PUTNAM COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2012

Prepared by:
Finance Department

PUTNAM COUNTY, GEORGIA

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PUTNAM COUNTY BOARD OF COMMISSIONERS

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The Putnam County Board of Commissioners
and the Citizens of Putnam County, Georgia

We present Putnam County's Comprehensive Annual Financial Report for the year ended September 30, 2012. This report is submitted to meet the requirements of local ordinances and state statutes. Those requirements state that the County must issue a complete set of financial statements annually presented in conformity with generally accepted accounting principles (GAAP) and audited by an independent firm of certified public accountants.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with management. Because the cost of internal controls should not outweigh their benefits, the objective is to present reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management hereby asserts that, to the best of its knowledge and belief, the financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the County's activities have been included.

Putnam County's financial statements have been audited by McNair, McLemore, Middlebrooks & Co., LLC. The auditor's report on the basic financial statements is included in the Financial Section of this report and expresses an unqualified opinion.

This letter should be read in conjunction with the Management's Discussion and Analysis (MD&A) which follows the independent auditor's report. The MD&A is an analysis of the County's financial activities.

Profile of the Government

Putnam County was created by the Georgia General Assembly on December 10, 1807. Putnam County is located in north central Georgia about 75 miles southeast of Atlanta. The County has a land area of 345 square miles and serves a population of 21,218. The County is empowered to levy property tax on both real and personal property located within its boundaries.

Policy making and legislative authority are vested in the governing Board of Commissioners consisting of four Commissioners elected by district and a Chairman elected at large. The Board's responsibilities include passing ordinances, adopting an annual budget, appointing committees, establishing tax rates, and hiring a County Attorney, County Manager and County Clerk. The County operates under a county-manager form of government. The County Manager is responsible for carrying out the policies and ordinances of the Board of Commissioners and for overseeing the day-to-day operations of the County. The Chairman and County Commissioners are elected for a four-year term with the current term expiring on December 31, 2012.

We strive to provide more effective and efficient local government services to our citizens. The County provides a full range of services including law enforcement, fire protection, 911 emergency communications, ambulance services, appraisal services, animal control, senior citizens program, transit system, judicial functions, planning and development, recycling services, recreational activities, maintenance of highways and streets, and general administrative services.

The annual budget serves as the foundation for financial planning and control. All departments and agencies of Putnam County submit budget requests to the Finance Department each July. Work sessions are held for the department heads and agencies to formally present their budget requests to the Board and for the Board to gain input from citizens. After the work sessions, the staff presents a proposed budget to the Board of Commissioners in August. The Board of Commissioners advertises the proposed budget and holds public hearings on the proposed budget as required by law in order to adopt a budget no later than September 30, the close of Putnam County's fiscal year. The County maintains extensive budgetary controls. The budget is prepared by fund and department. Transfers of appropriations between personnel and operating accounts within departments, transfers between departments, and appropriation of additional funds all require approval of the Board of Commissioners.

Local Economy

Putnam County is nestled in the heart of *Georgia's Lake Country.* Within a short drive southeast of Atlanta and a few hours to the coastline, residents boast the County is "Close to everything and next to perfect." Emerging from its agricultural past, Putnam has become an important center of industry and recreation. A different lifestyle is emerging in the County with the establishment of golf resorts, gated communities and new businesses. Putnam is also home to many retirees. The 2010 census reported 41 percent of the population is over 50 years of age.

Lake Sinclair with 15,000 acres and Lake Oconee with 18,000 acres attract visitors with recreational activities such as fishing, swimming and water sport recreation. Along the shoreline are hiking trails, championship golf courses, patio-side dining, and the Oconee National Forest Recreation area of 37,443 acres. The County operates a family campground on Lake Sinclair which offers cabins, RV hookups and a public beach. Putnam County is adorned with a beautiful countryside dotted with dairy farms, hay fields and horse pastures providing a scenic drive for exploring the rich history of Putnam. You can step back in time by visiting numerous historical homes and churches, or the Uncle Remus Museum which is dedicated to the work of a Putnam native, Joel Chandler Harris, creator of the world-famous "Uncle Remus" folklore tales. Two unique Native American sites are Rock Eagle Mound and Rock Hawk Effigy Mound, built by Native Americans more than 1,000 years ago and the only two effigy mounds in the United States.

The Rock Eagle 4-H Center is located in the northern side of the County, adjacent to the Oconee National Forest. With nearly 1,500 acres of forested land, including a 110-acre lake, Rock Eagle is a natural meeting site away from everyday life. Opened in 1955, Rock Eagle is the largest of five centers operated by the University of Georgia as support for the state's 4-H Program. The 4-H center hosts approximately 60,000 young people annually who participate in the Georgia 4-H Environmental Education Program, as well as the Summer Camping Program; made available through Georgia's County Extension Offices. Many 4-H'ers from around the state attend competitive events, leadership conferences and rallies at Rock Eagle. Civic, religious and business groups utilize Rock Eagle 4-H Center for their conferences and meetings as well.

According to 2011 data from the Georgia Department of Labor, 73 percent of the area's employment is in the service sector with retail trade, accommodation and food services, and healthcare and social assistance topping the list. Major industries located within the County's boundaries include Cuscowilla Management & Administration, Eatonton Health & Rehabilitation, Georgia Power Company, Horton Homes, Rose Acre Farms, Inc. and Wal-Mart. The data also reveals that 56 percent of the employed residents work in Putnam County.

The Putnam Development Authority is currently developing a 130-acre technology park "Rock Eagle Science and Technology Park" on U.S. Highway 441 near Putnam County High School. This will bring many higher paying jobs to the community and will help spur more development in the northern section of the County.

The Georgia Department of Transportation recently completed the "Stimulus Project" EDS-441(40). This is the widening and reconstruction of US 441 (SR 24) beginning just north of CR 245/Cay Road and ending at US 129/SR 44 at the Eatonton Bypass for a distance of 8.3 miles. The existing two-lane highway was widened to a four-lane divided highway and included widening across Lake Sinclair in which two existing equilibrium culvert structures were replaced. The widening continued along the existing alignment until just south of Dennis Station where the project for two miles is on new alignment to the west of the existing alignment. A new bridge was constructed crossing over existing Norfolk Southern Railway tracks and Dennis Station Road before tying into the existing south Eatonton bypass. The total cost of this project is $45,576,333.

The County is also undertaking the interior demolition of the 105-year-old, 3-story Hotel Eatonton (formerly the old County annex) and rehabilitation of the structure in order to provide new commercial real estate to the downtown market. Furthermore, the County is involved in the demolition of a dilapidated and County-owned property (known as the old hospital) in order to provide additional green space to the downtown area. Both of these projects were approved by the voters under the SPLOST #7 project list. Putnam County maintains an active and positive interest in the success of the downtown area.

The City of Eatonton, the only incorporated area of Putnam, was awarded "Better Hometown" status by Georgia; this has enabled the City to receive funds to revitalize the downtown area. Projects underway by the City should increase sales tax revenue. One project will provide ample parking downtown for shoppers. Recently, the City received a grant for a park; plans are to include biking and walking trails, benches and a pavilion on the 15-acre site.

Financial Policies and Planning

The financial policy adopted by the Board in November 2010 continues to guide the County in providing sound conservative management. The policy addresses budgeting, accounting, maintenance of adequate reserves, cash and investing, auditing procedures, official travel, purchasing guidelines and maintenance of capital assets.

Putnam County's capital improvement program continues strong due to the seventh Special Purpose Local Option Sales Tax (SPLOST) effective October 2011 with a budget of $16.5 million allocated to the County and $6 million to the City. One of the projects started with the last SPLOST was the purchase of a 73,000 square-foot manufacturing plant to be renovated into a government center. The County acquired the building for $10 a square foot and 26 acres of land for approximately $750,000. The new center currently houses general administration departments, state of the art meeting rooms, a visitor's center, planning and development, and code enforcement. Phase II plans, under SPLOST #7, are to relocate most of the government's services to this location for a one-stop service area to reduce cost and streamline services. Proceeds of SPLOST #7 will finance many capital projects for various departments over the next several years with roads receiving a bulk of the proceeds at $9.7 million.

Fund Balance Policy

In considering annual budgets, the Board of Commissioners maintains an unrestricted fund balance in the General Fund for the purpose of covering expenditures caused by unforeseen emergencies, shortages resulting from unforeseen revenue declines, or to eliminate the practice of short-term borrowing for cash flow purposes. The County has a fund balance retention policy equal to three months of average operational expenditures in the General Fund. Conservative budgeting has enabled the County to adhere to this policy. It is the policy of the Board of Commissioners not to use the unrestricted fund balance to balance the annual operating budget in lieu of reducing expenditures or levying applicable taxes unless the fund balance is greater than three months of average operational expenses.

Pension Fund

To ensure the provision of benefits for retirees, the County funds the employee defined benefit pension plan, which is administered by the Association County Commissioners Georgia. The latest report shows a funding ratio of 76 percent. Annually the County budgets and makes payments to the plan to maintain the plan's actuarial soundness in accordance with the actuary's recommendations.

Economic Outlook

The downturn in the economy continues to challenge us to create ways to maintain the high level of service our citizens have grown accustomed to. We decreased our workforce over the past three years from 298 positions to 267 positions and are still reorganizing some departments. Currently, there are 171 full-time employees compared with 203 full-time employees just three years ago. Privatization of some services has produced savings. By working closely with our insurance agent and broker, the County has been able to maintain the level and quality of insurance for our employees helping the County to retain and attract a qualified workforce. Putnam County is in a sound position moving forward, in large part due to the visionary leadership of the Putnam County Board of Commissioners.

The active involvement and professional support of McNair, McLemore, Middlebrooks & Co., LLC has been instrumental to the prompt completion and audit of this report. We thank the elected officials, management, and finance department for their cooperation and contribution to the preparation of this report.

Respectfully submitted,



Paul Van Haute
County Manager



Linda A. Cook
Finance Director

PUTNAM COUNTY, GEORGIA

September 30, 2012

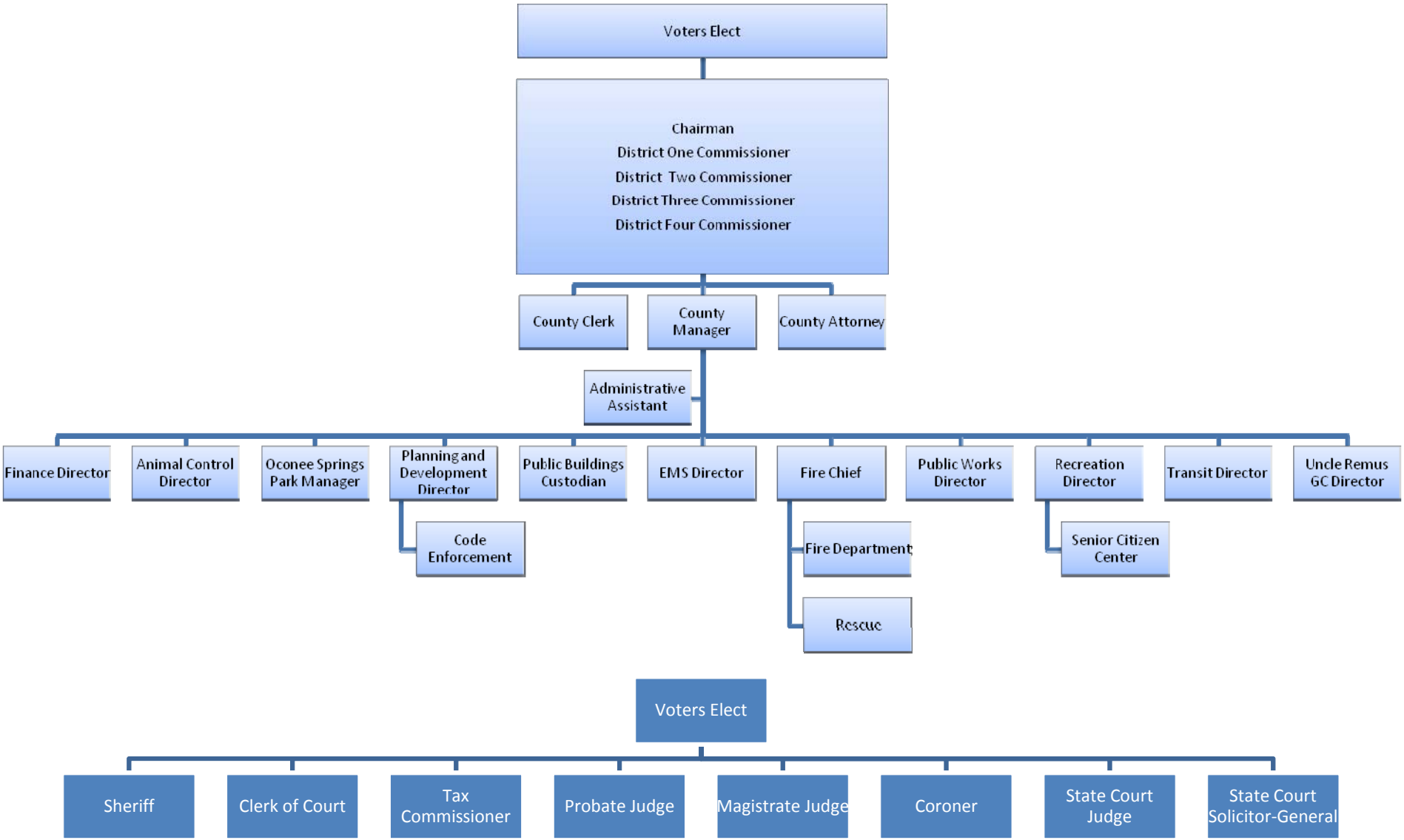
BOARD OF COMMISSIONERS

County Commission Chairman	Tom Thompson
District One Commissioner	John A. Clements, Jr.
District Two Commissioner	Janie B. Reid
District Three Commissioner	Alan Foster
District Four Commissioner	Billy Webster
County Manager	Paul Van Haute
County Attorney	Tom W. Daniel

DEPARTMENT OF FINANCE

Finance Director	Linda A. Cook

PUTNAM COUNTY, GEORGIA
ORGANIZATIONAL CHART



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March 5, 2013

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Commissioners
Putnam County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Putnam County, Georgia** (the County), as of and for the fiscal year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Putnam County Health Department, which reflect total assets of $477,211 as of June 30, 2012, and total revenues of $662,377 for the year ended June 30, 2012. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Putnam County Health Department in the component unit column, is based solely on the report of the other auditors.

