

The
Comprehensive
Annual
Financial
Report

FINANCIAL YEAR ENDED

DECEMBER 31, 2011

MARYELLEN ODELL, County Executive

WILLIAM J. CARLIN, JR. - Commissioner

COUNTY OF PUTNAM, NEW YORK

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Statistical Section (Unaudited)

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

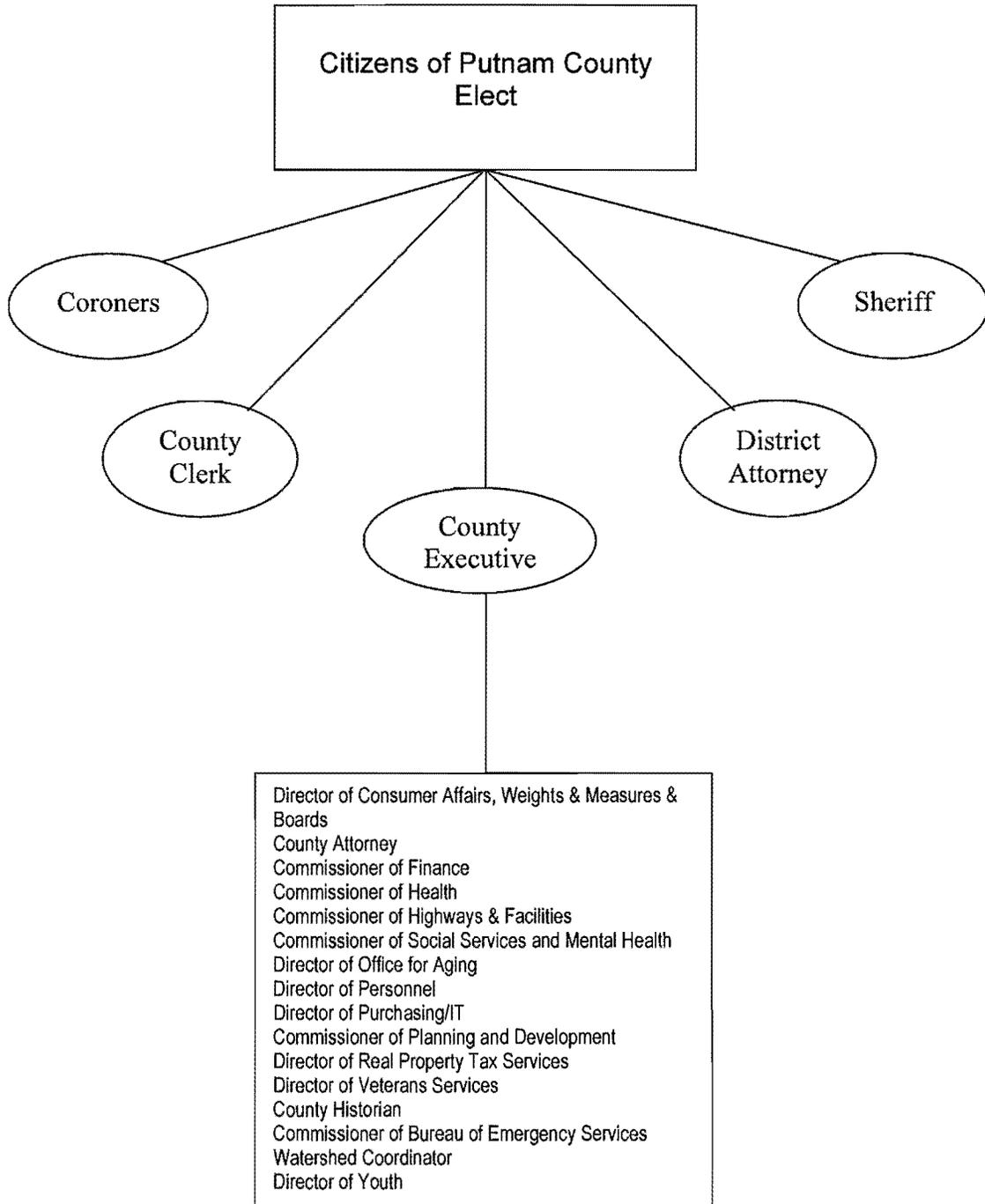
**INTRODUCTORY
SECTION**

**COUNTY OF PUTNAM,
NEW YORK
PRINCIPAL OFFICIALS**

As of December 31, 2011

<u>OFFICE</u>	<u>OFFICE HOLDER</u>	<u>TERM EXPIRES</u>
County Executive	MaryEllen Odell	12/31/14
County Legislators		
District #1	Vincent Tamagna (Chairman)	12/31/12
District #2	Sam Oliverio Jr.	12/31/11
District #3	Richard Othmer	12/31/11
District #4	Mary Conklin	12/31/12
District #5	Carl Albano	12/31/13
District #6	Tony Hay	12/31/13
District #7	Daniel Birmingham	12/31/12
District #8	Dini LoBue	12/31/11
District #9	Anthony DiCarlo	12/31/13
County Clerk	Dennis J. Sant	12/31/14
District Attorney	Adam Levy	12/31/11
Sheriff	Donald B. Smith	12/31/13
County Attorney	Jennifer Bumgarner	12/31/14
Commissioner of Finance	William J. Carlin Jr.	12/31/14

ORGANIZATIONAL CHART OF PUTNAM COUNTY EXECUTIVE BRANCH



WILLIAM J. CARLIN, Jr. CPA
Commissioner Of Finance



ANITA Z. GILBERT
Chief Deputy Commissioner Of Finance

JAMES J. McCONNELL
Deputy Commissioner Of Finance

DEPARTMENT OF FINANCE

July 26, 2012

To The Honorable County Executive and County Legislature
of the County of Putnam, New York:

The Comprehensive Annual Financial Report ("CAFR") for the County of Putnam, New York for the fiscal year ended December 31, 2011 is herewith submitted. New York State requires the County to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to that requirement.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Toski & Co., P.C. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unqualified opinions that the County's basic financial statements for the fiscal year ended December 31, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition, the Governmental Accounting Standards Board (GASB) requires the County's management to provide a narrative introduction, overview and analysis of the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read in conjunction with it. The County's MD&A is included in the financial section of this CAFR immediately following the independent auditor's report.

This report has also been prepared and organized to meet the requirements of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program. In accordance with its guidelines, the report is presented as four major sections; Introductory Section, Financial Section, Statistical Section and Federal Awards Section.

The independent audit of the basic financial statements of the County was part of a broader, Federally mandated "Single Audit" designed to meet the special needs of

Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the County's separately issued Single Audit Report.

PROFILE OF THE COUNTY

Putnam County, established in 1812, is located approximately 50 miles north of New York City and encompasses a land area of 246 square miles. The County is bordered by the County of Dutchess on the north, the County of Westchester on the south, the State of Connecticut on the east and the Hudson River on the west. Within the County are six towns (Carmel, Kent, Patterson, Philipstown, Putnam Valley and Southeast) and three villages (Brewster, Cold Spring and Nelsonville).

According to Federal statistics for 2010 Putnam County had a per capita personal income of \$52,273 and a median household income of \$89,218; as compared to New York State with a per capita income of \$48,596 and a median household income of \$55,603 (2010). The Census 2010 population count was 99,710 and the Census Bureau estimates the current population of the County for 2011 at 99,933.

Putnam County is principally residential in character and combines suburban and rural settings. A wide range of housing arrangements including country estates, one-family homes, apartment units, condominiums and seasonal dwellings are available in the County. There are 116 lakes and ponds and 8 miles of Hudson River shoreline, which provide recreational activities including boating, swimming and fishing. Businesses located in Putnam County are primarily mercantile in nature with some light manufacturing.

Operating under a charter which was approved by the voters on November 8, 1977, the County has a County Executive and a County Legislature. The County Executive, elected from the County at large in an even numbered year for a term of four years, is the chief executive officer responsible for the administration of all County affairs and also acts as the County's Budget Officer.

The County Legislature is the legislative, appropriating and policy determining body of the County. It is comprised of nine members elected to serve an unlimited number of staggered three year terms. Duties of the Legislature include review and adoption of the County's annual budget; approval of budgetary modifications during the year; and authorization by resolution for the issuance of debt by the County.

The Chief Fiscal Officer of the County is the Commissioner of Finance, who is appointed by the County Executive and confirmed by the County Legislature. The Commissioner of Finance is responsible for the administration of the financial affairs of the County. Duties of this position include: collecting and disbursing County funds, investing such funds for temporary periods, issuing debt approved by the County Legislature, maintaining accounting records and preparing financial statements there from. Other elected officials include the County Clerk, District Attorney, Sheriff and four County Coroners, who serve four-year terms.

Offices in the Executive Department include the Division of Planning and Development, and the Division of Personnel. The directors of both divisions are appointed by the County Executive, subject to approval by the County Legislature. Other County departments include Finance, Purchasing, Law, Highways and Facilities, Bureau of Emergency Services, Social Services, Health, Mental Health, Aging, Probation, Real Property, Historian, Veterans, and Weights and Measures and Consumer Affairs.

The County provides a full range of services to its residents, including education, public safety, health, transportation, economic opportunity and development, culture and

recreation, home and community services and general administrative support. In addition, the County is guarantor of both town and school district taxes.

This report includes all of the funds of the County. It includes all County organizations and activities for which the County is financially accountable. The County has considered all potential component units based on criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the Putnam Tobacco Asset Securitization Corporation has been included in the financial statements as a blended component unit.

The County Executive prepares and submits a tentative budget for the ensuing year to the County Legislature on or before September 5th of each year. Such budget includes an estimate of the expenditures needed to provide County services as well as the sources of revenue expected to fund these expenditures.

Within five days of submitting the tentative budget, the County Executive and Commissioner of Finance review the budget with the Budget and Finance Committee (the "Committee") of the County Legislature. The Committee subsequently holds a public hearing on the tentative budget to obtain comments from the public. The Committee files a report, which includes its recommendations, to the full Legislature on or before September 25th.

A second public hearing before all members of the County Legislature is held not later than October 5th. Taxpayers are given the opportunity to express their views on the proposed budget; however, the County is not required to submit the budget to the taxpayers for their approval. After this hearing and prior to October 15th, the Legislature as a whole meets to consider and adopt the budget. According to the County Charter, the County Executive may veto all line items changed by the Legislature with the exception of those items pertaining to the Legislature's own budget. An override of an

Executive veto requires 2/3 majority vote of the County Legislature. The budget process is completed and the final budget adopted by October 30th.

Beginning with the fiscal year ending December 31, 2009, the County was required to implement GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pension. These financial statements are issued in full compliance with these standards.

In addition, beginning with the fiscal year ending December 31, 2011, the County was required to implement GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. These financial statements are issued in full compliance with these standards.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

In 2008, the County saw an all time high in the collection of sales tax revenues to \$51,200,284. This represented an increase of 10.72% over collections in 2007. This increase was part due to a ½ increase in the County's share of sales tax that went into effect in November, 2007. Unfortunately, this trend did not continue into 2009, 2010 and 2011. In 2011 Putnam County collected \$49,828,070 down \$1,372,214 from 2008 collections, but up \$2,195,992 from 2010 collections.

Home foreclosure filings in Putnam County declined from 480 in 2010 to 285 in 2011 as the County and the Country started to come out of the recession.

The County's unemployment rate (6.1%) continues to remain one of the lowest of all the counties in New York State as of December 2011 as well as to New York State (8.2%) and the Nation (8.9%). Residential home sales saw a 0.2% decrease from 576 sales in 2010 to 575 sales in 2011. The median sale price of a single-family home showed an increase of 3.2% from the 2010 median sales price of \$315,000 to \$325,000.

Financial Policies

The County operates under a host of comprehensive financial policies. The County maintains an investment policy which emphasizes a conservative financial approach based upon New York State law. Available funds are invested in certificates of deposits, money market accounts, savings accounts, U.S. Treasury obligations and municipal cooperative investments authorized under New York State General Municipal Law. The County's investment policy is adopted by the Legislature. Total investment earnings for the fiscal year ending December 31, 2011 was \$456,223 down from \$574,451 in 2010.

The County maintains a procurement policy in accordance with New York State General Municipal law and adopted by the Legislature. This policy outlines all bidding and procurement procedures that County departments must adhere to when purchasing goods and services. The department of Purchasing is responsible for the administration of this policy.

AWARDS AND ACKNOWLEDGEMENTS

GFOA – Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended

December 31, 2010. The County has received this prestigious award nineteen of the last twenty years. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents must conform to GFOA standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to thank all of the personnel in the Finance department along with the account clerks and fiscal managers throughout the County. They are a very competent group of professionals dedicated to their work and the long-term fiscal condition of the County. I would like to thank all County departments for their assistance in providing the data necessary to compile this report. In particular, I want to thank Anita Z. Gilbert, Chief Deputy Commissioner of Finance, and the accounting staff, as well as our independent auditor Toski & Co., P.C. who assisted in its preparation. I would also like to thank the County Executive and the members of the County Legislature for their determination and support in planning and conducting the financial operations for the County.

Respectively Submitted,



William J. Carlin, Jr.,
Commissioner of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Putnam
New York

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

Members of the Putnam County Legislature
County of Putnam, New York

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Putnam, New York (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 5 to the financial statements, the County adopted the provisions of GASB Statement No. 54 - "Fund Balance and Reporting and Governmental Fund Type Definitions" in 2011.

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2012 on our consideration of the County of Putnam, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules 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 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 as a whole. The prior year comparative information has been derived from the County's 2010 financial statements and, in our report dated June 21, 2011, we expressed unqualified opinions on those statements. 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 express no opinion or provide any assurance on them.

Toski & Co., CPAs, P.C.

