consisting of recently constructed East Putnam Regional Water and Wastewater infrastructure from Governmental Funds, partially offset the large unanticipated expenses enumerated above.

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, 2006, the net decrease in fund balances per the Governmental Funds Financial Statements totaled \$2,273 while the governmental activities column of the Government-wide Financial Statements reported a much greater \$13,040 increase in net 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, 2006, the County's governmental funds reported combined ending fund balances of \$17,166. Of the total governmental fund balance, \$16,062 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 \$1,040, and for inventory of supplies \$64.

Governmental funds posted a \$2,273 net decrease in fund balances for the fiscal year. The following funds experienced the most significant changes in fund balance for the year: the General Fund and the Fire Tax Unit Fund increased \$93 and \$572, respectively, largely due to increased collections of property tax revenues; the Court Improvement Fund, increased \$683 primarily because a \$500 capital grant was received from the State of Florida. The Court Technology Fund and the Records Modernization Funds, increased \$171 and \$287, respectively, because of funding received due to recent changes in the fee structure of the State Court System; The fund balances for the Better Place Plan Fund, the Road Projects Fund (both major funds) and the MSBU Fund declined by \$4,526, \$317 and \$542, respectively, as the result of planned and budgeted spending for road projects; the SHIP and Hurricane Housing Assistance Funds experienced fund balance increases of \$362 and \$430 respectively because funding was received that was not fully expended by year end; the Communications Improvement Fund's fund balance declined by \$187 because certain debt proceeds acquired in the previous year were expended to complete the installation of several communications towers and related equipment.

The Sheriff (a major fund) is funded by the Board of County Commissioners. The Sheriff's expenditures for the year were \$16,226, an increase of 7.6% over the prior fiscal year. The Sheriff's expenditures were greater mainly due to the hiring of additional patrol staff.

Proprietary Funds

The proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. All three proprietary funds are major funds. At September 30, 2006, total net assets amounted to \$10,556, an increase of \$715 over the prior fiscal year. Unrestricted net assets totaled (\$909). 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 39 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 \$329 to account for unanticipated grant revenues received. Of this amount, \$48 was for the general government growth management studies and \$281 was designated for law enforcement activities.
- Miscellaneous Revenues increase by \$8 to reflect unanticipated contributions received to purchase kitchen equipment for a local Seniors Center.
- Budgeted General Government expenditures were increased by \$63 to conduct various growth management studies.
- The Culture and Recreation expenditure budget was increased by \$8 to acquire the kitchen equipment mentioned above.

- The budget for Transfers Out increased by \$786. The increase is composed of \$375 for the East Putnam Water Project, \$281 for law enforcement activities by the Sheriff, \$59 for the operations of the Supervisor of Elections, \$82 for the Insurance Reserve Fund and a reduction of Transfers Out to the Court Technology Fund of (\$11). The transfers were funded by \$266 in unanticipated intergovernmental revenues and a \$520 reduction in Reserve for Contingencies.

A comparison of actual revenues versus the final budget reflects that the collection of Intergovernmental Revenue was \$413 less than the budgeted projection. All other categories of revenues exceeded budget estimates by a total of \$1,596. A substantial portion of the additional revenue over budget and the prior year's revenue was attributable to the rise in the County's property tax base and an increased effort by the Tax Collector to collect delinquent taxes.

A review of actual expenditure results versus the final budget reveals that the actual expenditures for the General Fund were \$897 under budget. Three of the functional areas of the General Fund over-spent their budgets by a total of \$1,145, however, the remaining functional areas under-spent their budgets by a combined \$2,042.

Capital Asset and Debt Administration

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2006	2005	2006	2005	2006	2005	
Land	\$ 16,646	\$ 15,123	\$ 3,758	\$ 3,794	\$ 20,404	\$ 18,917	7.9%
Buildings and Improvements	13,638	12,050	2,333	2,955	15,971	15,005	6.4%
Equipment	10,109	6,077	745	847	10,854	6,924	56.8%
Infrastructure	38,506	30,227	-	-	38,506	30,227	27.4%
Water and Sewer Distribution System	-	-	2,866	2,949	2,866	2,949	-2.8%
Construction in Progress	1,371	2,102	1,947	1,516	3,318	3,618	-8.3%
Total	\$ 80,270	\$ 65,579	\$ 11,649	\$ 12,061	\$ 91,919	\$ 77,640	18.4%

Capital Assets

The County's financial statements present capital assets in two groups: those assets subject to depreciation such as equipment or 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, 2006, amounts to \$91,919 (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, equipment, infrastructure (including roads and bridges), construction in progress, and the Water and Sewer Distribution System.

Currently, land, buildings and improvements and infrastructure represent the largest components of governmental capital assets. The County reported retroactive general government infrastructure within the fiscal year 2006 Financial Statements, under GASB 34 provisions.

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

- The County purchased a building and associated land that will serve as a new governmental office facility (after renovations are completed) for \$1,393. Additionally, the County purchased 50 plus acres of land adjacent to the Sheriff's Department to be used for a future judicial center for \$1,214. \$483 in construction activity was performed on a new Health Department building.
- Four dump trucks, an excavator, a Caterpillar D6N tractor and two front end loaders were acquired for the road department at a cost of \$1,177.
- The installation of three communications towers and equipment was completed at a cost of \$1,618.
- Three fire tanker trucks and a brush truck were added to the County's fleet at a cost of \$677.
- Three ambulances were acquired for a total cost of \$341.
- The County continued its program to resurface, widen and add paved roads during the year at a capitalized cost of \$9,908.
- \$431 was expended for work performed on the East Putnam Regional Water and Wastewater System. This amount is presented as Construction in Progress in the Notes to the Financial Statements.

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 decreased by \$12 from the prior year, while the long-term liability for compensated absences increased by approximately \$146. Additionally, accrued landfill closure and long-term care costs increased by \$856.

Throughout fiscal year 2006, the County's governmental activities entered into various capital lease agreements, while the business-type activities incurred no new debt.

Governmental Activities:

- The Sheriff entered into \$1,052 in capital leases to finance the acquisition of patrol vehicles and related equipment.
- The County made the following principal payments during the year: special assessment debt - \$236, commercial paper - \$100, notes payable - \$362, and capital leases - \$525.
- Governmental obligations for compensated absences rose 9.6 % or \$159 to \$1,804.

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

	Governmental Activities		Business-type Activities		Total		Percent Change
	2006	2005	2006	2005	2006	2005	
Special Assessment Debt	2,899	3,135	-	-	2,899	3,135	-7.5%
Commercial Paper	640	740	-	-	640	740	-13.5%
Notes Payable	2,404	2,766	184	284	2,588	3,050	-15.1%
Capital Lease Obligations	1,809	1,282	-	-	1,809	1,282	41.1%
Total	\$ 7,752	\$ 7,923	\$ 184	\$ 284	\$ 7,936	\$ 8,207	-3.3%

Business-type Activities:

- The Waste Management Fund retired \$100 of notes payable.
- Accrued landfill closure and post-closure costs were increased by \$856 due to a change in accounting estimate that resulted when an engineering study revealed less than expected remaining capacity within the active cells.
- Obligations for compensated absences decreased by \$13, or 30.0%, to \$29 largely because of a termination pay out to a long term employee.

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 2006 was 3.8%. This represents a decrease of 16.3% from the prior year.
- The taxable value of real property increased 16.6%, while the taxable value of personal property increased .01 % in the 2006 fiscal year.
- Building permit activity revenues increased approximately 12.0% in the 2006 fiscal year,
- The population increased slightly from the prior year to an estimated 74,508 from 73,867.

During the current fiscal year, the unreserved fund balance in the General Fund increased to \$6,907, an increase of 1.5%. The ad valorem tax rate remained at 9.2 mils for fiscal year 2006.

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/>.

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FINANCIAL STATEMENTS

Putnam County, Florida
Statement of Net Assets
September 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
ASSETS				
Cash and Equivalents	\$ 21,804,258	\$ 3,526,197	\$ 25,330,455	\$ 206,840
Investments	1,599,743	725,000	2,324,743	28,616
Receivables	1,084,018	305,258	1,389,276	707
Due From Other Governments	4,720,310	14,121	4,734,431	-
Inventory	138,325	-	138,325	-
Other Assets	529,317	-	529,317	-
Restricted Investments	-	5,306,957	5,306,957	-
Capital Assets:				
Non-Depreciable	18,016,176	5,705,234	23,721,410	153,854
Depreciable, Net	62,253,406	5,943,585	68,196,991	124,943
TOTAL ASSETS	110,145,553	21,526,352	131,671,905	514,960
LIABILITIES				
Accounts Payable and Accrued Liabilities	6,684,292	339,471	7,023,763	-
Other Liabilities	1,662,326	135,963	1,798,289	-
Unearned Revenue	1,628,691	-	1,628,691	-
Noncurrent Liabilities:				
Due Within One Year	2,982,517	120,558	3,103,075	-
Due in More Than One Year	6,573,119	10,374,388	16,947,507	-
TOTAL LIABILITIES	19,530,945	10,970,380	30,501,325	-
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	72,517,445	11,465,124	83,982,569	278,797
Restricted For:				
Affordable Housing Assistance	2,734,738	-	2,734,738	-
Court Functions and Courthouse Improvements	1,987,076	-	1,987,076	-
Fire Protection	1,977,945	-	1,977,945	-
Law Enforcement	1,155,101	-	1,155,101	-
Road and Bridge Maintenance	1,064,122	-	1,064,122	-
Public Records Modernization	784,851	-	784,851	-
Fishing Improvement	352,518	-	352,518	-
Tourist Development	164,937	-	164,937	-
Voter Education and Equipment	162,997	-	162,997	-
Other Purposes	119,695	-	119,695	-
Unrestricted	7,593,183	(909,152)	6,684,031	236,163
TOTAL NET ASSETS	\$ 90,614,608	\$ 10,555,972	\$ 101,170,580	\$ 514,960

See accompanying notes.

Putnam County, Florida
Statement of Activities
For the Year Ended September 30, 2006

	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Putnam County Development Authority
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Expenses				
Functions/Programs				
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 13,296,405	\$ 60,660	\$ 75,000	\$ -
Public Safety	22,232,302	4,409,005	983,720	-
Physical Environment	579,000	228,278	49,470	-
Transportation	11,402,600	1,075,270	3,298,432	-
Economic Environment	1,785,538	91,712	96,344	-
Human Services	2,416,565	196,886	483,398	-
Culture and Recreation	1,862,991	92,395	339,780	-
Court Related	3,033,562	2,493,652	500,000	-
Interest on Long-Term Debt	317,374	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	56,926,337	6,106,925	5,826,144	(32,079,919)
BUSINESS-TYPE ACTIVITIES:				
Water and Wastewater System	122,487	52,475	-	-
Solid Waste	7,971,254	6,031,090	-	-
Port Authority	173,767	104,030	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	8,267,508	1,685,684	-	(70,012)
TOTAL PRIMARY GOVERNMENT	\$ 65,193,845	\$ 7,792,609	\$ 5,826,144	(32,474,148)
COMPONENT UNIT:				
Putnam County Development Authority	\$ 10,630	\$ 7,925	\$ -	(2,705)
GENERAL REVENUES:				
Property Taxes				29,935,184
Sales Taxes				2,957,609
Unrestricted State Shared Revenues				2,303,453
Gas Taxes				1,940,544
Local Infrastructure Surtax				5,584,987
Tourist Development Tax				97,512
Communications Service Tax				610,610
Investment Earnings				393,740
Gain on Sale of Capital Assets				386,746
Miscellaneous Transfers				2,747
				(325,510)
TOTAL GENERAL REVENUES AND TRANSFERS			45,119,883	46,228,626
CHANGE IN NET ASSETS			13,039,964	13,754,478
NET ASSETS - BEGINNING OF YEAR, as restated			77,574,644	87,416,102
NET ASSETS - END OF YEAR			\$ 90,614,608	\$ 101,170,580

See accompanying notes.

Putnam County, Florida
Balance Sheet – Governmental Funds
September 30, 2006

	<u>General Fund</u>	<u>Sheriff Fund</u>	<u>Road Projects Fund</u>	<u>Better Place Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and Equivalents	\$ 4,755,857	\$563,888	\$ 147,641	\$ 8,458	\$ 14,926,922	\$ 20,402,766
Investments	691,600	-	-	-	908,143	1,599,743
Receivables	974,008	-	-	-	110,010	1,084,018
Due From Other Funds	4,290,411	-	-	-	14,970	4,305,381
Due From Other Governments	617,877	-	1,673,007	929,113	1,350,843	4,570,840
Inventory	54,507	-	-	-	9,625	64,132
Other Assets	15,840	-	-	-	109,121	124,961
TOTAL ASSETS	<u>\$11,400,100</u>	<u>\$563,888</u>	<u>\$1,820,648</u>	<u>\$ 937,571</u>	<u>\$ 17,429,634</u>	<u>\$ 32,151,841</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 791,048	\$276,607	\$1,091,751	\$ 2,228,837	\$ 2,177,911	\$ 6,566,154
Due to Other Funds	-	287,281	889,775	1,945,000	1,327,485	4,449,541
Due to Other Governments	4,095	-	-	-	43	4,138
Deposits	1,248,188	-	-	-	-	1,248,188
Deferred Revenue	2,395,298	-	-	-	322,977	2,718,275
TOTAL LIABILITIES	<u>4,438,629</u>	<u>563,888</u>	<u>1,981,526</u>	<u>4,173,837</u>	<u>3,828,416</u>	<u>14,986,296</u>
<u>FUND BALANCES</u>						
Reserved For:						
Inventory	54,507	-	-	-	9,625	64,132
Loan Guarantees	-	-	-	-	1,039,335	1,039,335
Unreserved, Reported In:						
General Fund	6,906,964	-	-	-	-	6,906,964
Special Revenue Funds	-	-	-	-	11,783,920	11,783,920
Debt Service Funds	-	-	-	-	704,958	704,958
Capital Projects Funds	-	-	(160,878)	(3,236,266)	63,380	(3,333,764)
TOTAL FUND BALANCES	<u>6,961,471</u>	<u>-</u>	<u>(160,878)</u>	<u>(3,236,266)</u>	<u>13,601,218</u>	<u>17,165,545</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$11,400,100</u>	<u>\$563,888</u>	<u>\$1,820,648</u>	<u>\$ 937,571</u>	<u>\$ 17,429,634</u>	<u>\$ 32,151,841</u>

See accompanying notes.

Putnam County, Florida
Reconciliation of the Balance Sheet to the Statement of Net Assets –
Governmental Funds
September 30, 2006

FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 17,165,545

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..... 80,247,238

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

Notes Payable.....	(5,942,847)	
Capital Lease Obligations.....	(1,809,289)	
Compensated Absences.....	<u>(1,779,500)</u>	
Total Long-term Liabilities.....		(9,531,636)

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

Deferred Revenues Reduced..... 1,089,584

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

Internal Service Funds..... 1,643,877

Net Assets of Governmental Activities \$ 90,614,608

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
For the Year Ended September 30, 2006

	<u>General Fund</u>	<u>Sheriff Fund</u>	<u>Road Projects Fund</u>	<u>Better Place Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes	\$ 28,389,020	\$ -	\$ -	\$ 5,584,987	\$ 4,096,852	\$ 38,070,859
Licenses and Permits	890,319	-	-	-	54,465	944,784
Intergovernmental	5,250,886	-	2,826,374	-	9,011,044	17,088,304
Charges for Services	3,120,957	-	-	-	5,512,449	8,633,406
Fines and Forfeitures	132,553	-	-	-	580,462	713,015
Miscellaneous	1,045,921	-	-	107,223	2,592,591	3,745,735
TOTAL REVENUES	38,829,656	-	2,826,374	5,692,210	21,847,863	69,196,103
EXPENDITURES						
Current:						
General Government	9,611,440	-	-	-	5,396,750	15,008,190
Public Safety	5,693,511	14,980,940	-	-	3,740,722	24,415,173
Physical Environment	332,835	-	-	-	662,948	995,783
Transportation	40,000	-	-	-	7,662,343	7,702,343
Economic Environment	328,651	-	-	-	1,456,803	1,785,454
Human Services	1,928,952	-	-	-	-	1,928,952
Culture and Recreation	1,487,342	-	-	-	271,396	1,758,738
Court Related	190,920	581,896	-	-	2,236,894	3,009,710
Capital Outlay	-	-	3,143,871	10,217,883	836,688	14,198,442
Debt Service:						
Principal Retirement	245,895	605,350	-	-	371,171	1,222,416
Interest and Fiscal Charges	67,261	57,882	-	-	192,231	317,374
TOTAL EXPENDITURES	19,926,807	16,226,068	3,143,871	10,217,883	22,827,946	72,342,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,902,849	(16,226,068)	(317,497)	(4,525,673)	(980,083)	(3,146,472)
OTHER FINANCING SOURCES (USES)						
Transfers In	1,270,526	15,312,556	-	-	4,788,888	21,371,970
Transfers Out	(20,081,504)	(138,751)	-	-	(1,389,360)	(21,609,615)
Sale of Capital Assets	1,024	-	-	-	57,599	58,623
Debt Issued	-	1,052,263	-	-	-	1,052,263
TOTAL OTHER FINANCING SOURCES (USES)	(18,809,954)	16,226,068	-	-	3,457,127	873,241
NET CHANGE IN FUND BALANCES	92,895	-	(317,497)	(4,525,673)	2,477,044	(2,273,231)
FUND BALANCES – BEGINNING OF YEAR	6,868,576	-	156,619	1,289,407	11,124,174	19,438,776
FUND BALANCES – END OF YEAR	\$ 6,961,471	\$ -	\$ (160,878)	\$ (3,236,266)	\$ 13,601,218	\$ 17,165,545

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, 2006

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (2,273,231)

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.....	19,734,425	
Capital assets contributed to enterprise fund.....	(430,622)	
Current year depreciation.....	<u>(4,587,003)</u>	
Difference.....		14,716,800

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.....		177,578
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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 proceeds from the transaction increases financial resources. Thus the change in net assets differs from the change in fund balance by the net book value of the assets disposed.

Proceeds from disposal of capital assets.....	(58,623)	
Gain from disposal of capital assets.....	<u>48,938</u>	
Total Change.....		(9,685)

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

(1,052,263)

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.....		1,222,416
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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.....		(154,000)
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Internal service funds are used to charge the cost of certain activities to individual funds. The net revenue (expense) is reported with governmental activities.

412,349

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 13,039,964

See accompanying notes.

Putnam County, Florida
Statement of Net Assets – Proprietary Funds
September 30, 2006

	<u>Business-type Activities – Enterprise Funds</u>				<u>Governmental</u>
	<u>Waste</u> <u>Management</u> <u>Fund</u>	<u>East</u> <u>Putnam</u> <u>Water Fund</u>	<u>Port</u> <u>Authority</u> <u>Fund</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
ASSETS					
CURRENT ASSETS:					
Cash and Equivalents	\$ 2,570,573	\$ 208,019	\$ 747,605	\$ 3,526,197	\$ 1,401,492
Investments	725,000	-	-	725,000	-
Receivables	184,644	15,322	105,292	305,258	-
Due From Other Funds	-	-	-	-	144,160
Due From Other Governments	14,121	-	-	14,121	149,470
Inventory	-	-	-	-	74,193
Other Assets	-	-	-	-	404,356
TOTAL CURRENT ASSETS	<u>3,494,338</u>	<u>223,341</u>	<u>852,897</u>	<u>4,570,576</u>	<u>2,173,671</u>
NONCURRENT ASSETS:					
Restricted Investments	5,306,957	-	-	5,306,957	-
Capital Assets, Net	4,446,440	4,816,205	2,386,174	11,648,819	22,344
TOTAL NONCURRENT ASSETS	<u>9,753,397</u>	<u>4,816,205</u>	<u>2,386,174</u>	<u>16,955,776</u>	<u>22,344</u>
TOTAL ASSETS	<u>13,247,735</u>	<u>5,039,546</u>	<u>3,239,071</u>	<u>21,526,352</u>	<u>2,196,015</u>
LIABILITIES					
CURRENT LIABILITIES:					
Accounts Payable and Accrued Liabilities	337,018	1,883	570	339,471	118,138
Due to Other Governments	123,654	-	143	123,797	-
Estimated Liability for Self- Insured Losses	-	-	-	-	410,000
Customer Deposits	8,639	2,277	1,250	12,166	-
Current Portion of Long-Term Liabilities	120,558	-	-	120,558	13,400
TOTAL CURRENT LIABILITIES	<u>589,869</u>	<u>4,160</u>	<u>1,963</u>	<u>595,992</u>	<u>541,538</u>
NONCURRENT LIABILITIES	<u>10,374,388</u>	<u>-</u>	<u>-</u>	<u>10,374,388</u>	<u>10,600</u>
TOTAL LIABILITIES	<u>10,964,257</u>	<u>4,160</u>	<u>1,963</u>	<u>10,970,380</u>	<u>552,138</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	4,262,745	4,816,205	2,386,174	11,465,124	22,344
Unrestricted	(1,979,267)	219,181	850,934	(909,152)	1,621,533
TOTAL NET ASSETS	<u>\$ 2,283,478</u>	<u>\$ 5,035,386</u>	<u>\$ 3,237,108</u>	<u>\$ 10,555,972</u>	<u>\$ 1,643,877</u>

See accompanying notes.

Putnam County, Florida
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds
For the Year Ended September 30, 2006

	Business-type Activities – Enterprise Funds			Governmental Activities	
	Waste Management Fund	East Putnam Water Fund	Port Authority Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
User Fees and Assessments	\$ 6,031,090	\$ 52,475	\$ 104,030	\$ 6,187,595	\$ 6,529,744
Miscellaneous	2,677	-	70	2,747	70,720
TOTAL OPERATING REVENUES	6,033,767	52,475	104,100	6,190,342	6,600,464
OPERATING EXPENSES					
Personal Services	732,974	-	-	732,974	364,378
Insurance	-	-	-	-	5,143,841
Claims Expense	-	-	-	-	456,326
Contractual Services	4,231,129	398	20,187	4,251,714	277,340
Repairs and Maintenance	277,135	17,721	44,112	338,968	39,999
Other Operating Expenses	979,356	17,438	56,316	1,053,110	229,298
Depreciation and Amortization	885,760	86,930	53,152	1,025,842	19,690
Closure and Long-Term Care Costs	856,037	-	-	856,037	-
TOTAL OPERATING EXPENSES	7,962,391	122,487	173,767	8,258,645	6,530,872
OPERATING INCOME (LOSS)	(1,928,624)	(70,012)	(69,667)	(2,068,303)	69,592
NONOPERATING REVENUES					
(EXPENSES)					
Interest Revenue	369,501	8,463	15,776	393,740	-
Grants	1,685,684	-	-	1,685,684	-
Interest Expense	(8,863)	-	-	(8,863)	-
Sale of Surplus Property	22,762	-	363,984	386,746	-
TOTAL NONOPERATING REVENUES	2,069,084	8,463	379,760	2,457,307	-
(EXPENSES)					
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	140,460	(61,549)	310,093	389,004	69,592
Capital Contributions	-	430,622	-	430,622	-
Transfers In	-	-	-	-	345,614
Transfers Out	(103,634)	-	(1,478)	(105,112)	(2,857)
CHANGE IN NET ASSETS	36,826	369,073	308,615	714,514	412,349
NET ASSETS – BEGINNING OF YEAR	2,246,652	4,666,313	2,928,493	9,841,458	1,231,528
NET ASSETS – END OF YEAR	\$ 2,283,478	\$ 5,035,386	\$ 3,237,108	\$ 10,555,972	\$ 1,643,877

See accompanying notes.

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2006

	<u>Business-type Activities – Enterprise Funds</u>				<u>Governmental</u>
	<u>Waste</u> <u>Management</u> <u>Fund</u>	<u>East</u> <u>Putnam</u> <u>Water Fund</u>	<u>Port</u> <u>Authority</u> <u>Fund</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
<u>CASH FLOWS FROM OPERATING</u>					
<u>ACTIVITIES</u>					
Receipts From Customers	\$6,017,925	\$ 56,715	\$ 101,539	\$6,176,179	\$ 6,504,780
Payments to Suppliers	(5,518,706)	(36,930)	(137,802)	(5,693,438)	(6,717,497)
Payments to Employees	(745,687)	-	-	(745,687)	(360,107)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(246,468)</u>	<u>19,785</u>	<u>(36,263)</u>	<u>(262,946)</u>	<u>(572,824)</u>
<u>CASH FLOWS FROM NONCAPITAL</u>					
<u>FINANCING ACTIVITIES</u>					
Transfers In	-	-	-	-	345,614
Transfers Out	(103,634)	-	(1,478)	(105,112)	(2,857)
Grants	1,961,100	-	-	1,961,100	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,857,466</u>	<u>-</u>	<u>(1,478)</u>	<u>1,855,988</u>	<u>342,757</u>
<u>CASH FLOWS FROM CAPITAL AND</u>					
<u>RELATED FINANCING ACTIVITIES</u>					
Payments Received on Mortgage Receivable	-	-	11,893	11,893	-
Principal Paid on Debt	(99,911)	-	-	(99,911)	-
Interest Paid on Debt	(8,863)	-	-	(8,863)	-
Proceeds From Sale of Capital Assets	22,762	-	399,954	422,716	-
Acquisitions of Capital Assets	(219,015)	-	-	(219,015)	(3,119)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(305,027)</u>	<u>-</u>	<u>411,847</u>	<u>106,820</u>	<u>(3,119)</u>
<u>CASH FLOWS FROM INVESTING</u>					
<u>ACTIVITIES</u>					
Proceeds from Investments	3,322,570	-	-	3,322,570	-
Purchase of Investments	(3,544,546)	-	-	(3,544,546)	-
Interest on Investments	369,501	8,463	15,776	393,740	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>147,525</u>	<u>8,463</u>	<u>15,776</u>	<u>171,764</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>1,453,496</u>	<u>28,248</u>	<u>389,882</u>	<u>1,871,626</u>	<u>(233,186)</u>
CASH AND EQUIVALENTS – BEGINNING OF YEAR	<u>1,117,077</u>	<u>179,771</u>	<u>357,723</u>	<u>1,654,571</u>	<u>1,634,678</u>
CASH AND EQUIVALENTS – END OF YEAR	<u>\$2,570,573</u>	<u>\$ 208,019</u>	<u>\$ 747,605</u>	<u>\$3,526,197</u>	<u>\$ 1,401,492</u>

(continued)

Putnam County, Florida
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2006

(concluded)

	<u>Business-type Activities – Enterprise Funds</u>				<u>Governmental</u>
	<u>Waste</u> <u>Management</u> <u>Fund</u>	<u>East</u> <u>Putnam</u> <u>Water Fund</u>	<u>Port</u> <u>Authority</u> <u>Fund</u>	<u>Total</u> <u>Enterprise</u> <u>Funds</u>	<u>Internal</u> <u>Service</u> <u>Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
OPERATING INCOME (LOSS)	\$(1,928,624)	\$ (70,012)	\$ (69,667)	\$ (2,068,303)	\$ 69,592
Depreciation and Amortization	885,760	86,930	53,152	1,025,842	19,690
Change In:					
Receivables	(60,285)	4,488	(3,810)	(59,607)	7,658
Due From Other Funds	-	-	-	-	(20,651)
Due From Other Governments	43,294	-	-	43,294	(50,873)
Inventory	-	-	-	-	(11,053)
Other Assets	375	-	-	375	(403,142)
Accounts Payable and Accrued Liabilities	(31,462)	(1,373)	(17,188)	(50,023)	(172,289)
Due to Other Funds	-	-	-	-	(32,330)
Estimated Liability for Self- Insurance Losses	-	-	-	-	24,844
Customer Deposits	1,150	(248)	1,250	2,152	-
Compensated Absences	(12,713)	-	-	(12,713)	(4,270)
Accrued Landfill and Post- Closure Costs	856,037	-	-	856,037	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (246,468)</u>	<u>\$ 19,785</u>	<u>\$ (36,263)</u>	<u>\$ (262,946)</u>	<u>\$ (572,824)</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</u>					
Contribution of Capital Assets	\$ -	\$ 430,622	\$ -	\$ 430,622	\$ -

See accompanying notes.