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 and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Putnam County, Georgia as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2013, on our consideration of Putnam County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 9 through 16), and the Schedule of Funding Progress (on page 46) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with the management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Putnam County, Georgia's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of expenditures of special purpose local option sales tax proceeds (on pages 66 and 67) are presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

Putnam County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended September 30, 2012. The County's financial activities and performance are discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

Putnam County's assets exceeded its liabilities by $43,541,920 (net assets) as of September 30, 2012. The change, from September 30, 2011, in total net assets is a decrease of $2,244,453 or 4.9 percent. Capital assets of $27,820,577 are presented net of related accumulated depreciation. Capital assets include property; infrastructure; buildings and improvements; and furniture, fixtures, machinery and equipment. Net assets of $15,095,398 are restricted by constraints imposed from outside the County such as grant agreements, laws or regulations. Unrestricted net assets of $673,971 may be used to maintain the County's continuing obligations to citizens and creditors.

At September 30, 2012, the County's total fund balances for all governmental fund types were $43,140,238, a decrease of $2,210,304 or 4.9 percent from the 2011 fiscal year.

At September 30, 2012, the County's general fund total fund balance was $11,882,799, an increase of $2,018,878 or 14.5 percent.

Overview of the Financial Statements

This discussion and analysis introduces the County's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

This annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination of activities between funds.

The first of these government-wide statements is the statement of net assets. This reports the government-wide financial position, including all of the County's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether financial position, as a whole, is improving or deteriorating.

The second government-wide statement is the statement of activities, which reports how the County's net assets changed during the current fiscal year. All current year revenues and expenses are included, regardless of when cash is received or paid. The statement of activities is designed to show the financing sources for the County's distinct activities and functions.

Government-Wide Financial Statements (Continued)

Both government-wide financial statements distinguish between governmental activities, which are primarily supported by taxes and business-type activities, which are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judiciary, public safety, public works, health and welfare, culture and recreation, housing and development, and economic development. Business-type activities include the solid waste, the golf course and the Oconee Springs Park recreational facility.

The government-wide financial statements are presented on pages 17 and 18 of this report.

Fund Financial Statements

A fund is a separate accounting entity used to maintain control over resources which are segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, the fund financial statements focus on the County's most significant funds, or major funds, rather than on the government as a whole. The designation "major fund" is determined based on proportional relationships of individual funds with the entity. Major funds are separately reported while all others are aggregated into a single presentation. Individual fund data for nonmajor funds is provided in latter sections of this report.

The County has three kinds of funds:

Governmental Funds

Governmental funds, as reported in the fund financial statements, encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus of the fund financial statements is very different from that of the government-wide statements. Fund statements report short-term fiscal accountability, focusing on the balances and uses of spendable resources. Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide a more complete picture of financial activity and financial position. Both the governmental fund balance sheet and the governmental fund statement of activities provide a reconciliation to assist in understanding the differences between these two perspectives.

Governmental funds include the general fund, special revenue funds and capital projects funds. A budget comparison statement for the general fund is presented as a basic financial statement. The basic governmental fund financial statements are presented on pages 19 through 28 of this report.

Proprietary Funds

Proprietary funds are used to account for the operations for which customers are charged a fee for services provided. These funds essentially encompass the same functions reported as business-type activities in the government-wide statements. At both the government-wide and fund reporting levels, proprietary funds present changes in total net assets. Proprietary funds include the Solid Waste Fund, the Uncle Remus Golf Course Fund and the Oconee Springs Park Fund. The basic proprietary fund financial statements are presented on pages 25 through 27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for assets held in a custodial capacity for individuals, organizations or other governments. The County's fiduciary funds are all agency funds.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents individual and combining nonmajor fund financial statements. These may be found beginning on page 48. Budgetary comparison schedules for the nonmajor funds are found in this section of the report. These schedules demonstrate compliance with the County's budget.

Financial Analysis of the County as a Whole

From year to year, changes in net assets may be compared and used to analyze the changing financial position of the County as a whole. The table below summarizes the components of net assets.

The County reported positive balances in net assets for governmental and business-type activities. During this year, net assets decreased by $2,210,304 for governmental activities and decreased by $34,149 for business-type activities. This resulted in a total decrease of $2,244,453, an overall 4.9 percent decrease.

As the summary of net assets shows, approximately 63.8 percent of County net assets are invested in capital assets (e.g., land, buildings, infrastructure, furniture, vehicles, machinery and equipment). The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Following the summary of net assets, a summary of revenues, expenses and changes in net assets may be found on page 26.

	Governmental Activities		**Business-Type Activities**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
Current and Other Assets	**$ 17,132,784**	$ 18,336,736	**$ 968,997**	$ 948,718	**$ 18,101,781**	$ 19,285,454
Capital Assets	**27,543,888**	28,278,772	**276,689**	295,953	**27,820,577**	28,574,725
Total Assets	**44,676,672**	46,615,508	**1,245,686**	1,244,671	**45,922,358**	47,860,179
Other Liabilities	**1,137,052**	878,053	**38,243**	31,285	**1,175,295**	909,338
Long-Term Liabilities Outstanding	**399,382**	386,913	**805,760**	777,555	**1,205,142**	1,164,468
Total Liabilities	**1,536,434**	1,264,966	**844,003**	808,840	**2,380,437**	2,073,806
Net Assets						
Invested in Capital Assets	**27,495,863**	28,278,772	**276,689**	295,953	**27,772,552**	28,574,725
Restricted	**12,704,309**	13,783,374	-	-	**12,704,309**	13,783,374
Unrestricted	**2,940,066**	3,288,396	**124,994**	139,878	**3,065,060**	3,428,274
Total Net Assets	**$ 43,140,238**	$ 45,350,542	**$ 401,683**	$ 435,831	**$ 43,541,921**	$ 45,786,373

Financial Analysis of the County as a Whole (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	**2012**	2011	**2012**	2011
Revenues						
Program Revenues						
Charges for Services	**$ 2,578,993**	$ 3,169,215	**$ 507,674**	$ 467,822	**$ 3,086,667**	$ 3,637,037
Operating Grants and Contribtutions	**418,211**	438,992	-	-	**418,211**	438,992
Capital Grants and Contributions	-	-	-	29,350	-	29,350
General Revenues						
Taxes	**15,036,549**	16,431,111	-	-	**15,036,549**	16,431,111
Other	**161,505**	195,146	**7,457**	9,311	**168,962**	204,457
Total Revenues	**18,195,258**	20,234,464	**515,131**	506,483	**18,710,389**	20,740,947
Expenses						
General Government	**3,992,804**	3,005,766	-	-	**3,992,804**	3,005,766
Judicial	**1,719,569**	1,645,107	-	-	**1,719,569**	1,645,107
Public Safety	**8,381,565**	8,019,212	-	-	**8,381,565**	8,019,212
Public Works	**3,724,564**	3,961,841	-	-	**3,724,564**	3,961,841
Health and Welfare	**1,229,965**	1,483,980	-	-	**1,229,965**	1,483,980
Culture and Recreation	**812,620**	703,780	-	-	**812,620**	703,780
Housing and Development	**486,043**	473,883	-	-	**486,043**	473,883
Interest	**381**	-	-	-	**381**	-
Uncle Remus Golf Course	-	-	**201,543**	191,684	**201,543**	191,684
Oconee Springs Park	-	-	**332,030**	323,963	**332,030**	323,963
Solid Waste	-	-	**73,757**	24,037	**73,757**	24,037
Total Expenses	**20,347,511**	19,293,569	**607,330**	539,684	**20,954,841**	19,833,253
Change in Net Assets Before Transfers	**(2,152,253)**	940,895	**(92,199)**	(33,201)	**(2,244,452)**	907,694
Transfers	**(58,051)**	(10,000)	**58,051**	10,000	-	-
Increase (Decrease) in Net Assets	**(2,210,304)**	930,895	**(34,148)**	(23,201)	**(2,244,452)**	907,694
Net Assets, Beginning	**45,350,542**	44,419,647	**435,831**	459,032	**45,786,373**	44,878,679
Net Assets, Ending	**$ 43,140,238**	$ 45,350,542	**$ 401,683**	$ 435,831	**$ 43,541,921**	$ 45,786,373

Financial Analysis of Individual County Funds

In regarding the County as a financial entity, the greatest influence which can be exercised by elected officials and their administrators (management) is on the operations of the general fund and the enterprise funds. Special revenue funds and capital project funds may be influenced to a lesser degree because they must adhere to specific mandates regarding their sources of revenues and purposes of expenditures.

Governmental Funds

As noted previously, governmental funds (the general fund, special revenue funds and capital projects funds) are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This focus is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental funds reported ending fund balances of $15,512,804. Nonspendable fund balances (not available for current expenditures) include $162,432 for prepaid items. Restricted fund balances include $2,416,008 for capital projects, $1,213,997 relates to program purposes of special revenue funds, and $9,074,304 for ad valorem tax relief. Committed fund balances include $2,615,464 for contingencies and $30,599 for grant programs.

Governmental Revenues - With total revenues of $18,410,802, taxes of $9,088,969 provide the County's greatest source of revenues at 49 percent. These taxes are derived from a variety of sources including taxes on real estate and personal property, real estate transfers, insurance premiums, utility franchises, recording intangibles, excise taxes on alcoholic beverages and sales taxes. Sales taxes are the second largest revenue source for 2012, generating $5,827,044, or 32 percent of total governmental revenues.

The County collects sales tax through two individual, voter-approved referendums.

- A local option sales tax provides proceeds for both the County and the City of Eatonton. These revenues are accounted for in the general fund and are used to fund general operations.

- A special local option sales tax funds specific capital projects. These revenues are accounted for in the Special Local Option Sales Tax #7 Fund, a capital projects fund.

Governmental Expenditures - Consistent with the trends of previous years, the function of public safety led County expenditures. The 2012 total was $7,863,689. As in previous years, approximately 40 percent of governmental expenditures support public safety. The function of general government followed public safety with $2,892,621, or 14.8 percent of the total. Capital outlay of $1,500,678 (7.7 percent of total governmental expenditures) served all functions of County government providing a range of assets including roads, heavy equipment, vehicles and office equipment.

General Fund - The general fund is the County's primary operating fund and the largest source of day-to-day service delivery. Financial statements of the general fund may be found beginning on page 19. With total general fund revenues of $13,752,611, taxes of $8,973,772 provided the greatest source of revenues at 65 percent. Total general fund expenditures were $16,382,517. As with the government as a whole, expenditures for the functions of public safety of $7,377,372, general government of $2,892,621 and public works of $2,272,969 comprised 77 percent of total expenditures.

The general fund reported an ending fund balance of $11,882,799. Legally restricted fund balances include $9,074,304 transferred from the SPLOST #6 fund for ad valorem tax relief. Committed fund balances include $2,615,464 for contingencies and $30,599 for the grant program. Unassigned fund balances totaled $0 as of September 30, 2012.

Through a series of amendments, the final general fund expenditure budget increased by 0.01 percent in 2012, reflecting changes in expenditures occurring during the year.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are committed to expenditures for specified purposes. The County utilizes ten special revenue funds. All are nonmajor funds. Summary explanations of the funding source and purpose of each fund may be found on page 47; combining and individual fund statements may be found on pages 48 and 49.

The combined fund balance of these ten funds, $923,348, comprises 5.8 percent of total governmental fund balances of $15,512,804.

The County complies with all applicable laws in administering these flows of financial resources.

Capital Projects Funds

Capital projects funds are used to account for financial resources which are dedicated to the acquisition or construction of capital facilities (other than those financed by proprietary funds). During 2012, Putnam County used two capital project funds.

These funds were used to account for the proceeds of special sales tax collections. Sales tax proceeds are expended in accordance with referendums approved by County voters. The referendums provide project budgets (as opposed to annual budgets). The fund balances are reserved in accordance with the referendums. Within these limits, projects are prioritized by commissioners, based on community needs.

Proprietary Funds

Proprietary funds are used to account for operations which are significantly funded with user fees. Three County operations utilize proprietary fund accounting.

The Solid Waste Fund is the only major proprietary fund. This fund incurs limited activity, as it is used to account for the costs of postclosure (environmental monitoring) of a now-closed public landfill. More information about the anticipated costs of long-term monitoring and the resources available to meet these costs may be found in Note 7.

The Uncle Remus Golf Course Fund incurred an operating loss of $31,769. Subsidies in the form of transfers, totaling $33,051, from the general fund helped support golf course operations.

The Oconee Springs Park Fund produced an operating profit of $5,869. A transfer was not required from the general fund to support park operations.

Capital Assets

The schedule below summarizes capital assets used in both governmental and business activities at year-ends 2012 and 2011. In addition, more detailed information on changes in capital assets is presented in Note 6.

As may be seen in this schedule, assets used in governmental activities comprise the bulk of County capital assets. Currently, and for many prior years, Special Local Option Sales Tax proceeds have funded most of these acquisitions.

	Governmental Activities		**Business-Type Activities**		**Total**	
	2012	2011	**2012**	2011	**2012**	2011
Land	**$ 1,098,231**	$ 519,407	**$ 116,395**	$ 116,395	**$ 1,214,626**	$ 635,802
Buildings and Improvements	**16,211,639**	14,130,803	**424,230**	412,271	**16,635,869**	14,543,074
Machinery and Equipment	**9,201,081**	9,345,164	**352,861**	352,861	**9,553,942**	9,698,025
Infrastructure	**26,170,240**	27,263,339	-	-	**26,170,240**	27,263,339
Construction in Progress	**33,000**	1,508,929	-	-	**33,000**	1,508,929
	$ 52,714,191	$ 52,767,642	**$ 893,486**	$ 881,527	**$ 53,607,677**	$ 53,649,169

Long-Term Debt

The County reported compensated absences and net pension obligation as long-term liabilities for governmental activities. Business activities reported two categories of long-term liabilities. In addition to compensated absences payable for golf course and park employees, the Solid Waste Fund carries obligations for landfill postclosure care. This obligation is secured by a certificate of deposit, which is restricted for this use. For more information regarding long-term debt, see Note 7.