Williamsville, New York
July 26, 2012

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis
December 31, 2011

Introduction

As management of the County of Putnam, New York (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights for Fiscal Year 2011

Key financial highlights for fiscal year 2011 are as follows:

- The net assets (assets minus liabilities) of the County for fiscal year 2011 were \$18,621,953. Of this amount, \$34,362,567 represents governmental net assets and (\$15,740,614) are business-type net assets.
- Total general fund expenditures exceeded general fund revenues by \$1,369,776.
- The general fund reported an ending fund balance of \$26,844,479, which represents a decrease of \$1,544,039 from fiscal year 2010. The capital projects fund reported an ending fund balance of \$3,572,181, an increase of \$707,977 from fiscal year 2010.
- The County's total outstanding bonds payable, exclusive of the business-type activities, at December 31, 2011 were \$60,645,181.

Overview of the Financial Statements

The County's financial statements are composed of Management's Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the County's financial activities. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statements, along with statistical tables.

Government-Wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: statement of net assets and statement of activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

The statement of net assets presents the County's total net assets and liabilities with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing the change in the County's net assets during the current fiscal year. All revenues and expenses are reported in this statement regardless of the timing of cash flows. The focus of this statement is on the net cost of providing various activities to the citizens of the County.

Both of the financial statements have separate sections for the two different types of activities. These two types of activities are:

Governmental activities - The activities reflected in this section are general government support, education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest. These activities are mostly supported by taxes, charges for services, operating grants and contributions, and capital grants and contributions.

Business-type activities - The business type activities are those activities that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the County consist of the Tobacco Asset Securitization Corporation.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is an entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The County divides its funds into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Most of the basic services provided by the County are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the County's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

Because the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the governmental-wide financial statements so readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has seven individual governmental funds: general, capital projects, county road, road machinery, transportation, special purpose and debt service funds. Of these, the general and capital projects funds are reported as major funds, and are presented in separate columns on the balance sheet and the statement of revenues, expenditures, and changes in fund balances. Data for the other five governmental funds are combined into a single, aggregated column on these statements. Individual fund data for these nonmajor funds can be found on the combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, certain special revenue funds and the debt service fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the respective budget.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Proprietary Funds - These funds are used to show activities that operate similar to private business enterprises. Because these funds charge fees for services provided, they are known as proprietary funds. Proprietary fund financial statements use the economic resources measurement focus and the accrual basis of accounting, like the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the internal service fund.

The proprietary fund financial statements can be found in the basic financial statement section of this report.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside of the County. The funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the County.

The financial statements for the fiduciary funds can be found in the basic financial statement section of this report.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

Notes to the Financial Statements - The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the nonmajor governmental funds, schedules of budget to actual comparisons and the statistical tables.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. In the case of the County, for the fiscal year ended December 31, 2011, the County's assets exceeded liabilities by \$18,621,953, a 40.15% decrease from the prior year.

The following table reflects the condensed statement of net assets:

	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current assets	\$113,168,930	109,399,442	2,538,895	2,658,308	115,707,825	112,057,750
Capital assets	<u>106,424,739</u>	<u>105,447,164</u>	-	-	<u>106,424,739</u>	<u>105,447,164</u>
Total assets	<u>219,593,669</u>	<u>214,846,606</u>	<u>2,538,895</u>	<u>2,658,308</u>	<u>222,132,564</u>	<u>217,504,914</u>
Current liabilities	65,632,171	63,633,660	258,650	608,950	65,890,821	64,242,610
Long-term liabilities	<u>119,598,931</u>	<u>104,681,886</u>	<u>18,020,859</u>	<u>17,463,677</u>	<u>137,619,790</u>	<u>122,145,563</u>
Total liabilities	<u>185,231,102</u>	<u>168,315,546</u>	<u>18,279,509</u>	<u>18,072,627</u>	<u>203,510,611</u>	<u>186,388,173</u>
Net assets:						
Invested in capital assets, net of related debt	45,649,962	45,318,653	-	-	45,649,962	45,318,653
Restricted	5,983,772	5,842,999	-	-	5,983,772	5,842,999
Unrestricted	<u>(17,271,167)</u>	<u>(4,630,592)</u>	<u>(15,740,614)</u>	<u>(15,414,319)</u>	<u>(33,011,781)</u>	<u>(20,044,911)</u>
Total net assets	<u>\$ 34,362,567</u>	<u>46,531,060</u>	<u>(15,740,614)</u>	<u>(15,414,319)</u>	<u>18,621,953</u>	<u>31,116,741</u>

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

The largest component of the County's net assets for governmental activities \$45,649,692 is invested in capital assets, net of related debt, (e.g., land, buildings and facilities, machinery and equipment, and infrastructure), which reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide a variety of services to its citizens and consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest component of the County's net assets for governmental activities is restricted net assets of \$5,983,772. This represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital projects	\$ 3,572,181
Special revenue funds	1,982,497
Debt service	335,478
Driving while intoxicated	<u>93,616</u>
Total restricted net assets	\$ <u>5,983,772</u>

The County is able to report positive balances for the government funds as a whole. The business-type activities reflected a deficit balance of \$15,740,614. This represents an increase in the deficit of \$326,295.

The following table represents the statement of activities.

	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program revenue:						
Charges for services	\$ 13,304,845	14,752,358	932,963	1,076,594	14,237,808	15,828,952
Operating grants and contributions	25,396,717	24,656,770	-	-	25,396,717	24,656,770
Capital grants and contributions	5,455,881	6,323,613	-	-	5,455,881	6,323,613
General revenue:						
Real property taxes	37,248,786	37,416,775	-	-	37,248,786	37,416,775
Other tax items	4,696,118	4,073,276	-	-	4,696,118	4,073,276
Non-property taxes	50,048,010	47,943,822	-	-	50,048,010	47,943,822
Unrestricted use of money and property	681,908	1,283,155	163	160	682,071	1,283,315
Sale of property and compensation for loss	243,328	170,354	-	-	243,328	170,354
Miscellaneous	<u>(657,262)</u>	<u>1,201,131</u>	<u>-</u>	<u>-</u>	<u>(657,262)</u>	<u>1,201,131</u>
Total revenue	<u>136,418,331</u>	<u>137,821,254</u>	<u>933,126</u>	<u>1,076,754</u>	<u>137,351,457</u>	<u>138,898,008</u>

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

	Governmental activities		Business-type activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program expenses:						
General government support	\$25,997,916	24,927,519	-	-	25,997,916	24,927,519
Education	9,849,831	10,054,837	-	-	9,849,831	10,054,837
Public safety	38,692,325	35,366,964	-	-	38,692,325	35,366,964
Health	14,142,348	15,919,935	-	-	14,142,348	15,919,935
Transportation	15,408,159	13,714,854	-	-	15,408,159	13,714,854
Economic opportunity and development	34,918,860	32,980,631	-	-	34,918,860	32,980,631
Culture and recreation	3,508,682	4,631,669	-	-	3,508,682	4,631,669
Home and community services	3,317,020	6,126,995	-	-	3,317,020	6,126,995
Interest	2,751,683	2,528,179	-	-	2,751,683	2,528,179
Putnam Tobacco Asset Securitization Corp.	-	-	1,259,421	1,276,358	1,259,421	1,276,358
Total expenses	<u>148,586,824</u>	<u>146,251,583</u>	<u>1,259,421</u>	<u>1,276,358</u>	<u>149,846,245</u>	<u>147,527,941</u>
Change in net assets	(12,168,493)	(8,430,329)	(326,295)	(199,604)	(12,494,788)	(8,629,933)
Net assets at beginning of year	<u>46,531,060</u>	<u>54,961,389</u>	<u>(15,414,319)</u>	<u>(15,214,715)</u>	<u>31,116,741</u>	<u>39,746,674</u>
Net assets at end of year	<u>\$ 34,362,567</u>	<u>46,531,060</u>	<u>(15,740,614)</u>	<u>(15,414,319)</u>	<u>18,621,953</u>	<u>31,116,741</u>

Governmental activities - For the fiscal year ended December 31, 2011, net assets for governmental activities decreased the County's net assets by \$12,168,493 from the prior fiscal year.

For the fiscal year ended December 31, 2011, revenues from governmental activities totaled \$136.4 million. Tax revenue (\$92 million), comprised of real property taxes, other tax items and sales tax, represent the largest revenue source (67%). Sales tax revenues saw an increase over 2010. Sales tax yielded \$50 million, an increase of \$2.1 million from fiscal year 2010 attributed to the local and national economy recovery that occurred during the course of the fiscal year. Real property taxes saw a decrease of \$167 thousand from 2010.

Business-type activities - Business-type activities decreased the County's net assets by \$326,295.

Financial Analysis of the Government's Funds

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

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

Governmental funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$32.7 million, a decrease of \$1.2 million in comparison with the prior year. Of the total combined fund balance, \$17.8 million constitutes unassigned fund balance. The balance of \$14.9 million is broken down as follows: \$6.7 million is assigned appropriated fund balance; \$4.6 million is restricted; \$2.7 million is assigned un-appropriated fund balance and the balance of \$740 thousand is non-spendable fund balance.

General Fund

The County's chief operating fund is the general fund and the majority of the County's programs and activities are supported by this fund. At the end of the current fiscal year, the general fund's unassigned fund balance was \$18,142,836 and its total fund balance was \$26,844,479. The difference of \$8,701,643 represents fund balance monies that have been reserved for other purposes.

Total fund balance decreased \$1,544,039 or 5.44% from the previous fiscal year, representing the difference between revenues recognized and total monies expended at the end of the fiscal year. The County's unassigned fund balance decreased \$117,937 or .7% from the prior fiscal years, and totals \$18,142,836.

When the fiscal 2011 budget was adopted, it anticipated the use of \$4.7 million of general fund balance. However, actual results of operations resulted in the additional use of \$1.5 million in fund balance. After accounting for specific reserves and \$4.5 million of fund balance to balance the 2012 budget, the unassigned general fund balance decreased from \$18.3 million in 2010 to \$18.1 million in 2011. Refer to the next section, General Fund Budgetary Highlights, for detailed analysis.

Capital Projects Fund

The capital projects fund, at December 31, 2011, had a total fund balance of \$3.6 million. This represents an increase of \$708,000 due to the start of several new major projects.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

Non-Major Governmental Funds

The non-major governmental funds consist of the special revenue funds and the debt service fund. The special revenue funds are made up of the following individual funds: county road fund, road machinery fund, transportation fund, and special purpose fund. For fiscal year ended December 31, 2011, the combined fund balance of these funds totaled \$2,317,975. This represents a decrease of \$357,931 for the fiscal year 2011. This decrease was due to an increase County Road and Road Machinery costs over 2010 due to the severe weather in 2011.

The debt service fund reported a fund balance of \$335,478 at December 31, 2011, an increase of \$172,636 from 2010. This increase was due to the start of several new major projects.

General Fund Budgetary Highlights

The difference between the general fund's original expenditure budget of \$120,245,123, and the final amended budget of \$124,826,962, was an increase of \$4,581,839 (3.81%). Supplementary budgetary appropriations were made during the course of the fiscal year to account for various grants that were awarded after the budget adoption. Actual expenditures and other financing uses at December 31, 2011 were \$114,835,601; \$5,409,522 less than the original budget and \$10,349,261 less than the final budget.

The major areas of the positive expenditure variances were in Economic Opportunity and Development, Public Safety, Health, General Government Support and Education. The primary causes of the positive expenditure variances were as follows:

- Economic Opportunity and Development - \$2.96 million - Of this amount \$860 thousand was in Social Services Administration; \$805 thousand in Aid to Dependent Children due to a decrease in foster home and residential cases; \$236 thousand was due to unspent grants for 2011 that were rolled into 2012; \$223 thousand due to a decrease in Purchases of Services; \$149 thousand in Putnam Workshop Partnership; and \$131 thousand in Office For the Aging Title III.
- Public Safety - \$2.0 million - This decrease was due in part to \$521 thousand in unspent grants for the Sheriff and Bureau of Emergency Services being rolled over into the 2012 budget; \$177 thousand was due to decreases in personnel costs due to retirements for the Sheriff and Jail; \$168 thousand in fringes as a result of the decrease in personnel expenditures; \$126 thousand was due to a decrease in telephone and gasoline for both the Sheriff/Jail and the Bureau of Emergency Services due to a decrease in gasoline costs and for credits owed from a telephone audit; and the balance \$1.0 million was spread over various contractual lines for the Sheriff, Jail, the Bureau of Emergency Services and Probation.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

- General Government Support - \$2 million - Of this amount \$301 thousand was in Board of Elections due to decreases in printing, postage and advertising and \$282 thousand was due to a retirement and a leave of absence in the Highway Department. Further decrease of \$152 thousand in the Clerk's office and \$110 thousand in the Building Department due to decreases in utility and fuel costs. The Finance and Personnel departments had decrease totaling \$221 thousand due to vacant positions and the fringes associated with the positions. An additional \$188 thousand was due to grants rolled over into 2012.
- Health - \$1.4 million - Of this amount \$524 thousand was in Public Health. Areas within Public Health that saw decreases were personnel \$142 thousand and benefits \$52 thousand; \$90 thousand in medical supplies and lab analysis; and the balance of \$240 thousand in various contractual lines. The Early Intervention Program saw a decrease of \$237 thousand dollars. This decrease was mainly due to a decrease in the number of children receiving services. An additional \$565 thousand was attributable to decreases in Mental Health Services which was offset by a decrease in revenues.
- Education - \$690 thousand - This decrease was mainly due to a decrease of \$645 thousand due to tuition rate decreases in Community Colleges for the 2011 - 2012 school year. This is the second tuition rate decrease. There was a decrease for most of the Community Colleges for the 2010 - 2011 school year as well.
- Culture and Recreation - \$632 thousand - This decrease is mainly due to the County Golf course which saw a decrease in rounds in 2011 due to the severe weather in 2011.
- Home and Community Services - \$156 thousand - This decrease is mainly due to the Planning department (\$105 thousand) due to decreases in various contractual expenses.