Putnam County, Florida
Statement of Fiduciary Net Assets
September 30, 2006

	Agency Funds
<u>ASSETS</u>	
Cash and Equivalents	\$ 10,417,634
Receivables	<u>5,222</u>
TOTAL ASSETS	<u><u>10,422,856</u></u>
<u>LIABILITIES</u>	
Due to Other Governments	367,217
Assets Held for Others	<u>10,055,639</u>
TOTAL LIABILITIES	<u><u>10,422,856</u></u>
NET ASSETS	<u><u>\$ -</u></u>

See accompanying notes.

Putnam County, Florida
Index to Notes to Financial Statements
September 30, 2006

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Putnam County, Florida
Notes to Financial Statements
September 30, 2006

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 at the end of the fiscal year. The offices of the Sheriff, Property Appraiser, and Supervisor of Elections operate on a budget system, whereby County-appropriated funds are received from the Board of County Commissioners, and any unexpended appropriations are required to be returned to the Board of County Commissioners at the end of the fiscal year. The Clerk's duties as Clerk to the Board and Chief Financial Officer for the County are budgeted functions, funded by the Board. The Clerk's duties as Clerk of the Circuit and County Courts are funded by fines and fees collected by that office.

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

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 2005-2006.

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, 2006

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 retained earnings, 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, 2006

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.

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The County reports the following other fund types:

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

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

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, 2006

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 investments in the State Board of Administration Local Government Surplus Trust Fund Investment Pool (SBA). The SBA is not a registrant with the Securities and Exchange Commission (SEC); however, the SBA has adopted operating procedures consistent with the requirements for a 2a-7 like fund and the fair value of the position in the pool is equal to the value of the pool shares. Investments in the SBA are classified as Cash and Equivalents and are stated at cost 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, 2006

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.

Long-Term Receivables

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

Capital Assets

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

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

The landfill is depreciated proportionately based on capacity used.

Unearned/Deferred Revenues

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

Compensated Absences

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

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 made. 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 Administration, 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, 2006 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, 2006, 2005 and 2004 were \$2,658,000, \$2,344,000, and \$2,220,000 respectively, equal to the required contributions for each year.

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

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, 2006.

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, 2006

NOTE 5 – DEPOSITS AND INVESTMENTS

As of September 30, 2006, the County had the following investments and maturities:

<u>Investment</u>	Investment Maturities (in years)					S & P Rating
	Fair Value	Less Than 1	1 - 2	2 - 3	3 - 5	
State Investment Pool	\$ 23,198,445	\$ 23,198,445	\$ -	\$ -	\$ -	Not Rated
Florida Local Government Investment Trust	3,978,672	77,584	1,704,463	1,726,346	470,279	AAAf
Repurchase Agreement	4,034,386	4,034,386	-	-	-	NA
Money Market Funds	4,900,000	4,900,000	-	-	-	NA
Certificates of Deposit	100,000	100,000	-	-	-	NA
TOTAL INVESTMENTS	\$ 36,211,503	\$ 32,310,415	\$ 1,704,463	\$ 1,726,346	\$ 470,279	

Total Investments include \$28,579,803 classified as Cash and Equivalents in the accompanying financial statements. Investments exclude \$28,616 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.

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 Funds Trust Fund (State Investment Pool); Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts; interest bearing time deposits in qualified public depositories; direct obligations of the U.S. Treasury; Federal agencies and instrumentalities; certain securities (limited to obligations of the U.S. Government or any agency or instrumentalities; thereof; certificates of deposit and other evidence of deposit at financial institutions, bankers' acceptances, and commercial paper rated in the highest tier by a nationally recognized rating agency; and other investments authorized by law or by ordinance for the County. Additionally, the Tax Collector (a Special Revenue Fund) is authorized to invest in repurchase agreements under its written investment policy.

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 5 – DEPOSITS AND INVESTMENTS

The Local Government Surplus Funds Trust Fund (State Investment Pool) is an external investment pool administered by the State Board of Administration. The State Investment Pool is not a registrant with the Securities and Exchange Commission; however, the pool has adopted operating procedures consistent with the requirements for a 2a7-like fund. The fair value of the position in the pool is equal to the value of the pool shares. For credit quality risk, the State Investment Pool is not rated by a nationally recognized rating agency.

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 & Poors. At September 30, 2006, the Credit Quality and Bond Fund Volatility Ratings were AA+ and S1, respectively.

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

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

Custodial Credit Risk

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy and Florida Statutes require that securities purchased by and all collateral obtained by the County be properly designated as an asset of the County and held in safekeeping by a third party. The underlying securities of the Tax Collector's \$4.0 million investment in repurchase agreements are held by the investment's counterparty, not in the name of the Tax Collector or the County.

**Putnam County, Florida
Notes to Financial Statements
September 30, 2006**

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 \$1,947,507, at September 30, 2006. The allowance represents approximately 68% of the gross ambulance service accounts receivable at September 30, 2006. The balance of the receivable consists of miscellaneous service fees.

Accounts receivable of the non-major Governmental Funds consist primarily of \$10,058 in utility customer receivables, \$27,322 in low cost mortgages receivable, court related receivables of \$25,846, E-911 receivables of \$21,526, and other miscellaneous receivables. Allowances for doubtful accounts are not considered necessary, except for an allowance of \$29,146 for Court Receivables. All net receivables, with the exception of the mortgages receivable are expected to be collected within the next year.

Accounts receivable of the Enterprise Funds consist of: Landfill and Water Utility customer receivables of \$199,740, which is net of an allowance for doubtful accounts of \$17,593; \$93,162 of mortgages receivable by the Port Authority; and other miscellaneous receivables resulting from normal business activities. No additional 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, 2006:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	Sheriff Fund	\$ 145,409
General Fund	Road Projects Fund	889,775
General Fund	Better Place Plan Fund	1,945,000
General Fund	Nonmajor Governmental Funds	1,310,227
Internal Service Funds	Sheriff Fund	141,872
Internal Service Funds	Nonmajor Governmental Funds	2,288
Nonmajor Governmental Funds	Nonmajor Governmental Funds	14,970
TOTAL PRIMARY GOVERNMENT		<u>\$ 4,449,541</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers for the year ended September 30, 2006, consisted of the following:

Transfer Out:	Transfer In:				Total Transfers In
	General Fund	Sheriff Fund	Nonmajor Governmental	Internal Service	
General Fund	\$ -	\$ 15,312,556	\$ 4,501,802	\$ 267,146	\$ 20,081,504
Sheriff Fund	138,751	-	-	-	138,751
Nonmajor Governmental	1,081,775	-	246,341	61,244	1,389,360
Waste Management	50,000	-	40,745	12,889	103,634
Port Authority	-	-	-	1,478	1,478
Internal Service	-	-	-	2,857	2,857
Total Transfers Out	<u>\$ 1,270,526</u>	<u>\$ 15,312,556</u>	<u>\$ 4,788,888</u>	<u>\$ 345,614</u>	21,717,584
Transfer of capital assets from governmental activities to business-type activities:					<u>430,622</u>
					<u>\$ 22,148,206</u>

The General Fund had amounts due from the Constitutional Officers of \$1,181,057, 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, 2006

NOTE 8- CAPITAL ASSET ACTIVITY

Capital asset activity for the year was as follows:

	Balance October 1, 2005 (restated)	Increases	Decreases	Ending Balance September 30, 2006
<u>Primary Government</u>				
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 15,123,522	\$ 1,522,075	\$ -	\$ 16,645,597
Construction in Progress	2,101,994	838,941	(1,570,356)	1,370,579
Total Capital Assets Not Being Depreciated	<u>17,225,516</u>	<u>2,361,016</u>	<u>(1,570,356)</u>	<u>18,016,176</u>
Capital Assets Being Depreciated:				
Buildings	17,239,018	2,053,897	-	19,292,915
Improvements	1,814,838	211,823	-	2,026,661
Equipment	18,762,617	6,343,097	(819,077)	24,286,637
Infrastructure	41,220,611	9,907,676	-	51,128,287
Total Capital Assets Being Depreciated	<u>79,037,084</u>	<u>18,516,493</u>	<u>(819,077)</u>	<u>96,734,500</u>
Less Accumulated Depreciation For:				
Buildings	(6,337,007)	(481,208)	-	(6,818,215)
Improvements	(666,771)	(196,259)	-	(863,030)
Equipment	(12,686,094)	(2,300,618)	809,392	(14,177,320)
Infrastructure	(10,993,921)	(1,628,608)	-	(12,622,529)
Total Accumulated Depreciation	<u>(30,683,793)</u>	<u>(4,606,693)</u>	<u>809,392</u>	<u>(34,481,094)</u>
Total Capital Assets Being Depreciated, Net	<u>48,353,291</u>	<u>13,909,800</u>	<u>(9,685)</u>	<u>62,253,406</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,578,807</u>	<u>\$ 16,270,816</u>	<u>\$ (1,580,041)</u>	<u>\$ 80,269,582</u>
<u>Business-type Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,794,197	\$ -	\$ (35,970)	\$ 3,758,227
Construction in Progress	1,516,385	430,622	-	1,947,007
Total Capital Assets Not Being Depreciated	<u>5,310,582</u>	<u>430,622</u>	<u>(35,970)</u>	<u>5,705,234</u>
Capital Assets Being Depreciated:				
Buildings	1,440,158	-	-	1,440,158
Improvements	967,510	-	-	967,510
Landfill	4,817,308	-	-	4,817,308
Water and Sewer Distribution System	3,327,513	-	-	3,327,513
Equipment	2,130,982	219,015	(17,933)	2,332,064
Total Capital Assets Being Depreciated	<u>12,683,471</u>	<u>219,015</u>	<u>(17,933)</u>	<u>12,884,553</u>
Less Accumulated Depreciation For:				
Buildings	(857,611)	(39,941)	-	(897,552)
Improvements	(610,108)	(29,641)	-	(639,749)
Landfill	(2,802,241)	(552,904)	-	(3,355,145)
Water and Sewer Distribution System	(379,063)	(82,323)	-	(461,386)
Equipment	(1,284,036)	(321,033)	17,933	(1,587,136)
Total Accumulated Depreciation	<u>(5,933,059)</u>	<u>(1,025,842)</u>	<u>17,933</u>	<u>(6,940,968)</u>
Total Capital Assets Being Depreciated, Net	<u>6,750,412</u>	<u>(806,827)</u>	<u>-</u>	<u>5,943,585</u>
Business-type Activities Capital Assets, Net	<u>\$ 12,060,994</u>	<u>\$ (376,205)</u>	<u>\$ (35,970)</u>	<u>\$ 11,648,819</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 8- CAPITAL ASSET ACTIVITY

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

Governmental Activities:	
General Government	\$ 442,852
Public Safety	1,803,460
Physical Environment	20,364
Transportation	2,067,926
Human Services	26,125
Culture and Recreation	179,958
Court Related	46,318
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	19,690
Total Depreciation Expense - Governmental Activities	<u>\$ 4,606,693</u>
Business-type Activities:	
Waste Management	\$ 885,760
Water and Sewer System	86,930
Port Authority	53,152
Total Depreciation Expense - Business-type Activities	<u>\$ 1,025,842</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). \$ 1,141,753

\$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).

1,756,985

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 9 – LONG-TERM OBLIGATIONS

<p><u>Commercial Paper</u> - \$1,000,000 from the Pooled Commercial Paper Program of the Florida Local Government Finance Commission (FLGFC) to finance a portion of the costs related to the renovation/expansion of the East Annex. The loan is payable from designated revenues which shall include moneys derived from a covenant to budget and appropriate legally available non-ad valorem revenues. The County's obligation to repay the loan will be secured by a pledge of and lien upon the designated revenues. Interest is calculated and paid monthly based on the respective series of commercial paper notes from which the loan is derived. Payable from the General Fund, with a balloon payment of \$640,000 due December 2006.</p>	640,000
<p><u>Notes Payable</u> - \$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% (adjustable). 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.</p>	826,471
<p>\$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).</p>	1,271,305
<p>\$23,109 note payable at 3.15% from a local financial institution to finance the acquisition of a new vehicle. The loan is secured by the vehicle and is payable from the Clerk of Courts Fund in monthly payments of principal and interest in the amount of \$674 until maturity in August 2007.</p>	7,297
<p>\$338,308 note payable at 3% from a local financial institution to finance the acquisition of vehicles and laptop computers. The notes are secured by the vehicles and computers; payable from the Sheriff's Fund.</p>	66,423
<p>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.</p>	232,613

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 9 – LONG-TERM OBLIGATIONS

Obligations under Capital Leases	1,809,289
Accrued Compensated Absences	1,803,500
Total Long-Term Obligations, Governmental Activities	\$ 9,555,636

Business-Type Activities

Note Payable consists of an agreement with a local financial institution at 3.55% to finance the acquisition of a new compactor for the landfill. The original note totaled \$403,535 and is secured by the compactor. Principal and interest payments totaling \$27,194 are due quarterly until the note matures in June 2008. The loan is payable from a portion of net revenues of the Waste Management fund.

Note Payable	\$ 183,695
Accrued Landfill Closure and Long-Term Care Costs	10,281,751
Accrued Compensated Absences	29,500
Total Long-Term Obligations, Business-Type Activities	\$ 10,494,946

Interest Rate Swaps

Swap Objectives

The County has entered into two 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, 2006 were as follows. The notional amounts of the swaps match the principal amounts of the outstanding debt.

Notional Amounts	\$ 1,271,305	\$ 1,756,985
Effective Date	05/31/2005	06/28/2005
Fixed Payer Rate	3.89%	3.90%
Variable Receiver Rate	63.7% of LIBOR + 0.90%	63.7% of LIBOR + 0.90%
Fair Value	\$ 32,580	\$ 38,445
Termination Date	05/01/2020	06/01/2018
Counterparty Credit Rating	Aa1/AA	Aa1/AA

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 9 – LONG-TERM OBLIGATIONS

Fair Value

Both swap agreements had positive fair values as of September 30, 2006. Because interest rates rose during the year, the variable receiver rates exceeded the fixed payer rate at that date.

Swap Payments and Associated Debt

Assuming that interest rates remain the same, at September 30, 2006, debt service requirements on the variable rate notes and interest rate swaps would be as follows:

Year Ending Sept 30	Variable Rate Notes		Interest Rate Swaps	Total
	Principal	Interest		
2007	\$ 190,501	\$ 127,782	\$ (12,566)	\$ 305,717
2008	198,237	119,427	(11,746)	305,918
2009	206,285	110,733	(10,892)	306,126
2010	214,663	101,685	(10,003)	306,345
2011	223,378	92,270	(9,078)	306,570
2012-2016	1,260,536	306,188	(30,149)	1,536,575
2017-2020	734,690	50,788	(5,031)	780,447
Total	<u>\$ 3,028,290</u>	<u>\$ 908,873</u>	<u>\$ (89,465)</u>	<u>\$ 3,847,698</u>

Credit Risk

As of September 30, 2006 the fair value of the swap was positive, therefore the County is exposed to credit risk in the amount of the derivative's fair value.

Termination Risk

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

Annual debt service requirements to maturity for long-term obligations at September 30, 2006, excluding obligations under capital leases, are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities	
	Interest	Principal	Interest	Principal
2007	191,507	1,180,609	5,218	103,558
2008	177,789	522,763	1,445	80,137
2009	156,949	542,573	-	-
2010	135,392	563,119	-	-
2011	113,001	584,501	-	-
2012-2016	308,168	1,814,592	-	-
2017-2021	46,381	734,690	-	-
	<u>\$ 1,129,187</u>	<u>\$ 5,942,847</u>	<u>\$ 6,663</u>	<u>\$ 183,695</u>

**Putnam County, Florida
Notes to Financial Statements
September 30, 2006**

NOTE 9 – LONG-TERM OBLIGATIONS

Capital Lease Obligations at September 30, 2006 are comprised of the following:

Agreements with financial institution for vehicles: Interest Rates from 2.8% to 4.0%; aggregate historical cost \$2,285,332.	\$ 1,573,888
Agreement with auto dealerships for vehicles: Interest Rate 4.2%; aggregate historical cost \$31,380.	16,995
Agreement with financial institution for computers: Interest Rate 3.7%; aggregate historical cost \$39,500.	21,360
Agreement with a heavy equipment company for two road graders, Interest Rates from 4.30% to 4.75%; aggregate historical cost \$269,851.	197,046
	\$ 1,809,289

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2007	840,676
2008	645,143
2009	354,702
2010	98,472
Total Minimum Lease Payments	1,938,993
Less: Amount Representing Interest	(129,704)
Present Value of Minimum Lease Payments	\$ 1,809,289

**Putnam County, Florida
Notes to Financial Statements
September 30, 2006**

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term debt transactions of the County for the year ended September 30, 2006 are summarized below:

Governmental Activities					
	Balance October 1, <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2006</u>	Due Within <u>One Year</u>
Special Assessment Debt with Governmental Commitment	3,134,866	-	236,128	2,898,738	245,174
\$1 million Commercial Paper Program	740,000	-	100,000	640,000	640,000
Notes Payable	2,505,345	-	333,849	2,171,496	258,217
\$260,507 Economic Development Loan (OTTED)	260,527	-	27,914	232,613	37,218
Obligations under Capital Leases	1,281,551	1,052,263	524,525	1,809,289	765,308
Accrued Compensated Absences	1,645,000	1,936,900	1,778,400	1,803,500	1,036,600
Total Long-Term Obligations, Governmental Activities	<u>\$ 9,567,289</u>	<u>\$2,989,163</u>	<u>\$3,000,816</u>	<u>\$ 9,555,636</u>	<u>\$2,982,517</u>

Business-Type Activities					
	Balance October 1, <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	Balance September 30, <u>2006</u>	Due Within <u>One Year</u>
Note Payable	\$ 283,606	\$ -	\$ 99,911	\$ 183,695	\$ 103,558
Accrued Landfill Closure and Post-Closure Care Costs	9,425,714	856,037	-	10,281,751	-
Accrued Compensated Absences	42,213	56,691	69,404	29,500	17,000
Total Long-Term Obligations, Business-Type Activities	<u>\$ 9,751,533</u>	<u>\$ 912,728</u>	<u>\$ 169,315</u>	<u>\$10,494,946</u>	<u>\$ 120,558</u>

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

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.

The aggregate principal amount payable at September 30, 2006, of the fourteen series issued prior to July 1, 1995, could not be determined; however, their original issue amount aggregated approximately \$449.5 million.

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 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.

Balances of reported reserved fund equity at September 30, 2006, follow:

<u>Reserve For:</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>
Inventory	\$ 54,507	\$ 9,625
Loan Guarantees	-	1,039,335
 TOTAL	 <u>\$ 54,507</u>	 <u>\$ 1,048,960</u>

Designated fund balances consist of \$13,904 to be used by the library system and \$37,649 designated for use by the Emergency Services Department.

**Putnam County, Florida
Notes to Financial Statements
September 30, 2006**

NOTE 12 – DEFICIT BALANCES – INDIVIDUAL FUNDS

At September 30, 2006, the Road Projects Fund and the Better Place Plan Fund had deficit fund balances of \$160,878 and \$3,236,266, respectively. The deficit fund balances in both funds was the result of road projects undertaken during the year. The Road Projects Fund deficit will be eliminated by a transfer from the General Fund, while the deficit fund balance in the Better Place Fund will be eliminated by the issuance of debt.

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.

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:

		Claims Incurred			
	Beginning of Fiscal	and Changes in	Claims	End of Fiscal	
	Year Liability	Estimates	Payments	Year Liability	
2004-2005	\$ 433,267	\$ 305,991	\$ 354,102	\$ 385,156	
2005-2006	\$ 385,156	\$ 451,619	\$ 426,775	\$ 410,000	

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 13 – RISK MANAGEMENT

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 \$10,281,751 reported as landfill closure and long-term care liability at September 30, 2006, 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	69.35%
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 \$2,075,686 as the remaining estimated capacity is used (estimated to be five years for Central Landfill Phase II, Cells 1 & 2). These amounts are based on what it would cost to perform all closure and long-term care in 2006. Actual costs may be higher or lower due to inflation, deflation, changes in technology, or changes in regulations.

Additionally, the Florida Department of Environmental Protection (D.E.P.) requires that landfill operators escrow landfill long-term maintenance costs in addition to closure costs, in an amount sufficient to cover the following year’s long-term care costs. The County has escrowed \$5,306,957 to cover D.E.P.’s landfill post-closure maintenance cost requirements and closure costs of current operating landfills, as of September 30, 2006. This is shown as restricted investments of the business-type activities in the accompanying financial statements.

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 15 – POST-EMPLOYMENT HEALTH CARE BENEFITS

Pursuant to a resolution of the Board of County Commissioners, the County provides certain health care benefits for retired employees. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expense as premiums are paid. During 2006, 67 participants received benefits.

The County is obligated to contribute \$4 per month for each year of employee service. The County paid \$62,828 in premiums on behalf of participants who contributed \$248,319.

NOTE 16 – OPERATING LEASES

The Transportation Fund (a Special Revenue Fund) leases seven road graders used to maintain unpaved roads within the County. These leases have a five-year term. Operating lease expenditures for the year ended September 30, 2006, totaled \$155,700. Additionally, the Office of Sheriff (a Special Revenue Fund) leases a portion of its patrol vehicles under operating leases having a three-year term. Operating lease expenditures for the year ended September 30, 2006, totaled \$303,440. Future minimum lease payments under these leases are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2007	\$ 233,709
2008	155,700
Total minimum future lease payments	<u>\$ 389,409</u>

NOTE 17 – COMMITMENTS AND CONTINGENCIES

At September 30, 2006, the County was committed under signed contracts for approximately \$5,665,000 of road construction, resurfacing and engineering work and \$815,000 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 \$10,503,980 of restricted net assets, of which \$2.6 million is restricted by enabling legislation.

Putnam County, Florida
Notes to Financial Statements
September 30, 2006

NOTE 19 – RESTATEMENT

Beginning net assets of the Governmental Activities has been restated to include the retroactive reporting of all major general governmental infrastructure as described in Note 1, net of depreciation, and to include certain land that had not been reported in previous years.

	Governmental <u>Activities</u>
Beginning Net Assets, as Previously Reported	\$ 43,783,447
Infrastructure	36,160,430
Accumulated Depreciation	(10,830,234)
Land	8,461,001
Beginning Net Assets, as Restated	<u>\$ 77,574,644</u>

NOTE 20 – SUBSEQUENT EVENTS

Subsequent to September 30, 2006, the Better Place Plan Fund borrowed \$10,000,000 from a financial institution to eliminate a deficit fund balance and finance additional road projects. Debt service is payable from the proceeds of the one cent local infrastructure surtax.

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 27,717,790	\$ 27,717,790	\$ 28,389,020	\$ 671,230
Licenses and Permits	715,400	715,400	890,319	174,919
Intergovernmental	5,334,283	5,663,702	5,250,886	(412,816)
Charges for Services	3,007,819	3,007,819	3,120,957	113,138
Fines and Forfeitures	123,400	123,400	132,553	9,153
Miscellaneous	410,400	418,400	1,045,921	627,521
TOTAL REVENUES	37,309,092	37,646,511	38,829,656	1,183,145
<u>EXPENDITURES</u>				
Current:				
General Government	8,437,188	8,500,622	9,611,440	(1,110,818)
Public Safety	5,869,191	5,869,191	5,693,511	175,680
Physical Environment	352,820	352,820	332,835	19,985
Transportation	940,048	940,048	40,000	900,048
Economic Environment	304,706	304,706	328,651	(23,945)
Human Services	2,847,947	2,847,947	1,928,952	918,995
Culture and Recreation	1,505,871	1,513,871	1,487,342	26,529
Court Related	180,092	180,092	190,920	(10,828)
Reserve for Contingencies	520,354	110	-	110
Debt Service:				
Principal Retirement	245,875	245,875	245,895	(20)
Interest and Fiscal Charges	68,210	68,210	67,261	949
TOTAL EXPENDITURES	21,272,302	20,823,492	19,926,807	896,685
EXCESS OF REVENUES OVER EXPENDITURES	16,036,790	16,823,019	18,902,849	2,079,830
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	487,368	487,368	1,270,526	783,158
Transfers Out	(19,289,058)	(20,075,287)	(20,081,504)	(6,217)
Sale of Capital Assets	-	-	1,024	1,024
TOTAL OTHER FINANCING SOURCES (USES)	(18,801,690)	(19,587,919)	(18,809,954)	777,965
NET CHANGE IN FUND BALANCES	(2,764,900)	(2,764,900)	92,895	2,857,795
FUND BALANCES – BEGINNING OF YEAR	2,764,900	2,764,900	6,868,576	4,103,676
FUND BALANCES – END OF YEAR	\$ -	\$ -	\$ 6,961,471	\$ 6,961,471

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current:				
Public Safety	14,442,386	15,187,084	14,980,940	206,144
Court Related	523,958	527,885	581,896	(54,011)
Reserve for Contingencies	20,000	-	-	-
Debt Service:				
Principal Retirement	45,227	641,448	605,350	36,098
Interest and Fiscal Charges	-	8,402	57,882	(49,480)
TOTAL EXPENDITURES	<u>15,031,571</u>	<u>16,364,819</u>	<u>16,226,068</u>	<u>138,751</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(15,031,571)</u>	<u>(16,364,819)</u>	<u>(16,226,068)</u>	<u>138,751</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	15,031,571	15,312,556	15,312,556	-
Transfers Out	-	-	(138,751)	(138,751)
Debt Issued	-	1,052,263	1,052,263	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,031,571</u>	<u>16,364,819</u>	<u>16,226,068</u>	<u>(138,751)</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
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2006

Basis of Budgetary Accounting

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

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

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

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

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

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

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

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

Putnam County, Florida
Notes to Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
For the Year Ended September 30, 2006

Basis of Budgetary Accounting

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.

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

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

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

SUPPLEMENTAL INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

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

The County maintains the following Special Revenue Funds:

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

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

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

Community Development Block Grant Fund – to account for the collection of mortgage receivables resulting from construction and rehabilitation of homes originally funded with federal funds and to account for grant revenues received and expended to assist low to moderate income individuals with housing rehabilitation.

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.

Domestic Violence Trust Fund – to account for receipt and disbursements of fines imposed by the court for domestic violence offenses.

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

Information Technology – to account for charges made by the information technology department for providing support services to other County departments and constitutional officers.

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.

Nonmajor Governmental Funds

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.

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.

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

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.

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.

Nonmajor Governmental Funds

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.

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:

1995 Capital Improvement Refunding Revenue Bonds Fund – to account for debt service requirements to retire the 1995 Capital Improvement Refunding Revenue Bonds, dated November, 1995. These bonds are payable solely from and secured by, a lien upon and a pledge of, sales tax revenue allocated to the County from the State's Local Government Half-Cent Sales Tax Clearing Trust Fund. The bonds matured on October 1, 2005.

1989 Gas Tax Refunding Revenue Bonds Fund – to account for debt service requirements to retire the Gas Tax Refunding Revenue Bonds, Series 1989, dated October, 1989. These bonds are payable solely from and secured by, a lien upon and a pledge of the County's Local Option Gas Tax. The bonds matured on October 1, 2004. Residual balance of the funds has been designated by management for debt service of future road bonds.

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.