Economic Conditions Affecting the County

The County continues a successful transition from dependence on the manufacturing industry to a broader employment base. A new high-tech industry has planned to relocate to Putnam County. This new industry will bring 200 new jobs into the area. In recent years, growth and increased demands for services have occurred throughout the County, particularly in the area around Lake Oconee.

The County is looking to take advantage of the most aggressive Georgia Department of Transportation road improvement project ever undertaken in the County. The County will be the recipient of over $80,000,000 of highway improvements. At the end of this construction project, the state highway system will provide unprecedented benefits to the County. This will facilitate new opportunities around the area. The proposed closing of Georgia Power's Plant Branch is problematic for the County for several reasons. The first reason is that Georgia Power is the single largest taxpayer in the County and the loss of this revenue could adversely affect County services or precipitate increases in revenue from other sources. Secondly, the Local Option Sales Tax (LOST) and the Special Purpose Local Option Sales Tax (SPLOST) would be adversely impacted because the sales tax generated from the coal purchases by Georgia Power for power generation would reduce the LOST and SPLOST generated by nearly half.

Economic Conditions Affecting the County (Continued)

There were dramatic changes taking place this year regarding the fiscal year 2013 budget. The downturn in the economy necessitated these changes. The cost cutting measures and new methods of conducting business has allowed Putnam County to have a fiscal year 2013 budget that is lower than the fiscal year 2008 budget, in spite of increased fuel costs, medical costs and utility costs, along with other expenses. The County has maintained its 5.4 mil property tax for many years, and as a result Putnam County has one of the lowest millage rates in the state. Putnam County is in a sound position moving forward, in large part due to the visionary leadership of the Putnam County Board of Commissioners.

Requests for Information

This financial report is designed to provide a general overview of Putnam County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Putnam County Finance Director at 108 South Madison Avenue, Suite 301, Eatonton, Georgia 31024, or call (706) 485-5826.

BASIC FINANCIAL STATEMENTS

PUTNAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Health Department
Assets				
Cash and Cash Equivalents	$ 4,146,567	$ 223,769	$ 4,370,336	$ 463,351
Investments	10,798,088	-	10,798,088	-
Receivables				
Accounts	671,863	144	672,007	9,501
Property Taxes	325,707	-	325,707	-
Due from Other Governments	964,931	-	964,931	-
Internal Balances	63,196	(63,196)	-	-
Prepaid Items	162,432	-	162,432	-
Inventory	-	33,280	33,280	-
Restricted Assets				
Investments	-	775,000	775,000	-
Capital Assets				
Nondepreciable	8,135,483	116,395	8,251,878	-
Depreciable, Net of Accumulated Depreciation	19,408,405	160,294	19,568,699	4,359
Total Assets	44,676,672	1,245,686	45,922,358	477,211
Liabilities				
Accounts Payable	474,705	-	474,705	-
Accrued Liabilities	274,588	-	274,588	-
Due to Other Governments	224,645	-	224,645	-
Other Current Liabilities	5,000	3,348	8,348	-
Compensated Absences Due Within One Year	267,586	165	267,751	8,663
Capital Lease Payable Within One Year	17,008	-	17,008	-
Compensated Absences Due in More Than One Year	131,796	6,980	138,776	28,294
Capital Lease Payable Due in More Than One Year	31,017	-	31,017	-
Net Pension Obligation	110,089	-	110,089	-
Landfill Postclosure Care Due Within One Year	-	34,730	34,730	-
Landfill Postclosure Care Due in More Than One Year	-	798,780	798,780	-
Total Liabilities	1,536,434	844,003	2,380,437	36,957
Net Assets				
Invested in Capital Assets, Net of Related Debt	27,495,863	276,689	27,772,552	4,359
Restricted for				
Capital Projects	2,416,008	-	2,416,008	-
Ad Valorem Tax Abatement	9,074,304	-	9,074,304	-
Other Purposes	1,213,997	-	1,213,997	-
Unrestricted	2,940,066	124,994	3,065,060	435,895
Total Net Assets	$ 43,140,238	$ 401,683	$ 43,541,921	$ 440,254

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total	Component Unit: Health Department
Primary Government								
Governmental Activities								
General Government	$ 3,992,804	$ 47,313	$ 237,920	$ -	$ (3,707,571)	$ -	$ (3,707,571)	$ -
Judicial	1,719,569	561,210	162,166	-	(996,193)	-	(996,193)	-
Public Safety	8,381,565	1,816,439	18,125	-	(6,547,001)	-	(6,547,001)	-
Public Works	3,724,564	3,262	-	-	(3,721,302)	-	(3,721,302)	-
Health and Welfare	1,229,965	32,842	-	-	(1,197,123)	-	(1,197,123)	-
Culture and Recreation	812,620	32,949	-	-	(779,671)	-	(779,671)	-
Housing and Development	486,043	84,978	-	-	(401,065)	-	(401,065)	-
Interest	381	-	-	-	(381)	-	(381)	-
Total Governmental Activities	20,347,511	2,578,993	418,211	-	(17,350,307)	-	(17,350,307)	-
Business-Type Activities								
Uncle Remus Golf Course	201,543	169,775	-	-	-	(31,768)	(31,768)	-
Oconee Springs Park	332,030	337,899	-	-	-	5,869	5,869	-
Solid Waste	73,757	-	-	-	-	(73,757)	(73,757)	-
Total Business-Type Activities	607,330	507,674	-	-	-	(99,656)	(99,656)	-
Total - Primary Government	$ 20,954,841	$ 3,086,667	$ 418,211	$ -	(17,350,307)	(99,656)	(17,449,963)	-
Component Unit: Health Department	$ 552,611	$ 222,075	$ 442,302	$ -	-	-	-	111,766
General Revenues								
Property Taxes Levied for General Government					8,325,085	-	8,325,085	-
Sales Taxes					5,827,043	-	5,827,043	-
Insurance Premium Tax					616,441	-	616,441	
Alcohol Beverage Taxes					152,783	-	152,783	-
Other Taxes					115,197	-	115,197	-
Unrestricted Investment Earnings					114,426	7,457	121,883	1,669
Other					47,079	-	47,079	-
Transfers					(58,051)	58,051	-	-
Total General Revenues and Transfers					15,140,003	65,508	15,205,511	1,669
Change in Net Assets					(2,210,304)	(34,148)	(2,244,452)	113,435
Net Assets at Beginning of Year					45,350,542	435,831	45,786,373	326,819
Net Assets at End of Year					$ 43,140,238	$ 401,683	$ 43,541,921	$ 440,254

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General Fund	SPLOST #7 Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 1,268,545	$ 2,093,701	$ 784,321	$ 4,146,567
Investments	10,307,419	-	490,669	10,798,088
Receivables				
Accounts	661,998	-	9,865	671,863
Property Taxes	325,707	-	-	325,707
Due from Other Governments	386,992	577,939	-	964,931
Due from Other Funds	127,834	-	-	127,834
Prepaid Items	162,432	-	-	162,432
Total Assets	$ 13,240,927	$ 2,671,640	$ 1,284,855	$ 17,197,422
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$ 437,498	$ 30,783	$ 6,424	$ 474,705
Accrued Liabilities	274,588	-	-	274,588
Due to Other Funds	-	204	64,434	64,638
Due to Other Governments	-	224,645	-	224,645
Deferred Revenues	641,042	-	-	641,042
Other Current Liabilities	5,000	-	-	5,000
Total Liabilities	1,358,128	255,632	70,858	1,684,618
Fund Balances				
Nonspendable	162,432	-	-	162,432
Restricted for				
Capital Projects	-	2,416,008	-	2,416,008
Ad Valorem Tax Abatement	9,074,304	-	-	9,074,304
Other Purposes	-	-	1,213,997	1,213,997
Committed for				
Contingency	2,615,464	-	-	2,615,464
Grant Programs	30,599	-	-	30,599
Unassigned	-	-	-	-
Total Fund Balances	11,882,799	2,416,008	1,213,997	15,512,804
Total Liabilities and Fund Balances	$ 13,240,927	$ 2,671,640	$ 1,284,855	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				27,543,888
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				641,042
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(447,407)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(110,089)
Net Assets of Governmental Activities				$ 43,140,238

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	General Fund	SPLOST #7 Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 8,973,772	$ -	$ 115,197	$ 9,088,969
Sales Taxes	2,018,545	3,808,499	-	5,827,044
Licenses and Permits	121,025	-	-	121,025
Intergovernmental	373,550	-	158,613	532,163
Charges for Services	1,592,022	-	341,442	1,933,464
Fines and Forfeitures	499,073	-	219,026	718,099
Interest	108,966	5,066	10,348	124,380
Other	65,658	-	-	65,658
	13,752,611	3,813,565	844,626	18,410,802
Expenditures				
Current				
General Government	2,892,621	-	-	2,892,621
Judicial	1,483,428	-	197,817	1,681,245
Public Safety	7,377,372	-	486,317	7,863,689
Public Works	2,272,969	-	-	2,272,969
Health and Welfare	1,214,568	-	17,377	1,231,945
Culture and Recreation	718,352	-	-	718,352
Housing and Development	418,653	-	69,107	487,760
Intergovernmental	-	944,508	-	944,508
Debt Service	4,554	-	-	4,554
Capital Outlay	-	453,049	1,047,629	1,500,678
Total Expenditures	16,382,517	1,397,557	1,818,247	19,598,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,629,906)	2,416,008	(973,621)	(1,187,519)
Other Financing Sources (Uses)				
Capital Leases	52,198	-	-	52,198
Transfers In	616,881	-	(616,881)	-
Transfers Out	(58,051)	-	-	(58,051)
Total Other Financing Sources (Uses)	611,028	-	(616,881)	(5,853)
Net Change in Fund Balances	(2,018,878)	2,416,008	(1,590,502)	(1,193,372)
Fund Balances, Beginning	13,901,677	-	2,804,499	16,706,176
Fund Balances, Ending	$ 11,882,799	$ 2,416,008	$ 1,213,997	$ 15,512,804

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

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

Net Change in Fund Balances - Total Governmental Funds	$ (1,193,372)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(716,304)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets.	(18,579)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(196,965)
Governmental funds report debt proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of debt principal as an expenditure. In contrast, the statement of activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds exceeded payments.	(48,025)
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.	(37,059)
Change in Net Assets of Governmental Activities	$ (2,210,304)

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes	$ 8,254,849	$ 8,254,849	$ 8,973,772	$ 718,923
Sales Taxes	2,967,935	2,128,954	2,018,545	(110,409)
Licenses and Permits	160,200	160,200	121,025	(39,175)
Intergovernmental	571,074	574,199	373,550	(200,649)
Charges for Services	1,350,640	1,390,640	1,592,022	201,382
Fines and Forfeitures	629,200	629,200	499,073	(130,127)
Interest	80,000	80,000	108,966	28,966
Other	7,600	13,938	65,658	51,720
Total Revenues	14,021,498	13,231,980	13,752,611	520,631
Expenditures				
Current				
General Government				
District Commissioners	189,273	200,600	194,744	(5,856)
Executive Officers	252,277	257,094	253,618	(3,476)
Board of Elections and Registration	275,582	253,273	239,216	(14,057)
Financial Administration	272,488	276,890	266,037	(10,853)
General Administration	467,742	196,555	182,774	(13,781)
Legal Services	72,000	98,000	97,381	(619)
Tax Commissioner	383,606	429,242	421,653	(7,589)
Tax Assessor	564,653	576,488	561,718	(14,770)
Board of Equalization	17,938	17,953	17,545	(408)
Risk Management	225,000	218,000	216,554	(1,446)
Public Buildings	324,687	435,463	426,643	(8,820)
Regional Development Fees	16,184	16,184	14,738	(1,446)
Total General Government	3,061,430	2,975,742	2,892,621	(83,121)
Judicial				
Superior Court	105,176	126,821	126,175	(646)
Clerk of Superior Court	390,144	389,331	386,630	(2,701)
District Attorney	63,646	61,311	60,884	(427)
State Court	178,137	184,583	184,248	(335)
Solicitor's Office	107,450	108,147	104,246	(3,901)
Magistrate Court	222,235	224,165	223,007	(1,158)
Probate Court	200,375	209,015	208,062	(953)
Juvenile Court	95,459	102,762	102,534	(228)
Juvenile Prosecutor's Office	18,000	18,000	18,000	-
Public Defender	74,425	75,560	69,642	(5,918)
Total Judicial	$ 1,455,047	$ 1,499,695	$ 1,483,428	$ (16,267)

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Safety				
Sheriff Operations	$ 2,834,628	$ 2,850,829	$ 2,778,314	$ (72,515)
Jail Operations	1,551,765	1,606,886	1,603,172	(3,714)
Fire Stations	995,434	1,041,094	1,022,477	(18,617)
Sugar Creek Fire Station	5,285	5,285	3,407	(1,878)
Fire Station Timber Tax Funds	34,063	34,063	20,595	(13,468)
Ambulance Service	1,658,382	1,664,168	1,608,145	(56,023)
Rescue	104,296	106,050	93,647	(12,403)
Coroner	53,210	54,880	52,754	(2,126)
Animal Control	183,312	188,011	173,040	(14,971)
Emergency Management	18,750	21,840	21,821	(19)
Total Public Safety	7,439,125	7,573,106	7,377,372	(195,734)
Public Works				
Public Works Administration	207,387	250,739	245,048	(5,691)
Highways and Streets	793,163	740,459	641,588	(98,871)
Solid Waste Collection	345,000	425,000	414,933	(10,067)
Recycle Operations	777,420	777,970	776,302	(1,668)
Maintenance and Shop	246,578	211,150	195,098	(16,052)
Total Public Works	2,369,548	2,405,318	2,272,969	(132,349)
Health and Welfare				
Health Department	245,837	245,837	245,776	(61)
Putnam General Hospital	550,000	550,000	550,000	-
Mosquito Control	-	2,697	2,693	(4)
Putnam Jasper Service Center	16,000	16,000	16,000	-
Family and Children Services	27,000	27,000	25,707	(1,293)
Indigent Burial	-	1,200	1,200	-
Senior Citizens Center	173,961	140,026	137,175	(2,851)
Public Transit System	213,977	237,444	236,017	(1,427)
	1,226,775	1,220,204	1,214,568	(5,636)
Culture and Recreation				
Recreation	539,251	578,168	577,748	(420)
Eatonton Public Library	140,604	140,604	140,604	-
Total Culture and Recreation	$ 679,855	$ 718,772	$ 718,352	$ (420)