The difference between the County's original revenue budget of \$120,245,123 and the final revenue budget of \$122,539,671 reflects the recognition of grant revenues as indicated above. The County's actual total revenues and other financing sources at December 31, 2011 was \$113,291,562, a difference of \$9,248,109 from final budget. Shortfalls were noted in the following categories: miscellaneous \$5,084,721; real property taxes \$3,436,400; state aid \$1,000,762; federal aid \$151,254; fines and forfeitures \$75,036; and use of money and property \$12,804. Increases in revenues were noted in department income \$270,366; and other tax items \$86,929; and sale of property and compensation for loss \$84,398.

Miscellaneous revenues decreased by \$5.1 million dollars. Of this amount, \$3.84 million was the use of fund balance and \$1.5 million was due to use of retirement reserve and \$1.2 million was due to refund of prior year's expenditures. State Aid decreased by \$1,000,000 mainly due to decreases in expenditures from Social Services Administration. Federal aid decreased by \$151,254 due to ARRA funding. Fines and Forfeitures decreased by \$75,036 of which \$89,824 was due to a decrease in STOP-DWI fines. This was offset by a \$14,788 increase in forfeited bail. Use of money and property had a \$12,804 decrease mainly due to a decrease in rental income. These decreases were offset by the following increases: department income of \$270,366; other tax items

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

\$86,929 and sale of property and compensation for loss \$84,398. Department income saw a net increase of \$270,366. There was an increase of \$840,525 in Economic Opportunity and development due to increase in various Social Services programs offset by \$501,748 due to a decrease in the number of rounds at the County Golf course.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$106,424,739 (net of accumulated depreciation), an increase of \$977,575. This reflects the County's investment in all of its capital assets including land, building and improvements, machinery and equipment, and infrastructure. Also included is \$2,309,146 for construction in progress. Major capital activities during the current fiscal year included the following:

- Various projects for reconstruction of streets, park and rides and bikeways at a cost of \$4,756,403.
- Improvement of various County facilities including new buildings at a cost of \$1,646,021.
- The purchase of various vehicles and equipment totaling \$1,374,130.

Capital Assets
(Net of Depreciation)
(in thousands)

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$ 5,237	4,998
Buildings and improvements	61,250	62,661
Machinery and equipment	4,318	4,642
Infrastructure	33,310	31,423
Construction in progress	<u>2,309</u>	<u>1,723</u>
Total (net of depreciation)	\$ <u>106,424</u>	<u>105,447</u>

Additional information on the County's capital assets can be found in note 3 of this report.

Long-Term debt

At the end of the current fiscal year, the County had total debt outstanding of \$60,645,181, exclusive of the Tobacco Securitization Corporation. The County issued \$3.7 million in debt and redeemed \$3 million of debt during 2011. All of this debt is backed by the full faith and credit of the County.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

Outstanding Debt General Obligations Bonds (in thousands)	Governmental Activities	
	2011	2010
Total general obligation bonds	\$ <u>60,645</u>	<u>59,980</u>

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. The County had enjoyed a very favorable bond rating of AA² for over ten years. In 2007 the County was downgraded to AA³ by Moody's "based upon deterioration of the County's cash position and fund balance following two consecutive years of operating deficits." However, in April 2010, the County was upgraded to AA² as a result of Moody's recalibration of all municipal ratings.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the County may incur. The State Constitution provides that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt," may be issued without regard to the constitutional limits and without affecting the County's authority to issue debt subject to the limit. At December 31, 2011 the County of Putnam had used \$57,340,181 or 5.31% of the constitutional debt limit leaving \$1,022,630,297 remaining to be used.

Additional information on the County's long-term debt can be found in note 3 of this report.

Economic Factors and Next Year's Budget

According to the United States Bureau of Labor Statistics, the unemployment rate for Putnam County was 6.2% for 2011 down from 6.5% in 2010. The County's unemployment rate was 2% less than the statewide rate of 8.2%.

Labor Department data also indicated that the number of people employed in the County remained the same between 2010 and 2011, 50,500.

Data compiled by the U.S. Census Bureau shows that the wealth indicators for County residents generally compare favorably to State and national indicators.

COUNTY OF PUTNAM, NEW YORK
Management's Discussion and Analysis, Continued

The County's estimated median household income for 2011 was \$89,218, while New York State's median household income was \$55,603. The median income for the nation as a whole was \$51,914.

The net taxable assessed value of real property in Putnam County decreased from \$11,693,214,268 in 2010 to \$11,333,206,698 in 2011, a decrease of 3%. The median sale price of a single-family home increased from \$315,000 in 2010 to \$325,000 in 2011, a decrease of 3.2%. The median sale price of a single-family home for New York State as a whole increased from \$215,000 in 2010 to \$224,450 in 2011, an increase of 4.4%.

Rising Medicaid, Early Intervention/Preschool Programs, health insurance costs, sharp increases in pension costs, and State budget cutbacks will all continue to have a profound effect on the County's future budgets.

Over the past several years, the County has noticed a trend of more and more high school graduates opting to go to a community college first then transfer to a four year college. This has become more evident in today's economy. Some students are transferring back to a community college because their parents can simply no longer afford a four year college and displaced workers are re-enrolling in community colleges either to brush up on their skills or switch careers totally.

Since 2006, Certificates of Residence issued for community colleges has risen from 2,027 for the 2006-07 school year to 2,523 for the 2010-11 school year, an increase of 24.47%.

Declines in the State equalization rate and resulting decrease in property assessments will continue to affect the County's real property tax base.

All of these factors were taken into consideration in developing the fiscal 2012 budget.

The County has appropriated \$4.5 million of the fund balance of the general fund for spending in the 2012 fiscal year. The 2012 County budget increased the real property tax levy by \$688,023 for a tax levy \$38,084,798 or 1.8% keeping under the 2% tax cap authorized by the State of New York.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to William J. Carlin, Jr., Commissioner of Finance, Putnam County 40 Gleneida Avenue, Carmel, New York 10512, telephone (845) 808-1075, or visit the County's web site at www.putnamcountyny.com.

**BASIC FINANCIAL
STATEMENTS**

COUNTY OF PUTNAM, NEW YORK
Statement of Net Assets
December 31, 2011

	Primary Government		
	Governmental activities	Business-type activities	Total
Assets:			
Cash and equivalents	\$ 47,172,173	49,556	47,221,729
Restricted cash and equivalents	-	1,208,920	1,208,920
Receivables:			
Taxes, net	39,518,922	-	39,518,922
Accounts	7,078,258	1,075,000	8,153,258
State and Federal aid	17,509,621	-	17,509,621
Due from other governments	839,305	-	839,305
Due from fiduciary funds	725,269	-	725,269
Prepaid expenses	325,382	9,405	334,787
Cost of issuance, net	-	196,014	196,014
Capital assets (net of accumulated depreciation):			
Land	5,236,698	-	5,236,698
Buildings and improvements	61,250,977	-	61,250,977
Machinery and equipment	4,318,138	-	4,318,138
Infrastructure	33,309,780	-	33,309,780
Construction in progress	2,309,146	-	2,309,146
Total assets	<u>219,593,669</u>	<u>2,538,895</u>	<u>222,132,564</u>
Liabilities:			
Accounts payable	7,710,250	-	7,710,250
Accrued liabilities	2,097,252	78,650	2,175,902
Retained percentages payable	239,553	-	239,553
Tax anticipation notes payable	17,000,000	-	17,000,000
Due to other governments	17,706,866	-	17,706,866
Unearned revenues	15,857,919	-	15,857,919
Accrued interest payable	845,115	-	845,115
Non-current liabilities:			
Due within one year:			
Bonds payable	3,323,514	180,000	3,503,514
Compensated absences	359,099	-	359,099
Retirement incentives and other pension obligations	103,242	-	103,242
Claims payable	389,361	-	389,361
Due in more than one year:			
Bonds payable, including unamortized premium	57,451,263	18,020,859	75,472,122
Compensated absences	3,231,891	-	3,231,891
Retirement incentives and other pension obligations	502,436	-	502,436
Claims payable	3,504,249	-	3,504,249
Other postemployment benefits liability	53,709,092	-	53,709,092
Pollution remediation liability	1,200,000	-	1,200,000
Total liabilities	<u>185,231,102</u>	<u>18,279,509</u>	<u>203,510,611</u>
Net assets:			
Investments in capital assets, net of related debt	45,649,962	-	45,649,962
Restricted for:			
Capital projects	3,572,181	-	3,572,181
Driving while intoxicated program	93,616	-	93,616
Debt service	335,478	-	335,478
Special revenue funds:			
County road	1,271,029	-	1,271,029
Road machinery	449,786	-	449,786
Transportation	225,642	-	225,642
Special purpose	36,040	-	36,040
Unrestricted net assets (deficit)	<u>(17,271,167)</u>	<u>(15,740,614)</u>	<u>(33,011,781)</u>
Total net assets	<u>\$ 34,362,567</u>	<u>(15,740,614)</u>	<u>18,621,953</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Statement of Activities
Year ended December 31, 2011

Functions/programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities:							
General government support	\$ 25,997,916	5,827,297	420,555	677,457	(19,072,607)	-	(19,072,607)
Education	9,849,831	-	3,887,568	-	(5,962,263)	-	(5,962,263)
Public safety	38,692,325	1,294,538	892,889	-	(36,504,898)	-	(36,504,898)
Health	14,142,348	1,137,899	5,037,246	2,746,798	(5,220,405)	-	(5,220,405)
Transportation	15,408,159	1,052,542	671,645	66,765	(13,617,207)	-	(13,617,207)
Economic opportunity and development	34,918,860	2,606,592	13,875,036	-	(18,437,232)	-	(18,437,232)
Culture and recreation	3,508,682	1,341,600	298,704	907,203	(961,175)	-	(961,175)
Home and community service	3,317,020	44,377	313,074	1,057,658	(1,901,911)	-	(1,901,911)
Interest	2,751,683	-	-	-	(2,751,683)	-	(2,751,683)
Total government activities	148,586,824	13,304,845	25,396,717	5,455,881	(104,429,381)	-	(104,429,381)
Business-type activities - Putnam Tobacco Asset Securitization Corporation							
Asset Securitization Corporation	1,259,421	932,963	-	-	-	(326,458)	(326,458)
Total	\$ 149,846,245	14,237,808	25,396,717	5,455,881	(104,429,381)	(326,458)	(104,755,839)
General revenues (expenses):							
Real property taxes					37,248,786	-	37,248,786
Other tax items:							
Interest and penalties on real property taxes					4,646,114	-	4,646,114
Payments in lieu of taxes					50,004	-	50,004
Non-property tax items:							
Sales taxes					49,828,070	-	49,828,070
OTB distributed earnings					219,940	-	219,940
Unrestricted use of money and property					681,908	163	682,071
Sale of property and compensation for loss					243,328	-	243,328
Miscellaneous					(657,262)	-	(657,262)
Total general revenues					92,260,888	163	92,261,051
Change in net assets					(12,168,493)	(326,295)	(12,494,788)
Net assets (deficit) at beginning of year					46,531,060	(15,414,319)	31,116,741
Net assets (deficit) at end of year					\$ 34,362,567	(15,740,614)	18,621,953

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Balance Sheet -
Governmental Funds
December 31, 2011

<u>Assets</u>	<u>General</u>	<u>Capital projects</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
Cash and equivalents	\$ 24,705,959	18,253,009	36,340	42,995,308
Taxes receivable, net of allowance for uncollectible amounts	39,518,922	-	-	39,518,922
Other receivables:				
Accounts	6,660,325	2,533	415,400	7,078,258
State and Federal aid	13,392,197	3,738,892	378,532	17,509,621
Due from other governments	839,305	-	-	839,305
Due from fiduciary fund	725,269	-	-	725,269
Due from other funds	777,957	-	2,343,419	3,121,376
	<u>22,395,053</u>	<u>3,741,425</u>	<u>3,137,351</u>	<u>29,273,829</u>
Prepaid items	277,337	-	48,045	325,382
Total assets	<u>\$ 86,897,271</u>	<u>21,994,434</u>	<u>3,221,736</u>	<u>112,113,441</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	6,411,968	779,221	519,061	7,710,250
Accrued liabilities	1,775,981	17,475	303,796	2,097,252
Retained percentages payable	-	239,553	-	239,553
Tax anticipation notes payable	17,000,000	-	-	17,000,000
Due to other governments	17,706,866	-	-	17,706,866
Due to other funds	-	2,758,441	79,922	2,838,363
Deferred revenues	17,157,977	14,627,563	982	31,786,522
Total liabilities	<u>60,052,792</u>	<u>18,422,253</u>	<u>903,761</u>	<u>79,378,806</u>
Fund balances:				
Nonspendable	692,737	-	48,045	740,782
Restricted	433,291	3,856,474	371,518	4,661,283
Assigned - appropriated	5,575,615	-	1,162,396	6,738,011
Assigned - unappropriated	2,000,000	-	736,016	2,736,016
Unassigned	18,142,836	(284,293)	-	17,858,543
Total fund balances	<u>26,844,479</u>	<u>3,572,181</u>	<u>2,317,975</u>	<u>32,734,635</u>
Total liabilities and fund balances	<u>\$ 86,897,271</u>	<u>21,994,434</u>	<u>3,221,736</u>	<u>112,113,441</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
 Reconciliation of Governmental Funds Balance Sheet
 to the Government - Wide Statement of Net Assets
 December 31, 2011