Major Governmental Capital Projects Funds

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, 2006

	<u>Special Revenue Funds</u>					
	<u>County</u> <u>Transportation</u> <u>Trust</u>	<u>Fishing</u> <u>Improvement</u>	<u>Fire Taxing</u> <u>Unit</u>	<u>Community</u> <u>Development</u> <u>Block Grant</u>	<u>Law</u> <u>Enforcement</u> <u>Trust</u>	<u>E911</u> <u>System</u>
<u>ASSETS</u>						
Cash and Equivalents	\$1,120,871	\$ 323,674	\$2,024,881	\$ 4,316	\$ 226,412	\$ 243,836
Investments	-	-	-	-	-	-
Receivables	-	-	-	27,322	-	21,526
Due From Other Funds	-	-	14,970	-	-	-
Due From Other Governments	343,830	74,926	6,547	98,779	-	11,027
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$1,464,701</u>	<u>\$ 398,600</u>	<u>\$2,046,398</u>	<u>\$ 130,417</u>	<u>\$ 226,412</u>	<u>\$ 276,389</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 226,779	\$ 46,082	\$ 60,253	\$ 26,505	\$ 317	\$ 8,918
Due to Other Funds	-	-	-	75,000	-	-
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	27,322	-	-
TOTAL LIABILITIES	<u>226,779</u>	<u>46,082</u>	<u>60,253</u>	<u>128,827</u>	<u>317</u>	<u>8,918</u>
<u>FUND BALANCES</u>						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	1,237,922	352,518	1,986,145	1,590	226,095	267,471
TOTAL FUND BALANCES	<u>1,237,922</u>	<u>352,518</u>	<u>1,986,145</u>	<u>1,590</u>	<u>226,095</u>	<u>267,471</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,464,701</u>	<u>\$ 398,600</u>	<u>\$2,046,398</u>	<u>\$ 130,417</u>	<u>\$ 226,412</u>	<u>\$ 276,389</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

	<u>Special Revenue Funds</u>						
	<u>Court Improve- ment</u>	<u>Article V</u>	<u>Court Technology</u>	<u>Domestic Violence Trust</u>	<u>Law enforce- ment Education</u>	<u>Infor- mation Tech- nology</u>	<u>Miscell- aneous Grants</u>
<u>ASSETS</u>							
Cash and Equivalents	\$1,501,923	\$82,675	358,922	\$ 2,218	\$ 44,577	\$ 51,715	\$115,955
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-	-
Due From Other Governments	14,475	7,924	13,840	-	4,058	-	90,957
Inventory	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$1,516,398</u>	<u>\$90,599</u>	<u>\$ 372,762</u>	<u>\$ 2,218</u>	<u>\$ 48,635</u>	<u>\$ 51,715</u>	<u>\$206,912</u>
<u>LIABILITIES AND FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts Payable and Accrued Liabilities	\$ -	\$18,529	\$ -	\$ -	\$ -	\$ -	\$ 5,933
Due to Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	43
Deferred Revenue	-	-	-	-	-	-	133,226
TOTAL LIABILITIES	<u>-</u>	<u>18,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,202</u>
<u>FUND BALANCES</u>							
Reserved for:							
Inventory	-	-	-	-	-	-	-
Loan Guarantees	-	-	-	-	-	-	-
Unreserved:							
Designated for:							
Public Safety	-	-	-	-	-	-	37,649
Culture and Recreation	-	-	-	-	-	-	13,904
Undesignated	1,516,398	72,070	372,762	2,218	48,635	51,715	16,157
TOTAL FUND BALANCES	<u>1,516,398</u>	<u>72,070</u>	<u>372,762</u>	<u>2,218</u>	<u>48,635</u>	<u>51,715</u>	<u>67,710</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,516,398</u>	<u>\$90,599</u>	<u>\$ 372,762</u>	<u>\$ 2,218</u>	<u>\$ 48,635</u>	<u>\$ 51,715</u>	<u>\$206,912</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

	<u>Special Revenue Funds</u>					
	<u>Interlachen Lakes Estates</u>	<u>Drivers Education</u>	<u>SHIP</u>	<u>Hurricane Housing Assistance</u>	<u>Tourist Develop- ment</u>	<u>Communi- cation Improvement</u>
<u>ASSETS</u>						
Cash and Equivalents	\$379,317	\$126,354	\$1,331,940	\$582,527	\$ 173,406	\$ 367,980
Investments	-	-	908,143	-	-	-
Receivables	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	25,224	2,887	-	-	-	8,044
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$404,541</u>	<u>\$129,241</u>	<u>\$2,240,083</u>	<u>\$582,527</u>	<u>\$ 173,406</u>	<u>\$ 376,024</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 6,361	\$ -	\$ 45,260	\$ 71,524	\$ 8,469	\$ 522
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>6,361</u>	<u>-</u>	<u>45,260</u>	<u>71,524</u>	<u>8,469</u>	<u>522</u>
<u>FUND BALANCES</u>						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	1,039,335	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	398,180	129,241	1,155,488	511,003	164,937	375,502
TOTAL FUND BALANCES	<u>398,180</u>	<u>129,241</u>	<u>2,194,823</u>	<u>511,003</u>	<u>164,937</u>	<u>375,502</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$404,541</u>	<u>\$129,241</u>	<u>\$2,240,083</u>	<u>\$582,527</u>	<u>\$ 173,406</u>	<u>\$ 376,024</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

	<u>Special Revenue Funds</u>					
	West Putnam Municipal Services Benefit Unit	East Putnam Grant	Sewage Utilities	Water Utilities	MSBU	Economic Develop- ment
<u>ASSETS</u>						
Cash and Equivalents	\$ 319,569	\$ 3,171	\$ 54,662	\$155,036	\$ 1,026,057	\$ 269,068
Investments	-	-	-	-	-	-
Receivables	-	-	5,299	4,759	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	15,804	-	-	-	1,798	-
Inventory	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 335,373</u>	<u>\$ 3,171</u>	<u>\$ 59,961</u>	<u>\$159,795</u>	<u>\$ 1,027,855</u>	<u>\$ 269,068</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable and Accrued Liabilities	\$ 8,703	\$ -	\$ 1,217	\$ 4,468	\$ 265,076	\$ 49,203
Due to Other Funds	-	-	-	-	-	53,966
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>8,703</u>	<u>-</u>	<u>1,217</u>	<u>4,468</u>	<u>265,076</u>	<u>103,169</u>
<u>FUND BALANCES</u>						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	326,670	3,171	58,744	155,327	762,779	165,899
TOTAL FUND BALANCES	<u>326,670</u>	<u>3,171</u>	<u>58,744</u>	<u>155,327</u>	<u>762,779</u>	<u>165,899</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 335,373</u>	<u>\$ 3,171</u>	<u>\$ 59,961</u>	<u>\$159,795</u>	<u>\$ 1,027,855</u>	<u>\$ 269,068</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

	Special Revenue Funds					
	ILE Lake Access Trust	Crime Prevention	Commis- sary	Federal Forfeiture	Records Moderni- zation	Article V Records Moderni- zation
ASSETS						
Cash and Equivalents	\$ 68,142	\$ 41,445	\$244,729	\$ 64,494	\$ 251,116	\$436,245
Investments	-	-	-	-	-	-
Receivables	-	-	12,648	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-
Inventory	-	-	9,625	-	-	-
Other Assets	-	-	-	-	97,490	-
TOTAL ASSETS	<u>\$ 68,142</u>	<u>\$ 41,445</u>	<u>\$267,002</u>	<u>\$ 64,494</u>	<u>\$ 348,606</u>	<u>\$436,245</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 5,576	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>5,576</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Reserved for:						
Inventory	-	-	9,625	-	-	-
Loan Guarantees	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	68,142	41,445	251,801	64,494	348,606	436,245
TOTAL FUND BALANCES	<u>68,142</u>	<u>41,445</u>	<u>261,426</u>	<u>64,494</u>	<u>348,606</u>	<u>436,245</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 68,142</u>	<u>\$ 41,445</u>	<u>\$267,002</u>	<u>\$ 64,494</u>	<u>\$ 348,606</u>	<u>\$436,245</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

Special Revenue Funds

	<u>Clerk of the Circuit Court</u>	<u>Court Fund</u>	<u>Supervisor of Elections</u>	<u>Supervisor of Elections Grants</u>	<u>Tax Collector</u>	<u>Property Appraiser</u>
ASSETS						
Cash and Equivalents	\$453,087	\$532,430	\$ 149,599	\$ 162,997	\$853,523	\$ 79,806
Investments	-	-	-	-	-	-
Receivables	6,242	25,846	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	43,525	987	-	-	-	-
Inventory	-	-	-	-	-	-
Other Assets	10,331	-	-	-	1,300	-
TOTAL ASSETS	<u>\$513,185</u>	<u>\$559,263</u>	<u>\$ 149,599</u>	<u>\$ 162,997</u>	<u>\$854,823</u>	<u>\$ 79,806</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$457,502	\$533,417	\$ 4,358	\$ -	\$ 61,380	\$ 14,608
Due to Other Funds	55,683	-	145,241	-	793,443	65,198
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue	-	25,846	-	-	-	-
TOTAL LIABILITIES	<u>513,185</u>	<u>559,263</u>	<u>149,599</u>	<u>-</u>	<u>854,823</u>	<u>79,806</u>
FUND BALANCES						
Reserved for:						
Inventory	-	-	-	-	-	-
Loan Guarantees	-	-	-	-	-	-
Unreserved:						
Designated for:						
Public Safety	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Undesignated	-	-	-	162,997	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,997</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$513,185</u>	<u>\$559,263</u>	<u>\$ 149,599</u>	<u>\$ 162,997</u>	<u>\$854,823</u>	<u>\$ 79,806</u>

Putnam County, Florida
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2006

	Debt Service Funds			Capital Projects Funds	Total Nonmajor Governmental Funds
	1995 Capital Improvement Refunding Revenue <u>Bonds</u>	1989 Gas Tax Refunding Revenue <u>Bonds</u>	MSBU <u>Loan</u>	Capital Projects	
<u>ASSETS</u>					
Cash and Equivalents	\$ 34,535	\$ 5,474	\$ 656,433	\$ 1,805	\$ 14,926,922
Investments	-	-	-	-	908,143
Receivables	-	-	-	6,368	110,010
Due From Other Funds	-	-	-	-	14,970
Due From Other Governments	136,583	-	8,516	441,112	1,350,843
Inventory	-	-	-	-	9,625
Other Assets	-	-	-	-	109,121
	<u>\$ 171,118</u>	<u>\$ 5,474</u>	<u>\$ 664,949</u>	<u>\$ 449,285</u>	<u>\$ 17,429,634</u>
TOTAL ASSETS					
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ 246,951	\$ 2,177,911
Due to Other Funds	-	-	-	138,954	1,327,485
Due to Other Governments	-	-	-	-	43
Deferred Revenue	136,583	-	-	-	322,977
	<u>136,583</u>	<u>-</u>	<u>-</u>	<u>385,905</u>	<u>3,828,416</u>
TOTAL LIABILITIES					
<u>FUND BALANCES</u>					
Reserved for:					
Inventory	-	-	-	-	9,625
Loan Guarantees	-	-	-	-	1,039,335
Unreserved:					
Designated for:					
Public Safety	-	-	-	-	37,649
Culture and Recreation	-	-	-	-	13,904
Undesignated	34,535	5,474	664,949	63,380	12,500,705
	<u>34,535</u>	<u>5,474</u>	<u>664,949</u>	<u>63,380</u>	<u>13,601,218</u>
TOTAL FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 171,118</u>	<u>\$ 5,474</u>	<u>\$ 664,949</u>	<u>\$ 449,285</u>	<u>\$ 17,429,634</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Special Revenue Funds				
	County Transpor- tation Trust	Fishing Improve- ment	Fire Taxing Unit	Community Development Block Grant	Law Enforce- ment Trust
REVENUES					
Taxes	\$ 1,842,567	\$ -	\$ 2,140,061	\$ -	\$ -
Licenses and Permits	700	53,765	-	-	-
Intergovernmental Revenue	3,676,510	121,741	-	197,620	-
Charges For Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	60,192
Miscellaneous Revenue	42,961	15,221	115,947	1,214	12,659
TOTAL REVENUES	<u>5,562,738</u>	<u>190,727</u>	<u>2,256,008</u>	<u>198,834</u>	<u>72,851</u>
EXPENDITURES					
Current:					
General Government Services	-	-	-	-	-
Public Safety	-	-	1,685,042	-	103,985
Physical Environment	-	164,205	-	-	-
Transportation	6,023,397	-	-	-	-
Economic Environment	-	-	-	197,870	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	31,316	-	-	-	-
Interest and Fiscal Charges	10,174	-	-	-	-
TOTAL EXPENDITURES	<u>6,064,887</u>	<u>164,205</u>	<u>1,685,042</u>	<u>197,870</u>	<u>103,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(502,149)</u>	<u>26,522</u>	<u>570,966</u>	<u>964</u>	<u>(31,134)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	630,000	-	14,970	-	-
Transfers Out	(43,718)	-	(17,526)	-	-
Sale of Capital Assets	54,096	-	3,503	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>640,378</u>	<u>-</u>	<u>947</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	138,229	26,522	571,913	964	(31,134)
FUND BALANCES, October 1, 2005	<u>1,099,693</u>	<u>325,996</u>	<u>1,414,232</u>	<u>626</u>	<u>257,229</u>
FUND BALANCES, September 30, 2006	<u>\$ 1,237,922</u>	<u>\$ 352,518</u>	<u>\$ 1,986,145</u>	<u>\$ 1,590</u>	<u>\$ 226,095</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Special Revenue Funds				
	E911 System	Court Improve- ment	Article V	Court Technology	Domestic Violence Trust
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	995,159	500,000	-	-	-
Charges For Services	197,457	173,387	121,614	201,416	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	26,831	59,520	711	10,064	-
TOTAL REVENUES	<u>1,219,447</u>	<u>732,907</u>	<u>122,325</u>	<u>211,480</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government Services	-	-	-	-	-
Public Safety	1,152,887	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	49,715	77,134	40,845	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,152,887</u>	<u>49,715</u>	<u>77,134</u>	<u>40,845</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>66,560</u>	<u>683,192</u>	<u>45,191</u>	<u>170,635</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	66,560	683,192	45,191	170,635	-
FUND BALANCES, October 1, 2005	<u>200,911</u>	<u>833,206</u>	<u>26,879</u>	<u>202,127</u>	<u>2,218</u>
FUND BALANCES, September 30, 2006	<u>\$ 267,471</u>	<u>\$ 1,516,398</u>	<u>\$ 72,070</u>	<u>\$ 372,762</u>	<u>\$ 2,218</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Special Revenue Funds				
	Law enforce- ment <u>Education</u>	Infor- mation Tech- nology	Miscell- aneous <u>Grants</u>	Interlachen Lakes <u>Estates</u>	Drivers <u>Education</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	-	-	585,766	-	-
Charges For Services	-	-	-	-	-
Fines and Forfeitures	49,872	-	-	-	33,959
Miscellaneous Revenue	1,067	-	10,434	505,984	5,009
TOTAL REVENUES	<u>50,939</u>	<u>-</u>	<u>596,200</u>	<u>505,984</u>	<u>38,968</u>
EXPENDITURES					
Current:					
General Government Services	-	-	-	-	-
Public Safety	40,288	-	369,409	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	379,951	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	271,396	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>40,288</u>	<u>-</u>	<u>640,805</u>	<u>379,951</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,651</u>	<u>-</u>	<u>(44,605)</u>	<u>126,033</u>	<u>38,968</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	79,312	-	-
Transfers Out	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>79,312</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,651	-	34,707	126,033	38,968
FUND BALANCES, October 1, 2005	<u>37,984</u>	<u>51,715</u>	<u>33,003</u>	<u>272,147</u>	<u>90,273</u>
FUND BALANCES, September 30, 2006	<u>\$ 48,635</u>	<u>\$ 51,715</u>	<u>\$ 67,710</u>	<u>\$ 398,180</u>	<u>\$ 129,241</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Special Revenue Funds					
	<u>SHIP</u>	<u>Hurricane Housing Assistance</u>	<u>Tourist Develop- ment</u>	<u>Communi- cation Improvement</u>	<u>West Putnam Municipal Services Benefit Unit</u>	<u>East Putnam Grant</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 97,512	\$ -	\$ 16,712	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	690,097	952,106	-	-	-	49,470
Charges For Services	-	-	-	22,724	-	-
Fines and Forfeitures	-	-	-	97,256	-	-
Miscellaneous Revenue	165,864	25,770	7,561	25,308	256,994	-
TOTAL REVENUES	<u>855,961</u>	<u>977,876</u>	<u>105,073</u>	<u>145,288</u>	<u>273,706</u>	<u>49,470</u>
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	232,408	-	-
Physical Environment	-	-	-	-	-	430,622
Transportation	-	-	-	-	180,881	-
Economic Environment	493,669	548,033	117,606	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	68,092	-	-
Interest and Fiscal Charges	-	-	-	51,664	-	-
TOTAL EXPENDITURES	<u>493,669</u>	<u>548,033</u>	<u>117,606</u>	<u>352,164</u>	<u>180,881</u>	<u>430,622</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>362,292</u>	<u>429,843</u>	<u>(12,533)</u>	<u>(206,876)</u>	<u>92,825</u>	<u>(381,152)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	19,946	-	375,000
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,946</u>	<u>-</u>	<u>375,000</u>
NET CHANGE IN FUND BALANCES	<u>362,292</u>	<u>429,843</u>	<u>(12,533)</u>	<u>(186,930)</u>	<u>92,825</u>	<u>(6,152)</u>
FUND BALANCES, October 1, 2005	<u>1,832,531</u>	<u>81,160</u>	<u>177,470</u>	<u>562,432</u>	<u>233,845</u>	<u>9,323</u>
FUND BALANCES, September 30, 2006	<u>\$ 2,194,823</u>	<u>\$ 511,003</u>	<u>\$ 164,937</u>	<u>\$ 375,502</u>	<u>\$ 326,670</u>	<u>\$ 3,171</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

Special Revenue Funds

	<u>Sewage</u> <u>Utilities</u>	<u>Water</u> <u>Utilities</u>	<u>MSBU</u>	<u>Economic</u> <u>Develop-</u> <u>ment</u>	<u>ILE Lake</u> <u>Access</u> <u>Trust</u>	<u>Crime</u> <u>Prevention</u>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	96,344	-	-
Charges For Services	43,675	31,665	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	41,445
Miscellaneous Revenue	1,982	6,444	402,774	6,530	3,231	-
TOTAL REVENUES	<u>45,657</u>	<u>38,109</u>	<u>402,774</u>	<u>102,874</u>	<u>3,231</u>	<u>41,445</u>
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Physical Environment	39,308	28,813	-	-	-	-
Transportation	-	-	944,997	133,117	-	-
Economic Environment	-	-	-	99,625	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	27,914	-	-
Interest and Fiscal Charges	-	-	-	7,606	-	-
TOTAL EXPENDITURES	<u>39,308</u>	<u>28,813</u>	<u>944,997</u>	<u>268,262</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	<u>6,349</u>	<u>9,296</u>	<u>(542,223)</u>	<u>(165,388)</u>	<u>3,231</u>	<u>41,445</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	145,000	-	-
Transfers Out	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING						
SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	6,349	9,296	(542,223)	(20,388)	3,231	41,445
FUND BALANCES, October 1, 2005	<u>52,395</u>	<u>146,031</u>	<u>1,305,002</u>	<u>186,287</u>	<u>64,911</u>	<u>-</u>
FUND BALANCES, September 30, 2006	<u>\$ 58,744</u>	<u>\$155,327</u>	<u>\$ 762,779</u>	<u>\$165,899</u>	<u>\$ 68,142</u>	<u>\$ 41,445</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	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	-	-	-	-	206,627	-
Charges For Services	-	-	67,654	191,339	629,216	1,503,059
Fines and Forfeitures	-	82,542	-	-	-	215,196
Miscellaneous Revenue	143,702	74	14,666	13,535	142,104	13,713
TOTAL REVENUES	<u>143,702</u>	<u>82,616</u>	<u>82,320</u>	<u>204,874</u>	<u>977,947</u>	<u>1,731,968</u>
EXPENDITURES						
Current:						
General Government Services	-	-	-	-	1,607,694	-
Public Safety	120,861	35,821	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Culture/Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	342,166	1,727,034
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	3,011	4,710
Interest and Fiscal Charges	-	-	-	-	143	224
TOTAL EXPENDITURES	<u>120,861</u>	<u>35,821</u>	<u>-</u>	<u>-</u>	<u>1,953,014</u>	<u>1,731,968</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>22,841</u>	<u>46,795</u>	<u>82,320</u>	<u>204,874</u>	<u>(975,067)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	231,371	1,030,750	-
Transfers Out	(39,468)	-	(231,371)	-	(55,683)	-
Sale of Capital Assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(39,468)</u>	<u>-</u>	<u>(231,371)</u>	<u>231,371</u>	<u>975,067</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(16,627)</u>	<u>46,795</u>	<u>(149,051)</u>	<u>436,245</u>	<u>-</u>	<u>-</u>
FUND BALANCES, October 1, 2005	<u>278,053</u>	<u>17,699</u>	<u>497,657</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2006	<u>\$261,426</u>	<u>\$ 64,494</u>	<u>\$348,606</u>	<u>\$436,245</u>	<u>\$ -</u>	<u>\$ -</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	<u>Special Revenue Funds</u>				Debt Service Funds
	Supervisor of <u>Elections</u>	Supervisor of Elections of <u>Grants</u>	Tax <u>Collector</u>	Property <u>Appraiser</u>	1995 Capital Improvement Refunding Revenue <u>Bonds</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenue	30,926	-	-	75,000	-
Charges For Services	-	-	2,271,103	58,140	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenue	2,404	-	89,800	738	3,617
TOTAL REVENUES	<u>33,330</u>	<u>-</u>	<u>2,360,903</u>	<u>133,878</u>	<u>3,617</u>
EXPENDITURES					
Current:					
General Government Services	750,701	-	1,567,460	1,470,895	-
Public Safety	-	-	-	-	21
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court Related	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>750,701</u>	<u>-</u>	<u>1,567,460</u>	<u>1,470,895</u>	<u>21</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(717,371)</u>	<u>-</u>	<u>793,443</u>	<u>(1,337,017)</u>	<u>3,596</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	860,324	-	-	1,402,215	-
Transfers Out	(142,953)	-	(793,443)	(65,198)	-
Sale of Capital Assets	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>717,371</u>	<u>-</u>	<u>(793,443)</u>	<u>1,337,017</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	3,596
FUND BALANCES, October 1, 2005	-	162,997	-	-	30,939
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ 162,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,535</u>

Putnam County, Florida
Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds
For the Year Ended September 30, 2006

	Debt Service Funds		Capital Projects Funds	Total Nonmajor Governmental Funds
	1989 Gas Tax Refunding Revenue <u>Bonds</u>	MSBU <u>Loan</u>	Capital Projects	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,096,852
Licenses and Permits	-	-	-	54,465
Intergovernmental Revenue	-	-	833,678	9,011,044
Charges For Services	-	-	-	5,512,449
Fines and Forfeitures	-	-	-	580,462
Miscellaneous Revenue	-	452,237	5,921	2,592,591
TOTAL REVENUES	-	452,237	839,599	21,847,863
EXPENDITURES				
Current:				
General Government Services	-	-	-	5,396,750
Public Safety	-	-	-	3,740,722
Physical Environment	-	-	-	662,948
Transportation	-	-	-	7,662,343
Economic Environment	-	-	-	1,456,803
Culture/Recreation	-	-	-	271,396
Court Related	-	-	-	2,236,894
Capital Outlay	-	-	836,688	836,688
Debt Service:				
Principal Retirement	-	236,128	-	371,171
Interest and Fiscal Charges	-	122,420	-	192,231
TOTAL EXPENDITURES	-	358,548	836,688	22,827,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	93,689	2,911	(980,083)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	4,788,888
Transfers Out	-	-	-	(1,389,360)
Sale of Capital Assets	-	-	-	57,599
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	3,457,127
NET CHANGE IN FUND BALANCES	-	93,689	2,911	2,477,044
FUND BALANCES, October 1, 2005	5,474	571,260	60,469	11,124,174
FUND BALANCES, September 30, 2006	\$ 5,474	\$ 664,949	\$ 63,380	\$ 13,601,218

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 1,902,500	\$ 1,902,500	\$ 1,842,567	\$ (59,933)
Licenses and Permits	-	-	700	700
Intergovernmental Revenue	3,763,855	3,763,855	3,676,510	(87,345)
Miscellaneous Revenue	24,360	24,360	42,961	18,601
TOTAL REVENUES	5,690,715	5,690,715	5,562,738	(127,977)
<u>EXPENDITURES</u>				
Current:				
Transportation	7,024,529	7,024,529	6,023,397	1,001,132
Reserve For Contingencies	112,468	112,468	-	112,468
Debt Service:				
Principal Retirement	-	-	31,316	(31,316)
Interest and Fiscal Charges	-	-	10,174	(10,174)
TOTAL EXPENDITURES	7,136,997	7,136,997	6,064,887	1,072,110
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,446,282)	(1,446,282)	(502,149)	944,133
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	630,000	630,000	630,000	-
Transfers Out	(43,718)	(43,718)	(43,718)	-
Sale of Capital Assets	-	-	54,096	54,096
TOTAL OTHER FINANCING SOURCES (USES)	586,282	586,282	640,378	54,096
NET CHANGE IN FUND BALANCES	(860,000)	(860,000)	138,229	998,229
FUND BALANCES, October 1, 2005	860,000	860,000	1,099,693	239,693
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 1,237,922	\$ 1,237,922

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fishing Improvement Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Licenses and Permits	\$ 56,000	\$ 56,000	\$ 53,765	\$ (2,235)
Intergovernmental Revenue	-	82,241	121,741	39,500
Miscellaneous Revenue	4,660	4,660	15,221	10,561
TOTAL REVENUES	<u>60,660</u>	<u>142,901</u>	<u>190,727</u>	<u>47,826</u>
<u>EXPENDITURES</u>				
Current:				
Physical Environment	93,900	176,141	164,205	11,936
Reserve For Contingencies	266,760	266,760	-	266,760
TOTAL EXPENDITURES	<u>360,660</u>	<u>442,901</u>	<u>164,205</u>	<u>278,696</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(300,000)	(300,000)	26,522	326,522
FUND BALANCES, October 1, 2005	<u>300,000</u>	<u>300,000</u>	<u>325,996</u>	<u>25,996</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,518</u>	<u>\$ 352,518</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 2,094,614	\$ 2,094,614	\$ 2,140,061	\$ 45,447
Miscellaneous Revenue	32,000	32,000	115,947	83,947
TOTAL REVENUES	<u>2,126,614</u>	<u>2,126,614</u>	<u>2,256,008</u>	<u>129,394</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	2,414,729	2,845,846	1,685,042	1,160,804
Reserve For Contingencies	1,081,040	649,923	-	649,923
Debt Service:				
Principal Retirement	10,000	10,000	-	10,000
TOTAL EXPENDITURES	<u>3,505,769</u>	<u>3,505,769</u>	<u>1,685,042</u>	<u>1,820,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,379,155)</u>	<u>(1,379,155)</u>	<u>570,966</u>	<u>1,950,121</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	3,000	3,000	14,970	11,970
Transfers Out	(17,526)	(17,526)	(17,526)	-
Sale of Capital Assets	-	-	3,503	3,503
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,526)</u>	<u>(14,526)</u>	<u>947</u>	<u>15,473</u>
NET CHANGE IN FUND BALANCES	<u>(1,393,681)</u>	<u>(1,393,681)</u>	<u>571,913</u>	<u>1,965,594</u>
FUND BALANCES, October 1, 2005	<u>1,393,681</u>	<u>1,393,681</u>	<u>1,414,232</u>	<u>20,551</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,986,145</u>	<u>\$ 1,986,145</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Community Development Block Grant Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ 750,000	\$ 197,620	\$ (552,380)
Miscellaneous Revenue	<u>1,085</u>	<u>1,085</u>	<u>1,214</u>	<u>129</u>
TOTAL REVENUES	1,085	751,085	198,834	(552,251)
<u>EXPENDITURES</u>				
Current:				
Economic Environment	<u>1,085</u>	<u>751,085</u>	<u>197,870</u>	<u>553,215</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	964	964
FUND BALANCES, October 1, 2005	-	-	626	626
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,590</u>	<u>\$ 1,590</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and Forfeitures	\$ -	\$ -	\$ 60,192	\$ 60,192
Miscellaneous Revenue	4,000	4,000	12,659	8,659
TOTAL REVENUES	<u>4,000</u>	<u>4,000</u>	<u>72,851</u>	<u>68,851</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	210,000	210,000	103,985	106,015
Reserve for Contingencies	19,000	19,000	-	19,000
TOTAL EXPENDITURES	<u>229,000</u>	<u>229,000</u>	<u>103,985</u>	<u>125,015</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(225,000)</u>	<u>(225,000)</u>	<u>(31,134)</u>	<u>193,866</u>
FUND BALANCES, October 1, 2005	<u>225,000</u>	<u>225,000</u>	<u>257,229</u>	<u>32,229</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,095</u>	<u>\$ 226,095</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – E911 System Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ 752,239	\$ 995,159	\$ 242,920
Charges for Services	298,000	298,000	197,457	(100,543)
Miscellaneous Revenue	3,900	3,900	26,831	22,931
TOTAL REVENUES	<u>301,900</u>	<u>1,054,139</u>	<u>1,219,447</u>	<u>165,308</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	357,991	1,110,230	1,152,887	(42,657)
Reserve For Contingencies	48,909	48,909	-	48,909
TOTAL EXPENDITURES	<u>406,900</u>	<u>1,159,139</u>	<u>1,152,887</u>	<u>6,252</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(105,000)</u>	<u>(105,000)</u>	<u>66,560</u>	<u>171,560</u>
FUND BALANCES, October 1, 2005	<u>105,000</u>	<u>105,000</u>	<u>200,911</u>	<u>95,911</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,471</u>	<u>\$ 267,471</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Charges for Services	140,000	140,000	173,387	33,387
Miscellaneous Revenue	12,000	12,000	59,520	47,520
TOTAL REVENUES	652,000	652,000	732,907	80,907
<u>EXPENDITURES</u>				
Current:				
Court Related	1,472,000	1,472,000	49,715	1,422,285
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(820,000)	(820,000)	683,192	1,503,192
FUND BALANCES, October 1, 2005	820,000	820,000	833,206	13,206
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 1,516,398	\$ 1,516,398