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Housing and Development				
County Extension Service	$ 41,838	$ 41,891	$ 37,377	$ (4,514)
Planning and Development	235,932	246,541	246,522	(19)
Planning and Development Commission	7,358	7,143	6,883	(260)
Code Enforcement	103,169	104,590	104,398	(192)
Putnam Development Authority	-	10,000	10,000	-
Chamber of Commerce	5,410	5,410	5,410	-
Rock Hawk Timber Tax Funds	19,196	19,196	2,063	(17,133)
Putnam Welcome Center	-	1,000	1,000	-
Better Home Town Program	5,000	5,000	5,000	-
Total Housing and Development	417,903	440,771	418,653	(22,118)
Debt Service				
Principal	-	4,200	4,173	(27)
Interest	-	400	381	(19)
Total Debt Service	-	4,600	4,554	(46)
Total Expenditures	16,649,683	16,838,208	16,382,517	(455,691)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,628,185)	(3,606,228)	(2,629,906)	976,322
Other Financing Sources (Uses)				
Capital Leases	-	52,198	52,198	-
Transfers In	118,230	118,230	616,881	498,651
Transfers Out	(58,051)	(58,051)	(58,051)	-
Total Other Financing Sources (Uses)	60,179	112,377	611,028	498,651
Net Change in Fund Balance	(2,568,006)	(3,493,851)	(2,018,878)	1,474,973
Fund Balance, Beginning	13,901,677	13,901,677	13,901,677	-
Fund Balance, Ending	$ 11,333,671	$ 10,407,826	$ 11,882,799	$ 1,474,973

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Business-Type Activities Enterprise Funds		
	Solid Waste Fund	Combined Nonmajor Funds	Total
Assets			
Current Assets			
Cash and Cash Equivalents	$ 63,811	$ 159,958	$ 223,769
Accounts Receivable	-	144	144
Inventory	-	33,280	33,280
Restricted Assets			
Investments	775,000	-	775,000
Total Current Assets	838,811	193,382	1,032,193
Capital Assets			
Nondepreciable	116,395	-	116,395
Depreciable, Net of Accumulated Depreciation	-	160,294	160,294
Total Capital Assets	116,395	160,294	276,689
Total Assets	955,206	353,676	1,308,882
Liabilities			
Current Liabilities			
Due to Other Funds	2,500	60,696	63,196
Other Liabilities	1,510	1,838	3,348
Compensated Absences	-	165	165
Landfill Postclosure Care	34,730	-	34,730
Total Current Liabilities	38,740	62,699	101,439
Long-Term Liabilities			
Landfill Postclosure Care	798,780	-	798,780
Compensated Absences	-	6,980	6,980
Total Long-Term Liabilities	798,780	6,980	805,760
Total Liabilities	837,520	69,679	907,199
Net Assets			
Invested in Capital Assets	116,395	160,294	276,689
Unrestricted	1,291	123,703	124,994
Total Net Assets	$ 117,686	$ 283,997	$ 401,683

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities Enterprise Funds		
	Solid Waste Fund	Combined Nonmajor Funds	Total
Operating Revenues			
Charges for Services	$ -	$ 506,677	$ 506,677
Other	-	997	997
Total Operating Revenues	-	507,674	507,674
Operating Expenses			
Personnel Services and Employee Benefits	-	160,247	160,247
Purchased/Contracted Services	-	30,312	30,312
Supplies	-	311,792	311,792
Depreciation	-	31,222	31,222
Postclosure Monitoring Costs	73,757	-	73,757
Total Operating Expenses	73,757	533,573	607,330
Operating Loss	(73,757)	(25,899)	(99,656)
Nonoperating Revenues			
Interest	6,573	884	7,457
Loss Before Transfers and Contributions	(67,184)	(25,015)	(92,199)
Transfers In	25,000	33,051	58,051
Change in Net Assets	(42,184)	8,036	(34,148)
Net Assets, Beginning	159,870	275,961	435,831
Net Assets, Ending	$ 117,686	$ 283,997	$ 401,683

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Business-Type Activities - Enterprise Funds		
	Solid Waste Fund	Combined Nonmajor Funds	Total
Cash Flows from Operating Activities			
Cash Received from Customers	$ -	$ 507,674	$ 507,674
Cash Payments for Personnel Services	-	(160,247)	(160,247)
Cash Payments for Goods and Services	(38,876)	(453,495)	(492,371)
Net Cash Used by Operating Activities	(38,876)	(106,068)	(144,944)
Cash Flows from Noncapital Financing Activities			
Transfers In	25,000	33,051	58,051
Cash Flows from Capital and Related Financing Activities			
Purchase of Property and Equipment	-	(11,959)	(11,959)
Cash Flows from Investing Activities			
Proceeds from Maturity of Investments	26,397	130,227	156,624
Interest on Cash and Investments	6,574	884	7,458
Net Cash Provided by Investing Activities	32,971	131,111	164,082
Net Increase in Cash and Cash Equivalents	19,095	46,135	65,230
Cash and Cash Equivalents, Beginning	44,716	113,823	158,539
Cash and Cash Equivalents, Ending	$ 63,811	$ 159,958	$ 223,769
Reconciliation of Operating Loss to Net Cash Used by Operating Activities			
Operating Loss	$ (73,757)	$ (25,899)	$ (99,656)
Adjustments			
Depreciation	-	31,222	31,222
Increase in Due from Other Funds	2,500	-	2,500
Decrease in Inventory	-	(3,931)	(3,931)
Decrease in Due to Other Funds	-	(109,977)	(109,977)
Increase in Other	1,509	15	1,524
Decrease in Compensated Absences	-	2,502	2,502
Increase in Landfill Postclosure Care	30,872	-	30,872
Net Cash Used by Operating Activities	$ (38,876)	$ (106,068)	$ (144,944)

See accompanying notes which are an integral part of these financial statements.

PUTNAM COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	Agency Funds
Assets	
Cash and Cash Equivalents	$ 287,220
Due from Other Governments	2,111
	$ 289,331
Liabilities	
Due to Others	$ 289,331

See accompanying notes which are an integral part of these financial statements.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

Putnam County was established under the provisions of an act of the General Assembly of Georgia on December 10, 1807. The County operates under a County Commission form of government (four commissioners are elected by district with the chairman elected at large from the County), and provides the following services as authorized by state law: public safety, highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Putnam County, Georgia (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement #14, the financial statements of the component unit are discretely presented in the government-wide financial statements.

Putnam County Health Department

The Putnam County Health Department (Health Department) has a governing board consisting of six members. Four of the members are either County officials or members appointed by the County. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's financial statements may be obtained by writing to the Putnam County Health Department, P.O. Box 3776, Eatonton, Georgia 31024.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

(1) Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to those who purchase, use or directly benefits from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, any debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *SPLOST #7 Fund* accounts for the acquisition and construction of approved projects within the County from resources provided by the 2011 special County one percent sales and use tax.

(1) Summary of Significant Accounting Policies (Continued)

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

The County reports the following major proprietary fund:

The *Solid Waste Fund* accounts for the cost of postclosure and environmental monitoring related to the County's closed landfill.

Additionally, the County reports the following fund types:

The *special revenue funds* account for specific revenues that are legally restricted to expenditures for particular purposes.

The *capital projects fund* accounts for financial resources to be used for the acquisition and construction of major capital facilities.

The *agency funds* are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and ad valorem and property taxes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges for services provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

(1) Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, and Georgia Fund 1, the Local Government Investment Pool.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "Due to/from Other Funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventories are expensed when consumed.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used by recording an asset for the prepaid amount and by recording the expenditure/expense in the period in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

H. Restricted Assets

Certain assets of the Solid Waste Fund are classified as restricted assets on the balance sheet because their use is limited to landfill postclosure and monitoring costs in compliance with legal regulations.

(1) Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets, which include property, plant, equipment and the infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending.

The costs of normal maintenance and repairs that do not add value to the value of the assets or materially extend the asset lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Buildings and Improvements	10 - 30
Infrastructure	10 - 50
Machinery and Equipment	3 - 12

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employees resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

L. Government-Wide and Proprietary Fund Net Assets

Government-wide and proprietary fund net assets are divided into three components:

Invested in capital assets - consists of historical cost of capital assets less accumulated depreciation;

Restricted - consists of net assets that are restricted by the state enabling legislation, by grantors (both federal and state), and by other contributors; and

Unrestricted - all other net assets are reported in this category.

(1) Summary of Significant Accounting Policies (Continued)

M. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in a spendable form (such as prepaid items) or because they are legally or contractually required to be maintained intact;

Restricted fund balance - amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors;

Committed - amounts that can be used only for specific purposes determined by a formal action before the end of the fiscal year by the board of commissioners' ordinance or resolution;

Assigned - amounts that are designated by the County Manager for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote by the board of commissioners; and

Unassigned - all amounts not included in other spendable classifications.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first then unrestricted amounts as they are needed.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 differ from those estimates.

(2) Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds."

Capital Leases	$ 48,025
Compensated Absences	399,382
	$ 447,407

(2) Reconciliation of Government-Wide and Fund Financial Statements (Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The government fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $(716,304) difference are as follows:

Capital Outlay	$ 1,637,401
Depreciation Expense	(2,353,705)
	$ (716,304)

Another element of the reconciliation states that "the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets." The detail of this $(18,579) difference is as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.	$ (18,579)

Another element of that reconciliation states that "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." The details of this $(37,059) difference are as follows:

Compensated Absences	$ (12,469)
Net Pension Obligation	(24,590)
	$ (37,059)

(3) Legal Compliance - Budgets

Budgetary Information. The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles. An annual operation budget is prepared for all governmental funds except capital projects funds. Capital projects funds use project-length budgets.

Department heads submit to the county clerk a proposed operating budget for the fiscal year commencing the following October 1. The proposed budgets are then submitted to the board of commissioners by the county clerk for study. Public hearings are conducted to obtain taxpayer comments. Prior to October 1, the budget is legally adopted by the board of commissioners.

The legal level of control for each legally adopted annual budget is the department level for the general fund and fund level for special revenue funds. Supplemental appropriations out of the County's general fund contingency account may be made by the board of commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. The board of commissioners must approve any department or fund level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the board of commissioners at any level below the department level.

All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. All unexpended appropriations provided in the annual budget lapse at year-end.

(4) Deposits and Investments

As of September 30, 2012, the County's investments consisted of certificates of deposit totaling $13,463,566.

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government 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. State statutes require all deposits to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The County has no custodial credit risk policies requiring additional collateral. As of September 30, 2012, all of the deposits of the County and the Health Department were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCA) Section 45-8-12(c) and as defined by GASB pronouncements.

(5) Receivables

Receivables for the government's individual major and nonmajor funds in the aggregate including the applicable allowance for uncollectible accounts, are as follows at September 30, 2012:

	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
Receivables				
Accounts	$ 661,998	$ 9,865	$ 144	$ 672,007
Property Taxes	386,961	-	-	386,961
	1,048,959	9,865	144	1,058,968
Allowance for Uncollectibles	(61,254)	-	-	(61,254)
	$ 987,705	$ 9,865	$ 144	$ 997,714

Property taxes were levied on September 7, 2012. Bills are payable on or before December 31, 2012, after which the applicable property is subject to lien and penalties and interest are assessed. The County bills and collects its own property taxes. Property taxes levied for 2012 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the fiscal year ended September 30, 2012 and collected by November 30, 2012 are recognized as revenues in the fiscal year ended September 30, 2012. Net receivables estimated to be collected subsequent to November 30, 2012 are deferred as of September 30, 2012 and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

(6) Capital Assets

Capital asset activity for the period ended September 30, 2012 is as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 519,407	$ 578,824	$ -	$ 1,098,231
Infrastucture, Land Under Roads	7,004,252	-	-	7,004,252
Construction in Process	1,508,929	33,000	(1,508,929)	33,000
	9,032,588	611,824	(1,508,929)	8,135,483
Capital Assets, Depreciable				
Buildings and Improvements	14,130,803	2,080,836	-	16,211,639
Machinery and Equipment	3,158,363	119,094	(62,156)	3,215,301
Vehicles	6,186,801	150,154	(351,175)	5,985,780
Infrastucture	20,259,087	183,333	(1,276,432)	19,165,988
	43,735,054	2,533,417	(1,689,763)	44,578,708
Accumulated Depreciation for				
Buildings and Improvements	5,441,596	477,543	-	5,919,139
Machinery and Equipment	2,539,652	165,354	(56,156)	2,648,850
Vehicles	5,291,188	353,881	(339,684)	5,305,385
Infrastucture	11,216,434	1,356,927	(1,276,432)	11,296,929
	24,488,870	2,353,705	(1,672,272)	25,170,303
Total Capital Assets, Depreciable, Net	19,246,184	179,712	(17,491)	19,408,405
Governmental Activities Capital Assets, Net	$ 28,278,772	$ 791,536	$ (1,526,420)	$ 27,543,888

(6) Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	$ 116,395	$ -	$ -	$ 116,395
Capital Assets, Depreciable				
Buildings	412,271	11,959	-	424,230
Machinery and Equipment	352,861	-	-	352,861
	765,132	11,959	-	777,091
Accumulated Depreciation for				
Buildings	267,285	19,247	-	286,532
Machinery and Equipment	318,289	11,976	-	330,265
	585,574	31,223	-	616,797
Total Capital Assets, Depreciable, Net	179,558	(19,264)	-	160,294
Business-Type Activities Capital Assets, Net	$ 295,953	$ (19,264)	$ -	$ 276,689

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

Governmental Activities	
General Government	$ 245,190
Judicial	21,795
Public Safety	510,574
Public Works	1,480,437
Health and Welfare	4,883
Culture and Recreation	90,826
	$ 2,353,705
Business-Type Activities	
Oconee Springs Park	$ 12,819
Uncle Remus Golf Course	18,404
	$ 31,223

(6) Capital Assets (Continued)

Discretely Presented Component Unit

Activity for the Health Department for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Depreciable				
Equipment	$ 27,982	$ 3,456	$ -	$ 31,438
Accumulated Depreciation	(26,031)	(1,048)	-	(27,079)
	$ 1,951	$ 2,408	$ -	$ 4,359

(7) Long-Term Debt

Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended September 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Capital Leases	$ -	$ 52,198	$ (4,173)	$ 48,025	$ 17,008
Compensated Absences	402,291	175,425	(178,334)	399,382	267,586
	$ 402,291	$ 227,623	$ (182,507)	$ 447,407	$ 284,594
Business-Type Activities					
Compensated Absences	$ 4,643	$ 3,959	$ (1,457)	$ 7,145	$ 165
Landfill Postclosure Care	802,639	73,757	(42,886)	833,510	34,730
	$ 807,282	$ 77,716	$ (44,343)	$ 840,655	$ 34,895

Landfill Postclosure Care. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at its closed landfill. The estimated cost of postclosure care is based on the amount that would be paid if all equipment, facilities and services required to monitor and maintain the landfill were acquired as of September 30, 2012. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Should any problems occur during the postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase. The current estimate of the cost of postclosure care for the next 26 years is $833,510. These costs are to be funded with cash and a certificate deposit in the Solid Waste Fund. The certificate of deposit is restricted for use for postclosure care and has a value of $775,000 as of September 30, 2012.