Fund balances - total governmental funds	\$ 32,734,635
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.	106,424,739
Internal service fund is used by management to charge insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	242
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds - real property taxes receivable.	15,928,603
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(845,115)
Bonds payable	(60,774,777)
Compensated absences	(3,590,990)
Retirement incentives and other pension obligations	(605,678)
Other postemployment benefit liability	(53,709,092)
Pollution remediation liability	<u>(1,200,000)</u>
Total net assets at end of year	\$ <u>34,362,567</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Statement of Revenue, Expenditures and
Changes in Fund Balances -
Governmental Funds
Year ended December 31, 2011

	General fund	Capital projects	Other governmental funds	Total governmental funds
Revenue:				
Real property taxes	\$ 22,184,625	-	11,795,750	33,980,375
Other tax items	4,528,129	-	-	4,528,129
Non-property tax items	50,048,010	-	-	50,048,010
Departmental income	10,866,006	-	299,136	11,165,142
Intergovernmental charges	-	-	753,406	753,406
Use of money and property	385,286	-	677,807	1,063,093
Licenses and permits	697,290	-	-	697,290
Fines and forfeitures	258,400	-	-	258,400
Sale of property and compensation for loss	243,328	-	-	243,328
Interfund revenues	-	-	376,795	376,795
State aid	14,842,944	1,035,289	671,645	16,549,878
Federal aid	9,882,128	1,948,202	66,100	11,896,430
Miscellaneous	(657,502)	2,406,290	45,321	1,794,109
Total revenue	<u>113,278,644</u>	<u>5,389,781</u>	<u>14,685,960</u>	<u>133,354,385</u>
Expenditures:				
Current:				
General government support	21,123,199	-	-	21,123,199
Education	9,829,285	-	-	9,829,285
Public safety	30,733,119	-	195,800	30,928,919
Health	12,027,580	-	-	12,027,580
Transportation	1,442,776	-	9,265,490	10,708,266
Economic opportunity and development	31,087,737	-	-	31,087,737
Culture and recreation	2,526,283	-	-	2,526,283
Home and community services	1,894,013	-	-	1,894,013
Employee benefits	3,784,913	-	-	3,784,913
Debt service:				
Principal	-	-	3,015,401	3,015,401
Interest	199,514	-	2,555,157	2,754,671
Capital outlay	-	8,548,292	-	8,548,292
Total expenditures	<u>114,648,419</u>	<u>8,548,292</u>	<u>15,031,848</u>	<u>138,228,559</u>
Excess (deficiency) of revenue over expenditures	<u>(1,369,775)</u>	<u>(3,158,511)</u>	<u>(345,888)</u>	<u>(4,874,174)</u>
Other financing sources (uses):				
Issuance of debt	-	3,680,181	-	3,680,181
Transfers in	12,918	187,182	875	200,975
Transfers out	(187,182)	(875)	(12,918)	(200,975)
Total other financing sources (uses)	<u>(174,264)</u>	<u>3,866,488</u>	<u>(12,043)</u>	<u>3,680,181</u>
Net change in fund balances	(1,544,039)	707,977	(357,931)	(1,193,993)
Fund balances at beginning of year	<u>28,388,518</u>	<u>2,864,204</u>	<u>2,675,906</u>	<u>33,928,628</u>
Fund balances at end of year	<u>\$ 26,844,479</u>	<u>3,572,181</u>	<u>2,317,975</u>	<u>32,734,635</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
 Reconciliation of the Statement of Revenue, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Year ended December 31, 2011

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

Net change in fund balances - total governmental funds \$ (1,193,993)

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 capital outlays exceeded depreciation expense in the current period. This amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold and therefore, were not capitalized.

Capital outlay expenditures	8,601,030
Depreciation expense	<u>(7,623,455)</u>
	<u>977,575</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds - deferred real property taxes.	3,436,400
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal paid on bonds	3,015,401
Amortization of premium	18,514
Bonds issued	<u>(3,680,181)</u>
	<u>(646,266)</u>

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.

Accrued interest	2,988
Retirement incentives and other pension obligations	146,709
Compensated absences	(376,108)
Other postemployment benefits	<u>(14,516,040)</u>
	<u>(14,742,451)</u>

Internal service funds are used by management to charge the cost of certain activities, such as insurance to individual funds. The net expense of the internal service funds is reported with governmental activities.

Internal service funds	242
Change in net assets of governmental activities	\$ <u>(12,168,493)</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Statement of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual -
General Fund
Year ended December 31, 2011

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 25,621,025	25,621,025	22,184,625	(3,436,400)
Other tax items	4,749,200	4,441,200	4,528,129	86,929
Non-property tax items	47,829,322	50,048,000	50,048,010	10
Departmental income	10,736,764	10,595,640	10,866,006	270,366
Use of money and property	457,807	398,090	385,286	(12,804)
Licenses and permits	626,125	626,125	697,290	71,165
Fines and forfeitures	333,436	333,436	258,400	(75,036)
Sale of property and compensation for loss	23,000	158,930	243,328	84,398
State aid	15,996,495	15,843,706	14,842,944	(1,000,762)
Federal aid	8,425,260	10,033,382	9,882,128	(151,254)
Miscellaneous	5,446,689	4,427,219	(657,502)	(5,084,721)
Total revenue	<u>120,245,123</u>	<u>122,526,753</u>	<u>113,278,644</u>	<u>(9,248,109)</u>
Expenditures:				
General government support	22,914,613	23,173,150	21,123,199	2,049,951
Education	10,848,114	10,519,654	9,829,285	690,369
Public safety	29,683,613	32,739,224	30,733,119	2,006,105
Health	12,888,244	13,410,064	12,027,580	1,382,484
Transportation	1,432,107	1,450,229	1,442,776	7,453
Economic opportunity and development	33,242,619	34,047,712	31,087,737	2,959,975
Culture and recreation	3,105,978	3,158,722	2,526,283	632,439
Home and community services	1,844,904	2,050,476	1,894,014	156,462
Employee benefits - undistributed	3,974,931	3,974,931	3,784,913	190,018
Debt service - interest	310,000	302,800	199,514	103,286
Total expenditures	<u>120,245,123</u>	<u>124,826,962</u>	<u>114,648,420</u>	<u>10,178,542</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(2,300,209)</u>	<u>(1,369,776)</u>	<u>930,433</u>
Other financing sources (uses):				
Transfers in	-	12,918	12,918	-
Transfers out	-	(357,900)	(187,181)	170,719
Total other financing sources (uses)	<u>-</u>	<u>(344,982)</u>	<u>(174,263)</u>	<u>170,719</u>
Net change in fund balance	-	(2,645,191)	(1,544,039)	1,101,152
Fund balance at beginning of year	<u>18,930,223</u>	<u>18,937,294</u>	<u>28,388,518</u>	<u>9,451,224</u>
Fund balance at end of year	<u>\$ 18,930,223</u>	<u>16,292,103</u>	<u>26,844,479</u>	<u>10,552,376</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK

Statement of Net Assets

Proprietary Funds

December 31, 2011

<u>Assets</u>	Business-type activities - <u>Enterprise Fund</u> Putnam Tobacco Asset Securitization <u>Corporation</u>	Governmental activities - Internal Service <u>Fund</u>
Current assets:		
Cash and equivalents	\$ 49,556	4,176,865
Accounts receivable	1,075,000	-
Prepaid expenses	9,405	-
Due from other funds	-	216,987
Total current assets	<u>1,133,961</u>	<u>4,393,852</u>
Noncurrent assets:		
Restricted cash and equivalents	1,208,920	-
Cost of issuance, net of accumulated amortization of \$70,604	<u>196,014</u>	<u>-</u>
Total noncurrent assets	<u>1,404,934</u>	<u>-</u>
Total assets	<u>\$ 2,538,895</u>	<u>4,393,852</u>
<u>Liabilities</u>		
Current liabilities:		
Claims payable	-	389,361
Accrued liabilities	78,650	-
Due to other funds	-	500,000
Current maturities of bonds payable	<u>180,000</u>	<u>-</u>
Total current liabilities	<u>258,650</u>	<u>889,361</u>
Noncurrent liabilities:		
Claims payable	-	3,504,249
Bonds payable, less current maturities	<u>18,020,859</u>	<u>-</u>
Total noncurrent liabilities	<u>18,020,859</u>	<u>3,504,249</u>
Total liabilities	<u>18,279,509</u>	<u>4,393,610</u>
Net assets (deficit) - unrestricted	<u>\$ (15,740,614)</u>	<u>242</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
 Statement of Revenue, Expenses and Changes in Net Assets
 Proprietary Funds
 Year ended December 31, 2011

	Business-type activities - <u>Enterprise Fund</u> Putnam Tobacco Asset Securitization <u>Corporation</u>	Governmental activities - Internal Service <u>Fund</u>
Operating revenue:		
Tobacco settlement	\$ 932,963	-
Charges for services	-	1,108,805
Miscellaneous	-	5,403
Total operating revenue	<u>932,963</u>	<u>1,114,208</u>
Operating expenses:		
Administration	15,000	345,612
Professional fees	13,570	-
Insurance	7,260	-
Employee benefits	-	772,455
Amortization	11,109	-
Total operating expenses	<u>46,939</u>	<u>1,118,067</u>
Income (loss) from operations	<u>886,024</u>	<u>(3,859)</u>
Non-operating revenues (expenses):		
Earnings on investments	163	4,101
Interest expense	(1,212,482)	-
Total non-operating revenues (expenses)	<u>(1,212,319)</u>	<u>4,101</u>
Net change in net assets	(326,295)	242
Net assets (deficit) at beginning of year	<u>(15,414,319)</u>	-
Net assets (deficit) at end of year	<u>\$ (15,740,614)</u>	<u>242</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Statement of Cash Flows
Proprietary Funds
Year ended December 31, 2011

	Business-type activities - <u>Enterprise Fund</u> Putnam Tobacco Asset Securitization <u>Corporation</u>	Governmental activities - Internal Service <u>Fund</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ -	1,227,621
Cash received from tobacco settlement revenue	1,045,989	-
Cash payments to insurance carriers and claimants	-	(606,805)
Cash payments to vendors	<u>(35,830)</u>	<u>(340,209)</u>
Net cash provided by operating activities	<u>1,010,159</u>	<u>280,607</u>
Cash flows from investing activities:		
Earnings on investments	<u>163</u>	<u>4,101</u>
Cash flows from non-capital financing activities:		
Repayment of bonds	(60,000)	-
Interest paid	<u>(945,600)</u>	<u>-</u>
Net cash used in non-capital financing activities	<u>(1,005,600)</u>	<u>-</u>
Net increase in cash and equivalents	4,722	284,708
Cash and equivalents at beginning of year	<u>1,253,754</u>	<u>3,892,157</u>
Cash and equivalents at end of year	<u>\$ 1,258,476</u>	<u>4,176,865</u>
Cash:		
Unrestricted	49,556	4,176,865
Restricted	<u>1,208,920</u>	<u>-</u>
	<u>\$ 1,258,476</u>	<u>4,176,865</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	886,024	(3,859)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Amortization	11,109	-
Changes in assets and liabilities:		
Accounts receivable	113,026	-
Due from other funds	-	(216,987)
Due to other funds	-	335,803
Claims payable	<u>-</u>	<u>165,650</u>
Net cash provided by operating activities	<u>\$ 1,010,159</u>	<u>280,607</u>
Noncash investing activities:		
Increase in bonds payable from amortization of original issue and underwriters discounts	<u>\$ 25,565</u>	<u>-</u>
Increase in bonds payable from amortization of loss on refunding	<u>\$ 90,650</u>	<u>-</u>
Increase in bonds payable from accreted interest on capital appreciation bonds	<u>\$ 150,967</u>	<u>-</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
 Statement of Assets and Liabilities -
 Fiduciary Fund
 December 31, 2011

<u>Assets</u>	<u>Agency</u>
Cash:	
Demand deposits	\$ 2,182,084
Time deposits	<u>11,006</u>
Total assets	<u>\$ 2,193,090</u>
<u>Liabilities</u>	
Accounts payable	1,395
Employee payroll deductions	188,890
Due to other governments	397,417
Due to other funds	725,269
Deposits	<u>880,119</u>
Total liabilities	<u>\$ 2,193,090</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK

Notes to Financial Statements

December 31, 2011

(1) Summary of Significant Accounting Policies

The County of Putnam, New York (the County) was established pursuant to an act of the New York State legislature on June 12, 1812. The County operates under a Legislature/County Executive form of government in accordance with its Charter approved by the voters on November 8, 1977. The County Legislature is the legislative body responsible for overall operations. The County Executive serves as the chief executive officer and the Commissioner of Finance serves as the chief financial officer. The County provides the following services to its residents: education, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the County of Putnam, New York conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York (the State). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's more significant accounting policies:

(a) Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, which is the County of Putnam, (b) organizations for which the County is financially accountable and (c) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the County's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following entity is included in the financial statements as a blended component unit.

The Putnam Tobacco Asset Securitization Corporation (PTASC) is a not-for-profit local development corporation organized pursuant to Section 1411 of the not-for-profit Corporation Law of the State of New York. The sole member of the PTASC is the County Executive of Putnam County, New York. That member shall appoint the Board of Directors of the PTASC. The Board of Directors have complete responsibility for management of the PTASC and accountability for fiscal matters. The County is not liable for any deficits or PTASC bonds or notes. GASB, in April 2004, issued a technical bulletin, which clarified the financial reporting of Tobacco Settlement Authorities (TSA). This bulletin, which was effective for fiscal years ending after June 15, 2004, provided that when TSAs are entitled to future tobacco settlement resources and have a majority of the governing board appointed by the government, the financial

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) Financial Reporting Entity, Continued

accountability criteria are met and the TSA should be reported as a component unit of the government. Consequently, the PTASC has been reflected as a blended component unit in the financial statements as a proprietary fund.

(b) Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are 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.