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Article V Fund
For the Year Ended September 30, 2006

	<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	\$ 66,000	\$ 66,000	\$ 121,614	\$ 55,614
Miscellaneous Revenue	1,000	1,000	711	(289)
TOTAL REVENUES	67,000	67,000	122,325	55,325
<u>EXPENDITURES</u>				
Current:				
Court Related	106,000	106,000	77,134	28,866
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(39,000)	(39,000)	45,191	84,191
FUND BALANCES, October 1, 2005	39,000	39,000	26,879	(12,121)
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 72,070	\$ 72,070

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Court Technology Fund
For the Year Ended September 30, 2006

	<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	\$ 200,000	\$ 200,000	\$ 201,416	\$ 1,416
Miscellaneous Revenue	<u>6,000</u>	<u>6,000</u>	<u>10,064</u>	<u>4,064</u>
TOTAL REVENUES	206,000	206,000	211,480	5,480
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>328,000</u>	<u>328,000</u>	<u>40,845</u>	<u>287,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(122,000)	(122,000)	170,635	292,635
<u>OTHER FINANCING SOURCES</u>				
Transfers In	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	170,635	270,635
FUND BALANCES, October 1, 2005	<u>100,000</u>	<u>100,000</u>	<u>202,127</u>	<u>102,127</u>
FUND BALANCES, September 30, 2006	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 372,762</u></u>	<u><u>\$ 372,762</u></u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Domestic Violence Trust Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	2,218	2,218
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,218</u>	<u>\$ 2,218</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and Forfeitures	\$ 37,500	\$ 37,500	\$ 49,872	\$ 12,372
Miscellaneous Revenue	200	200	1,067	867
TOTAL REVENUES	<u>37,700</u>	<u>37,700</u>	<u>50,939</u>	<u>13,239</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	74,000	74,000	40,288	33,712
Reserve for Contingencies	3,700	3,700	-	3,700
TOTAL EXPENDITURES	<u>77,700</u>	<u>77,700</u>	<u>40,288</u>	<u>37,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,000)	(40,000)	10,651	50,651
FUND BALANCES, October 1, 2005	<u>40,000</u>	<u>40,000</u>	<u>37,984</u>	<u>(2,016)</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,635</u>	<u>\$ 48,635</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Information Technology Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	51,715	51,715
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,715</u>	<u>\$ 51,715</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 358,452	\$ 428,527	\$ 585,766	\$ 157,239
Miscellaneous Revenue	3,850	3,850	10,434	6,584
TOTAL REVENUES	<u>362,302</u>	<u>432,377</u>	<u>596,200</u>	<u>163,823</u>
<u>EXPENDITURES</u>				
Current:				
Public Safety	455,470	491,119	369,409	121,710
Culture/Recreation	266,283	300,709	271,396	29,313
Reserve for Contingencies	7,797	7,797	-	7,797
TOTAL EXPENDITURES	<u>729,550</u>	<u>799,625</u>	<u>640,805</u>	<u>158,820</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(367,248)	(367,248)	(44,605)	322,643
<u>OTHER FINANCING SOURCES</u>				
Transfers In	79,312	79,312	79,312	-
NET CHANGE IN FUND BALANCES	(287,936)	(287,936)	34,707	322,643
FUND BALANCES, October 1, 2005	<u>287,936</u>	<u>287,936</u>	<u>33,003</u>	<u>(254,933)</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,710</u>	<u>\$ 67,710</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Interlachen Lakes Estates Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 293,069	\$ 293,069	\$ 505,984	\$ 212,915
<u>EXPENDITURES</u>				
Current:				
Transportation	437,833	437,833	379,951	57,882
Reserve for Contingencies	40,236	40,236	-	40,236
TOTAL EXPENDITURES	478,069	478,069	379,951	98,118
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,000)	(185,000)	126,033	311,033
FUND BALANCES, October 1, 2005	185,000	185,000	272,147	87,147
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 398,180</u>	<u>\$ 398,180</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and Forfeitures	\$ 27,000	\$ 27,000	\$ 33,959	\$ 6,959
Miscellaneous Revenue	1,200	1,200	5,009	3,809
TOTAL REVENUES	28,200	28,200	38,968	10,768
<u>EXPENDITURES</u>				
Current:				
Public Safety	106,200	106,200	-	106,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,000)	(78,000)	38,968	116,968
FUND BALANCES, October 1, 2005	78,000	78,000	90,273	12,273
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 129,241	\$ 129,241

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – SHIP Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 547,976	\$ 547,976	\$ 690,097	\$ 142,121
Miscellaneous Revenue	43,700	43,700	165,864	122,164
TOTAL REVENUES	<u>591,676</u>	<u>591,676</u>	<u>855,961</u>	<u>264,285</u>
<u>EXPENDITURES</u>				
Current:				
Economic Environment	1,160,000	1,160,000	493,669	666,331
Reserve for Contingencies	91,676	91,676	-	91,676
TOTAL EXPENDITURES	<u>1,251,676</u>	<u>1,251,676</u>	<u>493,669</u>	<u>758,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(660,000)</u>	<u>(660,000)</u>	<u>362,292</u>	<u>1,022,292</u>
FUND BALANCES, October 1, 2005	<u>660,000</u>	<u>660,000</u>	<u>1,832,531</u>	<u>1,172,531</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,194,823</u>	<u>\$ 2,194,823</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 952,106	\$ 952,106	\$ 952,106	\$ -
Miscellaneous Revenue	3,000	3,000	25,770	22,770
TOTAL REVENUES	<u>955,106</u>	<u>955,106</u>	<u>977,876</u>	<u>22,770</u>
<u>EXPENDITURES</u>				
Current:				
Economic Environment	1,052,106	1,052,106	548,033	504,073
Reserve for Contingencies	3,000	3,000	-	3,000
TOTAL EXPENDITURES	<u>1,055,106</u>	<u>1,055,106</u>	<u>548,033</u>	<u>507,073</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(100,000)	(100,000)	429,843	529,843
FUND BALANCES, October 1, 2005	<u>100,000</u>	<u>100,000</u>	<u>81,160</u>	<u>(18,840)</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,003</u>	<u>\$ 511,003</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 100,000	\$ 100,000	\$ 97,512	\$ (2,488)
Miscellaneous Revenue	2,800	2,800	7,561	4,761
TOTAL REVENUES	102,800	102,800	105,073	2,273
<u>EXPENDITURES</u>				
Current:				
Economic Environment	202,800	202,800	117,606	85,194
Reserve for Contingencies	20,000	20,000	-	20,000
TOTAL EXPENDITURES	222,800	222,800	117,606	105,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(120,000)	(120,000)	(12,533)	107,467
FUND BALANCES, October 1, 2005	120,000	120,000	177,470	57,470
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 164,937	\$ 164,937

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Communication Improvement Fund
For the Year Ended September 30, 2006

	<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	\$ 22,150	\$ 22,150	\$ 22,724	\$ 574
Fines and Forfeitures	97,000	97,000	97,256	256
Miscellaneous Revenue	7,900	7,900	25,308	17,408
TOTAL REVENUES	127,050	127,050	145,288	18,238
<u>EXPENDITURES</u>				
Current:				
Public Safety	1,161,500	1,161,500	232,408	929,092
Reserve for Contingencies	235,550	235,550	-	235,550
Debt Service				
Principal	68,092	68,092	68,092	-
Interest and Fiscal Changes	51,854	51,854	51,664	190
TOTAL EXPENDITURES	1,516,996	1,516,996	352,164	1,164,832
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,389,946)	(1,389,946)	(206,876)	1,183,070
<u>OTHER FINANCING SOURCES</u>				
Transfers In	19,946	19,946	19,946	-
NET CHANGE IN FUND BALANCES	(1,370,000)	(1,370,000)	(186,930)	1,183,070
FUND BALANCES, October 1, 2005	1,370,000	1,370,000	562,432	(807,568)
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 375,502	\$ 375,502

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 8,000	\$ 8,000	\$ 16,712	\$ 8,712
Miscellaneous Revenue	170,451	170,451	256,994	86,543
TOTAL REVENUES	<u>178,451</u>	<u>178,451</u>	<u>273,706</u>	<u>95,255</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	330,658	330,658	180,881	149,777
Reserve for Contingencies	22,793	22,793	-	22,793
TOTAL EXPENDITURES	<u>353,451</u>	<u>353,451</u>	<u>180,881</u>	<u>172,570</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175,000)	(175,000)	92,825	267,825
FUND BALANCES, October 1, 2005	<u>175,000</u>	<u>175,000</u>	<u>233,845</u>	<u>58,845</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,670</u>	<u>\$ 326,670</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 6,083,200	\$ 6,083,200	\$ 49,470	\$ (6,033,730)
Miscellaneous Revenue	750	750	-	(750)
TOTAL REVENUES	<u>6,083,950</u>	<u>6,083,950</u>	<u>49,470</u>	<u>(6,034,480)</u>
<u>EXPENDITURES</u>				
Current:				
Physical Environment	12,066,850	12,066,850	430,622	\$ 11,636,228
Debt Service				
Principal	280,000	280,000	-	280,000
Interest & Fiscal Changes	60,000	60,000	-	60,000
TOTAL EXPENDITURES	<u>12,406,850</u>	<u>12,406,850</u>	<u>430,622</u>	<u>11,976,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,322,900)</u>	<u>(6,322,900)</u>	<u>(381,152)</u>	<u>5,941,748</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	375,000	375,000
Debt Issued	6,322,900	6,322,900	-	(6,322,900)
TOTAL OTHER FINANCING SOURCES	<u>6,322,900</u>	<u>6,322,900</u>	<u>375,000</u>	<u>(5,947,900)</u>
NET CHANGE IN FUND BALANCES	-	-	(6,152)	(6,152)
FUND BALANCES, October 1, 2005	-	-	9,323	9,323
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,171</u>	<u>\$ 3,171</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sewage Utilities Fund
For the Year Ended September 30, 2006

	<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	\$ 42,000	\$ 42,000	\$ 43,675	\$ 1,675
Miscellaneous Revenue	125	125	1,982	1,857
TOTAL REVENUES	<u>42,125</u>	<u>42,125</u>	<u>45,657</u>	<u>3,532</u>
<u>EXPENDITURES</u>				
Current:				
Physical Environment	52,335	52,335	39,308	13,027
Reserve for Contingencies	1,180	1,180	-	1,180
TOTAL EXPENDITURES	<u>53,515</u>	<u>53,515</u>	<u>39,308</u>	<u>14,207</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,390)	(11,390)	6,349	17,739
FUND BALANCES, October 1, 2005	<u>11,390</u>	<u>11,390</u>	<u>52,395</u>	<u>41,005</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,744</u>	<u>\$ 58,744</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Water Utilities Fund
For the Year Ended September 30, 2006

	<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	\$ 30,500	\$ 30,500	\$ 31,665	\$ 1,165
Miscellaneous Revenue	1,800	1,800	6,444	4,644
TOTAL REVENUES	32,300	32,300	38,109	5,809
<u>EXPENDITURES</u>				
Current:				
Physical Environment	30,315	30,315	28,813	1,502
Reserve for Contingencies	2,857	2,857	-	2,857
TOTAL EXPENDITURES	33,172	33,172	28,813	4,359
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(872)	(872)	9,296	10,168
FUND BALANCES, October 1, 2005	872	872	146,031	145,159
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 155,327	\$ 155,327

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – MSBU Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 276,644	\$ 276,644	\$ 402,774	\$ 126,130
<u>EXPENDITURES</u>				
Current:				
Transportation	1,397,090	1,397,090	944,997	452,093
Reserve for Contingencies	27,171	27,171	-	27,171
TOTAL EXPENDITURES	<u>1,424,261</u>	<u>1,424,261</u>	<u>944,997</u>	<u>479,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,147,617)	(1,147,617)	(542,223)	605,394
FUND BALANCES, October 1, 2005	<u>1,147,617</u>	<u>1,147,617</u>	<u>1,305,002</u>	<u>157,385</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 762,779</u>	<u>\$ 762,779</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 96,344	\$ 96,344
Miscellaneous Revenue	1,500	1,500	6,530	5,030
TOTAL REVENUES	<u>1,500</u>	<u>1,500</u>	<u>102,874</u>	<u>101,374</u>
<u>EXPENDITURES</u>				
Current:				
Transportation	26,480	26,480	133,117	(106,637)
Economic Environment	112,000	112,000	99,625	12,375
Reserve For Contingencies	72,500	72,500	-	72,500
Debt Service:				
Principal	27,914	27,914	27,914	-
Interest and Fiscal Charges	7,606	7,606	7,606	-
TOTAL EXPENDITURES	<u>246,500</u>	<u>246,500</u>	<u>268,262</u>	<u>(21,762)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(245,000)	(245,000)	(165,388)	79,612
<u>OTHER FINANCING SOURCES</u>				
Transfers In	145,000	145,000	145,000	-
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	(20,388)	79,612
FUND BALANCES, October 1, 2005	<u>100,000</u>	<u>100,000</u>	<u>186,287</u>	<u>86,287</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,899</u>	<u>\$ 165,899</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 1,400	\$ 1,400	\$ 3,231	\$ 1,831
<u>EXPENDITURES</u>				
Current:				
Culture/Recreation	60,000	60,000	-	60,000
Reserve for Contingencies	6,000	6,000	-	6,000
TOTAL EXPENDITURES	66,000	66,000	-	66,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(64,600)	(64,600)	3,231	67,831
FUND BALANCES, October 1, 2005	64,600	64,600	64,911	311
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,142</u>	<u>\$ 68,142</u>

Putnam County, Florida
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual - Crime Prevention Fund
 For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and Forfeitures	\$ -	\$ -	\$ 41,445	\$ 41,445
<u>EXPENDITURES</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	41,445	41,445
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,445</u>	<u>\$ 41,445</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Commissary Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 195,000	\$ 195,000	\$ 143,702	\$ (51,298)
<u>EXPENDITURES</u>				
Current:				
Public Safety	<u>239,468</u>	<u>239,468</u>	<u>120,861</u>	<u>118,607</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(44,468)	(44,468)	22,841	67,309
<u>OTHER FINANCING USES</u>				
Transfers Out	<u>-</u>	<u>-</u>	<u>(39,468)</u>	<u>(39,468)</u>
NET CHANGE IN FUND BALANCES	(44,468)	(44,468)	(16,627)	27,841
FUND BALANCES, October 1, 2005	<u>44,468</u>	<u>44,468</u>	<u>278,053</u>	<u>233,585</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 261,426</u>	<u>\$ 261,426</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Fines and Forfeitures	\$ 20,000	\$ 100,000	\$ 82,542	\$ (17,458)
Miscellaneous Revenue	-	-	74	74
TOTAL REVENUES	20,000	100,000	82,616	(17,384)
<u>EXPENDITURES</u>				
Current:				
Public Safety	20,000	36,000	35,821	179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	64,000	46,795	(17,205)
FUND BALANCES, October 1, 2005	-	-	17,699	17,699
FUND BALANCES, September 30, 2006	\$ -	\$ 64,000	\$ 64,494	\$ 494

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
For the Year Ended September 30, 2006

	<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	\$ 55,600	\$ 55,600	\$ 67,654	\$ 12,054
Miscellaneous Revenue	-	-	14,666	14,666
TOTAL REVENUES	55,600	55,600	82,320	26,720
<u>EXPENDITURES</u>				
Current:				
General Government Services	55,600	55,600	-	55,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	82,320	82,320
<u>OTHER FINANCING USES</u>				
Transfers Out	-	(231,371)	(231,371)	-
NET CHANGE IN FUND BALANCES	-	(231,371)	(149,051)	82,320
FUND BALANCES, October 1, 2005	-	231,371	497,657	266,286
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ 348,606	\$ 348,606

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, 2006

	<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	\$ 150,000	\$ 150,000	\$ 191,339	\$ 41,339
Miscellaneous Revenue	-	-	13,535	13,535
TOTAL REVENUES	150,000	150,000	204,874	54,874
<u>EXPENDITURES</u>				
Current:				
Court Related	<u>150,000</u>	<u>381,371</u>	<u>-</u>	<u>381,371</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(231,371)	204,874	436,245
<u>OTHER FINANCING SOURCES</u>				
Transfers In	<u>-</u>	<u>231,371</u>	<u>231,371</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	436,245	436,245
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,245</u>	<u>\$ 436,245</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenue	\$ 198,253	\$ 210,000	\$ 206,627	\$ (3,373)
Charges for Services	497,200	646,250	629,216	(17,034)
Miscellaneous Revenue	20,000	148,000	142,104	(5,896)
TOTAL REVENUES	<u>715,453</u>	<u>1,004,250</u>	<u>977,947</u>	<u>(26,303)</u>
EXPENDITURES				
Current:				
General Government Services	1,436,950	1,626,532	1,607,694	18,838
Court Related	296,851	345,036	342,166	2,870
Reserve For Contingencies	8,970	-	-	-
Debt Service:				
Principal Retirement	3,120	3,120	3,011	109
Interest and Fiscal Charges	312	312	143	169
TOTAL EXPENDITURES	<u>1,746,203</u>	<u>1,975,000</u>	<u>1,953,014</u>	<u>21,986</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(1,030,750)</u>	<u>(970,750)</u>	<u>(975,067)</u>	<u>(4,317)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,030,750	1,030,750	1,030,750	-
Transfers Out	-	(60,000)	(55,683)	4,317
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,030,750</u>	<u>970,750</u>	<u>975,067</u>	<u>4,317</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 185,842	\$ 185,842	\$ -	\$ (185,842)
Charges for Services	1,613,763	1,322,211	1,503,059	180,848
Fines and Forfeitures	20,000	212,347	215,196	2,849
Miscellaneous Revenue	15,600	15,600	13,713	(1,887)
TOTAL REVENUES	<u>1,835,205</u>	<u>1,736,000</u>	<u>1,731,968</u>	<u>(4,032)</u>
<u>EXPENDITURES</u>				
Current:				
Court Related	1,829,839	1,730,634	1,727,034	3,600
Debt Service:				
Principal Retirement	4,880	4,880	4,710	170
Interest and Fiscal Charges	486	486	224	262
TOTAL EXPENDITURES	<u>1,835,205</u>	<u>1,736,000</u>	<u>1,731,968</u>	<u>4,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 30,926	\$ 30,926
Miscellaneous Revenue	-	-	2,404	2,404
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>33,330</u>	<u>33,330</u>
<u>EXPENDITURES</u>				
Current:				
General Government Services	799,581	858,324	750,701	107,623
Reserve for Contingencies	2,000	2,000	-	2,000
TOTAL EXPENDITURES	<u>801,581</u>	<u>860,324</u>	<u>750,701</u>	<u>109,623</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(801,581)</u>	<u>(860,324)</u>	<u>(717,371)</u>	<u>142,953</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	801,581	860,324	860,324	-
Transfers Out	-	-	(142,953)	(142,953)
TOTAL OTHER FINANCING SOURCES (USES)	<u>801,581</u>	<u>860,324</u>	<u>717,371</u>	<u>(142,953)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	162,997	162,997
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,997</u>	<u>\$ 162,997</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, 2006

	<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	\$ 1,992,992	\$ 1,992,992	\$ 2,271,103	\$278,111
Miscellaneous Revenue	25,750	25,750	89,800	64,050
TOTAL REVENUES	2,018,742	2,018,742	2,360,903	342,161
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,698,141	1,698,141	1,567,460	130,681
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	320,601	320,601	793,443	472,842
<u>OTHER FINANCING USES</u>				
Transfers Out	(320,601)	(320,601)	(793,443)	(472,842)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Property Appraiser Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ -	\$ 75,000	\$ 75,000	\$ -
Charges for Services	31,960	69,091	58,140	(10,951)
Miscellaneous Revenue	-	-	738	738
TOTAL REVENUES	31,960	144,091	133,878	(10,213)
<u>EXPENDITURES</u>				
Current:				
General Government Services	1,428,161	1,546,306	1,470,895	75,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,396,201)	(1,402,215)	(1,337,017)	65,198
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,396,201	1,402,215	1,402,215	-
Transfers Out	-	-	(65,198)	(65,198)
TOTAL OTHER FINANCING SOURCES (USES)	1,396,201	1,402,215	1,337,017	(65,198)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	-	-
FUND BALANCES, September 30, 2006	\$ -	\$ -	\$ -	\$ -

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – 1995 Capital Improvement Refunding Revenue Bonds Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ -	\$ -	\$ 3,617	\$ 3,617
<u>EXPENDITURES</u>				
Public Safety	-	-	21	(21)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	3,596	3,596
FUND BALANCES, October 1, 2005	-	-	30,939	30,939
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,535</u>	<u>\$ 34,535</u>

Putnam County, Florida
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – 1989 Gas Tax Refunding Revenue Bonds Fund
For the Year Ended September 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCES, October 1, 2005	-	-	5,474	5,474
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,474</u>	<u>\$ 5,474</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous Revenue	\$ 214,146	\$ 214,146	\$ 452,237	\$ 238,091
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	40,203	40,203	-	40,203
Debt Service:				
Principal Retirement	278,117	278,117	236,128	41,989
Interest and Fiscal Charges	126,326	126,326	122,420	3,906
TOTAL EXPENDITURES	444,646	444,646	358,548	86,098
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(230,500)	(230,500)	93,689	324,189
FUND BALANCES, October 1, 2005	230,500	230,500	571,260	340,760
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,949</u>	<u>\$ 664,949</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	\$ 1,040,932	\$ 1,637,593	\$ 833,678	\$ (803,915)
Miscellaneous Revenue	160	160	5,921	5,761
TOTAL REVENUES	<u>1,041,092</u>	<u>1,637,753</u>	<u>839,599</u>	<u>(798,154)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	25,160	25,160	-	25,160
Capital Outlay	1,040,932	1,637,593	836,688	800,905
TOTAL EXPENDITURES	<u>1,066,092</u>	<u>1,662,753</u>	<u>836,688</u>	<u>826,065</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(25,000)	(25,000)	2,911	27,911
FUND BALANCES, October 1, 2005	<u>25,000</u>	<u>25,000</u>	<u>60,469</u>	<u>35,469</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,380</u>	<u>\$ 63,380</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental Revenue	<u>\$ 3,313,350</u>	<u>\$ 4,376,502</u>	<u>\$ 2,826,374</u>	<u>\$(1,550,128)</u>
<u>EXPENDITURES</u>				
Current:				
Reserve For Contingencies	23,493	23,493	-	23,493
Capital Outlay	<u>3,439,857</u>	<u>4,503,009</u>	<u>3,143,871</u>	<u>1,359,138</u>
TOTAL EXPENDITURES	<u>3,463,350</u>	<u>4,526,502</u>	<u>3,143,871</u>	<u>1,382,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(150,000)	(150,000)	(317,497)	(167,497)
FUND BALANCES, October 1, 2005	<u>150,000</u>	<u>150,000</u>	<u>156,619</u>	<u>6,619</u>
FUND BALANCES, September 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (160,878)</u>	<u>\$ (160,878)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes	\$ 4,700,000	\$ 4,700,000	\$ 5,584,987	\$ 884,987
Miscellaneous Revenue	150,000	150,000	107,223	(42,777)
TOTAL REVENUES	<u>4,850,000</u>	<u>4,850,000</u>	<u>5,692,210</u>	<u>842,210</u>
<u>EXPENDITURES</u>				
Capital Outlay	14,035,000	14,035,000	10,217,883	3,817,117
Debt Service				
Principal Retirement	815,000	815,000	-	815,000
TOTAL EXPENDITURES	<u>14,850,000</u>	<u>14,850,000</u>	<u>10,217,883</u>	<u>4,632,117</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000,000)	(10,000,000)	(4,525,673)	5,474,327
<u>OTHER FINANCING SOURCES</u>				
Debt Issued	10,000,000	10,000,000	-	(10,000,000)
NET CHANGE IN FUND BALANCES	-	-	(4,525,673)	(4,525,673)
FUND BALANCES - Beginning of Year	-	-	1,289,407	1,289,407
FUND BALANCES - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$(3,236,266)</u>	<u>\$(3,236,266)</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, 2006

	<u>Fleet</u> <u>Maintenance</u>	<u>Group</u> <u>Insurance</u>	<u>Risk</u> <u>Management</u> <u>Fund</u>	<u>Totals</u>
<u>CURRENT ASSETS</u>				
Cash and Equivalents	\$ 223,119	\$ 169,275	\$ 1,009,098	\$ 1,401,492
Due From Other Funds	-	144,160	-	144,160
Due From Other Governments	1,909	147,561	-	149,470
Inventory	74,193	-	-	74,193
Other Assets	-	403,656	700	404,356
TOTAL CURRENT ASSETS	299,221	864,652	1,009,798	2,173,671
<u>NONCURRENT ASSETS</u>				
Capital Assets, Net	22,344	-	-	22,344
TOTAL ASSETS	321,565	864,652	1,009,798	2,196,015
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Liabilities	45,275	19,636	53,227	118,138
Estimated Liability for Self-Insured Losses	-	-	410,000	410,000
Compensated Absences	11,500	-	1,900	13,400
TOTAL CURRENT LIABILITIES	56,775	19,636	465,127	541,538
<u>NONCURRENT LIABILITIES</u>				
Compensated Absences	9,100	-	1,500	10,600
TOTAL LIABILITIES	65,875	19,636	466,627	552,138
<u>NET ASSETS</u>				
Invested in Capital Assets	22,344	-	-	22,344
Unrestricted	233,346	845,016	543,171	1,621,533
TOTAL NET ASSETS	\$ 255,690	\$ 845,016	\$ 543,171	\$ 1,643,877

Putnam County, Florida
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended September 30, 2006