(7) Long-Term Debt (Continued)

Discretely Presented Component Unit

The following is a summary of long-term debt activity for the Health Department for the year ended June 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	$ 42,028	$ 29,791	$ (34,862)	$ 36,957	$ 8,663

(8) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2012 is as follows:

Due From / To Other Funds

	Payable Fund				
Receivable Fund	SPLOST #7 Fund	Nonmajor Governmental Funds	Solid Waste Fund	Nonmajor Business-Type Funds	Total
General Fund	$ 204	$ 64,434	$ 2,500	$ 60,696	$ 127,834

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

	Transfers Out		
Transfers In	General Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 616,881	$ 616,881
Solid Waste Fund	25,000	-	25,000
Nonmajor Business-Type Funds	33,051	-	33,051
	$ 58,051	$ 616,881	$ 674,932

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the fiscal year ended September 30, 2012, excess SPLOST funds totaling $486,516 were transferred to the general fund for the purpose of reducing ad valorem taxes as allowed by Georgia Code Section 48-8-12

(9) Joint Venture

Under Georgia law, the County is a participating member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the fiscal year ended September 30, 2012, the County paid $12,721 in such dues. Membership in an RC is required by OCGA Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Middle Georgia Regional Commission, 175C Emery Highway, Macon, Georgia 31217.

(10) Defined Benefit Pension Plan

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Putnam County Employees (the Plan), which is a defined pension plan.

The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the ACCG Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

(10) Defined Benefit Pension Plan (Continued)

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Annual Pension Cost: The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Net Pension Obligation

	2012	2011
Net Pension Obligation (Asset) as of Beginning of Prior Year	**$ 85,499**	$ (121,257)
Annual Pension Cost for Prior Year	**687,464**	706,756
Actual Contributions to Plan for Prior Year	**662,874**	500,000
Increase in Net Pension Obligation (Asset)	**24,590**	206,756
Net Pension Obligation (Asset) as of Beginning of the Year	**$ 110,089**	$ 85,499

Derivation of Annual Pension Cost

Annual Required Contribution	**$ 755,532**	$ 687,928
Interest on Net Pension Obligation	**8,532**	6,626
Amortization of Net Pension Obligation	**(9,129)**	(7,090)
Annual Pension Cost	**$ 754,935**	$ 687,464

Basis of Valuation

Current Valuation Date	January 1, 2012
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.50%-7.00% Based on Age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	15 Years

(10) Defined Benefit Pension Plan (Continued)

Trend Information for the Plan (Per Actuarial Report)

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
January 1, 2012	$ 754,935	N/A	N/A	$ 110,089
January 1, 2011	687,464	$ 662,874	96%	85,499
January 1, 2010	706,756	500,000	71%	(121,257)
January 1, 2009	666,790	560,000	84%	(228,047)
January 1, 2008	550,394	558,131	101%	(220,310)
January 1, 2007	500,773	560,000	112%	(161,083)

As of the most recent valuation date, January 1, 2012, the funded status of the Plan was as follows:

Fiscal Year Ending	Actuarial Value of Assets		Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
December 31, 2011	$7,562,231	*	$9,945,757	$ 2,383,526	76.0%	$5,175,180	46.1%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

(11) Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Association of County Commissioners Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

(11) Risk Management (Continued)

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or three prior years.

(12) Contingencies and Commitments

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION

PUTNAM COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ending	Actuarial Value of Assets		Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
December 31, 2011	$ 7,562,231	*	$ 9,945,757	$ 2,383,526	76.0 %	$ 5,175,180	46.1 %
December 31, 2010	7,002,872	*	9,367,994	2,365,122	74.8	5,486,768	43.1
December 31, 2009	6,517,582	*	8,567,197	2,049,615	76.1	5,339,738	38.4
December 31, 2008	5,912,305	*	7,533,747	1,621,442	78.5	4,819,404	33.6
December 31, 2007	5,746,515		6,663,640	917,125	86.2	4,653,360	19.7
December 31, 2006	5,037,081		6,186,495	1,149,414	81.4	4,434,100	25.9
December 31, 2005	4,405,259		5,863,043	1,457,784	75.1	4,270,757	34.1

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

PUTNAM COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

County Jail Fund - To account for the additional 10 percent penalty charged on all court fines imposed within Putnam County. Money collected by this fund is to be expended solely and exclusively for the constructing, operating and staffing of Putnam County jails.

Law Library Fund - To account for the purchase of County Law Library materials, from revenue generated for that purpose, based on a portion of court fines and forfeitures.

Juvenile Services Fund - To account for proceeds of state-mandated supervision fees, which may be expended by the Juvenile Court for community-based services for juveniles, under the court's supervision.

Juvenile Prosecutors Fund - Administered by Putnam County for the Ocmulgee Judicial Circuit, to account for the receipt and disbursement of funds used for office operations.

Drug Education Fund - To account for proceeds from a state-mandated addendum to fines, which may be expended for drug and alcohol abuse treatment and education programs.

Drug Confiscation Fund - To account for the net proceeds of property deemed by the courts to be forfeited, in cases related to illegal drug activity. Expenditures are legally restricted to purchases of law enforcement materials and equipment.

Federal Forfeiture Fund - To account for revenues which are derived from assets forfeited under federal law. Expenditures are restricted to permissible law enforcement purposes.

Victim and Witness Assistance Fund - To account for proceeds from a state-mandated addendum to fines, which may be expended for health and welfare services for crime victims and witnesses.

Emergency 911 Fund - To account for revenues collected from telephone system subscribers, which are used to operate and maintain a countywide emergency response telephone system.

Hotel/Motel Tax Fund - To account for taxes collected on overnight lodging rentals. In accordance with Georgia law, a portion of these revenues are used to promote tourism.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

SPLOST #6 Fund - The SPLOST #6 Fund accounts for expenditures relating to renovation of various County buildings, construction of roads, recreation projects, and public safety projects. Funding is provided by a one percent special purpose sales tax.

PUTNAM COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2012

	Special Revenue										Capital Projects	
	County Jail Fund	Law Library Fund	Juvenile Services Fund	Juvenile Prosecutors Fund	Drug Education Fund	Drug Confiscation Fund	Federal Forfeiture Fund	Victim and Witness Assistance Fund	Emergency 911 Fund	Hotel/Motel Tax Fund	SPLOST #6 Fund	Total Nonmajor Governmental Funds
Assets												
Cash and Cash Equivalents	$ 33,198	$ 13,335	$ 1,308	$ 25,338	$ 6,015	$ 87,183	$ 108,469	$ 80,855	$ 85,382	$ 52,589	$ 290,649	$ 784,321
Investments	39,340	16,187	16,616	40,233	74,600	-	-	-	303,693	-	-	490,669
Accounts Receivable	4,273	-	40	-	1,522	-	-	4,030	-	-	-	9,865
Total Assets	$ 76,811	$ 29,522	$ 17,964	$ 65,571	$ 82,137	$ 87,183	$ 108,469	$ 84,885	$ 389,075	$ 52,589	$ 290,649	$ 1,284,855
Liabilities and Fund Balances												
Liabilities												
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,424	$ -	$ 6,424
Due to Other Funds	-	-	-	5,324	1,183	-	-	-	11,762	46,165	-	64,434
Total Liabilities	-	-	-	5,324	1,183	-	-	-	11,762	52,589	-	70,858
Fund Balance												
Restricted	76,811	29,522	17,964	60,247	80,954	87,183	108,469	84,885	377,313	-	290,649	1,213,997
	$ 76,811	$ 29,522	$ 17,964	$ 65,571	$ 82,137	$ 87,183	$ 108,469	$ 84,885	$ 389,075	$ 52,589	$ 290,649	$ 1,284,855

PUTNAM COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue										Capital Projects	
	County Jail Fund	Law Library Fund	Juvenile Services Fund	Juvenile Prosecutors Fund	Drug Education Fund	Drug Confiscation Fund	Federal Forfeiture Fund	Victim and Witness Assistance Fund	Emergency 911 Fund	Hotel/Motel Tax Fund	SPLOST #6 Fund	Total Nonmajor Governmental Funds
Revenues												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 115,197	$ -	$ 115,197
Intergovernmental	-	-	-	158,613	-	-	-	-	-	-	-	158,613
Charges for Services	-	-	-	-	-	-	-	-	341,442	-	-	341,442
Fines and Forfeitures	78,589	18,168	510	-	20,384	57,335	-	44,040	-	-	-	219,026
Interest	415	504	104	393	510	-	-	435	3,024	75	4,888	10,348
Total Revenue	79,004	18,672	614	159,006	20,894	57,335	-	44,475	344,466	115,272	4,888	844,626
Expenditures												
Current												
Judicial	-	51,174	-	146,643	-	-	-	-	-	-	-	197,817
Public Safety	-	-	-	-	10,834	21,055	53,100	-	401,328	-	-	486,317
Housing and Development	-	-	-	-	-	-	-	-	-	69,107	-	69,107
Health and Welfare	-	-	-	-	-	-	-	17,377	-	-	-	17,377
Capital Outlay	-	10,409	-	-	-	9,398	5,000	-	-	-	1,022,822	1,047,629
Total Expenditures	-	61,583	-	146,643	10,834	30,453	58,100	17,377	401,328	69,107	1,022,822	1,818,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,004	(42,911)	614	12,363	10,060	26,882	(58,100)	27,098	(56,862)	46,165	(1,017,934)	(973,621)
Other Financing Sources (Uses)												
Transfer Out	(84,200)	-	-	-	-	-	-	-	-	(46,165)	(486,516)	(616,881)
Net Change in Fund Balance	(5,196)	(42,911)	614	12,363	10,060	26,882	(58,100)	27,098	(56,862)	-	(1,504,450)	(1,590,502)
Fund Balance, Beginning	82,007	72,433	17,350	47,884	70,894	60,301	166,569	57,787	434,175	-	1,795,099	2,804,499
Fund Balance, Ending	$ 76,811	$ 29,522	$ 17,964	$ 60,247	$ 80,954	$ 87,183	$ 108,469	$ 84,885	$ 377,313	$ -	$ 290,649	$ 1,213,997

PUTNAM COUNTY, GEORGIA
COUNTY JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures				
Superior Court	$ 10,000	$ 15,000	$ 14,777	$ (223)
State Court	53,000	48,000	45,952	(2,048)
Municipal Court	20,000	20,000	17,860	(2,140)
Interest	1,200	1,200	415	(785)
	84,200	84,200	79,004	(5,196)
Other Financing Uses				
Transfers Out	(84,200)	(84,200)	(84,200)	-
Net Change in Fund Balance	$ -	$ -	(5,196)	$ (5,196)
Fund Balance, Beginning			82,007	
Fund Balance, Ending			$ 76,811	

PUTNAM COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures				
Probate Court	$ 900	$ 900	$ 765	$ (135)
State Court	10,000	10,000	8,352	(1,648)
Superior Court	4,200	4,200	3,881	(319)
Magistrate Court	6,500	6,500	5,170	(1,330)
Interest	1,200	1,200	504	(696)
	22,800	22,800	18,672	(4,128)
Expenditures				
Current				
Judicial	22,800	62,600	51,174	(11,426)
Capital Outlay	-	-	10,409	10,409
	22,800	62,600	61,583	(1,017)
Net Change in Fund Balance	$ -	$ (39,800)	(42,911)	$ (3,111)
Fund Balance, Beginning			72,433	
Fund Balance, Ending			$ 29,522	

PUTNAM COUNTY, GEORGIA
JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures	$ 400	$ 600	$ 510	$ (90)
Interest	175	175	104	(71)
	575	775	614	(161)
Expenditures				
Current				
Health and Welfare	1,200	1,200	-	(1,200)
Net Change in Fund Balance	$ (625)	$ (425)	614	$ 1,039
Fund Balance, Beginning			17,350	
Fund Balance, Ending			$ 17,964	

PUTNAM COUNTY, GEORGIA
JUVENILE PROSECUTORS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Intergovernmental	$ 150,044	$ 150,044	$ 158,613	$ 8,569
Interest	-	-	393	393
	150,044	150,044	159,006	8,962
Expenditures				
Current				
Judicial	150,044	150,044	146,643	(3,401)
Net Change in Fund Balance	$ -	$ -	12,363	$ 12,363
Fund Balance, Beginning			47,884	
Fund Balance, Ending			$ 60,247	