The statement of net assets presents the financial position of the County at the end of its fiscal year. The statement of activities demonstrates the degree to which 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 customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The County does not allocate indirect expenses to functions in the statement of activities.

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 are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the internal service funds are charges to customers for services. Internal service funds expenses include the costs of services and administrative expenses. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

(c) Fund Financial Statements

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements, Continued

funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The County's resources are reflected in the financial statements in three broad fund categories in accordance with accounting principles generally accepted in the United States of America as follows:

Fund Categories

(1) Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the County's major governmental funds:

General Fund - The general fund constitutes the primary operating fund of the County in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Capital Projects Fund - The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The County also reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the County are as follows:

County Road Fund - The county road fund is used to account for the maintenance and repair of County roads and bridges and snow removal costs, as defined in New York State Highway Law.

Road Machinery Fund - The road machinery fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the construction, purchase and maintenance of buildings for the storage and repair of highway machinery and equipment.

Transportation Fund - The transportation fund is used to account for the activities of a County-wide bus system, which is funded in part under the auspices of the Urban Mass Transportation Administration and the New York State Department of Transportation.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Fund Financial Statements, Continued

Special Purpose Fund - The special purpose fund is used to account for assets held by the County in accordance with terms of a trust agreement.

Debt Service Fund - The debt service fund is provided to account for the accumulation of resources to be used for the payment of principal and interest on long-term debt.

(2) Proprietary Funds - Proprietary funds include internal service funds. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County has established its workers compensation benefits and managerial dental benefits funds as internal service funds.

(3) Fiduciary Fund (Not included in government-wide financial statements) - The fiduciary fund is used to account for assets held by the County in an agency capacity on behalf of others. The agency fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

(d) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. The agency fund has no measurement focus and utilizes the accrual basis of accounting. 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. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

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

are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and certain pension costs are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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.

Component Unit - The blended component unit is presented on the basis of accounting that most accurately reflects its activities. The PTASC is accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The PTASC applies all applicable Financial Accounting Standards Board pronouncements issued after November 30, 1989 in accounting and reporting for its operations.

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The County's investment policies are governed by State statutes. The County has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The County is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions. The objective of these investments is to preserve capital and mitigate credit and interest rate risk.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The County has entered into custodial agreements with the various banks, which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure, Continued

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the County's name. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2011.

The County was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk or credit risk.

Taxes Receivable - The County levies property taxes for both the County and towns on January 1st, based on an enforceable lien date established November 1st. These taxes are due in March and/or July depending upon the taxpayer's election. These taxes are collected initially by the various towns, and the uncollected taxes are returned to the County on April 1st and/or August 1st depending upon the taxpayer's election to make payment either in full or in two installments. School districts taxes are levied by the school districts, with all uncollected taxes returned to the County on November 1st. Village taxes are levied by the Villages, with all uncollected taxes returned to the County on February 1st. The County guarantees the collection of town, school districts and village taxes and assumes responsibility for the ultimate collection of these receivables. Taxes receivable are reported net of an allowance for uncollectible amounts.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the County. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2011, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the County. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure, Continued

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of various costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts are included in nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Restricted Cash and Equivalents - The terms of the blended component unit's bond indenture provide for the establishment of a liquidity reserve. The reserve was initially funded from the proceeds of the issuance of the Series 2005 bonds in an amount equal to \$1,208,850, the maximum annual debt service requirement based on planned structured principal payments.

Costs of Issuance - The costs of issuance of the bonds are being amortized over the Turbo Redemption maturities of the bonds, which is twenty-four years.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County chose to include all such items regardless of their acquisition date or amount. The County was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the County are depreciated using the straight-line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-10
Infrastructure	30-50

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure, Continued

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

Unearned/Deferred Revenue - Unearned/deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported deferred revenue of \$15,928,603 for real property taxes and \$1,229,374 for State aid and other items received in advance in the general fund. The County has also reported deferred revenue of \$14,598,511 for water shed projects and \$29,052 for other construction projects received in advance in the capital projects fund. Amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide statement of net assets as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service or capital projects funds expenditures.

Pollution Remediation Costs - Effective for the year ended December 31, 2008, pollution remediation costs are being charged in accordance with the provisions of GASB Statement No. 49. An operating expense provision and corresponding liability measured at its current value using the expected cash flow method have been recognized for

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure, Continued

certain pollution remediation obligations that previously may not have been required to be recognized, have been recognized earlier than in the past, or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the County is in violation of a pollution prevention-related permit or license; an imminent threat to the public health due to pollution exists; the County is named by a regulator as a responsible or potentially responsible party to participate in remediation; the County voluntarily commences or legally obligates itself to commence remediation efforts; or the County is named or there is evidence that the County will be named in a lawsuit that compels participation in remediation activities.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets in the statement of net assets include: invested in capital assets, net of related debt, restricted for capital projects, law enforcement, driving while intoxicated program, debt service and special revenue funds. The balance is classified as unrestricted.

Equity Classifications - In the government-wide statements equity is classified as net assets and displayed in three components:

- i) Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- ii) Restricted net assets - consists of net assets with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- iii) Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

In fiscal 2011, the County implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 changed the classification of fund balance to focus on the constraints imposed on resources in governmental funds, instead of the previous focus on availability for appropriation.

Fund balance is now broken down into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

- i) Nonspendable consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories and long-term portions of receivables.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Assets or Fund Balances Deposits, Investments and Risk Disclosure, Continued

- ii) Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- iii) Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The County Legislature is the decision-making authority that can, by resolution, commit fund balance.
- iv) Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
- v) Unassigned represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the County spends funds in the following order: restricted, committed, assigned, unassigned.

(f) Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the general, county road, road machinery and transportation funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

(g) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(h) Reclassifications

Reclassifications have been made to certain 2010 balances in order to conform them to the 2011 presentation.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(2) Stewardship, Compliance and Accountability

(a) Budgetary Data

The County generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- (1) On or before September 5th, the County Executive submits to the County Legislature a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- (2) The County Executive and Commissioner of Finance meet with the Budget and Finance Committee of the Legislature (the Committee) within five days after transmittal of the tentative budget to review the budget document.
- (3) The Committee conducts a public hearing on the tentative budget to obtain taxpayer comments.
- (4) A report of the Committee must be filed by September 25th, which includes the Committee's recommendations.
- (5) On or before October 5th, the Legislature conducts a public hearing on the tentative budget.
- (6) After the public hearing and prior to October 15th, the Legislature meets to consider and adopt the budget.
- (7) All line item changes with the exception of the Legislature's own budget are subject to Executive veto and such vetoes require two thirds majority vote by the Legislature to override. This process is completed and the final budget is adopted by October 30th.
- (8) Formal budgetary integration is employed during the year as a management control device for general, county road, road machinery, transportation and debt service funds.
- (9) Budgets for general, county road, road machinery, transportation and debt service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The capital projects fund is budgeted on a project basis. Annual budgets are not legally adopted for the proprietary or special purpose funds.
- (10) The County Legislature has established legal control of the budget at the function level of expenditures. The County auditor, who must approve all expenditures from general, county road, road machinery, transportation and capital projects funds, may not authorize the disbursement of funds by the Commissioner of Finance unless the necessary funds have been appropriated. All functional transfers shall be subject to the following authorization:
 - (a) Transfers between \$0 and \$5,000 may be approved by the Audit Chairperson or his/her designee.
 - (b) Transfers between \$5,000 and \$10,000 must be authorized by the County Executive or his/her designee and approved by the Audit Chairperson of the Legislature or his/her designee.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(2) Stewardship, Compliance and Accountability, Continued

(a) Budgetary Data, Continued

- (c) Transfers between \$10,000 and \$25,000 must be authorized by the County Executive or his/her designee and approved by the Audit and Administrative Committee.
 - (d) Transfers over \$25,000 must be authorized by the County Executive or his/her designee and approved by the Full Legislature.
 - (e) Amendments which increase total fund appropriations require approval by the Legislature.
- (11) Appropriations in general, county road, road machinery, transportation and debt service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the New York State Office of the State Comptroller.

(b) Property Tax Limitation

The County is permitted by the Constitution of the State of New York to levy taxes for purposes other than debt service up to 1½% of the five-year average full valuation of taxable real estate located within the County. In accordance with this provision, the maximum amount of the tax levy for 2011 was \$231,422,245, which exceeded the actual levy by \$199,106,993.

(c) Capital Projects Fund Deficits

The deficits in the Infrastructure projects of \$66,674, the FEMA Repairs of \$97,913, the Maybrook bikeway of \$17,029 and the Macgregor Club project of \$102,677 are results of expenditures exceeding current financing on these projects. These deficits will be reduced and eliminated with the receipt of authorized financing.

(d) Proprietary Fund Deficit

The Putnam Tobacco Asset Securitization Corporation reflects a deficit at December 31, 2011 of \$15,760,614. This deficit will be reduced annually with the receipt of tobacco revenues.

(3) Detailed Notes on All Funds

(a) Taxes Receivable

Taxes receivable at December 31, 2011 consisted of the following:

Returned school and village taxes	\$ 26,765,338
Tax liens	13,088,667
Taxes receivable - pending	3,595,052
Property acquired for taxes	<u>1,724,161</u>
	45,173,218
Less allowance for uncollectible taxes	<u>(5,654,296)</u>
	<u>\$ 39,518,922</u>

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(a) Taxes Receivable, Continued

Returned school and village taxes have been relieved in the subsequent year as County taxes. Taxes receivable are also partially offset by deferred tax revenues of \$15,928,603, which represents an estimate of the receivable, which will not be collected within the first sixty days of the subsequent year.

(b) Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2011 were as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General	\$ 1,503,226	-
Capital projects	-	2,758,441
Non-major governmental	2,343,419	79,922
Fiduciary fund	-	725,269
Internal service	<u>216,987</u>	<u>500,000</u>
	<u>\$ 4,063,632</u>	<u>4,063,632</u>

The outstanding balances between funds results 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.

(c) Restricted Cash and Equivalents

Restricted cash and equivalents at December 31, 2011 consisted of U.S. Treasury money market accounts in the amount of \$1,208,920.

(d) Capital Assets

Changes in the County's capital assets are as follows:

	<u>Balance January 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2011</u>
Capital assets, not being depreciated:				
Land	\$ 4,998,474	238,224	-	5,236,698
Construction in progress	<u>1,722,894</u>	<u>1,690,024</u>	<u>1,103,772</u>	<u>2,309,146</u>
Total capital assets, not being depreciated	<u>6,721,368</u>	<u>1,928,248</u>	<u>1,103,772</u>	<u>7,545,844</u>
Capital assets, being depreciated:				
Buildings and improvements	100,373,390	1,646,021	-	102,019,411
Machinery and equipment	21,720,518	1,374,130	516,171	22,578,477
Infrastructure	<u>48,497,445</u>	<u>4,756,403</u>	<u>-</u>	<u>53,253,848</u>
Total capital assets, being depreciated	<u>170,591,353</u>	<u>7,776,554</u>	<u>516,171</u>	<u>177,851,736</u>

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(d) Capital Assets, Continued

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2011</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 37,712,318	3,056,116	-	40,768,434
Machinery and equipment	17,079,008	1,697,502	516,171	18,260,339
Infrastructure	<u>17,074,231</u>	<u>2,869,837</u>	<u>-</u>	<u>19,944,068</u>
Total accumulated depreciation	<u>71,865,557</u>	<u>7,623,455</u>	<u>516,171</u>	<u>78,972,841</u>
Capital assets, being depreciated, net	<u>98,725,796</u>	<u>153,099</u>	<u>-</u>	<u>98,878,895</u>
Capital assets, net	\$ <u>105,447,164</u>	<u>2,081,347</u>	<u>1,103,772</u>	<u>106,424,739</u>

Depreciation expense was charged to the County's functions and programs as follows:

Governmental Activities:	
General government support	\$ 1,131,011
Public safety	1,362,789
Health	177,610
Transportation	3,476,171
Economic opportunity and development	447,073
Culture and recreation	533,878
Home and community services	<u>494,923</u>
Total depreciation expense	\$ <u>7,623,455</u>

(e) Accrued Liabilities

Accrued Liabilities at December 31, 2011 were as follows:

	Governmental <u>activities</u>	Business-type <u>activities</u>	<u>Total</u>
Payroll and employee benefits	\$ 1,151,553	-	1,151,553
Retainage	2,788	-	2,788
Other	<u>942,911</u>	<u>78,650</u>	<u>1,021,561</u>
Total	\$ <u>2,097,252</u>	<u>78,650</u>	<u>2,175,902</u>

(f) Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. These borrowings consisted of notes issued in anticipation of the collection of real property taxes.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(f) Short-Term Non-Capital Borrowings, Continued

	Balance January 1, <u>2011</u>	<u>New issues</u>	<u>Redemptions</u>	Balance December 31, <u>2011</u>
Tax anticipation note - F	\$ 17,000,000	-	17,000,000	-
Tax anticipation note - G	<u> -</u>	<u>17,000,000</u>	<u> -</u>	<u>17,000,000</u>
	<u>\$ 17,000,000</u>	<u>17,000,000</u>	<u>17,000,000</u>	<u>17,000,000</u>

The tax anticipation note - F was issued on November 19, 2010 and matured on October 27, 2011, with interest at 1.25%. Interest expense of approximately \$199,514 was recorded in the governmental funds.

The tax anticipation note - G was issued on November 18, 2011 and matures on October 29, 2012, with interest at 1.50%. Interest expense of approximately \$21,250 was recorded in the government-wide financial statements for governmental activities.