	<u>Fleet</u> <u>Maintenance</u>	<u>Group</u> <u>Insurance</u> <u>Reserve</u>	<u>Risk</u> <u>Management</u> <u>Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES</u>				
User Charges	\$ 825,799	\$ 4,320,926	\$ 1,383,019	\$ 6,529,744
Miscellaneous	7,782	18,749	44,189	70,720
TOTAL OPERATING REVENUES	<u>833,581</u>	<u>4,339,675</u>	<u>1,427,208</u>	<u>6,600,464</u>
<u>OPERATING EXPENSES</u>				
Personal Services	320,525	-	43,853	364,378
Insurance	18,116	4,419,951	705,774	5,143,841
Claims Expense	-	-	456,326	456,326
Contractual Services	251,210	18,416	7,714	277,340
Repairs and Maintenance	18,307	-	21,692	39,999
Other Operating Expenses	227,373	836	1,089	229,298
Depreciation Expense	19,690	-	-	19,690
TOTAL OPERATING EXPENSES	<u>855,221</u>	<u>4,439,203</u>	<u>1,236,448</u>	<u>6,530,872</u>
OPERATING INCOME (LOSS)	<u>(21,640)</u>	<u>(99,528)</u>	<u>190,760</u>	<u>69,592</u>
<u>TRANSFERS</u>				
Transfers In	-	145,132	200,482	345,614
Transfers Out	(2,857)	-	-	(2,857)
TOTAL TRANSFERS	<u>(2,857)</u>	<u>145,132</u>	<u>200,482</u>	<u>342,757</u>
CHANGE IN NET ASSETS	<u>(24,497)</u>	<u>45,604</u>	<u>391,242</u>	<u>412,349</u>
NET ASSETS, October 1, 2005	<u>280,187</u>	<u>799,412</u>	<u>151,929</u>	<u>1,231,528</u>
NET ASSETS, September 30, 2006	<u>\$ 255,690</u>	<u>\$ 845,016</u>	<u>\$ 543,171</u>	<u>\$ 1,643,877</u>

Putnam County, Florida
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended September 30, 2006

	<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	\$832,823	\$ 4,237,790	\$ 1,434,167	\$ 6,504,780
Payments to Suppliers	(499,772)	(4,844,089)	(1,373,636)	(6,717,497)
Payments to Employees	(316,252)	-	(43,855)	(360,107)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>16,799</u>	<u>(606,299)</u>	<u>16,676</u>	<u>(572,824)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In	-	145,132	200,482	345,614
Transfers Out	(2,857)	-	-	(2,857)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(2,857)</u>	<u>145,132</u>	<u>200,482</u>	<u>342,757</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(3,119)	-	-	(3,119)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	10,823	(461,167)	217,158	(233,186)
CASH AND EQUIVALENTS, October 1, 2005	<u>212,296</u>	<u>630,442</u>	<u>791,940</u>	<u>1,634,678</u>
CASH AND EQUIVALENTS, September 30, 2006	<u><u>\$223,119</u></u>	<u><u>\$ 169,275</u></u>	<u><u>\$ 1,009,098</u></u>	<u><u>\$ 1,401,492</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (21,640)	\$ (99,528)	\$ 190,760	\$ 69,592
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	19,690	-	-	19,690
Changes in:				
Receivables	(757)	1,970	6,445	7,658
Due From Other Funds	-	(20,651)	-	(20,651)
Due From Other Governments	-	(50,873)	-	(50,873)
Inventory	(11,053)	-	-	(11,053)
Other Assets	-	(403,655)	513	(403,142)
Accounts Payable and Accrued Liabilities	34,831	(1,232)	(205,888)	(172,289)
Due to Other Funds	-	(32,330)	-	(32,330)
Estimated Liability For Self-Insured Losses	-	-	24,844	24,844
Compensated Absences	(4,272)	-	2	(4,270)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 16,799</u></u>	<u><u>\$ (606,299)</u></u>	<u><u>\$ 16,676</u></u>	<u><u>\$ (572,824)</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, 2006

	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and Equivalents	\$ 2,289,107	\$ 42,977	\$ 8,085,550	\$ 10,417,634
Receivables	<u>2,152</u>	<u>-</u>	<u>3,070</u>	<u>5,222</u>
TOTAL ASSETS	<u>2,291,259</u>	<u>42,977</u>	<u>8,088,620</u>	<u>10,422,856</u>
<u>LIABILITIES</u>				
Due to Other Governments	7,402	-	359,815	367,217
Assets Held for Others	<u>2,283,857</u>	<u>42,977</u>	<u>7,728,805</u>	<u>10,055,639</u>
TOTAL LIABILITIES	<u>2,291,259</u>	<u>42,977</u>	<u>8,088,620</u>	<u>10,422,856</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, 2006

	Balance October 1, 2005	Additions	Deductions	Balance September 30, 2006
<u>CLERK OF THE CIRCUIT COURT</u>				
Assets:				
Cash and Equivalents	\$ 2,139,143	\$ 16,301,780	\$ 16,151,816	\$ 2,289,107
Receivables	1,605	21,660	22,972	293
Due From Other Governments	-	2,939	1,080	1,859
Total Assets	<u>\$ 2,140,748</u>	<u>\$ 16,326,379</u>	<u>\$ 16,175,868</u>	<u>\$ 2,291,259</u>
Liabilities:				
Due to Other Funds	\$ -	\$ 52	\$ 52	\$ -
Due to Other Governments	2,200	43,855	38,653	7,402
Assets Held for Others	2,138,548	14,180,043	14,034,734	2,283,857
Total Liabilities	<u>\$ 2,140,748</u>	<u>\$ 14,223,950</u>	<u>\$ 14,073,439</u>	<u>\$ 2,291,259</u>
<u>SHERIFF</u>				
Assets:				
Cash and Equivalents	<u>\$ 9,894</u>	<u>\$ 3,161,256</u>	<u>\$ 3,128,173</u>	<u>\$ 42,977</u>
Liabilities:				
Due to Other Governments	\$ -	\$ 26,325	\$ 26,325	\$ -
Assets Held for Others	9,894	3,223,956	3,190,873	42,977
Total Liabilities	<u>\$ 9,894</u>	<u>\$ 3,250,281</u>	<u>\$ 3,217,198</u>	<u>\$ 42,977</u>
<u>TAX COLLECTOR</u>				
Assets:				
Cash and Equivalents	\$ 6,162,247	\$ 89,394,197	\$ 87,470,894	\$ 8,085,550
Receivables	4,604	80,565	82,099	3,070
Due From Other Funds	-	4,623	4,623	-
Total Assets	<u>\$ 6,166,851</u>	<u>\$ 89,479,385</u>	<u>\$ 87,557,616</u>	<u>\$ 8,088,620</u>
Liabilities:				
Due to Other Governments	\$ 119,778	\$ 438,467	\$ 198,430	\$ 359,815
Assets Held for Others	6,047,073	89,038,351	87,356,619	7,728,805
Due to Other Funds	-	2,537	2,537	-
Total Liabilities	<u>\$ 6,166,851</u>	<u>\$ 89,479,355</u>	<u>\$ 87,557,586</u>	<u>\$ 8,088,620</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and Equivalents	\$ 8,311,284	\$ 108,857,233	\$ 106,750,883	\$ 10,417,634
Receivables	6,209	102,225	105,071	3,363
Due From Other Funds	-	4,623	4,623	-
Due From Other Governments	-	2,939	1,080	1,859
Total Assets	<u>\$ 8,317,493</u>	<u>\$ 108,967,020</u>	<u>\$ 106,861,657</u>	<u>\$ 10,422,856</u>
Liabilities:				
Due to Other Funds	\$ -	\$ 2,589	\$ 2,589	\$ -
Due to Other Governments	121,978	508,647	263,408	367,217
Assets Held for Others	8,195,515	106,442,350	104,582,226	10,055,639
Total Liabilities	<u>\$ 8,317,493</u>	<u>\$ 106,953,586</u>	<u>\$ 104,848,223</u>	<u>\$ 10,422,856</u>

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2006

<u>Federal Agency</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expend- itures</u>	<u>Program Total</u>
<u>OFFICE OF LIBRARY SERVICES</u>				
Passed Through Florida Department of State, Division of Library Services State Library Program – Prime Time Family Reading	45.310	05-LSTA-D-03-J	\$ 12,712	
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
Office of National Drug Control and Policy Passed Through St Johns County, Florida High Intensity Drug Trafficking	XX.XXX	–	3,404	
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through State Department of Community Affairs: Emergency Management Performance Grants	97.042	06-BG-04-04-64-01-108	20,139	
Public Assistance Grants – Hurricane Jeanne	97.036	05-PA-E–04-64-01-746	887,645	
State Homeland Security Grant Program	97.067	05-DS-2N-04-64-01-360	17,825	
Passed through Florida Department of Law Enforcement: Homeland Security Grant Program - Target Hardening	97.067	2006SHSP-PUTN-1-N9-052	40,260	58,085
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Passed Through State Department of Community Affairs: Community Development Block Grant	14.228	04-DB-1Q-04-64-01-E05	96,334	
Community Development Block Grant	14.228	06-DB-3K-04-64-01-H09	197,619	293,953
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through State Department of Health Rural Access to Emergency Devices	93.259	5H3DRH01282-03-00	696	
Passed Through State Department of Revenue: Child Support Enforcement-Title IV–D Reimbursements	93.563	CC354	206,627	
<u>GENERAL SERVICES ADMINISTRATION</u>				
Passed Through State Department Management Services Federal Surplus Property	39.003	--	2,543	
<u>DEPARTMENT OF JUSTICE</u>				
Direct Assistance:				
State and Alien Criminal Assistance Program	16.606	2006-AP-BX-0510	13,111	
Bullet Proof Vest Partnership Program	16.607	2001-DC-BX-0038	1,356	
Public Safety Partnership and Community Policing	16.710	2005-CK-WX-0159	9,480	
Federal Equitable Sharing	16.XXX	--	35,821	
Byrne Justice Assistance Grant Program	16.738	2005-DJ-BX-0500	54,820	
Passed Through Florida Department of Law Enforcement: Byrne Justice Assistance Grant Program	16.738	2006-JAGC-PUTN-2-M8-224	28,007	82,827
Byrne Formula Grant Program	16.579	06-CJ-J3-04-64-01-283	28,823	
Passed Through Department of Juvenile Justice: Title V Delinquency Prevention Program – Creating Lasting Family Connections	16.548	Q4503	196,719	
Creating Lasting Family Connections	16.548	X1402	8,824	205,543
Passed Through Office of Attorney General: Crime Victim Assistance	16.575	V-5236	39,746	
Passed Through Department of Children and Families: Violence Against Women Formula Grant	16.588	LN025	68,110	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Passed Through Florida Department of Transportation Highway Planning and Construction	20.205	410709-2-58-01	78,915	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,049,536</u>	

Putnam County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2006

<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	C5054	\$ 15,630	
Emergency Medical Services - Matching Awards	64.003	M5037	158,962	
<u>DEPARTMENT OF REVENUE</u>				
Digital Map Conversion Grant Program	73.023	--	75,000	
<u>DEPARTMENT OF LAW ENFORCEMENT</u>				
Drug Free Communities	71.xxx	--	1,391	
<u>DEPARTMENT OF MANAGEMENT SERVICES</u>				
Wireless 911 Emergency Telephone System	72.001	--	125,903	
Wireless 911 Emergency Telephone System	72.001	--	752,239	
Wireless 911 Emergency Telephone System	72.001	--	99,240	977,382
<u>DEPARTMENT OF JUVENILE JUSTICE</u>				
Juvenile Justice and Delinquency Prevention	80.xxx	--	2,451	
<u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u>				
Florida Boating Improvement Program	77.006	04136	50,000	
Florida Boating Improvement Program	77.006	05104	49,500	
Florida Boating Improvement Program	77.006	05105	22,241	121,741
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>				
Statewide Surface Water and Wastewater Projects	37.039	SP170030	49,470	
Small County Consolidated Grants	37.012	SC06-27	191,176	
<u>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>				
Mosquito Control – State Aid	42.003	9647	37,822	
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>				
Emergency Management Programs	52.008	06BG-04-04-64-01-108	101,815	
Emergency Management Preparedness - Local Projects	52.009	05CG-3A-04-64-01-322	54,088	
Emergency Management Preparedness - Local Projects	52.009	07CG-3A-04-64-01-030	68,673	122,761
Technical Assistance Planning Grants	52.028	06DR-56-04-64-01-004	15,000	
Growth Management Implementation	52.033	06DR-73-04-64-01-041	7,500	
<u>FLORIDA HOUSING FINANCE CORPORATION</u>				
State Housing Initiatives Program	52.901	--	15,000	
State Housing Initiatives Program	52.901	2003-2004	175,449	
State Housing Initiatives Program	52.901	2004-2005	19,651	
State Housing Initiatives Program	52.901	2005-2006	287,703	
State Housing Initiatives Program	52.901	2006-2007	10,865	508,668
Hurricane Housing Recovery Program	52.902	--	566,941	
<u>DEPARTMENT OF STATE AND SECRETARY OF STATE</u>				
Public Library Construction Program	45.020	06-PLC-20	168,039	
State Aid to Libraries	45.030	06-ST-70	249,684	
Community Libraries in Caring Program	45.042	06-CLIC-10	9,000	
Voting Systems Assistance	45.029	--	6,341	
Historic Preservation Grants - Old Bostwick Schoolhouse	45.031	S-0645	50,000	
<u>STATE COURT SYSTEM</u>				
Small County Courthouse Facilities	22.004	--	49,715	
<u>DEPARTMENT OF TRANSPORTATION</u>				
Small County Outreach Program - Yelvington Road	55.009	417307-1-58-01	6,135	
Small County Road Assistance Program – Federal Point	55.016	406819-7-58-01	784,637	
Small County Road Assistance Program - CR309D	55.016	403855-2-58-01	652,947	
Small County Road Assistance Program - CR308	55.016	212257-2-58-01	1,303,740	2,741,324
Public Transit Service Development - Bus Stop Shelters	55.012	21707818401	44,498	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 6,278,446</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, 2006

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

The County did not provide federal or state awards to subrecipients.

STATISTICAL SECTION

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**STATISTICAL SECTION
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**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**STATISTICAL SECTION
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Sources and notes:

Unless otherwise indicated, the data that comprises the contents of this statistical section has been taken from the Comprehensive Annual Financial Reports of Putnam County, Florida.

The Governmental Accounting Standards Board (GASB) Statement Number 34 was implemented by the County in fiscal year ending 2003, therefore some tables will contain data for only the last four fiscal years.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

NET ASSETS BY COMPONENT – LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)

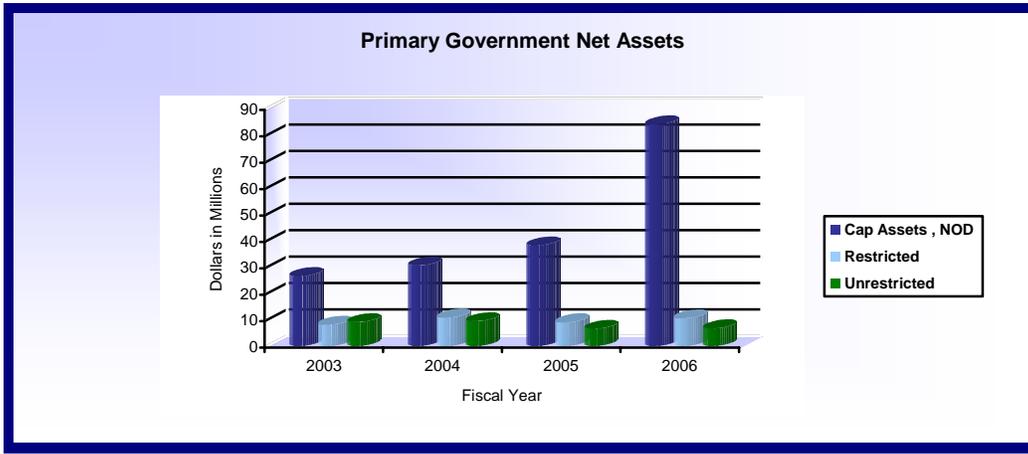


Figure A.1

	Fiscal Years Ending September 30 -----			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 17,781,476	\$ 18,934,049	\$ 26,329,967	\$ 72,517,445
Restricted	8,132,877	10,777,129	9,044,555	10,503,980
Unrestricted	<u>8,055,272</u>	<u>8,599,627</u>	<u>8,408,925</u>	<u>7,593,183</u>
Total Governmental Activities Net Assets	<u>\$ 33,969,625</u>	<u>\$ 38,310,805</u>	<u>\$ 43,783,447</u>	<u>\$ 90,614,608</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 8,744,616	\$ 11,545,145	\$ 11,777,388	11,465,124
Unrestricted	<u>1,017,895</u>	<u>824,196</u>	<u>(1,935,930) *</u>	<u>(909,152) *</u>
Total Business-Type Activities Net Assets	<u>\$ 9,762,511</u>	<u>\$ 12,369,341</u>	<u>\$ 9,841,458</u>	<u>\$ 10,555,972</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 26,526,092	\$ 30,479,194	\$ 38,107,355	\$ 83,982,569
Restricted	8,132,877	10,777,129	9,044,555	10,503,980
Unrestricted	<u>9,073,167</u>	<u>9,423,823</u>	<u>6,472,995</u>	<u>6,684,031</u>
Total Primary Government Net Assets	<u>\$ 43,732,136</u>	<u>\$ 50,680,146</u>	<u>\$ 53,624,905</u>	<u>\$ 101,170,580</u>

Notes:

The highlighted area, immediately above, is depicted in the graph at the top of this page. The unrestricted net assets represent that portion of the total that may be used to maintain services to the citizenry and obligations to creditors.

The significant decrease in unrestricted net assets for Business-Type activities for the fiscal year ended (FYE) 2005 is largely attributable to revised engineering estimates of landfill long term care costs (see page S-5 for further details). These same factors continued to affect FYE 2006, even though Total Business-Type Net Assets reported an increase.

** Capital Assets, Net of Related Debt increased significantly in fiscal year ended September 30, 2006 due primarily to the retroactive capitalization of infrastructure assets pursuant to Governmental Accounting Standards Board (GASB) Statement 34. Refer, also, to pages iii and vi, Management's Discussion and Analysis.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**CHANGES IN NET ASSETS – LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year Ended September 30			
	2003	2004	2005	2006
Expenses				
Governmental Activities:				
General Government	\$ 11,763,375	\$ 12,062,121	\$ 12,779,328	\$ 13,296,405
Public Safety	18,316,022	20,776,621	21,460,892	22,232,302
Physical Environment	279,649	427,324	388,229	579,000
Transportation	8,229,849	8,059,497	11,749,444	11,402,600
Economic Environment	1,817,081	2,234,127	1,864,763	1,785,538
Human Services	1,892,737	1,854,142	2,481,153	2,416,565
Culture and Recreation	1,212,045	1,874,680	1,559,073	1,862,991
Court Related	3,189,632	3,361,705	2,798,284	3,033,562
Interest on Long-Term Debt	310,798	222,606	218,423	317,374
Total Governmental Activities Expenses	47,011,188	50,872,823	55,299,589	56,926,337
Business-type Activities:				
Water and Wastewater System	123,657	132,328	142,722	122,487
Solid Waste	4,842,934	4,386,367	10,414,791	7,971,254
Port Authority	97,683	96,318	124,643	173,767
Total Business-type Activities Expenses	5,064,274	4,615,013	10,682,156	8,267,508
Total Primary Government Expenses	\$ 52,075,462	\$ 55,487,836	\$ 65,981,745	\$ 65,193,845
Program Revenues				
Governmental Activities:				
Charges for Services				
General Government	\$ 4,146,302	\$ 4,495,132	\$ 4,369,449	\$ 4,326,151
Public Safety	3,449,934	3,728,377	4,014,064	4,409,005
Court Related	1,302,243	1,495,553	2,003,996	2,493,652
Other	1,351,782	1,518,447	1,739,997	1,684,541
Operating Grants and Contributions	4,755,970	5,335,505	5,526,125	6,106,925
Capital Grants and Contributions	4,059,742	1,405,152	2,777,371	5,826,144
Total Governmental Activities Program Revenues	19,065,973	17,978,166	20,431,002	24,846,418
Business-type Activities:				
Charges for Services:				
Water and Wastewater System	53,480	49,506	56,665	52,475
Solid Waste	5,692,802	6,094,628	5,889,582	6,031,090
Port Authority	52,776	48,806	97,329	104,030
Operating Grants and Contributions	254,680	304,072	1,353,155	1,685,684
Total Business-type Activities Program Revenues	6,053,738	6,497,012	7,396,731	7,873,279
Total Primary Government Program Revenues	\$ 25,119,711	\$ 24,475,178	\$ 27,827,733	\$ 32,719,697
Net (Expense)/Revenue				
Governmental Activities	(\$ 27,945,215)	(\$ 32,894,657)	(\$ 34,868,587)	(\$ 32,079,919)
Business-type Activities	989,464	1,881,999	(3,285,425)	(394,229)
Total Primary Government Net Expense	(\$ 26,955,751)	(\$ 31,012,658)	(\$ 38,154,012)	(\$ 32,474,148)
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 21,656,001	\$ 25,129,686	\$ 27,273,945	\$ 29,935,184
Sales Taxes and Other State Shared Revenue	4,336,799	4,531,451	4,824,434	5,261,062
Local Infrastructure Surtax	3,003,379	4,417,277	4,834,232	5,584,987
Other Taxes	2,386,291	2,454,833	2,628,964	2,648,666
Investment Earnings	462,325	352,215	774,652	1,429,292
Gain (Loss) on Sale of Capital Assets	63,262	409,750	43,027	48,938
Miscellaneous	1,809,961	495,442	611,999	537,264
Transfers	(3,228,038)	(554,817)	(650,024)	(325,510)
Total Governmental Activities	30,489,980	37,235,837	40,341,229	45,119,883
Business-type Activities:				
Investment Earnings	76,352	39,914	73,594	393,740
Gain (Loss) on Sale of Capital Assets	(28,292)	128,628	21,655	386,746
Miscellaneous	6,949	1,472	12,269	2,747
Transfers	3,228,038	554,817	650,024	325,510
Total Business-type Activities	3,283,047	724,831	757,542	1,108,743
Total Primary Government	\$ 33,773,027	\$ 37,960,668	\$ 41,098,771	\$ 46,228,626
Changes in Net Assets				
Governmental Activities	\$ 2,554,765	\$ 4,341,180	\$ 5,472,642	\$ 13,039,964
Business-type Activities	4,272,511	2,606,830	(2,527,883)	714,514
Total Primary Government	\$ 6,817,276	\$ 6,948,010	\$ 2,944,759	\$ 13,754,478

Note: See pages iii and vii, Management's Discussion and Analysis, for further information.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

CHANGES IN NET ASSETS – LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)

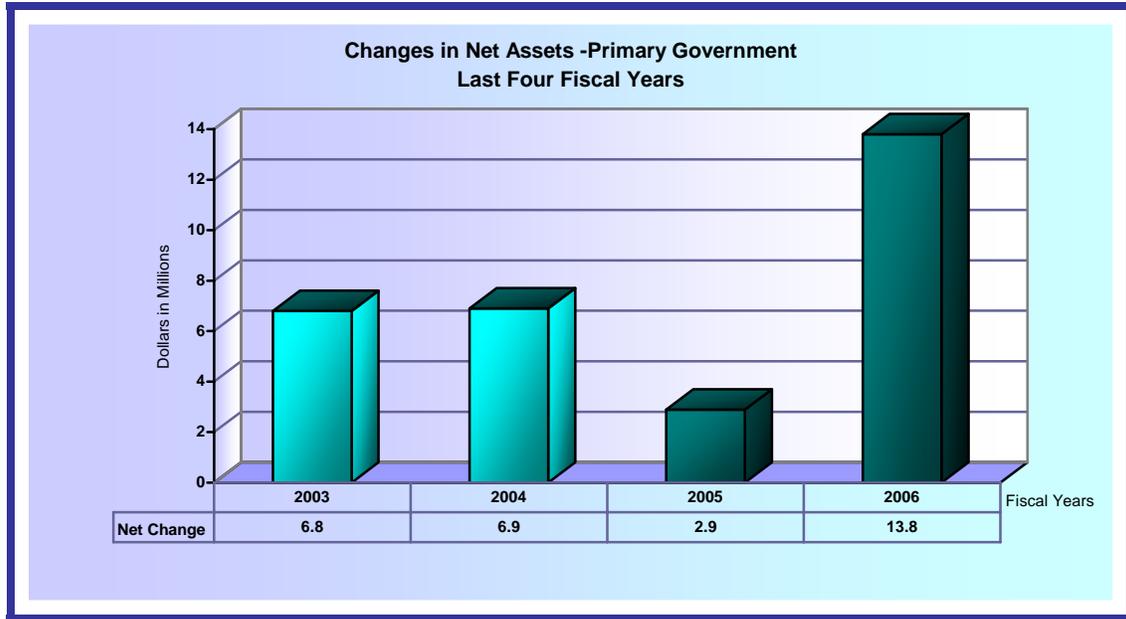


Figure A.2

Notes:

Information, which is the basis for this graph, has been taken from page S-4.

Fiscal year ending September 30, 2005 – Changes in Net Assets decreased from the prior fiscal year to \$2.9 million. This result is primarily due to revised engineering estimates of long term care costs and remaining capacity of the landfill totaling, approximately, \$2.5 million. Additionally, expenses of debris removal, associated with hurricanes Francis and Jeanne, exceeded reimbursements received from the Federal Emergency Management Agency (FEMA) by, approximately, \$1.2 million.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	Fiscal Years Ended September 30 -----									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 69,405	\$ 112,522	\$ 46,922	\$ 51,022	\$ 52,655	\$ 52,655	\$ 72,188	\$ 78,276	\$ 63,453	\$ 54,507
Unreserved	<u>5,590,595</u>	<u>5,855,245</u>	<u>6,478,534</u>	<u>3,902,652</u>	<u>3,130,249</u>	<u>4,200,294</u>	<u>4,630,917</u>	<u>5,295,496</u>	<u>6,805,123</u>	<u>6,906,964</u>
Total General Fund	<u>\$ 5,660,000</u>	<u>\$ 5,967,767</u>	<u>\$ 6,525,456</u>	<u>\$ 3,953,674</u>	<u>\$ 3,182,904</u>	<u>\$ 4,252,566</u>	<u>\$ 4,703,105</u>	<u>\$ 5,373,772</u>	<u>\$ 6,868,576</u>	<u>\$ 6,961,471</u>
All Other Governmental Funds										
Reserved	\$ 1,185,445	\$ 1,287,451	\$ 1,512,394	\$ 1,729,535	\$ 2,051,178	\$ 2,196,857	\$ 2,369,334	\$ 1,730,489	\$ 1,170,482	\$ 1,048,960
Unreserved, reported in:										
Special Revenue Funds	4,996,501	5,272,589	6,979,174	6,428,393	6,720,130	6,667,150	8,168,224	7,591,389	9,285,550	11,783,920
Debt Service Funds	1,162,092	1,188,625	1,073,637	1,005,765	878,778	657,672	404,511	273,015	607,673	704,958
Capital Projects Funds	<u>2,928,897</u>	<u>2,125,196</u>	<u>2,024,741</u>	<u>1,780,673</u>	<u>1,991,195</u>	<u>896,907</u>	<u>544,281</u>	<u>4,529,231</u>	<u>1,506,495</u>	<u>(3,333,764)</u>
Total All Other Governmental Funds	<u>\$10,272,935</u>	<u>\$ 9,873,861</u>	<u>\$11,589,946</u>	<u>\$10,944,366</u>	<u>\$11,641,281</u>	<u>\$10,418,586</u>	<u>\$11,486,350</u>	<u>\$14,124,124</u>	<u>\$12,570,200</u>	<u>\$ 10,204,074</u>

Notes:

Unreserved General Fund balance averaged \$5,279,607 for the past ten fiscal years.

Total Unreserved Fund Balance averaged \$14,963,967 for fiscal years ended 1997 through 2006.

See page S-7, Figure A.3, for a comparison of Total Unreserved Fund Balance to Total Fund Balance for the above years.