PUTNAM COUNTY, GEORGIA
DRUG EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures				
Superior Court	$ 13,500	$ 11,950	$ 11,920	$ (30)
State Court	5,500	7,500	7,336	(164)
Municipal Court	4,000	3,500	1,128	(2,372)
Interest	500	550	510	(40)
	23,500	23,500	20,894	(2,606)
Expenditures				
Current				
Public Safety	12,300	12,300	10,834	(1,466)
Net Change in Fund Balance	$ 11,200	$ 11,200	10,060	$ (1,140)
Fund Balance, Beginning			70,894	
Fund Balance, Ending			$ 80,954	

PUTNAM COUNTY, GEORGIA
DRUG CONFISCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures	$ 45,000	$ 45,000	$ 57,335	$ 12,335
Expenditures				
Current				
Public Safety	45,000	45,000	21,055	(23,945)
Capital Outlay	-	-	9,398	9,398
	45,000	45,000	30,453	(14,547)
Net Change in Fund Balance	$ -	$ -	26,882	$ 26,882
Fund Balance, Beginning			60,301	
Fund Balance, Ending			$ 87,183	

PUTNAM COUNTY, GEORGIA
FEDERAL FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues	$ -	$ 5,000	$ -	$ (5,000)
Expenditures				
Current				
Public Safety	50,000	63,000	53,100	(9,900)
Capital Outlay	-	-	5,000	5,000
	50,000	63,000	58,100	(4,900)
Net Change in Fund Balance	$ (50,000)	$ (58,000)	(58,100)	$ (100)
Fund Balance, Beginning			166,569	
Fund Balance, Ending			$ 108,469	

PUTNAM COUNTY, GEORGIA
VICTIM AND WITNESS ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Fines and Forfeitures	$ 38,217	$ 38,217	$ 44,040	$ 5,823
Interest	200	200	435	235
	38,417	38,417	44,475	6,058
Expenditures				
Current				
Health and Welfare	38,417	38,417	17,377	(21,040)
Net Change in Fund Balance	$ -	$ -	27,098	$ 27,098
Fund Balance, Beginning			57,787	
Fund Balance, Ending			$ 84,885	

PUTNAM COUNTY, GEORGIA
EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Charges for Services	$ 374,165	$ 374,165	$ 341,442	$ (32,723)
Investment Earnings	4,352	4,352	3,024	(1,328)
	378,517	378,517	344,466	(34,051)
Expenditures				
Current				
Public Safety	393,809	417,494	401,328	(16,166)
Net Change in Fund Balance	$ (15,292)	$ (38,977)	(56,862)	$ (17,885)
Fund Balance, Beginning			434,175	
Fund Balance, Ending			$ 377,313	

PUTNAM COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Taxes	$ 85,000	$ 115,200	$ 115,197	$ (3)
Interest	30	75	75	-
	85,030	115,275	115,272	(3)
Expenditures				
Current				
Economic Development	51,000	69,110	69,107	(3)
Excess of Revenues Over Expenditures	34,030	46,165	46,165	-
Other Financing Sources (Uses)				
Transfers Out	(34,030)	(46,165)	(46,165)	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			$ -	

Uncle Remus Golf Course Fund - To account for the operations of the County's public golf course.

Oconee Springs Park Fund - To account for the operations of the County's public recreation facility.

PUTNAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Uncle Remus Golf Course Fund	Oconee Springs Park Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets			
Cash and Cash Equivalents	$ 14,012	$ 145,946	$ 159,958
Accounts Receivable	19	125	144
Inventory	1,838	31,442	33,280
Total Current Assets	15,869	177,513	193,382
Capital Assets			
Depreciable, Net of Accumulated Depreciation	66,813	93,481	160,294
Total Assets	82,682	270,994	353,676
Liabilities			
Current Liabilities			
Due to Other Funds	37,062	23,634	60,696
Compensated Absences	165	-	165
Other Liabilities	854	984	1,838
Total Current Liabilities	38,081	24,618	62,699
Noncurrent Liabilities			
Compensated Absences	1,670	5,310	6,980
Total Liabilites	39,751	29,928	69,679
Net Assets			
Invested in Capital Assets	66,813	93,481	160,294
Unrestricted	(23,882)	147,585	123,703
Total Net Assets	$ 42,931	$ 241,066	$ 283,997

PUTNAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Uncle Remus Golf Course Fund	Oconee Springs Park Fund	Total Nonmajor Enterprise Funds
Operating Revenues			
Charges for Services	$ 169,275	$ 337,402	$ 506,677
Other	500	497	997
Total Operating Revenues	169,775	337,899	507,674
Operating Expenses			
Personnel Services and Employee Benefits	105,059	55,188	160,247
Purchased/Contracted Services	6,017	24,295	30,312
Supplies	72,064	239,728	311,792
Depreciation	18,403	12,819	31,222
Total Operating Expenses	201,543	332,030	533,573
Operating Income (Loss)	(31,768)	5,869	(25,899)
Nonoperating Revenues			
Interest	70	814	884
Income (Loss) Before Transfers	(31,698)	6,683	(25,015)
Transfers In	33,051	-	33,051
Change in Net Assets	1,353	6,683	8,036
Net Assets, Beginning	41,578	234,383	275,961
Net Assets, Ending	$ 42,931	$ 241,066	$ 283,997

PUTNAM COUNTY, GEORGIA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Uncle Remus Golf Course Fund	Oconee Springs Park Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Cash Received from Customers	$ 169,775	$ 337,899	$ 507,674
Cash Payments for Personnel Services	(105,059)	(55,188)	(160,247)
Cash Payments for Goods and Services	(119,882)	(333,613)	(453,495)
Net Cash Used by Operating Activities	(55,166)	(50,902)	(106,068)
Cash Flows from Noncapital Financing Activities			
Transfers In	33,051	-	33,051
Cash Flows from Capital and Related Financing Activities			
Purchase of Property and Equipment	-	(11,959)	(11,959)
Cash Flows from Investing Activities			
Proceeds from Maturity of Investments	-	130,227	130,227
Interest Received	70	814	884
Net Cash Provided by Investing Activities	70	131,041	131,111
Net Increase (Decrease) in Cash and Cash Equivalents	(22,045)	68,180	46,135
Cash and Cash Equivalents, Beginning	36,057	77,766	113,823
Cash and Cash Equivalents, Ending	$ 14,012	$ 145,946	$ 159,958
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities			
Operating Income (Loss)	$ (31,768)	$ 5,869	$ (25,899)
Adjustments			
Depreciation	18,403	12,819	31,222
(Increase) Decrease in Assets			
Inventory	(425)	(3,506)	(3,931)
Increase (Decrease) in Liabilities			
Due to Other Funds	(43,102)	(66,875)	(109,977)
Other	(109)	124	15
Compensated Absences Payable	1,835	667	2,502
Net Cash Used by Operating Activities	$ (55,166)	$ (50,902)	$ (106,068)

PUTNAM COUNTY, GEORGIA
AGENCY FUNDS

Tax Commissioner - To account for the collection and payment to Putnam County and other taxing unites of the property taxes levied, billed and collected by the tax commissioner on behalf of Putnam County and other taxing units.

Sheriff - To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units and other funds.

Clerk of Superior Court - To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units and other funds.

State Court - To account for all monies received by the State Court on behalf of individuals, private organizations, other governmental units and other funds.

Juvenile Court - To account for all monies received by the Juvenile Court on behalf of individuals, private organizations, other governmental units and other funds.

Magistrate Court - To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units and other funds.

Probate Court - To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units and other funds.

PUTNAM COUNTY, GEORGIA
COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 2012

	Tax Commissioner	Sheriff	Clerk of Superior Court	State Court	Juvenile Court	Magistrate Court	Probate Court	Total
Assets								
Cash and Cash Equivalents	$ 35,011	$ 10,812	$ 207,348	$ 27,958	$ 417	$ 5,674	$ -	$ 287,220
Due from Other Governments	2,111	-	-	-	-	-	-	2,111
	$ 37,122	$ 10,812	$ 207,348	$ 27,958	$ 417	$ 5,674	$ -	$ 289,331
Liabilities								
Due to Others	$ 37,122	$ 10,812	$ 207,348	$ 27,958	$ 417	$ 5,674	$ -	$ 289,331

PUTNAM COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Sheriff's Office	$ 700,000	$ -	$ 128,167	$ 128,167
Emergency Medical Services	500,000	-	-	-
Fire	800,000	-	-	-
Animal Control	100,000	-	-	-
County Services Phase 2	900,000	-	100,301	100,301
Old Annex	400,000	-	-	-
Old School Board Building	100,000	-	1,850	1,850
Recreation	400,000	-	-	-
Roads	9,770,000	-	222,731	222,731
Health Department	300,000	-	-	-
Putnam General Hospital	2,500,000	-	-	-
Golf Course	30,000	-	-	-
Intergovernmental Agreement - City of Eatonton	6,000,000	-	944,508	944,508
	$ 22,500,000	$ -	$ 1,397,557	$ 1,397,557

PUTNAM COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2006 ISSUE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Road Projects	$ 4,582,000	$ 4,590,259	$ -	$ 4,590,259
Administrative Building/Courthouse	900,000	1,608,952	1,022,822	2,631,774
Public Safety				
Sheriff and Jail Vehicles and Equipment	300,000	298,753	-	298,753
Fire Fighting Vehicles and Equipment	450,000	477,490	-	477,490
Ambulance and Rescue Vehicles and Equipment	415,000	417,834	-	417,834
Hospital Projects	3,500,000	3,500,000	-	3,500,000
Cultural and Recreational Projects	720,000	740,064	-	740,064
Water and Sewer Projects	3,000,000	3,000,000	-	3,000,000
Intergovernmental Agreement - City of Eatonton	2,583,000	2,588,713	-	2,588,713
	$ 16,450,000	$ 17,222,065	$ 1,022,822	$ 18,244,887

Note: During the fiscal year ended September 30, 2012, excess funds totaling $486,516 were transferred to the general fund for the purpose of reducing ad valorem taxes as allowed by Georgia Code Section 48-8-121.

STATISTICAL SECTION

The statistical section of Putnam County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the County's overall financial health.

Contents **Page**

Financial Trends **69**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity **75**

These schedules contain information to help the reader assess the County's most significant local revenue sources.

Debt Capacity **79**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information **81**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information **82**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the County's financial reports for the relevant year.

Note: Unless otherwise noted, the financial information in these schedules does not include the County's discretely presented component unit.

Effective, January 1, 2010, the County changed its fiscal year-end from December 31 to September 30. Financial information in these schedules for 2010 reflects nine months of activity.

PUTNAM COUNTY, GEORGIA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	$ 6,934,133	$ 22,781,468	$ 26,557,892	$ 27,295,868	$ 28,195,591	$ 30,627,877	$ 29,660,341	$ 28,993,921	$ 28,278,772	$ 27,495,863
Restricted	9,051,562	9,479,531	6,751,485	7,224,728	6,992,285	6,845,124	9,937,431	9,653,195	13,783,374	15,095,398
Unrestricted	7,592,307	6,819,250	10,501,516	13,831,194	15,454,922	12,700,788	11,527,035	5,379,112	3,288,396	548,977
Total Governmental Activities Net Assets	$ 23,578,002	$ 39,080,249	$ 43,810,893	$ 48,351,790	$ 50,642,798	$ 50,173,789	$ 51,124,807	$ 44,026,228	$ 45,350,542	$ 43,140,238
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	$ 650,251	$ 1,066,751	$ 1,129,954	$ 1,599,141	$ 321,002	$ 293,572	$ 260,164	$ 295,538	$ 295,953	$ 276,688
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(350,404)	(912,199)	(878,060)	(1,186,178)	178,309	252,541	271,009	163,494	139,878	124,994
Total Business-Type Activities Net Assets	$ 299,847	$ 154,552	$ 251,894	$ 412,963	$ 499,311	$ 546,113	$ 531,173	$ 459,032	$ 435,831	$ 401,682
Primary Government										
Invested in Capital Assets, Net of Related Debt	$ 7,584,384	$ 23,848,219	$ 27,687,846	$ 28,895,009	$ 28,516,593	$ 30,921,449	$ 29,920,505	$ 29,289,459	$ 28,574,725	$ 27,772,551
Restricted	9,051,562	9,479,531	6,751,485	7,224,728	6,992,285	6,845,124	9,937,431	9,653,195	13,783,374	15,095,398
Unrestricted	7,241,903	5,907,051	9,623,456	12,645,016	15,633,231	12,953,329	11,798,044	5,542,606	3,428,274	673,971
Total Primary Government Net Assets	$ 23,877,849	$ 39,234,801	$ 44,062,787	$ 48,764,753	$ 51,142,109	$ 50,719,902	$ 51,655,980	$ 44,485,260	$ 45,786,373	$ 43,541,920

NOTES:

Amounts presented for fiscal years 2003 - 2010 have not been adjusted for the effects of prior period adjustments recorded in fiscal years 2010 and 2011.

The County retroactively reported it major general infrastructure assets in fiscal year 2004.