(g) Pension Plans

The County of Putnam participates in the New York State and Local Employees' Retirement System (ERS or the System). This System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 - 75I	15.3%
2 - 75I	14.0%
3 - 553	19.0%
3 - A14	11.3%
4 - 553	19.0%
4 - 89PBE	14.2%
4 - A15	11.3%
5 - A15	9.1%

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(g) Pension Plans, Continued

Contributions made to the System for the current and two preceding years were as follows:

2011	\$ 6,075,653
2010	5,148,943
2009	<u>3,898,465</u>

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year. The current ERS contribution for the County was charged to the funds identified below.

<u>Fund</u>	<u>Amount</u>
General	\$ 5,697,160
County road	295,376
Capital fund	22,268
Road machinery	<u>60,849</u>
	<u>\$ 6,075,653</u>

(h) Long-Term Liabilities

The changes in the County's long-term indebtedness for the year ended December 31, 2011 is as follows:

	<u>Balance at January 1, 2011</u>	<u>New issues and/or additions</u>	<u>Maturities and/or payments</u>	<u>Balance at December 31, 2011</u>	<u>Due within one year</u>
Governmental activities:					
Bonds payable	\$ 59,980,401	3,680,181	(3,015,401)	60,645,181	3,305,000
Unamortized premium	<u>148,110</u>	<u>-</u>	<u>(18,514)</u>	<u>129,596</u>	<u>18,514</u>
Net bonds payable	60,128,511	3,680,181	(3,033,915)	60,774,777	3,323,514
Compensated absences	3,214,882	576,108	(200,000)	3,590,990	359,099
Retirement incentives and other pension obligations	752,387	-	(146,709)	605,678	103,242
Claims payable	3,727,960	772,455	(606,805)	3,893,610	389,361
OPEB liability	39,193,052	18,177,473	(3,661,433)	53,709,092	-
Pollution remediation liability	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 108,216,792</u>	<u>23,206,217</u>	<u>(7,648,682)</u>	<u>123,774,147</u>	<u>4,175,216</u>

Each governmental fund's liability for compensated absences and retirement incentives and other pension obligations are liquidated by the respective fund, primarily the general fund. Bonds are liquidated from the debt service fund, which is funded from the other governmental funds and property taxes. Claims payable are liquidated from the internal service fund, which is funded from the other governmental funds.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

Bonds Payable

Bonds payable at December 31, 2011 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of issue</u>	<u>Original issue amount</u>	<u>Final maturity</u>	<u>Interest rates</u>	<u>Amount Outstanding at December 31, 2011</u>
Refunding	1998	\$ 10,315,000	April, 2012	4.375 - 5.25%	665,000
Public improvement	2002	2,028,000	December, 2012	3.125 - 3.75%	235,000
Public improvement	2003	9,917,000	December, 2023	4.00 - 4.25%	7,040,000
Public improvement	2005	7,018,000	January, 2025	3.625 - 4.25%	5,645,000
Public improvement	2006	18,000,000	January, 2036	4.30 - 4.50%	16,675,000
Public improvement	2007	16,208,000	January, 2031	4.25%	14,855,000
Public improvement	2007	1,384,900	November, 2018	3.75 - 4.00%	1,025,000
Public improvement	2008	4,180,000	November, 2021	4.00 - 4.50%	3,630,000
Public improvement	2009	2,595,401	November, 2025	2.50 - 4.00%	2,455,000
Public improvement	2010	4,740,000	November, 2028	3.00 - 5.64%	4,740,000
Public improvement	2011	3,680,181	November 2023	2.00 - 2.75%	<u>3,680,181</u>
					<u>\$ 60,645,181</u>

Interest expenditures of \$2,555,157 were recorded in the fund financial statements in the debt service fund. Interest expense of \$2,751,683 was recorded in the government-wide financial statements for governmental activities.

The annual requirements to amortize all bonded debt outstanding as of December 31, 2011, including interest payments of \$60,645,181, are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,305,000	2,517,042	5,822,042
2013	2,800,181	2,392,919	5,193,100
2014	2,905,000	2,285,944	5,190,944
2015	3,020,000	2,175,096	5,195,096
2016	3,135,000	2,060,286	5,195,286
2017 - 2021	17,135,000	8,331,494	25,466,494
2022 - 2026	13,640,000	4,819,034	18,459,034
2027 - 2031	9,650,000	2,208,368	11,858,368
2032 - 2036	<u>5,055,000</u>	<u>589,606</u>	<u>5,644,606</u>
	<u>\$ 60,645,181</u>	<u>27,379,789</u>	<u>88,024,970</u>

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

The above general obligation bonds are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on all taxable year property within the County.

	Balance at January 1, <u>2011</u>	Maturities and/or <u>payments</u>	Balance at December 31, <u>2011</u>	Due within <u>one year</u>
Putnam Tobacco Asset Securitization Corporation (PTASC) (blended component unit):				
Bonds payable	\$ 24,360,424	(60,000)	24,300,424	180,000
Less:				
Unamortized original issue discount on term bonds	(254,892)	13,673	(241,219)	-
Unamortized underwriters discount	(221,742)	11,892	(209,850)	-
Deferred amounts on refunding	(1,690,241)	90,650	(1,599,591)	-
Unaccreted amounts on turbo capital appreciation bonds	<u>(4,199,872)</u>	<u>150,967</u>	<u>(4,048,905)</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 17,993,677</u>	<u>207,182</u>	<u>18,200,859</u>	<u>180,000</u>

PTASC issued bonds on August 25, 2005 as follows:

- \$2,915,000 of Turbo Term Bonds due June 1, 2027 with interest at 6.0% and a projected final Turbo Redemption date of June 1, 2012.* Balance due at December 31, 2011 is \$1,780,000.
- \$9,165,000 of Turbo Term Bonds due June 1, 2042 with interest at 5.0% and a projected final Turbo Redemption date of June 1, 2024.* Balance due at December 31, 2011 is \$9,165,000.
- \$3,325,000 of Turbo Term Bonds due June 1, 2045 with interest at 5.0% and a projected final Turbo Redemption date of June 1, 2026.* Balance due at December 31, 2011 is \$3,325,000.
- \$1,326,156 (net of unaccreted amounts of \$1,784,837) of Turbo Capital Appreciation Bonds due June 1, 2050 with a yield of 5.875% and a projected final Turbo Redemption date of June 1, 2027.*

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

- \$1,255,364 (net of unaccrued amounts of \$2,264,066) of Turbo Capital Appreciation Bonds due June 1, 2055 with a yield of 6.375% and a projected final Turbo Redemption date of June 1, 2029.*

PTASC issued \$3,400,000 of Turbo Term Bonds on June 1, 2010. The bonds are due June 1, 2031 with interest at 6.25% and a projected final Turbo Redemption date of June 1, 2017.* Balance due at December 31, 2011 is \$3,400,000.

*Assumes Turbo Redemption payments are made based on the receipt of surplus pledged Tobacco Settlement Revenues (TSR's) in accordance with the Global Insight Base Case Forecast of future tobacco consumption.

The payment schedule, based upon planned structured principal maturities, is as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 180,000	938,400	1,118,400
2013	145,000	928,650	1,073,650
2014	160,000	919,500	1,079,500
2015	165,000	909,750	1,074,750
2016	175,000	899,550	1,074,550
2017 - 2021	955,000	4,302,150	5,257,150
2022 - 2026	1,400,000	4,022,500	5,422,500
2027 - 2031	9,010,424	3,406,750	12,417,174
2032 - 2036	3,405,000	2,618,875	6,023,875
2037 - 2041	4,370,000	1,652,250	6,022,250
2042 - 2046	<u>4,335,000</u>	<u>445,125</u>	<u>4,780,125</u>
	24,300,424	<u>21,043,500</u>	<u>45,343,924</u>
Unamortized original issue discount on term bonds	(241,219)		
Unamortized underwriters discount	(209,850)		
Deferred amounts on refunding	(1,599,591)		
Unaccrued amounts on capital appreciation bonds	<u>(4,048,905)</u>		
	<u>\$ 18,200,859</u>		

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

The Turbo Redemption payments are anticipated to be as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2012	\$ 180,000
2013	145,000
2014	160,000
2015	165,000
2016	175,000
Thereafter	<u>23,475,424</u>
	<u>\$ 24,300,424</u>

Prior Year Defeasance of Debt - County

The County, in prior years, deposited \$5,402,674 from the proceeds of the sale of tobacco rights in an irrevocable trust with an escrow agent to provide for all future debt service payments on various serial bond issues. Accordingly, the trust account assets and liability for the defeased bonds are not included in the County's financial statements. At December 31, 2011, \$650,000 of bonds outstanding are considered defeased.

Compensated Absences

County employees who are members of a labor union earn vacation leave based upon the terms of their particular collective bargaining agreement. Vacation leave is accumulated on a monthly basis up to a maximum of forty days and is payable upon termination. The maximum sick leave accumulation is 180 days. Sick leave accumulates on a monthly basis with all union employees earning twelve days per year. Accumulated sick leave lapses when employees leave the service of the County, with the exception of Deputy Sheriff's Benevolent Association employees. These employees, upon retirement from the County, are entitled to a sick leave buyout at daily rates ranging from \$40 to \$70 per day, depending on the number of days accumulated. The value of compensated absences has been reflected in the government-wide financial statements.

Other Postemployment Benefits

GASB issued Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions" for the recognition and disclosure of municipal employers' postemployment benefit plans other than pensions. GASB Statement No. 45 requires the accrual of these liabilities. The County has implemented this statement as of January 1, 2008.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

Other Postemployment Benefits, Continued

In addition to providing pension benefits, the County provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the County may vary according to length of service. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care benefits is recognized as an expenditure in the governmental funds as claims are paid on a pay-as-you-go basis. During the year, \$3,661,433 was paid on behalf of 353 retirees and this amount was recorded as an expenditure in the various funds. The County has recognized revenues and expenditures of \$164,825 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

Plan Description - The County administers the medical insurance plans (the Plan) as a single-employer defined benefit Other Postemployment Benefit (OPEB). The Plan provides for continuation of medical insurance benefits and prescription drug benefits for certain retirees and their spouses and can be amended by action of the County subject to the applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy - The obligations of the Plan are established by action of the County pursuant to applicable collective bargaining and employment agreements. The County currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the County. The County's policy is to fund the pay as you go insurance premiums in the general fund.

The following actuarial methods and assumptions were used to project the amount of benefits for financial reporting purposes and are based on the substantive plan in effect at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in to the future and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability (UAAL) is being amortized on the level dollar method over 30 years. As of December 31, 2011, 26 years remain open.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

Other Postemployment Benefits, Continued

Actuarial cost method

Projected Unit Credit

Discount rate

3%

2010 Medical trend

Initial rate of 13.32% reduced to an ultimate rate of 4.2% after 70 years.

Mortality

The RP-2000 Mortality Table

Turnover

Based on the experience under the New York State Employees' Retirement System and the New York Police and Fire Retirement System.

Election percentage

75% to 100%

Annual OPEB cost

	<u>December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Normal cost	\$ 7,988,081	7,680,847	7,490,118
Amortization of the UAAL	10,929,483	8,917,184	8,873,953
Annual required contribution (ARC)	18,917,564	16,598,031	16,364,071
Interest on OPEB obligation	1,567,722	791,750	405,751
Adjustment to ARC	(2,307,813)	(1,365,531)	(684,323)
OPEB expense	\$ <u>18,177,473</u>	<u>16,024,250</u>	<u>16,085,499</u>

Reconciliation of Net OPEB Obligation

	<u>December 31,</u>		
	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net OPEB obligation at beginning of the year	\$ 39,193,052	26,391,656	13,525,041
OPEB expense	18,177,473	16,024,250	16,085,499
Net OPEB contributions made during the year	<u>(3,661,433)</u>	<u>(3,222,854)</u>	<u>(3,218,884)</u>
Net OPEB obligation at the end of the year	\$ <u>53,709,092</u>	<u>39,193,052</u>	<u>26,391,656</u>
OPEB expense	\$ <u>18,177,473</u>	<u>16,024,250</u>	<u>16,085,499</u>
Percentage of OPEB cost contributed	<u>20%</u>	<u>20%</u>	<u>20%</u>
Net OPEB obligation at the end of the year	\$ <u>53,709,092</u>	<u>39,193,052</u>	<u>26,391,656</u>

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

Other Postemployment Benefits, Continued
Schedule of Funding Process

	December 31,		
	2011	2010	2009
Currently retired liability	\$ 76,134,280	76,210,705	77,685,197
Actives	<u>102,339,637</u>	<u>91,112,299</u>	<u>92,592,231</u>
Total actuarial accrued liability (AAL)	<u>\$ 178,473,917</u>	<u>167,323,004</u>	<u>170,277,428</u>
Actuarial value of assets	\$ <u> -</u>	<u> -</u>	<u> -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 178,473,917</u>	<u>167,323,004</u>	<u>170,277,421</u>
Annual covered payroll	<u>\$ 42,605,790</u>	<u>43,943,139</u>	<u>44,199,367</u>
Ratio of UAAL to annual covered payroll	<u>419%</u>	<u>381%</u>	<u>385%</u>

Pollution Remediation Obligations

In 2008, the County recognized a pollution remediation expense amounting to \$650,000 and a corresponding liability was recorded in the statement of net assets. The liability relates to future remediation activities associated with the removal of materials and soil contamination of a landfill. The expense provision was measured at its current value utilizing the prescribed expected cash flow method. The pollution remediation obligation is an estimate and is subject to revision due to price increases or reductions, change in technology, or change in applicable laws or regulations and estimated recoveries reducing the liability. In 2009, the liability was decreased to \$265,000 based on the County's intention to move the waste and reclaim and sell the land. In 2010, the liability was increased to \$1,200,000 based on the County's revised plan to continued operating the landfill and capping it. There is no change in the estimated liability as of December 31, 2011.