Additional fund statement information may be located on page iii, Management's Discussion and Analysis.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**TOTAL UNRESERVED FUND BALANCE TO TOTAL FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

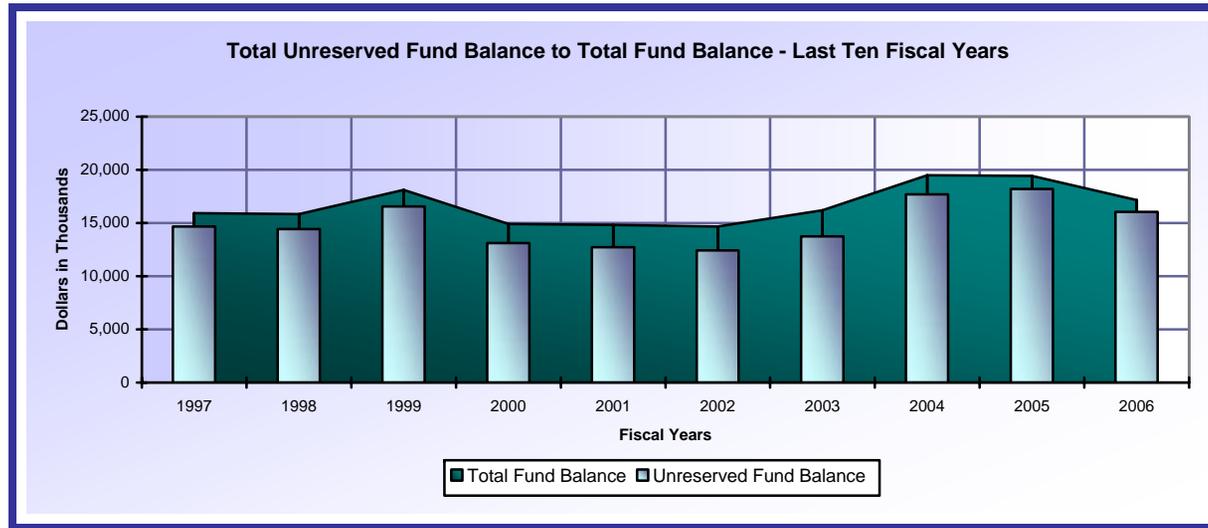


Figure A.3

Fiscal Years Ended September 30

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Unreserved Fund Balance	\$14,678,085	\$14,441,655	\$16,556,086	\$13,117,483	\$12,720,352	\$12,422,023	\$13,747,933	\$17,689,131	\$18,204,841	\$16,062,078
Total Fund Balance	\$15,932,935	\$15,841,628	\$18,115,402	\$14,898,040	\$14,824,185	\$14,671,152	\$16,189,455	\$19,497,896	\$19,438,776	\$17,165,545

Note: Data for Figure A.3 has been derived from information given on page S-6.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**UNRESERVED GENERAL FUND BALANCE TO GENERAL FUND OPERATING REVENUE
LAST TEN FISCAL YEARS**

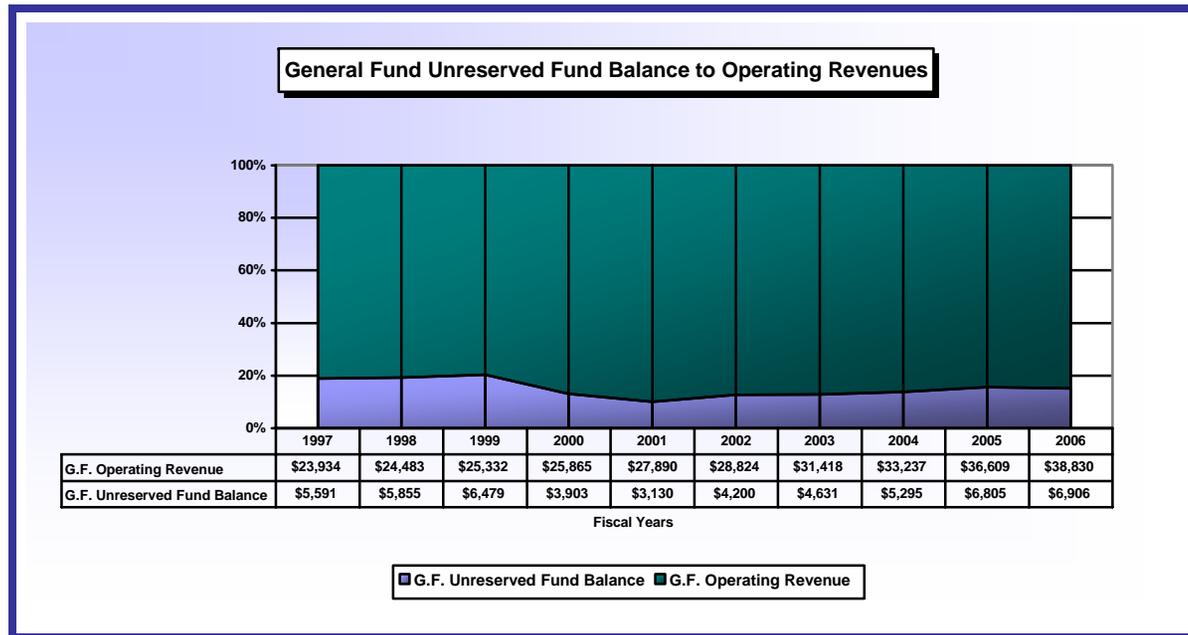


Figure A.4

Notes:

Amounts reported above for General Fund Operating Revenue and General Fund Unreserved Fund Balance are in thousands of dollars.

Fund balance generally denotes financial resources available in the governmental fund. Unreserved fund balance may serve as a measure of those funds that are available for spending. It is necessary that governments maintain adequate levels of fund balance to anticipate revenue shortfalls or contingencies that may significantly impact a government's financial condition (i.e. natural disasters, etc.). Consequently, the Governmental Finance Officers Association (GFOA) has set forth a recommendation that local governments maintain a minimum unreserved general fund balance equal to 5% to 15% of their normal general fund operating revenues, or no less than 1 to 2 months of their normal general fund operating expenditures. Additionally, as recommended by the GFOA, the Putnam County Board of County Commissioners (PCBOCC) has established a formal written policy requiring that an unreserved fund balance in the general fund be maintained at a level not less than 10% of total general fund revenues, excluding transfers and other financing sources.

The percentage of General Fund Unreserved Balance to General Fund Operating Revenues for the past ten fiscal years ranged from a low of 11.2% in fiscal year 2001 to a high of 25.6% reported in fiscal year 1999. These percentages meet the specified parameters for all ten years.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Years Ended September 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 19,959,658	\$ 20,034,506	\$ 20,783,389	\$ 21,090,038	\$ 22,461,673	\$ 22,999,680	\$ 26,965,513	\$ 31,924,959	\$ 34,641,141	\$ 38,070,859
Licenses and Permits	414,898	447,645	419,227	470,630	447,223	482,749	521,791	728,538	905,617	944,784
Charges for Services	5,240,439	5,279,240	5,490,197	5,519,559	6,022,809	6,125,416	6,862,602	7,458,566	8,063,824	8,633,406
Fines and Forfeitures	588,134	631,557	636,613	613,171	570,140	640,887	721,856	835,834	1,044,400	713,015
Intergovernmental	7,378,273	8,755,829	9,268,566	10,066,037	11,809,126	12,059,050	12,030,862	10,725,004	12,871,620	17,088,304
Other	3,289,724	2,582,686	3,442,831	3,267,341	3,050,905	2,486,306	4,247,164	2,518,403	3,545,798	3,745,735
Total Revenues	\$ 36,871,126	\$ 37,731,463	\$ 40,040,823	\$ 41,026,776	\$ 44,361,876	\$ 44,794,088	\$ 51,349,788	\$ 54,191,304	\$ 61,072,400	\$ 69,196,103
Expenditures										
General Government	\$ 11,167,428	\$ 8,839,909	\$ 9,222,605	\$ 9,269,769	\$ 11,445,328	\$ 11,440,430	\$ 11,800,838	\$ 11,601,616	\$ 12,844,452	\$ 15,008,190
Public Safety	13,785,696	14,097,699	14,233,954	16,238,895	16,043,451	17,895,838	19,366,157	20,178,588	23,540,794	24,415,173
Physical Environment	377,086	574,285	581,153	936,626	2,080,158	749,172	632,378	960,313	1,009,370	995,783
Transportation	3,042,759	3,422,240	3,997,887	4,786,535	5,235,386	4,583,302	4,678,662	5,678,591	9,072,104	7,702,343
Economic Environment	529,873	499,623	785,148	3,955,893	662,243	1,110,206	1,797,381	2,231,927	1,933,303	1,785,454
Human Services	1,780,011	2,025,020	1,958,818	2,331,051	2,226,894	1,945,035	1,891,999	1,927,356	2,332,729	1,928,952
Culture and Recreation	1,004,858	1,085,787	1,055,584	1,180,585	1,118,284	1,143,012	1,101,139	1,372,922	1,423,626	1,758,738
Court Related	-	2,036,996	2,579,212	2,540,798	3,096,734	3,011,021	3,171,771	3,302,128	2,805,914	3,009,710
Capital Outlay	63,081	2,940,667	1,622,407	1,041,645	826,467	3,255,228	4,006,734	3,797,483	9,057,166	14,198,442
Debt Service										
Principal Retirement	1,478,823	1,520,605	1,600,970	1,621,820	1,654,311	1,819,694	1,883,533	1,868,887	1,397,435	1,222,416
Interest and Fiscal Charges	619,153	556,234	500,723	444,145	388,813	359,630	310,798	222,606	218,423	317,374
Total Expenditures	\$ 33,848,768	\$ 37,599,065	\$ 38,138,011	\$ 44,347,762	\$ 44,778,069	\$ 47,312,568	\$ 50,641,390	\$ 53,142,417	\$ 65,635,316	\$ 72,342,575
Excess of Revenues Over (Under) Expenditures	\$ 3,022,358	\$ 132,398	\$ 1,902,812	(\$ 3,320,986)	(\$ 416,193)	(\$ 2,518,480)	\$ 708,398	\$ 1,048,887	(\$ 4,562,916)	(\$ 3,146,472)
Other Financing Sources (Uses)										
Proceeds from Borrowing	\$ 800,428	\$ 318,460	\$ 874,155	\$ 594,741	\$ 373,616	\$ 2,520,341	\$ 290,527	\$ 1,743,204	\$ 3,256,000	-
Proceeds from Refunding	-	-	-	-	-	-	-	-	-	-
Payments to Escrow Agent	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	522,370	211,500	58,623
Capital Leases	-	-	-	-	-	-	242,140	114,000	1,217,611	1,052,263
Transfers In	16,326,686	16,913,491	17,846,610	19,947,863	17,704,293	18,751,658	17,980,327	18,981,945	19,534,446	21,371,970
Transfers Out	(16,622,866)	(17,481,619)	(18,349,803)	(20,438,980)	(18,188,511)	(18,906,452)	(18,147,597)	(19,101,965)	(19,715,761)	(21,609,615)
Total Other Financing Sources (Uses)	504,428	(249,668)	370,962	103,624	(110,602)	2,365,547	365,397	2,259,554	4,503,796	873,241
Net Change in Fund Balances	3,526,606	(117,270)	\$ 2,273,774	(\$ 3,217,362)	(\$ 526,795)	(\$ 152,933)	\$ 1,073,795	\$ 3,308,441	(\$ 59,120)	(\$ 2,273,231)
Debt Service as a Percentage of Non-capital Expenditures	6.71%	5.79%	5.95%	5.12%	5.06%	4.91% *	4.68%	4.26%	3.06%	2.92%

Notes:

*The percentage of debt service to non-capital expenditures has been re-stated for fiscal year ended 2002, a resultant change of .04%.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(Modified Accrual Basis of Accounting)

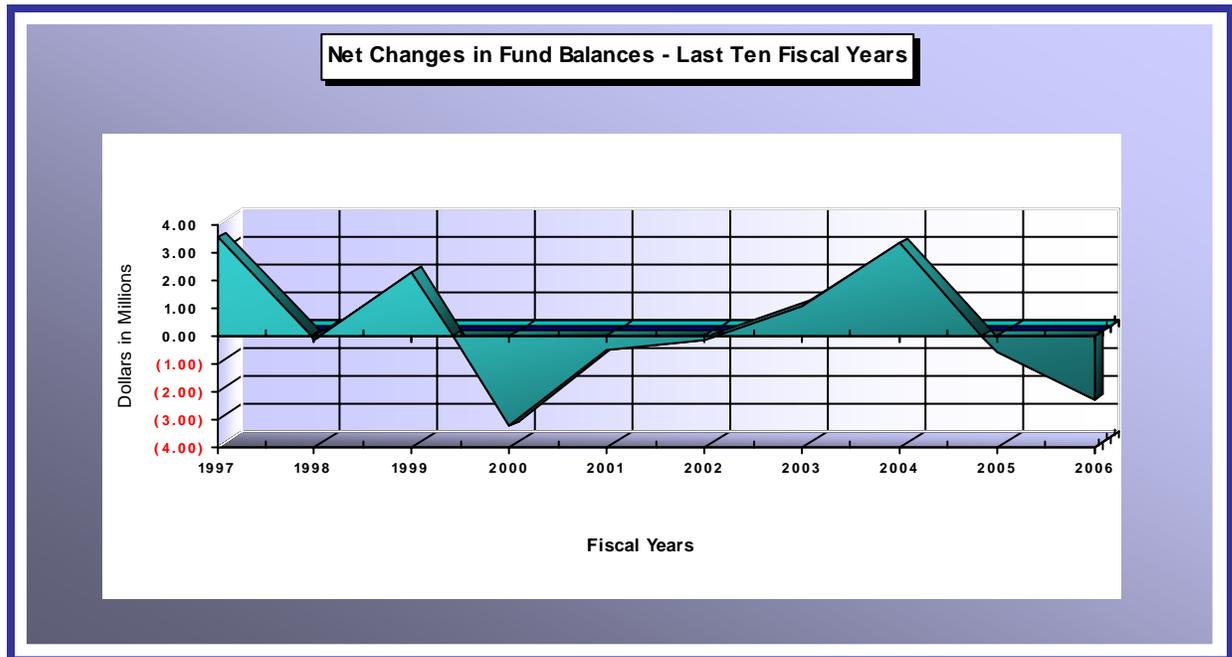


Figure A.5

Notes:

The chart above depicts Net Changes in Fund Balance as seen on page S-9.

Fiscal year ending (FYE) September 30, 2000 - Changes in fund balances reflect an overall decrease of \$5.5 million primarily attributable to approximately \$3.2 million in Economic Environment expenditures to facilitate commercial development in Putnam County, as well as approximately \$2 million in Public Safety expenditures to fund additional Deputy Sheriffs, an expanded Emergency Medical Services Department and an enhanced 911 Dispatch Center.

FYE 2001 - The overall increase in fund balance from (\$3,217,362) to (\$526,795) is due substantially to increased tax revenues, as well as, receipts of federal and state funding for the East Palatka Water/ Wastewater and the Business Park Development projects.

FYE 2006 – A decrease of \$2,273,231 was reported as the net change in Fund Balance for FYE 2006, the explanation which may be located on page x of Management's Discussion and Analysis.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA.**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

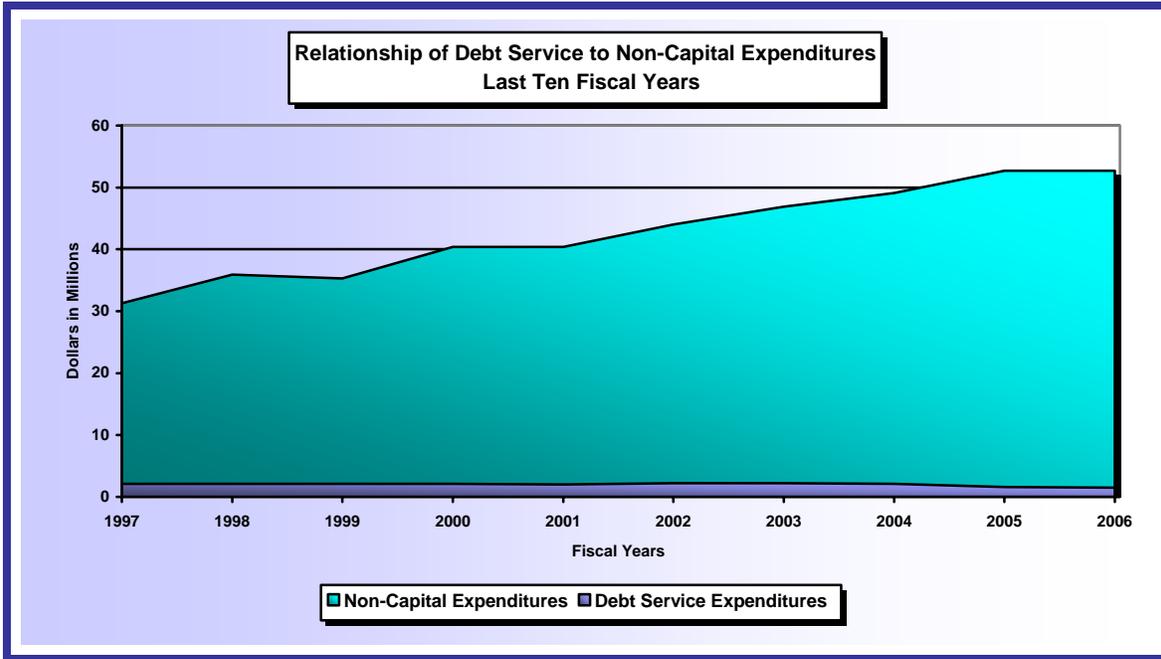


Figure A.6

Note:

The data for the above chart has been taken from Page S-9.

Debt service as a percentage of non-capital expenditures has continued to decrease from 6.71% as of FYE 1997 to 2.92% as of FYE 2006 as a result of increases in expenditures, as well as debt retirement.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**TAXABLE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands of Dollars)**

Fiscal Years	Real Property----- Residential	----- Commercial	----- Industrial	----- Other	----- Adjustments (1)	Personal Property	Less Tax – Exempt Property	Total Taxable Assessed Value (2)	Total Direct Tax Rate	Estimated Actual Taxable Value	Total Taxable Assessed Value as a Percentage of Estimated Actual Value
1997	\$ 1,325,309	\$ 155,075	\$ 79,097	\$ 626,014	(\$ 185,979)	\$ 835,444	(\$ 733,608)	\$ 2,101,352	8.4	\$ 3,372,131	62.315%
1998	1,351,646	156,917	79,218	643,285	(183,969)	834,131	(743,742)	2,137,486	8.4	3,420,286	62.494%
1999	1,399,855	169,674	81,170	653,324	(192,430)	830,273	(762,407)	2,179,459	8.4	3,494,429	62.370%
2000	1,467,200	183,674	86,816	674,267	(206,407)	825,354	(787,261)	2,243,643	8.4	3,596,070	62.392%
2001	1,547,124	190,392	87,797	693,859	(223,575)	822,948	(811,039)	2,307,506	8.8	3,726,271	61.925%
2002	1,639,605	201,390	136,335	740,982	(256,472)	830,006	(861,308)	2,430,538	8.8	4,000,103	60.762%
2003	1,777,311	227,394	139,820	790,056	(299,231)	824,128	(920,304)	2,539,174	8.8	4,280,371	59.321%
2004	1,920,374	246,776	141,977	857,083	(357,964)	797,350	(967,744)	2,637,852	9.2	4,480,224	58.878%
2005	2,147,954	267,389	166,748	927,233	(462,985)	787,349	(1,021,574)	2,812,114	9.2	4,821,291	58.327%
2006	2,590,133	306,864	179,493	1,014,378	(652,769)	794,649	(1,078,737)	3,154,012	9.2	5,401,459	58.392%

Real and tangible personal property are assessed on January 1 of each year.

Florida Statutes (F.S.) governs the procedures for establishing and increasing millage rates. The Board of County Commissioners sets the millage rates (F.S. 200.011 & 200.065). Millage rates levied by counties may not exceed 10.0 mills except by vote of the county’s qualified electors (F.S. 200.071). Such voted levies are limited for periods not to exceed two (2) years (F.S. 200.091).

(1) Adjustments are various due to classifications, caps, etc., pursuant to Florida Statutes 193.114(2)(d), 193.155, 193.461, 193.501 and 193.502(7).

(2) Total Taxable Assessed Value is net of stipulated adjustments and tax exemptions.

Sources:

Putnam County Property Appraiser – Forms DR-403PC and DR-403AC.

Tax rates are per \$1,000 of assessed value and are taken from Forms DR-422.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

TAXABLE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

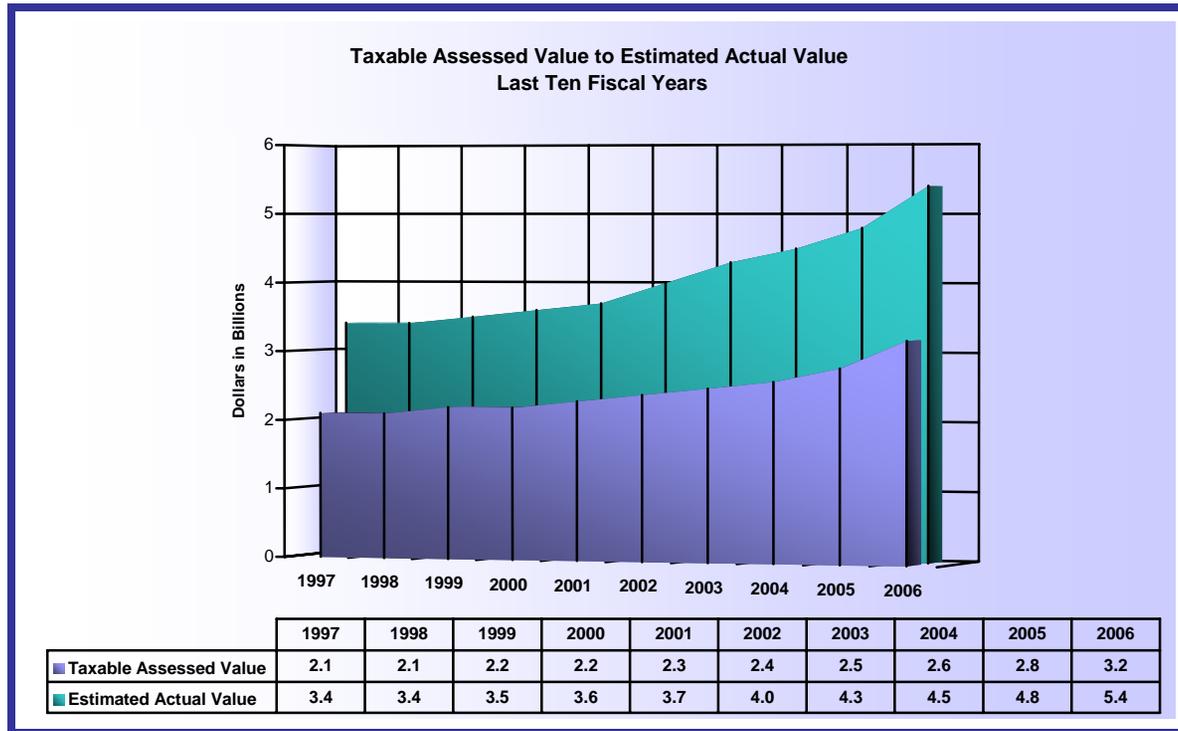


Figure B.1

Notes:

Data for the above has been taken from values reported on page S-12 and has been shown here rounded to billions of dollars.

The Total Taxable Assessed Value (TTAV) differs from, or is less than, the Estimated Actual Taxable Value (EATV) due to certain adjustments for classifications, cap, etc. as well as tax exemptions as provided by the Florida Statutes. From FYE 1997 until FYE 2006, TTAV's relationship to EATV has decreased from 62.315% to 58.392%, a change of -3.923%. Though the estimated taxable value of real property has increased; there has been a decrease in the estimated taxable value in personal property, an increase in the adjustment factors for classifications, caps, etc. and an increase in the value of tax exemptions.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$1,000 of Taxable Value)**

	Fiscal Years -----									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>Governmental Entity</u>										
Board of County Commissioners										
General Fund	8.400	8.400	8.400	8.400	8.800	8.800	8.800	9.200	9.200	9.200
Total General County	8.400	8.400	8.400	8.400	8.800	8.800	8.800	9.200	9.200	9.200
School Board Operations										
General Fund	7.223	7.099	7.128	6.967	6.827	6.684	6.644	6.466	6.310	5.934
Bond/Debt/Capital Outlay	2.970	2.995	2.970	2.924	2.911	2.870	2.760	2.800	2.800	2.600
Total School Board	10.193	10.094	10.098	9.891	9.738	9.554	9.404	9.266	9.110	8.534
Total County-wide	18.593	18.494	18.498	18.291	18.538	18.354	18.204	18.466	18.310	17.734
Special Districts										
Fire Taxing Unit	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.800	0.800	0.800
West Putnam MSTU	3.000	3.000	3.000	3.000	3.000	0.000	0.000	0.000	0.000	0.000
St. Johns River Water Management District	0.482	0.482	0.482	0.482	0.472	0.462	0.462	0.462	0.462	0.462
Suwanee River Water Management District	0.491	0.491	0.491	0.491	0.491	0.491	0.491	0.491	0.491	0.491
Municipalities										
Crescent City	8.250	8.250	8.250	8.250	8.250	8.250	8.250	9.000	9.000	8.900
Interlachen	7.400	7.380	7.500	7.500	7.500	8.000	8.000	8.000	7.950	8.500
Palatka	7.631	7.555	7.213	7.042	6.907	7.300	7.800	8.000	8.000	8.650
Pomona Park	5.900	5.729	5.688	5.431	5.289	6.289	7.289	7.305	7.471	6.404
Welaka	5.000	5.000	5.000	5.000	5.000	7.000	6.700	6.700	6.700	6.700

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	<u>Fiscal Year 2006 -----</u>			<u>Fiscal Year 1997 -----</u>		
	Taxable Assessed Value (1)	Rank	Percentage of Total County Assessed Value	Taxable Assessed Value (2)	Rank	Percentage of Total County Assessed Value
Seminole Electric	\$275,388,191	1	8.73%	\$425,209,101	1	20.24%
Georgia Pacific Corp.	243,438,874	2	7.72%	199,268,794	2	9.48%
Florida Power & Light	144,018,540	3	4.57%	159,336,883	3	7.58%
Lafarge Corp.	115,621,152	4	3.67%	-	-	-
Clay Electric Coop, Inc.	37,499,082	5	1.19%	30,383,398	4	1.45%
BellSouth Telecommunications	20,715,328	6	0.66%	27,951,432	5	1.33%
Lifepoint Hospitals, Inc.	18,039,026	7	0.57%	-	-	-
Wal-Mart Stores East, Inc.	13,182,559	8	0.42%	-	-	-
CSX Transportation	11,765,725	9	0.37%	12,603,488	8	0.60%
Iluka Resources	8,764,248	10	0.28%	-	-	-
Florida Furniture Industries	-	-	-	15,037,048	6	0.72%
Columbia/HCA Healthcare	-	-	-	13,637,943	7	0.65%
Alltel Florida, Inc.	-	-	-	7,875,395	9	0.37%
St. Johns Trading Co.	-	-	-	5,171,413	10	0.25%
Totals	<u>\$888,432,725</u>		<u>28.18%</u>	<u>\$896,474,895</u>		<u>42.67%</u>

Taxable Assessed Value includes real, tangible, personal, and centrally assessed properties.

Percentages are a function of Taxable Assessed Value / Total Taxable Assessed Value for the given fiscal year. Values for Total Taxable Assessed Value may be located on page S-12.

Graphs that illustrate the information shown in the above table may be found on page S-16.