PUTNAM COUNTY, GEORGIA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental Activities										
General Government	$ 2,566,275	$ 2,465,646	$ 2,403,287	$ 2,615,660	$ 2,837,808	$ 2,959,969	$ 2,845,434	$ 2,139,729	$ 3,005,766	$ 3,992,804
Judicial	1,075,423	1,099,855	1,180,960	1,409,886	1,460,073	1,559,994	1,641,398	1,223,882	1,645,107	1,719,569
Public Safety	5,286,871	6,318,897	6,082,102	6,226,018	6,743,130	7,396,260	7,681,744	5,788,502	8,019,212	8,381,565
Public Works	3,612,219	3,689,039	4,061,971	4,571,339	6,350,551	5,334,896	4,428,593	3,240,244	3,961,841	3,724,564
Health and Welfare	1,700,440	2,323,341	1,242,511	1,811,363	2,015,792	2,064,234	2,062,530	2,275,109	1,483,980	1,229,965
Culture and Recreation	565,508	605,105	655,145	714,708	797,788	907,570	845,602	645,841	703,780	812,620
Intergovernmental	-	-	-	-	952,060	1,139,106	-	-	-	-
Housing and Development	695,857	583,546	826,827	904,423	1,107,070	1,331,829	717,969	465,252	473,883	486,043
Interest	-	-	-	-	-	-	-	-	-	381
Total Governmental Activities	15,502,593	17,085,429	16,452,803	18,253,397	22,264,272	22,693,858	20,223,270	15,778,559	19,293,569	20,347,511
Business-Type Activities										
Uncle Remus Golf Course	246,731	218,546	250,898	242,847	229,456	223,907	228,144	144,440	191,684	201,544
Oconee Springs Park	139,090	195,286	206,786	277,600	286,309	301,082	286,508	235,159	323,963	332,030
Solid Waste	-	2,550	-	-	-	-	5,564	132,722	24,037	73,757
Water Resources	-	162,458	131,780	186,189	88,017	-	-	-	-	-
Total Business-Type Activities	385,821	578,840	589,464	706,636	603,782	524,989	520,216	512,321	539,684	607,331
Total Primary Government	$ 15,888,414	$ 17,664,269	$ 17,042,267	$ 18,960,033	$ 22,868,054	$ 23,218,847	$ 20,743,486	$ 16,290,880	$ 19,833,253	$ 20,954,842
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	$ 313,991	$ 494,681	$ 376,296	$ 661,441	$ 740,643	$ 717,951	$ 565,863	$ 20,616	$ 64,659	$ 47,266
Judicial	302,094	284,965	263,414	253,157	258,684	244,667	241,049	315,212	427,175	561,210
Public Safety	1,644,538	1,781,733	2,190,234	1,644,829	2,026,974	1,792,204	2,037,962	1,478,900	2,491,714	1,816,456
Public Works	23,232	27,069	28,902	31,726	5,838	5,082	309,972	2,387	9,631	3,292
Health and Welfare	28,703	28,125	29,193	44,061	36,944	34,296	34,075	22,888	40,894	32,842
Culture and Recreation	34,735	30,482	34,027	37,059	34,386	29,402	23,898	24,543	32,463	32,949
Housing and Development	265,302	325,565	402,519	530,284	358,125	226,338	142,136	67,141	102,679	84,978
Operating Grants and Contributions	527,448	846,882	542,733	428,179	375,825	537,165	514,015	369,782	438,992	418,211
Capital Grants and Contributions	414,394	43,106	14,726	-	227,400	2,162,376	199,406	-	-	-
Total Governmental Activities	3,554,437	3,862,608	3,882,044	3,630,736	4,064,819	5,749,481	4,068,376	2,301,469	3,608,207	2,997,204
Business-Type Activities										
Charges for Services	324,109	386,158	557,896	690,792	536,159	474,074	422,499	347,165	467,822	507,675
Capital Grants and Contributions	-	-	-	-	-	-	-	41,175	29,350	-
Total Business-Type Activities	324,109	386,158	557,896	690,792	536,159	474,074	422,499	388,340	497,172	507,675
Total Primary Government	$ 3,878,546	$ 4,248,766	$ 4,439,940	$ 4,321,528	$ 4,600,978	$ 6,223,555	$ 4,490,875	$ 2,689,809	$ 4,105,379	$ 3,504,879

PUTNAM COUNTY, GEORGIA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS (CONTINUED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
NET PROGRAM (EXPENSE) REVENUE										
Governmental Activities	$ (11,948,156)	$ (13,222,821)	$ (12,570,759)	$ (14,622,661)	$ (18,199,453)	$ (16,944,377)	$ (16,154,894)	$ (13,477,090)	$ (15,685,362)	$ (17,350,307)
Business-Type Activities	(61,712)	(192,682)	(31,568)	(15,844)	(67,623)	(50,915)	(97,717)	(123,981)	(42,512)	(99,656)
Total Primary Government Net Expense	$ (12,009,868)	$ (13,415,503)	$ (12,602,327)	$ (14,638,505)	$ (18,267,076)	$ (16,995,292)	$ (16,252,611)	$ (13,601,071)	$ (15,727,874)	$ (17,449,963)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental Activities										
Property Taxes	$ 6,699,561	$ 6,840,341	$ 9,523,111	$ 10,120,979	$ 10,165,884	$ 6,684,497	$ 8,130,485	$ 1,022,526	$ 8,791,418	$ 8,325,085
Sales Taxes	4,399,261	5,063,030	6,273,159	7,128,595	8,151,733	7,847,897	7,530,604	4,944,258	6,825,060	5,827,043
Alcohol Beverage Taxes	-	-						125,313	152,007	152,783
Insurance Premium Taxes	459,291	496,962	530,694	556,152	584,800	599,055	590,465		574,270	616,441
Recording Intangibles	318,719	236,962	330,035	390,571	423,678	-	-		-	-
Other Taxes	439,881	479,345	551,014	731,075	690,058	826,257	700,299	70,829	88,356	115,197
Investment Earnings	198,963	173,031	187,875	318,670	549,758	560,558	188,956	165,161	112,647	114,426
Miscellaneous/Other	29,465	14,577	5,517	60,536	30,504	15,413	20,103	57,962	82,499	47,079
Transfers	(60,094)	(25,991)	(106,362)	(143,020)	(105,954)	(58,309)	(55,000)	(36,578)	(10,000)	(58,051)
Total Governmental Activities	12,485,047	13,278,257	17,295,043	19,163,558	20,490,461	16,475,368	17,105,912	6,349,471	16,616,257	15,140,003
Business-Type Activities										
Investment Earnings	19,089	19,572	26,539	32,527	46,771	38,345	27,126	15,262	9,311	7,457
Miscellaneous/Other	703	1,824	2,369	1,366	1,246	1,063	651	-	-	-
Transfers	60,094	25,991	106,362	143,020	105,954	58,309	55,000	36,578	10,000	58,051
Total Business-Type Activities	79,886	47,387	135,270	176,913	153,971	97,717	82,777	51,840	19,311	65,508
Total Primary Government	$ 12,564,933	$ 13,325,644	$ 17,430,313	$ 19,340,471	$ 20,644,432	$ 16,573,085	$ 17,188,689	$ 6,401,311	$ 16,635,568	$ 15,205,511
CHANGE IN NET ASSETS										
Governmental Activities	$ 536,891	$ 55,436	$ 4,724,284	$ 4,540,897	$ 2,291,008	$ (469,009)	$ 951,018	$ (7,127,619)	$ 930,895	$ (2,210,304)
Business-Type Activities	18,174	(145,295)	103,702	161,069	86,348	46,802	(14,940)	(72,141)	(23,201)	(34,148)
Total Primary Government	$ 555,065	$ (89,859)	$ 4,827,986	$ 4,701,966	$ 2,377,356	$ (422,207)	$ 936,078	$ (7,199,760)	$ 907,694	$ (2,244,452)

PUTNAM COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	$ 2,470,816	$ 2,427,003	$ 361,363	$ 2,451,617	$ 3,029,131	$ 2,797,989	$ 3,060,133	$ 369,723
Unreserved	7,014,691	6,363,453	10,129,612	11,135,350	12,165,957	9,841,618	8,230,279	3,999,920
Total General Fund	9,485,507	8,790,456	10,490,975	13,586,967	15,195,088	12,639,607	11,290,412	4,369,643
All Other Governmental Funds								
Reserved	6,951,756	7,365,178	6,704,141	7,141,981	6,921,777	6,780,547	9,823,819	-
Unreserved, reported in								
Special Revenue Funds	-	-	-	-	-	-	-	1,050,122
Capital Projects Funds	-	-	-	-	-	-	-	9,653,195
Total All Other Governmental Funds	6,951,756	7,365,178	6,704,141	7,141,981	6,921,777	6,780,547	9,823,819	10,703,317
Total Governmental Funds								
Reserved	9,422,572	9,792,181	7,065,504	9,593,598	9,950,908	9,578,536	12,883,952	369,723
Unreserved	7,014,691	6,363,453	10,129,612	11,135,350	12,165,957	9,841,618	8,230,279	14,703,237
Total Governmental Funds	$ 16,437,263	$ 16,155,634	$ 17,195,116	$ 20,728,948	$ 22,116,865	$ 19,420,154	$ 21,114,231	$ 15,072,960

NOTES:

The County implemented GASB Statement No. 54 in fiscal year 2011; therefore, the fund balances for 2011 and subsequent periods are presented in the subsequent table.

PUTNAM COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS

	2011	2012
General Fund		
Nonspendable	$ 162,350	$ 162,432
Restricted	10,978,876	9,074,304
Committed	2,668,720	2,646,063
Unassigned	91,731	2,940,066
	13,901,677	14,822,865
All Other Governmental Funds		
Restricted		
Special Revenue Funds	1,795,099	1,213,997
Capital Projects Funds	1,009,399	2,416,008
	2,804,498	3,630,005
Total Governmental Funds		
Nonspendable	162,350	162,432
Restricted	13,783,374	12,704,309
Committed	2,668,720	2,646,063
Unassigned	91,731	2,940,066
	$ 16,706,175	$ 18,452,870

NOTES:

The County implemented GASB Statement No. 54 in fiscal year 2011.

PUTNAM COUNTY, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	$ 12,307,116	$ 13,148,699	$ 16,406,990	$ 18,639,538	$ 19,977,197	$ 16,122,187	$ 16,837,784	$ 6,296,372	$ 16,134,924	$ 14,916,013
Licenses and Permits	303,967	359,897	446,618	573,013	402,046	264,676	192,032	81,992	145,219	121,025
Intergovernmental	1,148,888	1,238,804	1,668,053	737,617	768,654	1,978,081	873,196	648,477	682,503	532,163
Charges for Services	1,267,272	1,330,564	1,488,437	1,708,372	1,935,081	1,943,899	2,112,334	1,237,540	1,896,674	1,933,464
Fines and Forfeitures	842,700	929,243	1,144,834	606,649	861,873	567,367	728,873	604,097	810,603	718,099
Investment Earnings	198,963	173,031	187,875	318,670	549,758	560,558	346,502	165,161	147,030	124,380
Miscellaneous	14,374	18,677	9,994	65,621	35,004	19,733	6,166	57,963	53,434	65,658
Total Revenues	16,083,280	17,198,915	21,352,801	22,649,480	24,529,613	21,456,501	21,096,887	9,091,602	19,870,387	18,410,802
EXPENDITURES										
General Government	2,520,046	2,434,016	4,556,797	2,342,405	2,624,444	2,731,481	2,640,208	1,951,419	2,828,519	2,892,621
Judicial	1,076,136	1,095,891	1,172,157	1,414,009	1,481,036	1,548,619	1,639,893	1,192,455	1,597,934	1,681,245
Public Safety	4,973,548	6,130,875	5,934,193	5,835,606	6,718,730	7,205,682	7,202,238	5,252,810	7,780,691	7,863,689
Public Works	2,496,006	2,467,891	2,604,013	2,778,928	2,879,408	2,830,059	2,718,014	1,982,489	2,356,944	2,272,969
Health and Welfare	1,177,731	1,205,557	1,208,635	1,208,965	1,406,571	1,454,851	1,423,364	2,258,417	1,253,240	1,231,945
Culture and Recreation	552,259	559,212	587,435	598,480	690,890	828,454	762,091	574,635	693,298	718,352
Housing and Development	673,889	564,701	600,342	803,523	1,080,361	839,806	676,084	451,075	475,337	487,760
Intergovernmental	-	-	-	-	100,000	400,000	-	-	-	944,508
Debt Service	-	-	-	-	-	-	-	-	-	4,554
Capital Outlay	2,009,722	2,996,410	3,543,385	3,990,712	6,054,302	6,257,260	2,285,918	1,355,246	1,385,169	1,500,678
Total Expenditures	15,479,337	17,454,553	20,206,957	18,972,628	23,035,742	24,096,212	19,347,810	15,018,546	18,371,132	19,598,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	603,943	(255,638)	1,145,844	3,676,852	1,493,871	(2,639,711)	1,749,077	(5,926,944)	1,499,255	(1,187,519)
OTHER FINANCING SOURCES (USES)										
Capital Leases	-	-	-	-	-	-	-	-	-	52,198
Transfers In	78,712	128,073	1,778,772	167,543	145,099	90,586	278,180	-	-	-
Transfers Out	(138,806)	(154,064)	(1,885,134)	(310,563)	(251,053)	(147,586)	(333,180)	(36,578)	(10,000)	(58,051)
Total Other Financing Sources (Uses)	(60,094)	(25,991)	(106,362)	(143,020)	(105,954)	(57,000)	(55,000)	(36,578)	(10,000)	(5,853)
Net Change in Fund Balances	$ 543,849	$ (281,629)	$ 1,039,482	$ 3,533,832	$ 1,387,917	$ (2,696,711)	$ 1,694,077	$ (5,963,522)	$ 1,489,255	$ (1,193,372)
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%

PUTNAM COUNTY, GEORGIA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
(IN THOUSANDS)
LAST TEN FISCAL YEARS

Tax Digest Year	Real Property			Motor Vehicle	Motor Homes	Other Personal Property [(a)]	Less: Exempt Real Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Residential	Industrial and Commercial	Agricultural								
2003	$ 567,427	$ 213,366	$ 76,165	$ 60,062	$ 7,540	$ 4,349	$ 91,084	$ 837,825	$ 2,094,562	40%	8.00
2004	639,035	213,611	76,580	58,181	7,657	3,759	89,362	909,461	2,273,652	40%	7.60
2005	763,148	237,512	136,107	58,578	7,182	5,030	157,824	1,049,733	2,624,333	40%	9.08
2006	915,442	300,214	141,641	57,131	6,260	4,959	205,510	1,220,137	3,050,340	40%	8.35
2007	1,113,739	313,432	149,776	62,047	5,939	6,271	257,270	1,393,934	3,484,833	40%	6.91
2008	1,213,771	317,684	154,967	65,472	5,506	4,471	256,001	1,505,870	3,764,675	40%	4.30
2009	1,235,126	316,000	154,554	68,116	5,212	2,263	246,124	1,535,147	3,837,870	40%	5.40
2010	1,167,099	319,458	155,860	59,702	4,743	2,036	235,944	1,472,954	3,682,387	40%	5.40
2011	1,099,777	326,910	161,654	60,363	4,536	4,508	223,487	1,434,261	3,585,653	40%	5.40
2012	1,015,189	332,421	160,730	65,075	4,799	1,808	208,994	1,371,028	3,427,570	40%	5.40

Source: Tax Commissioner's Office

Notes:

Property in the County is reassessed annually. In accordance with Georgia law, property, other than timber, is assessed at approximately 40 percent of actual value. Estimated actual taxable value is calculated by dividing assessed value by 40 percent. Tax rates are per $1,000 of taxable assessed value. Taxes levied are based on a calendar year which does not coincide with the County's fiscal year beginning in 2010.