Retirement Incentives and Other Pension Obligations

The County, pursuant to Article 14-B of the Retirement and Social Security Law, elected to participate in a retirement option, which provides for special retirement benefits for sheriffs and deputy sheriffs engaged in criminal law enforcement activities. The aggregate cost of the plan was \$1,099,324. The payment terms provide for repayment over a ten year period, with interest. Expenditures for the current year were \$95,594 and were charged to the general fund. The balance due at December 31, 2011 was \$605,678.

The County, pursuant to chapter 478 laws of 2007 and 552 of the Retirement and Social Security Law, elected to participate in a retirement option, which provides for special retirement benefits for sheriffs and deputy sheriffs engaged in criminal law enforcement activities. The aggregate cost of the plan was \$238,045. The payment terms provide for repayment over a five year period, with interest. Expenditures for the current year were \$51,115 and were charged to the general fund. There was no balance due at December 31, 2011.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

Unpaid Claim Liabilities

The internal service fund reflects workers' compensation claim liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	<u>Workers' compensation</u>	
	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 3,727,960	3,833,339
Provision for claims and claims adjustment expenses	772,455	799,047
Claims and claims adjustment expenses paid	<u>(608,805)</u>	<u>(904,426)</u>
Balance at end of year	\$ <u>3,893,610</u>	<u>3,727,960</u>
Due within one year	\$ <u>389,361</u>	<u>372,796</u>

(i) Revenues and Expenditures

Interfund Transfers - Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers noted below have been reflected as transfers:

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(i) Revenues and Expenditures, Continued

Transfers out	Transfers in			
<u>General fund</u>	<u>Capital projects fund</u>	<u>Non-major governmental funds</u>	<u>Total</u>	
General fund	\$ -	187,182	-	187,182
Capital projects fund	-	-	875	875
Non-major governmental funds	12,918	-	-	12,918
	<u>\$ 12,918</u>	<u>187,182</u>	<u>875</u>	<u>200,975</u>

Transfers are used to (1) move amounts earmarked in the operating funds to fulfill commitments for capital projects fund expenditures and other fund expenditures, (2) move unexpended capital projects fund balances to the operating funds that originally provided the funding and (3) to reflect amounts received from the proprietary funds.

(j) Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Law Enforcement - the component of net assets that represents the proceeds of seized funds which are restricted by New York State Law for use in law enforcement activities.

Restricted for Driving While Intoxicated Program - the component of net assets that represents State revenues that must be used in accordance with the parameters of the Driving While Intoxicated Program. The uses are prescribed by State Law.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities of the debt service fund with constraints placed on their use by Local Finance Law.

Restricted for Special Revenue Funds - the component of net assets that reports the difference between assets and liabilities of the special revenue funds with constraints placed on their use by various statutes.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(3) Detailed Notes on All Funds, Continued

(j) Net Assets, Continued

Unrestricted - all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

(k) Fund Balances

Designation of Fund Balance

Portions of the unreserved balances at December 31, 2011 were designated for the subsequent year’s operating budgets as follows:

Fund	Non-Spendable	Restricted	Fund Balance Assigned				Total Fund Balance (Deficit) Unreserved
			Appropriated for Subsequent Years's Budget	Other Assigned Fund Balance	Unappropriated	Fund Balance Unassigned	
Major Governmental Funds:							
General fund	\$ 692,737	433,291	4,500,000	1,075,615	2,000,000	18,142,836	26,844,479
Capital projects	-	3,856,474	-	-	-	(284,293)	3,572,181
Total major funds	<u>692,737</u>	<u>4,289,765</u>	<u>4,500,000</u>	<u>1,075,615</u>	<u>2,000,000</u>	<u>17,858,543</u>	<u>30,416,660</u>
Nonmajor Funds:							
County Road Fund	38,553	-	557,287	181,446	493,743	-	1,271,029
Road machinery fund	9,492	-	363,828	24,835	51,631	-	449,786
Transportation fund	-	-	35,000	-	190,642	-	225,642
Special purpose fund	-	36,040	-	-	-	-	36,040
Debt service fund	-	335,478	-	-	-	-	335,478
Total nonmajor funds	<u>48,045</u>	<u>371,518</u>	<u>956,115</u>	<u>206,281</u>	<u>736,016</u>	<u>-</u>	<u>2,317,975</u>
Total governmental activities	<u>\$ 740,782</u>	<u>4,661,283</u>	<u>5,456,115</u>	<u>1,281,896</u>	<u>2,736,016</u>	<u>17,858,543</u>	<u>32,734,635</u>

(4) Summary Disclosure of Significant Contingencies

(a) Litigation

The County receives numerous notices of claims for damages arising generally from false arrest, negligence, bodily injury, breach of contract, defamation of character and invasion of privacy. The County currently carries conventional general liability insurance to cover possible losses arising from these actions. In the opinion of the County Attorney, any exposure resulting from outstanding claims is not anticipated to exceed the insurance coverage in effect at the time of the claim.

The County is also a defendant in numerous pending tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year in which the payments are made.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(4) Summary Disclosure of Significant Contingencies

(b) Contingencies

The County participates in various Federal grant programs, principal of which are programs of the U.S. Department of Health and Human Services. These programs are subject to program compliance audits pursuant to the Single Audit Act. This audit is currently in progress and the report will be issued under separate cover. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, to be immaterial.

(c) Significant Contingencies - Putnam County Tobacco Asset Securitization Corporation

The enforceability of the rights and remedies of the State (and thus the bondholders) and of the obligations of a participating manufacturer under the MSA are subject to the bankruptcy code and the other applicable insolvency, moratorium or similar laws relating to or affecting the enforcement of creditors' rights. Some of the risks include risks of delay in or reduction of amounts of payment or of non-payment under the MSA and the risk that the State (and thus the County and/or PTASC) may be stayed for an extended time from enforcing any rights under the MSA and the consent decree or with respect to the payments owed by the bankrupt participating manufacturer or from commencing legal proceedings against the bankrupt participating manufacturer. As a result, if a participating manufacturer becomes a debtor in a bankruptcy case and defaults in making payment, funds available to PTASC to pay bondholders may be reduced or eliminated.

The bonds are payable only from the assets of PTASC. The bonds are neither legal nor moral obligations of the County or the State of New York, and no recourse may be had thereto for payment of amounts owing on the bonds. PTASC's only source of funds for payments on the bonds is the collections and amounts on deposit in pledged accounts pursuant to the indenture. PTASC has no taxing power and no significant assets other than the rights to receive tobacco settlement revenues.

(d) Risk Management

The County and other villages, counties, towns, cities and district corporations within the State have formed a reciprocal insurance company to be owned by these municipalities. This reciprocal operates under an agreement effective September 1, 1993. The purpose of this reciprocal is to provide local governments with the opportunity to gain control over their insurance programs and bring stability to their insurance costs. The reciprocal provides general liability, automobile, property, umbrella and police and public officials liability coverage. The reciprocal retains a management company, which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact. The Board of Governors is

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(4) Summary Disclosure of Significant Contingencies, Continued

(d) Risk Management, Continued

comprised of employees of the subscribers. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Attorney-in-fact derives all of its authority from the Board of Governors and New York State Insurance Laws, and is the entity which enters into contracts on behalf of the reciprocal. The reciprocal is an “assessable” insurance company, in that, the subscribers are severally liable for any financial shortfall of the reciprocal and can be assessed their proportionate share by the State Insurance Department if the funds of the reciprocal are less than what is required to satisfy its liabilities. The subscribers are required to pay premiums as well as a minimal capital contribution.

The County purchases various insurance coverages from the reciprocal to reduce its exposure to loss. The County maintains general liability and automobile liability policies with coverage of \$1 million per occurrence and \$2 million in the aggregate, bodily injury and property damage are subject to a \$100,000 deductible. The County maintains public officials and law enforcement liability policies with coverage of \$1 million per occurrence and \$2 million in the aggregate. The County also maintains an umbrella policy with coverage up to \$10 million per occurrence and \$20 million in the aggregate. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

The County is self-insured for workers’ compensation. The County purchases a stop loss policy which limits the County’s exposure to \$500,000 per occurrence with additional limits on payments per annum. The stop loss policy limits are \$1 million for workers’ compensation and an additional \$1 million for employer’s liability. In addition, the County is self-insured for managerial dental benefits. The liabilities reflected in the internal service funds include a provision for incurred but not reported (IBNR) claims. Health benefits are provided by commercial carriers including health maintenance organizations.

(5) New Pronouncements

(a) Changes in Accounting Standards

During the fiscal year ended December 31, 2011, the County adopted GASB Statement No. 54 - “Accounting and Fund Balance Reporting and Governmental Fund Type Definitions.” This statement requires that the equity of governmental funds be classified into five specific categories which will give greater clarity to the different kinds of constraints that apply.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(5) New Pronouncements, Continued

(b) Future Impacts of Accounting Pronouncements

GASB Statement No. 57 - "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans," amends GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," to allow agent employers that have individual employer OPEB plans, with less than 100 plan members to use the alternate measurement method, regardless of the total number of plan members in the multiple-employer OPEB plan in which it participates. The requirements of this statement are effective for periods beginning after June 15, 2011, which is the fiscal year beginning January 1, 2012 for the County. This statement is not expected to have a material effect on the future financial statements of the County.

GASB Statement No. 61 - "The Financial Reporting Entity: Omnibus" is designed to improve financial reporting for governmental entities by amending the requirements of Statements No. 14 "The Financial Reporting Entity" and No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." This statement amends the criteria for including component units by only including those component units for which the elected officials are financially accountable or that the government determines would be misleading to exclude. This statement also amends the criteria for blending of component units to include only those component units that are so intertwined with the primary government that they are essentially the same as the primary government. The requirements of the statement are effective for periods beginning after June 15, 2012, which is the fiscal year beginning January 1, 2013 for the County. Management has not yet determined the effect that this Statement will have on the future financial statements of the County.

GASB Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncements. This statement incorporates into the GASB's authoritative literature the applicable guidance issued before November 30, 1989 from FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. The requirements of the statement are effective for period beginning after December 15, 2011. This statement is not expected to have a material effect on the future financial statements of the County.

COUNTY OF PUTNAM, NEW YORK
Notes to Financial Statements, Continued

(5) New Pronouncements, Continued

(b) Future Impacts of Accounting Pronouncements, Continued

GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" is intended to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The requirements of the statement are effective for periods beginning after December 15, 2011. This statement is not expected to have a material effect on the financial statements of the County.

GASB Statement No. 64 - "Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53" is intended to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The requirements of the statement are effective for periods beginning after June 15, 2011. This statement is not expected to have a material effect on the financial statements of the County.

**MAJOR
GOVERNMENTAL FUNDS**

GENERAL FUND

The general fund constitutes the primary operating fund of the County in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

CAPITAL PROJECTS FUND

The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

COUNTY OF PUTNAM, NEW YORK
Comparative Balance Sheets
General Fund
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash and equivalents:		
Demand deposits	\$ 24,678,619	24,617,343
Petty cash	27,340	27,840
	24,705,959	24,645,183
Taxes receivable:		
Returned school and village taxes	26,765,338	25,594,970
Tax liens	13,088,667	12,591,111
Taxes receivable - pending	3,595,052	5,970,188
Property acquired for taxes	1,724,161	518,442
	45,173,218	44,674,711
Less - allowance for uncollectible amounts	(5,654,296)	(5,690,250)
	39,518,922	38,984,461
Other receivables:		
Accounts	6,660,325	6,356,897
State and Federal aid	13,392,197	10,174,419
Due from other governments	839,305	565,584
Due from fiduciary fund	725,269	587,795
Due from other fund	777,957	738,396
	22,395,053	18,423,091
Prepaid expenditures	181,505	-
Other assets	95,832	-
Total assets	\$ 86,897,271	82,052,735
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	6,411,968	5,443,162
Accrued liabilities	1,775,981	1,469,652
Tax anticipation notes payable	17,000,000	17,000,000
Due to other governments	17,706,866	16,431,607
Deferred revenue	17,157,977	13,319,796
Total liabilities	60,052,792	53,664,217
Fund balances:		
Nonspendable	692,737	1,000,000
Restricted	433,291	302,889
Assigned - appropriated	5,575,615	7,287,668
Assigned - unappropriated	2,000,000	1,537,188
Unassigned	18,142,836	18,260,773
Total fund balances	26,844,479	28,388,518
Total liabilities and fund balances	\$ 86,897,271	82,052,735

COUNTY OF PUTNAM, NEW YORK
Comparative Schedules of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Years ended December 31, 2010 and 2009