Sources:

- (1) Putnam County Property Appraiser – 2005 Final Taxroll.
- (2) Putnam County Property Appraiser – 1996 Final Taxroll.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO**

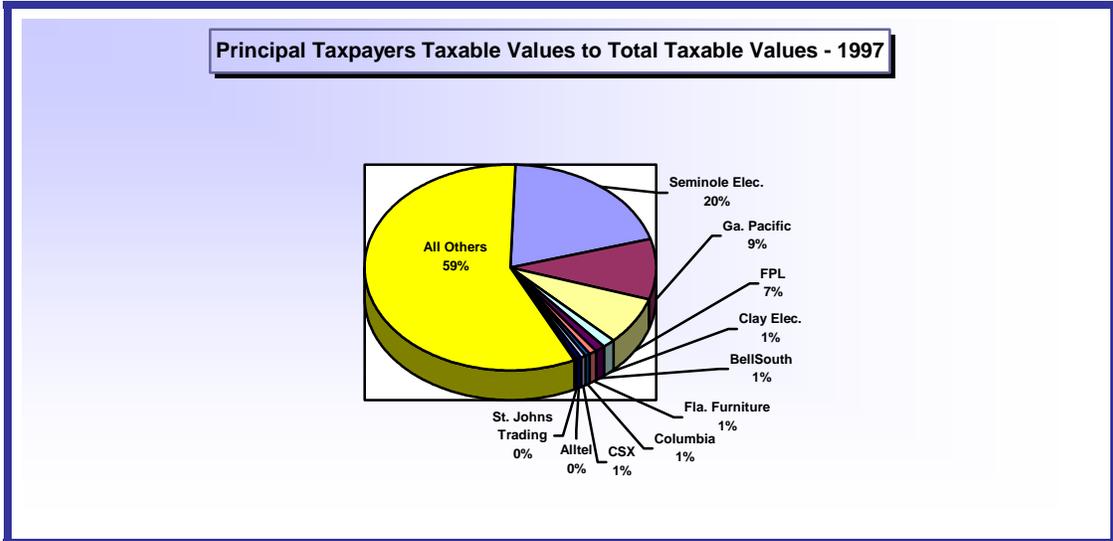


Figure B.2

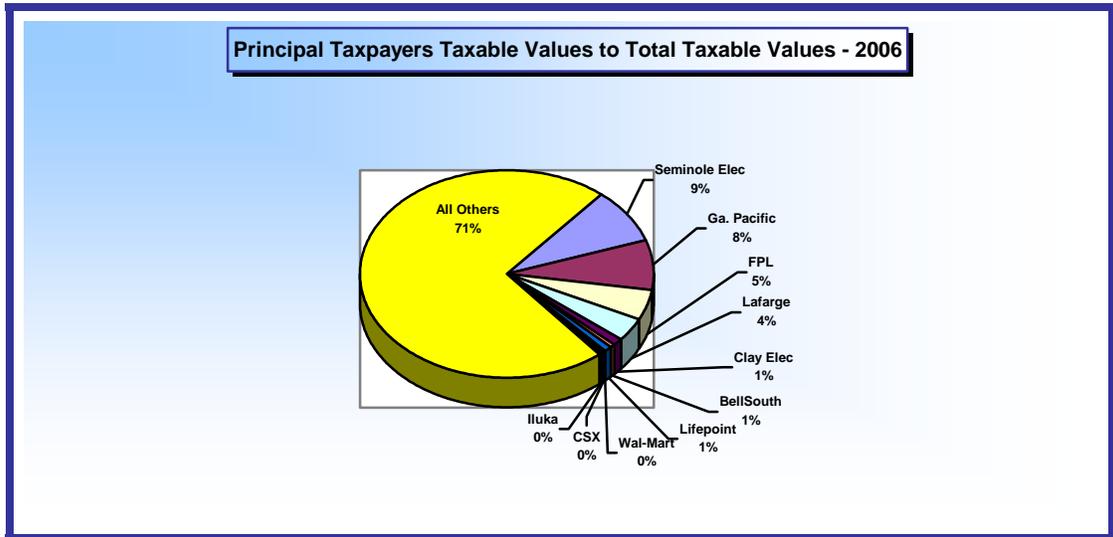


Figure B.3

Notes:

Data for the above illustrations has been taken from pages S-12 and S-15.

Entities shown as having 0% may be understood to mean having less than 0.50%.

Decreases in percentages of taxable values may be the result of business cycles, depreciation of property, etc.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

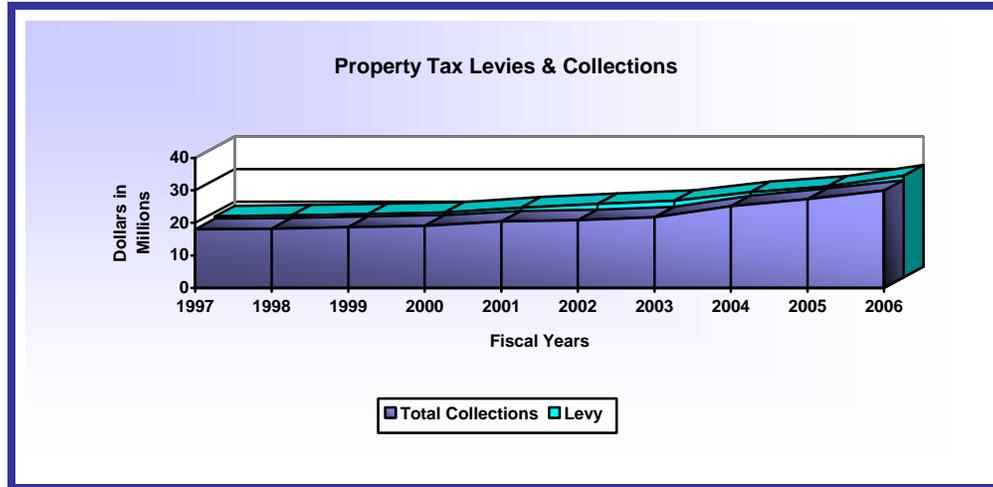


Figure B.4

Fiscal Year	Total Tax Levy	Current Fiscal Year Collections	Percentage of Levy	Delinquent Collections	Total Collections	Percentage of Levy
1997	\$ 18,670,244	\$ 17,901,352	95.88%	\$ 97,202	\$ 17,998,554	96.40%
1998	18,988,581	18,081,889	95.23%	97,386	18,179,275	95.74%
1999	19,355,324	18,600,876	96.10%	125,079	18,725,955	96.75%
2000	19,923,701	18,930,256	95.01%	164,136	19,094,392	95.84%
2001	21,409,254	20,172,205	94.22%	254,299	20,426,504	95.41%
2002	22,481,475	20,588,216	91.58%	235,393	20,823,609	92.63%
2003	23,485,081	21,383,765	91.05%	272,236	21,656,001	92.21%
2004	26,151,575	24,768,865	94.71%	360,821	25,129,686	96.09%
2005	27,877,586	26,163,323	93.85%	1,110,621*	27,273,944	97.83%
2006	31,250,659	29,278,397	93.69%	656,787	29,935,184	95.79%

*The significant increase in these collections seems largely attributable to an increase in the closings of real property sales, necessitating the payment of delinquent taxes. The percentage of collections to tax levy for the ten year period ending as of 9/30/2006 averaged 95.46%.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Governmental Activities</u>					<u>Business-Type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of Personal Income (6)</u>	<u>Outstanding Debt Per Capita (6)</u>
	<u>Loans/Notes Payable</u>	<u>General Obligation Bonds (1)</u>	<u>Revenue Bonds Gas Tax 1989 (2)</u>	<u>Sales Tax 1995 (3)</u>	<u>Capital Leases (4)</u>	<u>Loans/Notes Payable</u>	<u>Revenue Bonds 1993 (5)</u>	<u>Capital Leases</u>			
1997	\$ 2,426,670	\$ 40,142	\$ 2,525,000	\$ 4,195,000	\$ 557,936	\$ -	\$ 4,575,000	\$ 94,418	\$ 14,414,166	1.29%	\$ 205
1998	2,249,258	-	2,230,000	3,745,000	318,345	3,580,000	3,500,000	20,901	15,643,504	1.32%	219
1999	1,803,056	-	1,915,000	3,275,000	822,732	3,259,572	2,380,000	-	13,455,360	1.07%	185
2000	1,435,356	-	1,580,000	2,790,000	983,353	3,080,000	1,215,000	280,574	11,364,283	0.89%	161
2001	1,048,133	-	1,225,000	2,280,000	954,881	3,080,000	-	199,111	8,787,125	0.66%	124
2002	3,091,467	-	845,000	1,750,000	522,194	2,280,000	-	113,414	8,602,075	0.63%	121
2003	2,803,046	-	435,000	1,190,000	429,749	1,140,000	-	23,262	6,021,057	0.41%	84
2004	3,938,263	-	-	605,000	302,850	380,002	-	-	5,226,115	0.34%	71
2005	6,640,738	-	-	-	1,281,551	283,606	-	-	8,205,895	0.51%	111
2006	5,942,847	-	-	-	1,809,289	183,695	-	-	7,204,029	0.44%	97

Notes:

- (1) Pooled Liability Insurance Program Revenue Bonds, Series 1990 – Principal and interest were payable from Putnam County’s second guaranteed entitlement of State General Revenue Sharing proceeds. Final payment was made December 16, 1997.
- (2) Final payment was made September 30, 2004. See note (1), page S-19 for additional information.
- (3) Final payment was made September 30, 2005. See note (2), page S-19 for additional information.
- (4) In fiscal year 2005 the County acquired two road graders for the Public Works Department through capital lease arrangements. Additionally, during both fiscal years 2005 and 2006, the Sheriff’s Office, in an ongoing effort to better facilitate public safety, financed additional patrol vehicles and related equipment through capital leases.
- (5) Final payment was made during fiscal year 2001.
- (6) See the Demographics Statistics schedule, page S-24, for population and annual personal income data. The figures provided here represent ratios of total primary government outstanding debt to annual personal income and population.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Tax-Backed Bonds -----</u>				<u>Restricted Reserves -----</u>			<u>Additional Comparisons Net Tax-Backed Bond Debt Ratios-----</u>				
	General Obligation Bonds	Gas Tax 1989 (1)	Sales Tax 1995 (2)	Total	Gas Tax 1989	Sales Tax 1995	Net General Bonded Debt (GBD)	Net GBD to Personal Income (3)	Net GBD Per Capita (3)	County Gas Consumption (in gallons) (4)	Gas Consumption To Net Gas Tax-Backed Bonded Debt (5)	Net Sales Tax-Backed Bonded Debt to County Taxable Sales (3)
1997	\$ 40,142	\$ 2,525,000	\$ 4,195,000	\$ 6,760,142	\$ 216,250	\$ 501,000	\$ 6,042,892	0.54 %	\$ 86	32,256,000	14	0.94%
1998	-	2,230,000	3,745,000	5,975,000	216,250	501,000	5,257,750	0.44%	74	33,318,000	17	0.78%
1999	-	1,915,000	3,275,000	5,190,000	216,250	501,000	4,472,750	0.35%	62	34,564,000	31	0.63%
2000	-	1,580,000	2,790,000	4,370,000	216,250	501,000	3,652,750	0.29%	52	32,274,000	24	0.50%
2001	-	1,225,000	2,280,000	3,505,000	216,250	501,000	2,787,750	0.21%	40	30,612,000	30	0.38%
2002	-	845,000	1,750,000	2,595,000	216,250	501,000	1,877,750	0.14%	26	31,694,000	50	0.27%
2003	-	435,000	1,190,000	1,625,000	216,250	501,000	907,750	0.06%	13	32,516,000	149	0.13%
2004	-	-	605,000	605,000	-	501,000	104,000	0.01%	1	-	-	0.02%
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

- (1) The Gas Tax Refunding Revenue Bonds of 1989 were payable from the first, second and third cent of Putnam County's portion of the six cent local option gas tax. A bond resolution required that a reserve account be established. Bond reserve requirements were met in all fiscal years. Deficiencies in the revenue stream would have been paid from the General Fund without regard to advalorem revenues.
- (2) The Capital Improvement Refunding Revenue Bonds of 1995 were paid from the proceeds of the Local Government Half-Cent Sales Tax Clearing Trust Fund. A bond resolution required that a reserve account be established. Bond reserve requirements were met in all fiscal years. Deficiencies in the revenue stream would have been paid from the General Fund without regard to advalorem revenues.
- (3) See the Demographics Statistics schedule, page S-24, for annual personal income, population, and taxable sales data.
- (4) Gasoline consumption data includes gasohol and has been taken from the State of Florida Department of Revenue report on *Motor Gasoline Consumption by County*. The data is presumed to include non-taxable sales, as well as taxable sales. However, a report of motor fuel usage by state, provided by the Federal Highway Administration, for data as of 1999, indicated that governmental usage of motor fuel in the State of Florida was under two percent (2%). It is expected that governmental usage of gasoline in Putnam County would be less than the State average, as there are no military installations within the County. Therefore the effect of non-taxable sales of gasoline products within the amounts reported is deemed to be de minimus.
- (5) This ratio reflects the number of gallons of gasoline consumed throughout the County per dollar of net outstanding gas tax-backed bonded debt.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**NET GENERAL BONDED DEBT AND TOTAL DEBT OUTSTANDING
PER CAPITA – LAST TEN FISCAL YEARS**

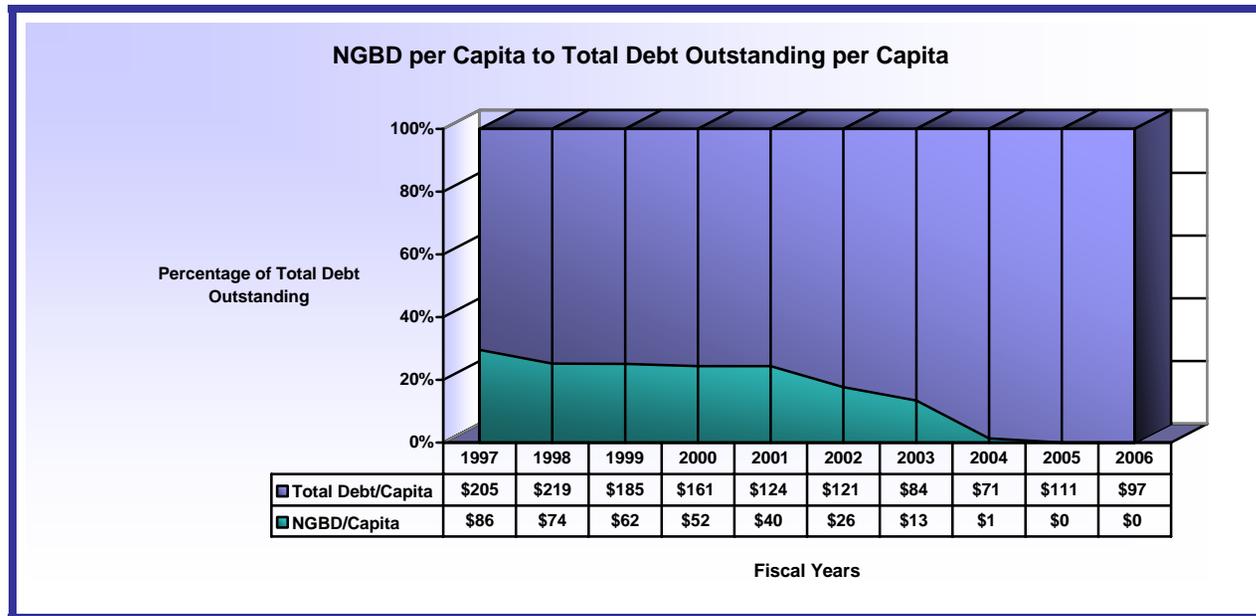


Figure C.1

The above graph, comparing Net General Bonded Debt (NGBD) Outstanding per Capita to the Total Debt Outstanding per Capita illustrates the relative debt burden as it pertains to the County’s population. It should be remembered that the amounts depicted are as of September 30th of the given fiscal year. Thus, by September 30, 2005 all NGBD had been retired. Refer to pages S-18 and S-19 for additional information.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2006**

<u>Governmental Unit</u>	Debt Outstanding	Estimated Applicable Percentage (A)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Putnam County School District	\$ 3,660,000	100 %	\$ 3,660,000
Putnam County Board of County Commissioners (BOCC)	-		-
Subtotal Overlapping Debt	3,660,000		3,660,000
Putnam County BOCC Direct Debt			7,752,136
Total Direct and Overlapping Debt			\$ 11,412,136

Sources:

Assessed property tax values used to estimate applicable percentages were provided by the Putnam County Property Appraiser's Office.

Debt outstanding data was provided by the respective governmental units.

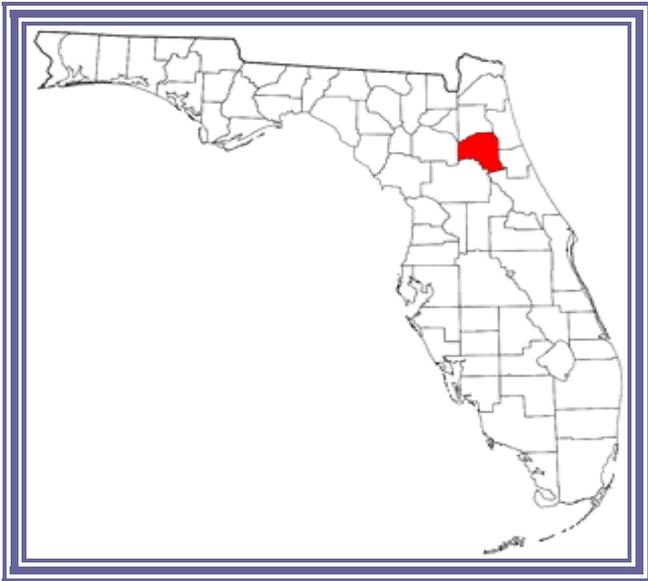
Notes:

The Governmental Accounting Standards Board (GASB) has defined overlapping debt as the outstanding long-term debt instruments – including bonds, notes, certificates of participation, loans, and capital leases – of governments that overlap geographically, at least in part, with the government preparing the statistical section information, which in this instance is the Putnam County Board of County Commissioners.

(A) The estimated applicable percentages were determined by dividing the taxable assessed value of the property within the overlapping area to the total taxable assessed value of property of the overlapping government.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

LEGAL DEBT MARGIN



The Constitution of the State of Florida, Section 200.181 of the Florida Statutes, and Putnam County, Florida as a local government, have set no legal debt limitations.



**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Gas Tax Refunding Revenue Bonds – Series 1989 (1) -----							Capital Improvement Refunding Revenue Bonds – Series 1995 (2) ----					
Fiscal Year	Local Option Gas Tax Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest/ Fiscal Charges	Coverage	Sales Tax Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest/ Fiscal Charges	Coverage
1997	\$ 1,779,238	\$ 810	\$ 1,778,428	\$ 275,000	\$ 189,348	3.83	\$ 2,082,318	\$ 42	\$ 2,082,276	\$ 435,000	\$ 202,332	3.27
1998	1,664,654	997	1,643,657	295,000	172,469	3.52	2,230,384	2,912	2,227,472	450,000	188,283	3.49
1999	1,767,563	17	1,767,546	315,000	152,003	3.78	2,277,831	1,514	2,276,317	470,000	167,146	3.57
2000	1,532,466	872	1,531,594	335,000	130,898	3.29	2,325,424	1,616	2,323,808	485,000	147,641	3.67
2001	1,609,500	1,854	1,607,646	355,000	108,525	3.47	2,157,921	1,653	2,156,269	510,000	127,029	3.38
2002	1,625,070	1,839	1,623,231	380,000	84,145	3.50	2,370,354	1,639	2,368,715	530,000	104,844	3.73
2003	1,759,699	1,083	1,758,616	410,000	58,305	3.76	2,490,138	1,645	2,488,493	560,000	80,993	3.88
2004	1,819,967	1,050	1,818,917	435,000	30,015	3.91	2,576,652	2,134	2,574,518	585,000	55,794	4.02
2005	-	-	-	-	-	-	2,810,715	2,113	2,808,602	605,000	28,738	4.43
2006	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(1) See page S-18, Note (2) and page S-19, Note (1).

(2) See page S-18, Note (3) and page S-19, Note (2).

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Annual Personal		Taxable Sales (Expressed in Millions) (1)	Number of Persons Employed in County (4)	County Unemployment Rate (4)	Public School Enrollment (5)
		Income (API) (Expressed in Millions) (2)	Per Capita Personal Income (3)				
1997	70,243	\$ 1,116	\$ 15,890	\$ 392	26,966	6.0 %	13,152
1998	71,454	1,184	16,565	414	27,618	5.4 %	12,935
1999	72,883	1,261	17,300	441	27,563	5.2 %	12,430
2000	70,423	1,281	18,195	460	28,054	4.3 %	12,247
2001	70,820	1,340	18,922**	465	27,415	5.4 %	12,181
2002	71,329	1,381	19,354**	455	27,505	6.6 %	12,203
2003	71,971	1,458	20,263**	519	28,803	5.7 %	12,043
2004	73,226	1,517	20,711**	525	28,900	5.5 %	11,857
2005	73,867*	1,579	21,371*	588	29,090	4.5 %	12,457
2006	74,508*	1,641	22,031*	612*	30,583	3.8 %	12,114

Sources and Notes:

- (1) Florida Statistical Abstract(s), Bureau of Economic and Business Research, University of Florida (1998 through 2006). * These figures are projected estimates based on trend analysis calculations.
- (2) Annual Personal Income (API) figures are the results of multiplying Per Capita Personal Income by the Population figures for the given fiscal year. Consequently, the revisions noted in (3) below correspondingly affected the API results.
- (3) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts. ** Revised figures from current U.S. DOC tables.
- (4) State of Florida, Agency for Workforce Innovation – Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS). Figures for periods 1997 through 2005 are annual averages. The 2006 figure is subject to revision when the LAUS annual average is established.
- (5) District School Board of Putnam County.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS

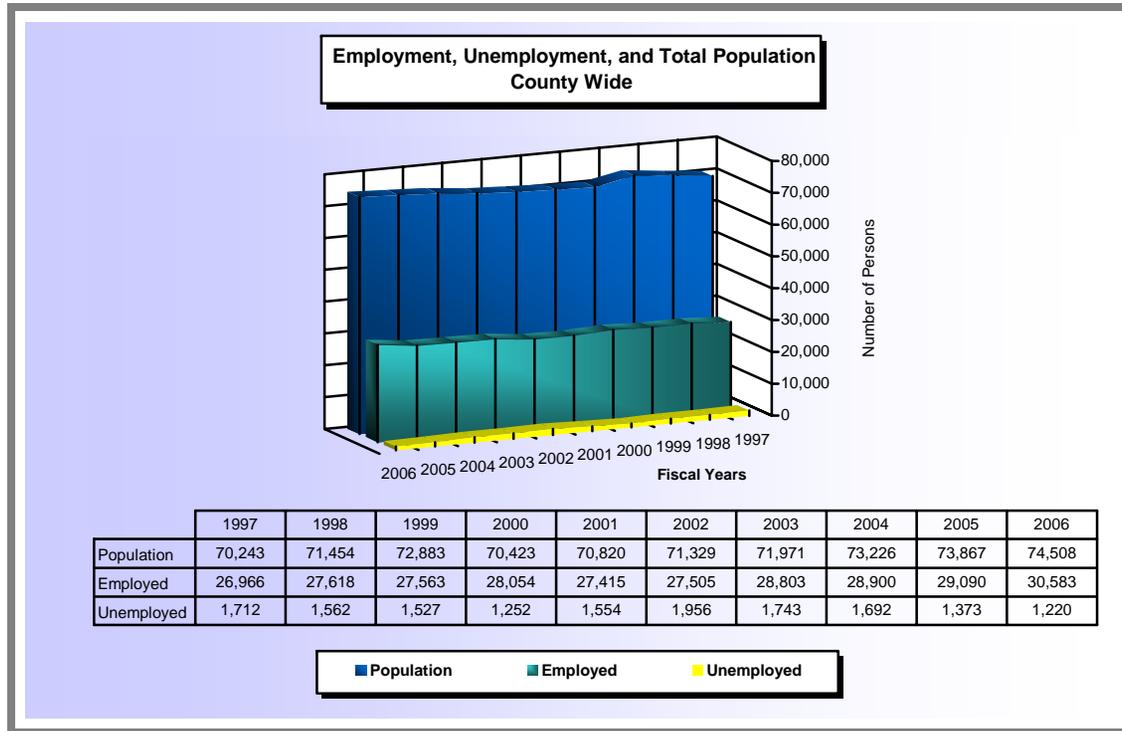


Figure D.1

Notes:

See page S-24, notes (1) and (4).

County unemployment rates have decreased overall from 6.0% in 1997 to 3.8% in 2006, for a ten year average of 5.4%.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

DEMOGRAPHIC STATISTICS – LAST TEN FISCAL YEARS

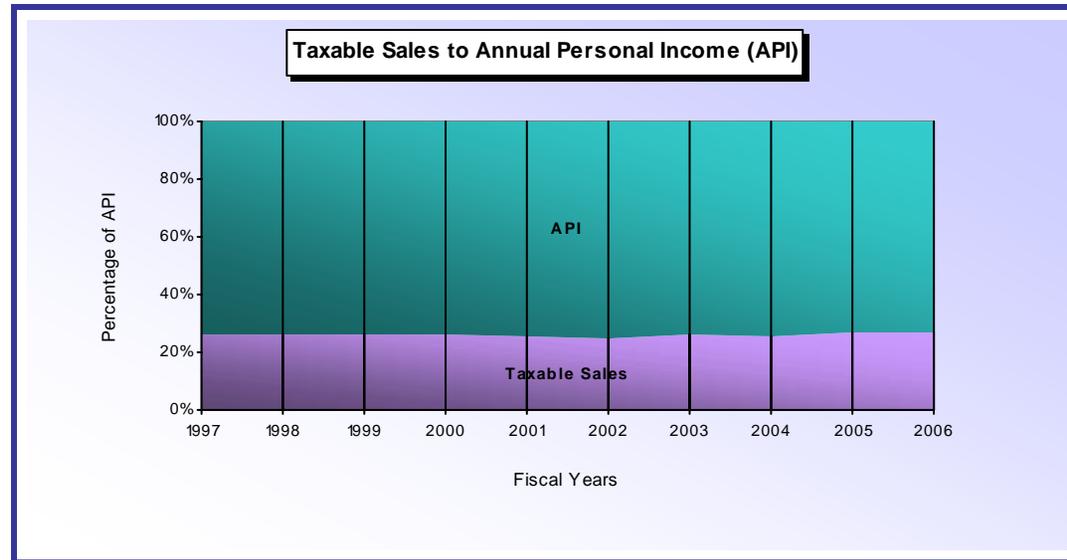


Figure D.2

Sources & Notes:

Sales tax revenues comprise approximately 15% of the County's revenues. The Local Infrastructure Surtax, representing \$.01 of each taxable dollar expended in Putnam County, makes up about 8% of total County revenues.

Taxable Sales as a percentage of Annual Personal Income (API) reflects to some degree the nature of consumer personal spending. The graph reflects a fairly stable trend in taxable sales, indicating that Putnam County's consumers averaged spending over a ten year period 35.4% of their API on taxable sales, ranging from a reported low of 32.9% in 2002 to an high of 37.3% in 2006. As can be seen from the schedule on page S-24, this trend is relatively stable even though API increased from 1997 to 2006 by approximately 47.0%.

The graph above depicts data provided in the table shown on page S-24 and the sources addressed in notes (1) and (2).

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2006-----			Fiscal Year 1997 -----		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Putnam County School Board	1,450	1	4.74%	1,748	1	6.48%
Georgia-Pacific, Palatka Operations	1,250	2	4.09%	1,700	2	6.30%
St. Johns River Water Management District	686	3	2.24%	544	6	2.02%
Putnam County Government	655	4	2.14%	563	5	2.09%
Putnam Community Medical Center	533	5	1.74%	475	7	1.76%
PRC (Precision Research Corporation)	525	6	1.72%	-	-	-
Wal-Mart	523	7	1.71%	-	-	-
Georgia-Pacific, Plywood	411	8	1.34%	-	-	-
Seminole Electric Cooperative	278	9	0.91%	300	8	1.11%
St. Johns River Community College	225	10	0.74%	-	-	-
Miller Enterprises	-	-	-	750	3	2.78%
Florida Furniture Industries	-	-	-	620	4	2.30%
Central States Diversified	-	-	-	167	9	0.62%
Price Brothers	-	-	-	126	10	0.47%
Totals	<u>6,537</u>		<u>21.37%</u>	<u>6,993</u>		<u>25.93%</u>

Sources and Notes:

The names of the top ten principal employers and the numbers of their employees were provided by the Putnam County Chamber of Commerce.