(a) Includes timber at 100 percent.

PUTNAM COUNTY, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX DIGEST YEARS

Tax Digest Year	Putnam County General Fund (Maintenance and Operations)	Overlapping			Total Millage Rate
		Board of Education	City of Eatonton	State of Georgia	
2003	8.000	14.631	0.000	0.250	22.881
2004	7.598	11.562	0.000	0.250	19.410
2005	9.075	11.029	0.000	0.250	20.354
2006	8.346	10.143	0.000	0.250	18.739
2007	6.914	9.850	0.000	0.250	17.014
2008	4.300	9.850	0.000	0.250	14.400
2009	5.400	10.250	0.000	0.250	15.900
2010	5.400	11.150	0.000	0.250	16.800
2011	5.400	11.750	0.000	0.250	17.400
2012	5.400	11.750	4.390	0.200	21.740

Source:

Tax Commissioner's Office

Notes:

Overlapping rates are those of local, county and state governments that apply to property owners within Putnam County, Georgia. Not all overlapping rates apply to County property owners; for example, the city tax rates apply only to County property owners whose property is located with the city's geographic boundaries.

Property tax levies are based on a calendar year which does not coincide with the County's fiscal year beginning in 2010.

PUTNAM COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Digest Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	$ 5,866,081	$ 4,631,078	79%	$ 1,235,003	$ 5,866,081	100%
2004	6,161,037	5,717,259	93%	443,438	6,160,697	100%
2005	8,666,459	6,921,197	80%	1,741,327	8,662,524	100%
2006	9,332,758	7,565,400	81%	1,763,861	9,329,261	100%
2007	8,914,183	7,287,995	82%	1,620,608	8,908,603	100%
2008	5,977,734	4,803,338	80%	1,168,408	5,971,746	100%
2009	7,872,716	6,266,162	80%	1,587,992	7,854,154	100%
2010	7,666,130	1,723,199	22%	5,814,384	7,537,583	98%
2011	7,402,097	2,360,484	32%	4,860,073	7,220,557	98%
2012	6,054,551	2,973,158	49%	-	2,973,158	49%

Source: Tax Commissioner's Office

Notes:

1) Property taxes are based on a calendar year which did not coincide with the County's fiscal year beginning in 2010.
2) Amounts include taxes levied and collected for the Putnam County Board of Commissioners: County Tax, County Fire Tax.
3) Total County tax collections are as of November 30, 2012.
4) The 2012 property tax due date was December 31, 2012.
5) Total County tax levy includes all adjustments made to original approved digest as of November 30, 2012.

PUTNAM COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Georgia Power Company	$ 169,982,100	1	11.4%	$ 90,902,837	1	6.1%
Haband Operations, LLC	13,209,082	2	0.9%	11,046,735	2	0.7%
Tri County EMC	9,276,831	3	0.6%	5,367,632	4	0.4%
Gro-Tec, Inc.	8,263,481	4	0.6%	4,283,984	7	0.3%
Plum Creek Timberlands, LP	7,390,676	5	0.5%	-	-	0.0%
Horton Homes, Inc.	7,070,935	6	0.5%	8,625,018	3	0.6%
Res-Ga Oconee, LLC	6,827,930	7	0.5%	-	-	0.0%
Georgia Transmission Corp.	4,739,904	8	0.3%	-	-	0.0%
Rose Acre Farms, Inc.	4,674,124	9	0.3%	-	-	0.0%
Felker Investment Properties	3,743,332	10	0.3%	-	-	0.0%
Seed Orchard, LLC	-	-	0.0%	5,022,515	5	0.3%
American Testing Laboratories	-	-	0.0%	4,491,139	6	0.3%
Weyerhaeuser Company	-	-	0.0%	4,283,447	8	0.3%
Linger Longer Dev. Co.	-	-	0.0%	4,170,147	10	0.3%
	$ 235,178,395		15.9%	$ 138,193,454		16.1%
Total Taxable Assessed Value	$ 1,488,340,856			$ 856,958,000		

Source: Tax Commissioner's Office

PUTNAM COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases	Capital Leases	Notes Payable			
2003	$ -	$ 65,365	$ -	$ 65,365	0.01%	3
2004	-	44,692	-	44,692	0.01%	2
2005	-	26,164	832,763	858,927	0.14%	44
2006	-	6,703	1,057,636	1,064,339	0.17%	54
2007	-	-	-	-	0.00%	-
2008	-	-	-	-	0.00%	-
2009	-	-	-	-	0.00%	-
2010	-	-	-	-	0.00%	-
2011	-	-	-	-	0.00%	-
2012	48,025	-	-	48,025	**	**

** Information not yet available.

PUTNAM COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
LEGAL DEBT MARGIN										
Debt Limit	$ 87,426	$ 94,521	$ 111,286	$ 130,234	$ 149,684	$ 160,827	$ 163,360	$ 156,733	$ 152,366	$ 145,463
Total Net Debt Applicable	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 87,426	$ 94,521	$ 111,286	$ 130,234	$ 149,684	$ 160,827	$ 163,360	$ 156,733	$ 152,366	$ 145,463
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit										
LEGAL DEBT MARGIN CALCULATION										
Assessed Value	$ 837,825	$ 909,461	$ 1,049,733	$ 1,220,136	$ 1,393,933	$ 1,505,870	$ 1,535,148	$ 1,472,955	$ 1,434,261	$ 1,371,028
Add Back: Exempt Property	36,433	35,745	63,129	82,204	102,908	102,400	98,449	94,378	89,395	83,598
Total Assessed Value	874,258	945,206	1,112,862	1,302,340	1,496,841	1,608,270	1,633,597	1,567,333	1,523,656	1,454,626
Debt Limit (10% of Total Assessed Value)	87,426	94,521	111,286	130,234	149,684	160,827	163,360	156,733	152,366	145,463
Debt Applicable to Limit None	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 87,426	$ 94,521	$ 111,286	$ 130,234	$ 149,684	$ 160,827	$ 163,360	$ 156,733	$ 152,366	$ 145,463

PUTNAM COUNTY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (thousands)	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment	
						Private	Public
2003	19,272	$ 506,179	$ 26,265	**	4.40%	465	N/A
2004	19,511	551,029	28,242	39.4	4.40%	354	2,576
2005	19,623	592,421	30,190	40.0	5.30%	402	2,602
2006	19,893	641,655	32,255	40.5	4.50%	435	2,661
2007	20,264	687,256	33,915	40.4	4.50%	481	2,664
2008	20,450	712,214	34,827	40.3	7.10%	501	2,719
2009	20,495	690,931	33,712	43.4	10.80%	487	2,654
2010	21,205	**	**	43.5	11.60%	440	2,649
2011	**	**	**	**	11.50%	415	2,676
2012	**	**	**	**	10.80%	395	2,715

Sources: Georgia County Guide, University of Georgia
Georgia Department of Labor
Putnam County Planning and Development Services Division
School enrollment provided by Putnam County Board of Education

** Information not yet available.

PUTNAM COUNTY, GEORGIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
District Commissioners	4	4	4	4	5	5	5	5	5	5
Executive Officers	3	3	3	3	2	3	3	3	5	4
Board of Elections and Registration	1	1	1	1	1	1	2	2	2	2
Finance Department	7	7	7	7	6	6	6	6	5	5
Tax Commissioner	8	8	8	8	8	8	7	7	5	5
Tax Assessor	10	10	10	10	11	11	1	11	9	9
Public Buildings	1	1	1	2	2	2	2	2	2	2
Judicial										
Clerk of Superior Court	7	7	7	7	7	7	5	5	5	5
District Attorney's Office	1	1	1	1	1	1	1	1	1	1
State Court	4	4	4	4	4	4	3	3	3	3
Solicitor's Office	-	-	-	-	-	-	1	1	1	1
Magistrate Court	2	2	3	3	3	3	3	3	3	3
Probate Court	3	3	3	3	3	3	3	3	3	3
Juvenile Court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Sheriff Operations	36	36	39	39	43	44	46	45	46	46
Jail Operations	20	20	19	19	19	19	20	21	21	21
Fire Stations	16	13	15	13	13	13	13	13	13	14
Ambulance Service	20	23	24	24	24	24	25	25	25	24
Rescue	4	4	3	2	2	2	2	2	2	2
Coroner	2	2	2	2	2	2	2	2	2	2
Animal Control	2	2	2	2	2	2	3	3	3	3
Drug Education	1	1	1	1	1	-	-	-	-	-
Emergency 911	4	4	4	4	4	4	4	5	5	5

PUTNAM COUNTY, GEORGIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS (CONTINUED)

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Highways and Streets	23	23	19	18	20	19	18	18	10	10
Maintenance and Shop	6	6	6	6	6	6	7	7	4	4
Solid Waste Activities	20	16	19	23	-	-	-	-	-	-
Health and Welfare										
Senior Citizens Program	4	4	4	5	5	6	5	5	1	1
Transit System	6	6	6	5	5	5	5	5	5	4
Culture and Recreation										
Recreation	12	10	11	8	8	8	9	8	7	7
Golf Course	6	6	6	5	5	5	4	4	3	2
Oconee Springs Park	1	1	1	1	1	1	1	1	1	1
Development										
Planning and Development	7	6	6	6	8	8	8	6	4	4
Code Enforcement	2	2	1	2	2	2	2	2	2	2
	246	239	243	241	226	227	219	227	206	203

Source: Putnam County Finance Department

PUTNAM COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Tax Bills Generated	21,064	21,472	22,343	19,414	23,723	24,656	24,906	25,278	25,302	**
Building Permits Issued	1,429	2,095	2,001	2,696	2,526	1,662	1,032	558	779	475
Judicial										
Clerk of Courts										
Number of Civil Cases Filed	709	752	691	711	863	1,037	1,087	779	891	687
Number of Criminal Cases Filed	239	216	159	277	228	256	198	171	215	164
Probate Court										
Marriage Licenses	123	156	159	170	175	149	134	103	132	90
Pistol Permits	227	253	283	273	201	396	430	264	275	185
Public Safety										
Sheriff										
Number of Papers Served	**	**	**	**	**	**	**	**	**	**
Fire										
Emergency Responses	1,690	1,366	729	847	1,012	624	1,322	1,455	979	**
Culture and Recreation										
Parks										
Number of Parks	2	3	3	3	3	3	3	3	3	3
Acreage Developed	40	44	44	44	44	44	44	44	44	44
Acreage Undeveloped	2	10	10	10	10	10	10	10	135	135
Miles of Trails	-	5	5	5	5	5	8	8	8	8

Source: Various County departments

** Information not yet available.

PUTNAM COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Judicial										
Courthouse	1	1	1	1	1	1	1	1	1	1
Public Safety										
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units and Vehicles	53	53	53	53	59	50	66	69	83	77
Jail	1	1	1	1	1	1	1	1	1	1
Public Works										
Highways and Streets	**	**	**	**	**	**	**	424.8	**	**
Culture and Recreation										
Number of County Parks	1	1	1	1	1	1	1	1	1	1
County Parks Acreage	138.72	138.72	138.72	138.72	138.72	138.72	138.72	138.72	138.72	138.72
Baseball / Softball Fields	4	4	4	4	4	4	4	4	4	4
Football / Soccer Fields	2	3	3	3	3	3	3	3	3	3
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	2	2	2	2	2

Source: Various County departments

** Information not yet available.

COMPLIANCE SECTION

MCNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC
CERTIFIED PUBLIC ACCOUNTANTS
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March 5, 2013

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

Board of Commissioners
Putnam County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Putnam County, Georgia as of and for the fiscal year ended September 30, 2012, which collectively comprise Putnam County, Georgia's basic financial statements, and have issued our report thereon dated March 5, 2013. Other auditors audited the financial statements of Putnam County Health Department, as described in our report on Putnam County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We considered the deficiency described in the accompanying schedule of findings and responses as item 2012-1 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County, Georgia'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*.

Putnam County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Putnam County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of commissioners of Putnam County, Georgia, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

PUTNAM COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified	
Internal control over financial reporting:		
Material weakness identified?	X Yes	___ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X No
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2012. Federal funds expended were less than $500,000.

PUTNAM COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2012-1. Revenue Cycle Transactions

Condition: We noted accounts receivables related to emergency medical services totaled $1,937,031 as of November 30, 2012, of which $1,487,477 or 74 percent was over 150 days old.

Criteria: Proper internal controls require that charges be remitted to various third-party payors in a timely manner, that contractual adjustments be recorded at time of service and that cash collections be applied to the outstanding receivable balance.

Effect: Failure to maintain proper internal controls subjects the County to risk of loss.

Recommendation: We recommend the County review aged receivables to determine whether amounts can be billed to third-party payors or charged off. We recommend proper internal controls be implemented with respect to emergency medical service receivables.

Views of Responsible Officials and Planned Corrective Action:

We concur with the finding.

PUTNAM COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

PUTNAM COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

2011-1. Revenue Cycle Transactions

Criteria:	Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.
Condition:	The County did not appropriately record all transactions involving receivable and revenue accounts related to ambulance services in the general fund.
Auditee Response/Status:	Resolved. During fiscal year 2012, the County correctly recorded receivable and revenue transactions related to ambulance services in the general fund. The County intends to continue this process in future years as necessary.