See page S-24 for total County employment figures used to determine the Percentages of Total County Employment that the above entities employed during the given fiscal years. Graphic presentation of the above information may be found on page S-28.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS AGO

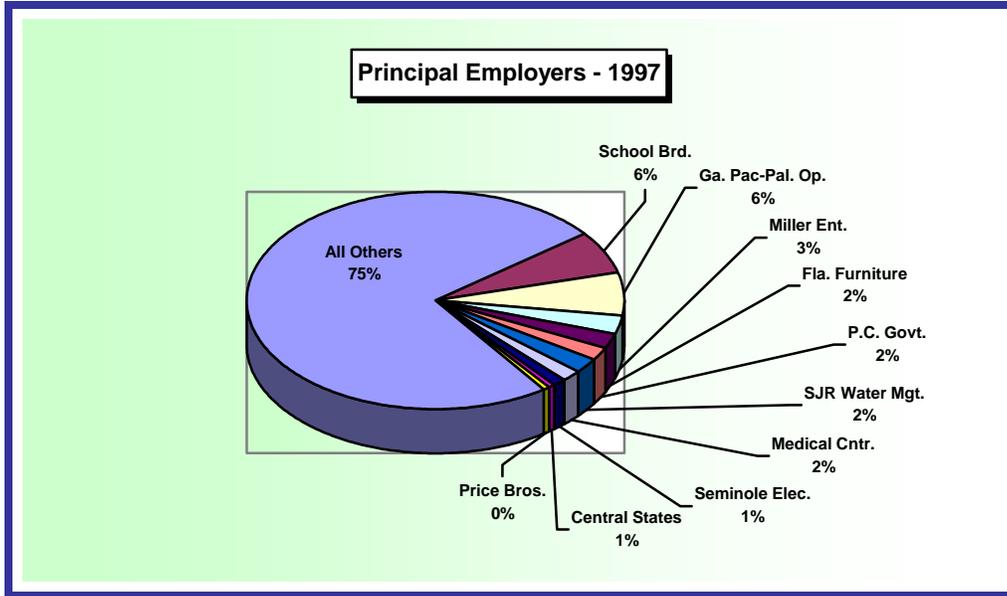


Figure D.3

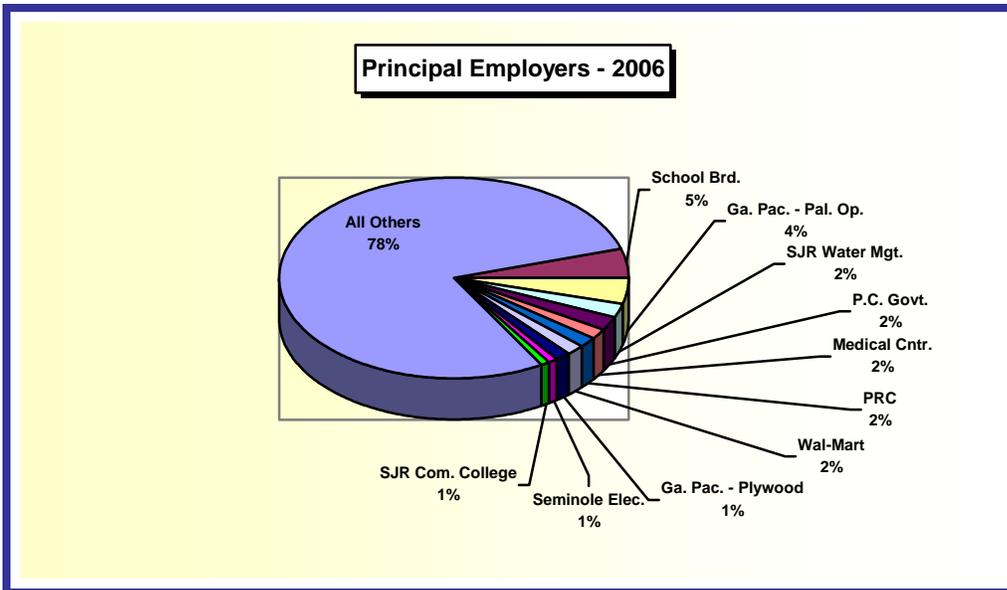


Figure D.4

Notes:

The above pie graphs depict the data shown on page S-27. Entities shown as having 0% may be understood to have less than 0.50%.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>Full-Time Equivalent (FTE) Employees as of September 30 -----</u>									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Clerk of the Courts	36	36	36	41	39	37	38	36	35	35
Property Appraiser	21	21	22	22	22	22	22	23	23	23
Supervisor of Elections	4	4	4	5	5	5	5	5	5	6
Tax Collector	24	25	25	25	27	27	27	27	27	27
Other General Government	54	55	43	58	52	55	59	59	61	63
Court Related										
Clerk of the Courts	26	26	26	30	32	29	30	33	37	38
Culture and Recreation										
Library	16	16	17	18	18	18	18	18	18	20
Parks and Recreation	7	7	7	6	6	7	6	7	8	11
Economic Environment										
Veteran Services	2	2	2	2	2	2	2	2	2	2
Human Services										
Animal Control (1)	4	4	3	3	6	0	0	0	0	0
Mosquito Control (2)	2	2	2	2	0	0	0	0	0	0
Welfare Administration (3)	1	1	1	1	1	0	0	0	0	0
Physical Environment										
Agriculture Extension	7	7	7	7	7	7	7	7	7	7
Public Safety										
Buildings and Inspection	11	11	11	13	11	11	11	11	13	14
Codes Enforcement	3	2	2	3	3	3	3	3	4	5
Emergency Medical Services	53	52	53	54	57	60	60	64	64	72
Fire and Rescue Services (4)	2	1	1	1	1	1	1	2	2	2
Sheriff's Office	195	199	199	199	202	216	217	220	224	231
Transportation										
Administration and Engineering	15	16	17	18	18	19	19	19	20	21
Roads and Bridges	56	54	58	57	50	50	50	50	51	59
Business-type Activities										
Sanitation	24	22	21	21	20	20	20	20	20	19
Total FTE'S	563	563	557	586	579	589	595	606	621	655
County Population	70,243	71,454	72,883	70,423	70,820	71,329	71,971	73,226	73,867	74,508
Residents per FTE (5)	125	127	131	121	123	121	121	121	119	114

Source: County Budget Office

Notes:

- (1) Expansion of the Animal Control Facilities commenced in FYE 2001. Therefore, its activities have been temporarily assigned to the Sheriff's Department.
- (2) Mosquito Control services have been outsourced to an independent party as of FYE 2001.
- (3) Welfare Administration activities have been incorporated into the Human Resources function, classified herein as part of Other General Government category as of FYE 2002.
- (4) Fire Department personnel are supported by several hundred volunteers.
- (5) The number of Residents per FTE has been rounded up to the next whole number for any fractional amount. Residents per FTE averaged 122 for the last ten fiscal years.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year-----</u>			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Supervisor of Elections</u>				
Registered Voters	41,355	45,989	45,293	44,206
<u>Court Related</u>				
New Cases Opened	30,346	24,919	27,912	30,035
Cases Closed	28,809 (1)	25,283 (1)	26,433 (1)	28,212
<u>Culture & Recreation – Library</u>				
Registered Borrowers	29,407	28,315	30,319	32,454
Volumes in Collection	129,819	131,401	131,007	138,329
Volumes Borrowed	116,034	110,532	122,150	117,386
<u>Culture & Recreation – Parks & Recreation</u>				
Program Participants	2,698	3,382	6610 (1)	14,328 (2)
Program/Events Offered	53	59	45 (1)	57
<u>Economic Environment – Veterans Services</u>				
Claims Processed	1,286	975	1,081	2,566 (3)
<u>Human Services – Animal Control</u>				
Complaints Answered	7,384	8,395	8,279	7,139 (4)
Citations Issued	187	281	317	329 (4)
<u>Human Services – Mosquito Control</u>				
Complaints Answered	698	1,095	592	304
Miles Sprayed	2,191	2,279	2,245	1,745
<u>Human Services – Welfare Administration</u>				
Nursing Home Verifications	255	118	118	0 (5)
HCRA Cases (6)	115	136	174	171
<u>Public Safety – Buildings & Inspection (7)</u>				
Permits Issued: (a) Commercial	90	119	145	109
(b) Residential	3,752	7,649	4,294	6,885
(c) New, SFR/MH	489	644	700	738
Inspections	15,861	17,979	26,072	36,913
<u>Public Safety – Codes Enforcement</u>				
New Cases Opened	1,076	1,094	1,350	1,523
New Case Inspections	4,104	4,371	5,265	4,971
<u>Public Safety – Emergency Medical Services</u>				
Emergency Responses	10,419	11,315	10,885	10,761
Transports	8,029	8,675	8,339	8,463
<u>Public Safety – Fire Department</u>				
Emergency Responses	6,988	8,210	7,548	7,828 (8)
Fires Attended	345	370	375	390 (8)
<u>Sheriff's Office</u>				
Violations	11,622	11,370	10,908	11,802
Arrests	6,273	6,124	5,793	5,410
<u>Transportation/Public Works</u>				
Road Gradings (miles)	3,495	3,136	3,140	3,261
Roads Paved/Resurfaced (miles)	15	19	25 (1)	64
Water Service Connections	179	235	235	235
Average Daily Water Consumption	53,406	70,982	38,247	36,705
Peak Daily Water Consumption	83,051	120,605	52,550	57,895
Average Daily Wastewater Treatment (gallons)	13,800	12,400	13,000	10,666
<u>Business Type Activities – Sanitation</u>				
Solid Waste Collections (tons)	81,644	103,758	113,113	100,718
Recycling Rate (9)	27%	22%	25%	30%
<u>Business Type Activities – Port Authority</u>				
Dockage Days (10)	147	193	439	249

Sources: County Budget Office
Various County Departments

Notes:

- (1) Revised figures received from the specific departments.
- (2) The increase in participation is largely attributable to the opening of a second Senior Citizen Center in fiscal year 2006.
- (3) The significant increase in claims filed appears to be the result of an aging populous filing disability claims.
- (4) Animal Control data for 2005 was incomplete due to system problems; therefore, the figures shown are estimated, based upon data received for nine (9) months, January through September, of 2006.
- (5) Nursing home verifications are no longer performed by the County's Human Resources Department.
- (6) HCRA (Health Care and Responsibility Act) obligates counties to pay out-of-county health care for county residents that meet Medicaid type eligibility criteria.
- (7) Permits Issued from last year's Statistical Section have been changed to reflect permits issued for new buildings of commercial, residential, and single family residence/mobile homes.
- (8) Data for fiscal year ended 2006 are projected estimates based upon an average of net change following fiscal year 2003.
- (9) Recycling rates represent ratios of Recycled Tons to Collected Tons.
- (10) The fluctuations in dockage days reported are largely attributable to one entity's usage.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**OPERATING INDICATORS – BUILDING PERMITS
CURRENT AND FOUR YEARS AGO**

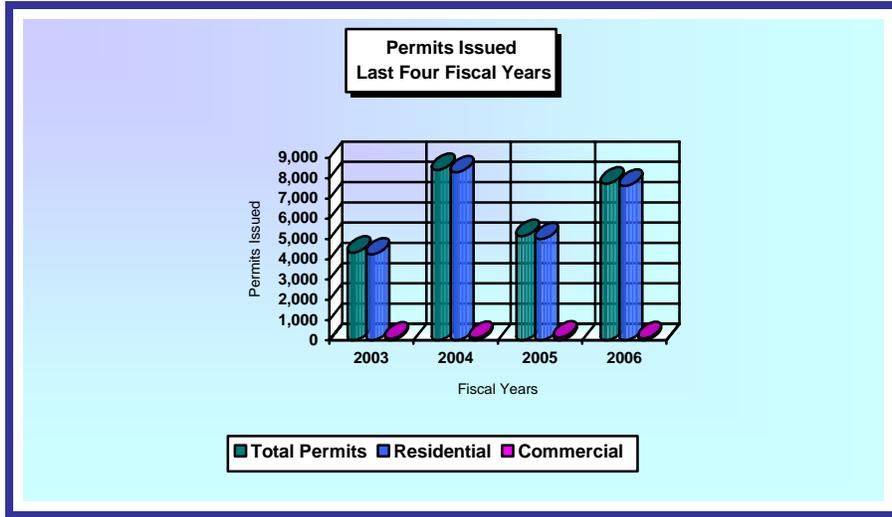


Figure E.1

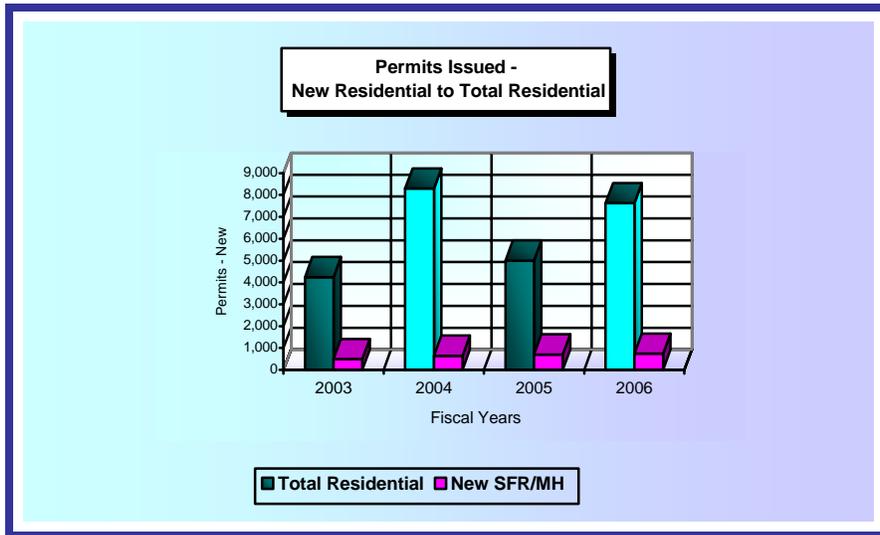


Figure E.2

Notes:

See page S-30, Public Safety, Buildings and Inspections for details.

Commercial permits represented an average of 1.9% of all permits for the last four fiscal years.

New Single Family Residential Home/Mobile Home (SFR/MH) permits represented an average of 10.8% of all Residential permits for the past four years.

BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA

OPERATING INDICATORS
EMERGENCY MEDICAL SERVICES

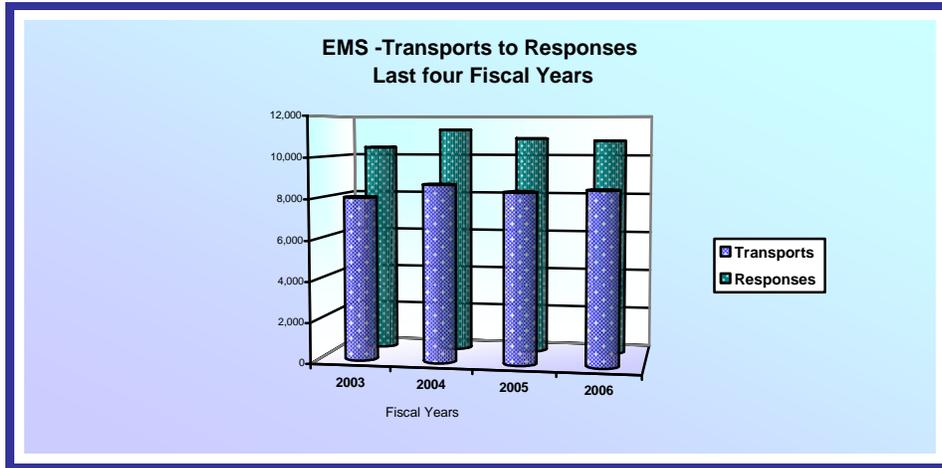


Figure E.3

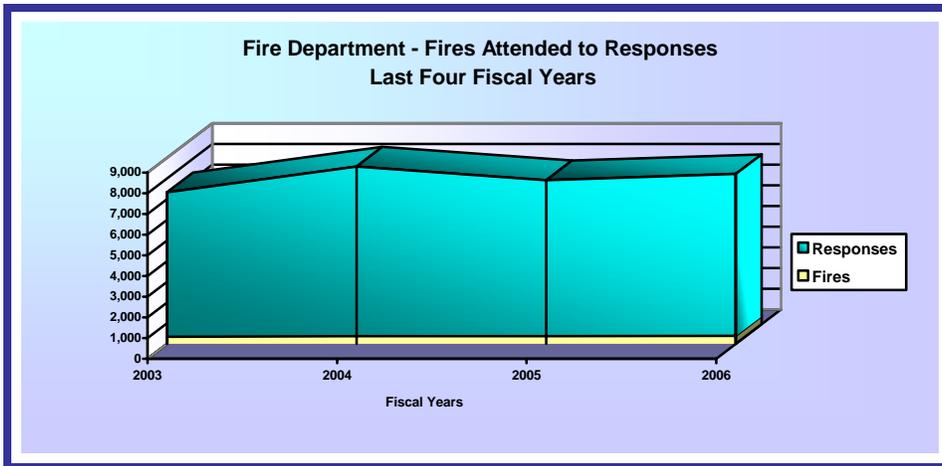


Figure E.4

Notes:

Refer to page S-30; See Public Safety – Emergency Medical Services and Fire Department for details.

Emergency Medical Services (EMS) – An average of 77.25 % of responses (calls) resulted in transports for the last four fiscal years.

Fire Department – An average of 4.34 % of the responses for the last four fiscal years resulted in attendance to a fire.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY, FLORIDA**

**OPERATIONAL INDICATORS
LAST FOUR FISCAL YEARS**

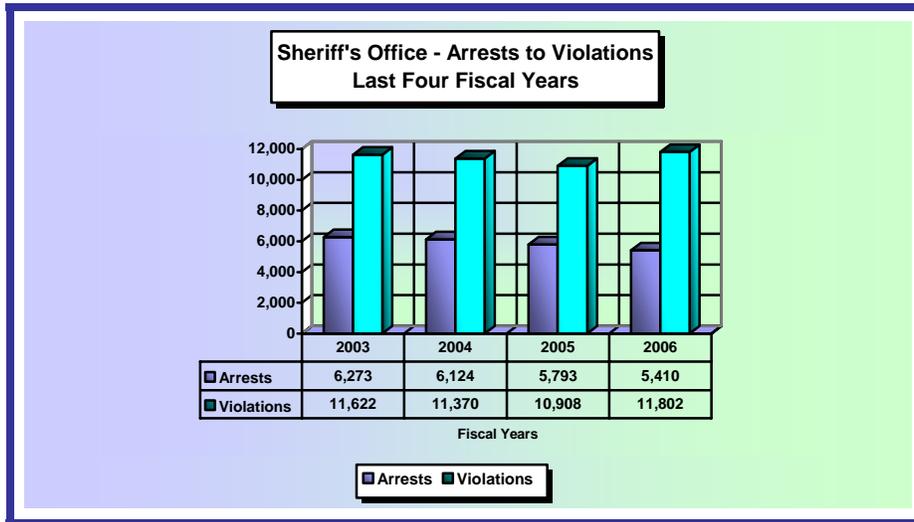


Figure E.5

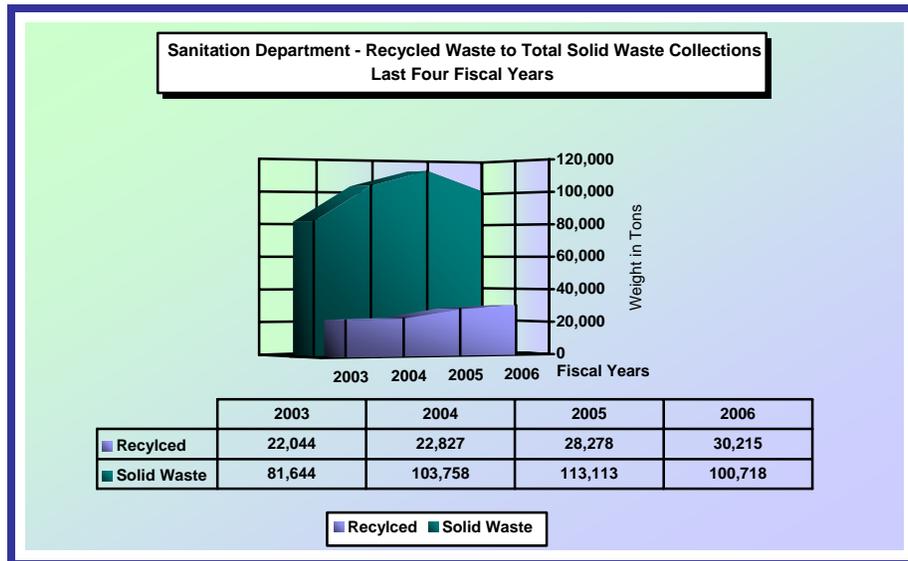


Figure E.6

Notes:

Details for the above graphs may be found on page S-30 under the categories of Public Safety – Sheriff’s Office and Business-type Activities – Sanitation.

Sheriff’s Office – Over the past four fiscal years, an average of 51.7% of all violations resulted in arrests.

Sanitation – During the last four fiscal years the recycle rate averaged 26%.

**BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year Ending September 30 -----</u>			
	2003	2004	2005	2006
<u>Supervisor of Elections</u>				
Voting Machines	57	79	99	140
<u>Court-Related</u>				
Courtrooms	3	3	3	3
<u>Library</u>				
Library Branches	5	5	5	5
<u>Parks & Recreation</u>				
Acreage	176	209	212	218
Parks	7	7	7	7
Baseball/Softball Diamonds	22	23	23	23
Football/Soccer Fields	3	4	5	5
Community Centers	0	0	1	2
<u>Emergency Medical Services</u>				
Ambulances	9	11	14	16
<u>Fire Department</u>				
Fire Stations	18	18	18	18
Fire Trucks	51	53	56	58
<u>Sheriff's Office</u>				
Patrol Units	72	72	70	70
<u>Public Works/Transportation</u>				
Paved Roads (miles)	465	469 (1)	482 (1)	464 (1)
Unpaved Roads (miles)	1,210	1,198 (1)	1,168 (1)	1,180 (1)
<u>Sanitation</u>				
Landfill Capacity Available (tons)	579,727	650,883 (2)	479,233 (3)	277,208 (3)
Collection Centers	3	3	3	3

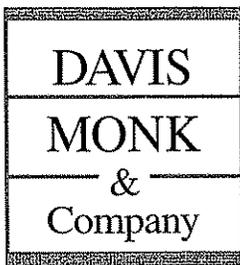
Notes:

- (1) Unusual fluctuations in total road mileage are deemed to have resulted from revisions made from ongoing verifications of mileage and ownership.
- (2) Engineering reports for fiscal year ending 2004 reflected an increase in available landfill capacity. This is due to the acquisition of a new compactor.
- (3) Around July 2005, total available landfill capacity started to decrease by the closure of a County owned Class III construction and demolition (C & D), landfill. Additionally, in late December 2005, it became necessary for the County to receive new accounts for C & D wastes, as an independent C & D landfill closed.

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COMPLIANCE SECTION

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



Certified Public Accountants
& Business Consultants

*A Partnership Consisting of
Professional Associations*

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Gainesville, Florida 32606
Phone: (352) 372-6300
(800) 344-5034
Fax: (352) 375-1583

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

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

Website:
www.davismonk.com

Management Letter

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of Putnam County, Florida (the "County"), as of and for the fiscal year ended September 30, 2006, and have issued our report thereon dated January 9, 2007. We have also issued our report on internal control over financial reporting and on compliance and other matters. That report should be considered in conjunction with this management letter.

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

Prior Audit Findings

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

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(8). 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.

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American Institute of
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Horwath International

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the fiscal year ended September 30, 2006, 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, 2006.

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

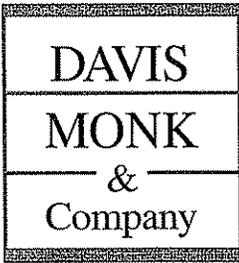
As required by the Rules of the Auditor General, we performed separate audits of each of the County's constitutional officers. The comments included in those separately-issued reports should be considered in conjunction with this management letter.

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.

Davis, Monk & Company

January 9, 2007
Palatka, Florida



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& Business Consultants

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

The Honorable County Commissioners
Putnam County, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of Putnam County, Florida (the "County"), as of and for the year ended September 30, 2006, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 9, 2007. Our report on the financial statements included a paragraph explaining that the County restated beginning net assets of its governmental activities. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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*.

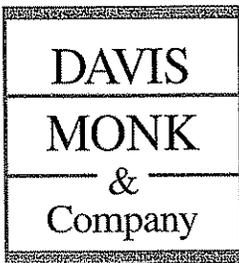
The Honorable County Commissioners
Putnam County, Florida

Page Two

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.

Davis, Mork & Company

January 9, 2007
Palatka, Florida



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

The Honorable County Commissioners
Putnam County, Florida

Compliance

We have audited the compliance of Putnam County, Florida (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2006. 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, 2006.

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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 requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error of fraud that would be material in relation to a major federal program or state project being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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.

Davis, Mark & Company

January 9, 2007
Palatka, Florida

Putnam County, Florida
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2006

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 reportable conditions in internal control over financial reporting.
- (iii) The audit did not disclose noncompliance considered material to the financial statements.
- (iv) The audit did not disclose reportable conditions in internal control over major federal programs and state projects.
- (v) The auditors’ report on compliance for the major federal award programs and state projects expressed an unqualified opinion.
- (vi) The audit did not disclose findings relative to the major federal programs and state projects.
- (vii) The County’s major federal program and state projects were:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Public Assistance Grants	97.036
<u>State Projects</u>	<u>State CSFA Number</u>
Hurricane Housing Recovery Program	52.902
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, 2006

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements.

SECTION III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

No findings.

SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

No findings.

Putnam County, Florida
Summary Schedule of Prior Audit Findings
(Relative to Federal Programs and State Projects)
For the Year Ended September 30, 2006

There were no findings relative to Federal or State awards included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2005.

PUTNAM COUNTY - GENERAL INFORMATION

PUTNAM COUNTY, encompassing some 827 square miles, is located in north-central Florida between the Atlantic Ocean and the Gulf of Mexico. The County was founded in January 1849 and the County Seat established at Palatka in January 1853. Palatka, on the St. Johns River, was a major water transportation and commerce center until a fire in 1884 destroyed the majority of the downtown/river front area. Today, the river is primarily used for recreational boating and fishing, as are the numerous large and small lakes located throughout the County.

Putnam County is a rural county, with a 2000 census population of 70,423. Current estimates put this number at 74,508. The County is growing relatively slowly, but is expected to accelerate its growth pattern supported by increased economic development and some spill-over from the surrounding counties which are experiencing faster growth.

As testimony to its rural nature, approximately 80% of the population continues to live outside of the five incorporated areas. Fire protection (except for the City of Palatka) is provided by Volunteer Fire Departments. Of the 1,644 miles of roads in the County, nearly 72% remain unpaved.

The County is governed by an elected board of five (5) Commissioners, with other elected officials - Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections - having their own specific areas of responsibility. All are elected to four - year terms of office. The Tax Collector is a "fee officer", completely funding his operations from fees collected in the performance of his duties. The Clerk's office is funded partially by fees, and partially by budgeted support from the Board of County Commissioners for services provided to them or on their behalf. The remaining officials, who may collect minimal fees for certain services, normally receive complete funding from the Board through the County's annual operating budget. Excess fees and/or budget funds remaining at the end of the fiscal year revert to the Board for the Board's use in the following year. One exception to this is for court-related activities of the Clerk of Courts. Under Revision 7 to Article V of the Florida Constitution, effective July 1, 2004, excess fees generated by these activities revert to the State which is also responsible for funding any deficiencies.

The largest taxpayer in the County is Seminole Electric Cooperative Inc., an electric power generation plant, contributing approximately 8.7% of total ad valorem taxes, down from 9.4% in the prior year. The top ten taxpayers, including Seminole, contribute 28.2% of County ad valorem taxes. Ten years ago, this number was closer to 42.7%.

The Putnam County School District, with approximately 1,450 employees, is the single largest employer in the County. Georgia-Pacific Corporation, a wood pulp/paper products producer, is second with approximately 1,250 employees. The top ten employers, six commercial/industrial and four government, employ a total of approximately 6,537 employees, or about 9% of the total population and almost 21% of total county employment.