	2011				2010			
	Original budget	Final budget	Actual	Variance with final budget positive (negative)	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:								
Real property taxes	\$ 25,621,025	25,621,025	22,184,625	(3,436,400)	27,591,891	27,591,891	26,632,391	(959,500)
Other tax items	4,749,200	4,441,200	4,528,129	86,929	3,883,850	4,386,500	4,073,276	(313,224)
Non-property tax items	47,829,322	50,048,000	50,048,010	10	48,004,322	47,816,322	47,943,822	127,500
Departmental income	10,736,764	10,595,640	10,866,006	270,366	11,904,155	12,414,336	12,913,950	499,614
Use of money and property	457,807	398,090	385,286	(12,804)	450,122	435,122	444,296	9,174
Licenses and permits	626,125	626,125	697,290	71,165	671,000	671,000	896,933	225,933
Fines and forfeitures	333,436	333,436	258,400	(75,036)	355,299	383,299	254,399	(128,900)
Sale of property and compensation for loss	23,000	158,930	243,328	84,398	12,500	140,403	170,354	29,951
State aid	15,996,495	15,843,706	14,842,944	(1,000,762)	16,394,125	17,016,811	12,038,810	(4,978,001)
Federal aid	8,425,260	10,033,382	9,882,128	(151,254)	8,939,615	11,292,060	11,961,996	669,936
Miscellaneous	5,446,689	4,427,219	(657,502)	(5,084,721)	436,137	223,254	1,201,131	977,877
Total revenue	120,245,123	122,526,753	113,278,644	(9,248,109)	118,643,016	122,370,998	118,531,358	(3,839,640)
Expenditures:								
General government support	22,914,613	23,173,150	21,123,199	2,049,951	22,174,030	22,488,986	20,124,332	2,364,654
Education	10,848,114	10,519,654	9,829,285	690,369	11,263,286	11,187,136	10,037,084	1,150,052
Public safety	29,683,613	32,739,224	30,733,119	2,006,105	29,427,051	31,170,358	28,617,616	2,552,742
Health	12,888,244	13,410,064	12,027,580	1,382,484	15,339,947	16,124,696	13,711,581	2,413,115
Transportation	1,432,107	1,450,229	1,442,776	7,453	1,297,854	1,297,854	1,249,125	48,729
Economic opportunity and development	33,242,619	34,047,712	31,087,737	2,959,975	32,208,733	32,788,613	29,611,726	3,176,887
Culture and recreation	3,105,978	3,158,722	2,526,283	632,439	4,083,516	4,171,817	3,689,492	482,325
Home and community services	1,844,904	2,050,476	1,894,013	156,463	1,928,876	1,858,387	1,774,721	83,666
Employee benefits - undistributed	3,974,931	3,974,931	3,784,913	190,018	3,979,723	3,979,723	3,369,554	610,169
Debt service - interest	310,000	302,800	199,514	103,286	640,000	522,000	113,475	408,525
Total expenditures	120,245,123	124,826,962	114,648,419	10,178,543	122,343,016	125,589,570	112,298,706	13,290,864
Excess (deficiency) of revenue over expenditures	-	(2,300,209)	(1,369,775)	930,434	(3,700,000)	(3,218,572)	6,232,652	9,451,224
Other financing sources (uses):								
Transfers in	-	12,918	12,918	-	-	65,766	65,766	-
Transfers out	-	(357,900)	(187,182)	170,718	-	(540,123)	(540,123)	-
Total other financing sources (uses)	-	(344,982)	(174,264)	170,718	-	(474,357)	(474,357)	-
Net change in fund balances	-	(2,645,191)	(1,544,039)	1,101,152	(3,700,000)	(3,692,929)	5,758,295	9,451,224
Fund balances at beginning of year	18,930,223	18,937,294	28,388,518	9,451,224	22,630,223	22,630,223	22,630,223	-
Fund balances at end of year	\$ 18,930,223	16,292,103	26,844,479	10,552,376	18,930,223	18,937,294	28,388,518	9,451,224

COUNTY OF PUTNAM, NEW YORK
Schedule of Revenue and Other Financing Sources Compared to Budget
General Fund
Year ended December 31, 2011
(with comparative actuals for 2010)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
Real property taxes	\$ 25,621,025	25,621,025	22,184,625	(3,436,400)	26,632,391
Other tax items:					
Taxes on property stricken from roll	1,500	1,500	-	(1,500)	1,832
Gain from sale of tax acquired property	50,000	(218,000)	(167,989)	50,011	(537,687)
Interest and penalties on real property taxes	4,650,000	4,610,000	4,646,114	36,114	4,564,867
Payments in lieu of taxes	47,700	47,700	50,004	2,304	44,264
Total other tax items	<u>4,749,200</u>	<u>4,441,200</u>	<u>4,528,129</u>	<u>86,929</u>	<u>4,073,276</u>
Non-property taxes:					
Sales taxes	47,454,322	49,828,000	49,828,070	70	47,632,078
OTB distributed earnings	375,000	220,000	219,940	(60)	311,744
Total non-property taxes	<u>47,829,322</u>	<u>50,048,000</u>	<u>50,048,010</u>	<u>10</u>	<u>47,943,822</u>
Department income:					
General:					
Clerk fees	1,100,000	1,100,000	1,115,328	15,328	1,053,005
Motor vehicle fees	1,205,000	1,424,000	1,424,575	575	1,371,480
Vehicle registration fees	655,000	655,000	645,302	(9,698)	632,372
Real property tax services - computer	50,000	50,000	44,590	(5,410)	44,152
Emergency 911	390,000	444,000	448,084	4,084	447,632
Commissioner of finance fees	6,500	6,500	9,761	3,261	3,303
County share - examination fees	8,000	8,000	14,555	6,555	23,499
Soil and water fees	12,000	12,000	11,256	(744)	11,870
Department fees - other	87,577	92,627	103,538	10,911	107,706
Charges for tax advertising	90,000	90,000	91,880	1,880	92,865
Central services chargebacks	1,308,957	1,310,387	1,275,360	(35,027)	1,231,485
Mortgage tax fees	197,322	197,322	212,461	15,139	197,322
Total general	<u>5,110,356</u>	<u>5,389,836</u>	<u>5,396,690</u>	<u>6,854</u>	<u>5,216,691</u>
Public safety:					
Sheriff fees	104,000	104,000	102,750	(1,250)	97,880
Prisoner board	781,100	345,000	383,290	38,290	252,065
Restitution surcharge	70,000	70,000	76,814	6,814	71,441
Carmel/Mahopac cops	416,857	416,857	431,816	14,959	449,806
Court protection	53,575	53,575	41,468	(12,107)	35,928
Total public safety	<u>1,425,532</u>	<u>989,432</u>	<u>1,036,138</u>	<u>46,706</u>	<u>907,120</u>
Health:					
Public health fees	419,050	419,050	426,472	7,422	477,137
Rabies vaccine fees	62,000	62,000	14,306	(47,694)	12,041
Wellness program	3,000	3,000	550	(2,450)	550
Home nursing charges	144,578	-	22,849	22,849	1,894,209
Driving while intoxicated programs	50,605	149,603	146,845	(2,758)	119,658
Eliot House continuing treatment fee	129,050	50,605	55,000	4,395	45,777
Contribution from agency	245,761	129,050	126,916	(2,134)	131,549
Health services	180,000	255,102	164,961	(90,141)	115,938
Civil defense	-	180,000	180,000	-	235,500
Total health	<u>1,234,044</u>	<u>1,248,410</u>	<u>1,137,899</u>	<u>(110,511)</u>	<u>3,032,359</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Revenue and Other Financing Sources Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
Department income, continued:					
Economic opportunity and development:					
Medical assistance	\$ 397,865	397,865	743,127	345,262	1,397,101
Aid to dependent children	100,000	100,000	112,262	12,262	79,401
Child support	44,712	44,712	76,915	32,203	70,147
Child care	10,000	10,000	30,031	20,031	19,251
Home relief	75,000	75,000	136,413	61,413	88,554
HEAP	-	-	16,081	16,081	21,460
Contribution from schools	441,200	441,200	794,473	353,273	401,039
Total economic opportunity and development	<u>1,068,777</u>	<u>1,068,777</u>	<u>1,909,302</u>	<u>840,525</u>	<u>2,076,953</u>
Culture and recreation:					
Parks and recreation	27,500	27,500	21,840	(5,660)	29,934
Litter program	1,500	2,630	3,328	698	651
Putnam National Golf Club	1,612,755	1,612,755	1,111,007	(501,748)	1,404,743
Contributions - office of the aging	222,200	222,200	205,425	(16,775)	210,864
Total culture and recreation	<u>1,863,955</u>	<u>1,865,085</u>	<u>1,341,600</u>	<u>(523,485)</u>	<u>1,646,192</u>
Home and community services:					
Inspection fees	25,000	25,000	28,240	3,240	26,840
Planning board fees	100	100	98	(2)	206
Unified court maintenance	2,000	2,000	2,056	56	639
Recycling	7,000	7,000	13,983	6,983	6,950
Total home and community services	<u>34,100</u>	<u>34,100</u>	<u>44,377</u>	<u>10,277</u>	<u>34,635</u>
Total department income	<u>10,736,764</u>	<u>10,595,640</u>	<u>10,866,006</u>	<u>270,366</u>	<u>12,913,950</u>
Use of money and property:					
Earnings on investments	151,535	116,535	125,949	9,414	157,158
Rental income - co-op extension	50,400	50,400	49,200	(1,200)	42,600
Rental income - County facilities	254,472	229,755	205,755	(24,000)	239,472
Commissions	1,400	1,400	4,382	2,982	5,066
Total use of money and property	<u>457,807</u>	<u>398,090</u>	<u>385,286</u>	<u>(12,804)</u>	<u>444,296</u>
Licenses and permits - home improvements and other permits					
	<u>626,125</u>	<u>626,125</u>	<u>697,290</u>	<u>71,165</u>	<u>896,933</u>
Fines and forfeitures:					
Fines and forfeited bail	54,050	54,050	68,838	14,788	89,284
Stop DWI fines	279,386	279,386	189,562	(89,824)	165,115
Total fines and forfeitures	<u>333,436</u>	<u>333,436</u>	<u>258,400</u>	<u>(75,036)</u>	<u>254,399</u>
Sale of property and compensation for loss:					
Minor sales	13,000	60,100	88,469	28,369	53,552
Other compensation for loss	10,000	10,000	15,000	5,000	15,000
Phone income, uniform sales and photo reimbursement	-	84,869	129,462	44,593	88,162
Insurance recoveries	-	3,961	10,397	6,436	13,640
Total sale of property and compensation for loss	<u>23,000</u>	<u>158,930</u>	<u>243,328</u>	<u>84,398</u>	<u>170,354</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Revenue and Other Financing Sources Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
State aid:					
General - environmental conservation	\$ 250,607	260,292	269,435	9,143	217,229
Education:					
Education and transportation of handicapped children	3,746,825	3,561,445	3,185,580	(375,865)	1,730,151
Early intervention	892,769	736,634	701,988	(34,646)	681,145
Total education	4,639,594	4,298,079	3,887,568	(410,511)	2,411,296
Public safety:					
Probation services	218,865	218,865	226,525	7,660	186,000
Court facilities	240,000	240,000	258,587	18,587	268,682
District attorney salary	46,694	46,694	42,035	(4,659)	42,737
Criminal justice grant	72,313	79,185	73,243	(5,942)	188,781
Community projects	30,000	69,410	42,804	(26,606)	127,830
Alternatives to incarceration	14,297	14,297	16,113	1,816	15,728
Miscellaneous	34,000	41,204	53,266	12,062	83,461
Total public safety	656,169	709,655	712,573	2,918	913,219
Health:					
Public health	1,584,554	1,582,916	1,568,065	(14,851)	1,507,765
Civil defense	294,000	294,000	294,000	-	294,000
DSAS - common sense	273,677	274,503	826	(273,677)	272,851
DAAA - Talbot House	185,220	185,564	155,564	(30,000)	184,695
Mental health administration	202,614	202,614	195,100	(7,514)	199,846
Greenway grant	6,000	6,000	6,000	-	6,000
Medicare reimbursement - EMS	47,102	27,268	26,663	(605)	36,062
PARC	335,613	335,613	313,844	(21,769)	310,737
Communicable diseases	-	-	8,002	8,002	9,563
Mental health - clinic	674,214	723,424	723,302	(122)	888,091
Mental health - Eliot House	515,976	514,873	502,721	(12,152)	181,459
Mental health - commissioner's performance	835,118	835,865	822,006	(13,859)	899,946
Home Health Grant - office of the aging	445,810	445,810	421,153	(24,657)	390,868
Total health	5,399,898	5,428,450	5,037,246	(391,204)	5,181,883
Economic opportunity and development:					
Unicorn	6,000	6,000	4,080	(1,920)	6,000
Youth suicide prevention	3,690	2,562	2,562	-	3,685
Social services administration	2,083,563	2,085,568	1,987,461	(98,107)	1,304,040
Youth court coordinator	37,002	32,604	34,139	1,535	34,917
Aid to dependent children	660,103	660,103	195,141	(464,962)	203,451
Child care	1,108,490	1,108,490	661,128	(447,362)	1,116,071
Child advocacy center	229,755	243,858	233,607	(10,251)	216,602
Consumer affairs	-	-	-	-	4,355
Day care	51,000	51,000	74,957	23,957	41,892
Juvenile delinquents	12,250	112,233	59,010	(53,223)	88,700
Home relief	250,800	250,800	114,961	(135,839)	171,046
Emergency aid for adults	14,710	14,710	4,210	(10,500)	4,407
Soil and water	36,000	42,000	44,736	2,736	30,000
Veterans' service agency	4,700	4,700	8,654	3,954	8,654
Mobility grants	5,500	12,000	10,789	(1,211)	8,963
Runaways	42,781	32,010	32,389	379	40,997

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Revenue and Other Financing Sources Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
State aid, continued:					
Economic opportunity and development, continued:					
Indigent legal services	\$ 168,344	168,344	168,344	-	189,129
Drug abuse prevention	30,559	15,268	15,268	-	30,396
Refund of prior year expense	-	-	985,982	985,982	(517,081)
Total economic opportunity and development	<u>4,745,247</u>	<u>4,842,250</u>	<u>4,637,418</u>	<u>(204,832)</u>	<u>2,986,224</u>
Culture and recreation:					
Programs for the aging	157,989	157,989	146,486	(11,503)	151,131
RSVP grant	41,006	41,006	32,507	(8,499)	34,145
Youth programs	105,985	105,985	119,711	13,726	143,683
Total culture and recreation	<u>304,980</u>	<u>304,980</u>	<u>298,704</u>	<u>(6,276)</u>	<u>328,959</u>
Total State aid	<u>15,996,495</u>	<u>15,843,706</u>	<u>14,842,944</u>	<u>(1,000,762)</u>	<u>12,038,810</u>
Federal aid:					
General:					
Help America Vote Act	-	641,512	151,120	(490,392)	117,370
Public safety:					
JD/PINS	-	-	6,775	6,775	6,921
Sheriff	86,815	516,278	173,541	(342,737)	221,452
Total public safety	<u>86,815</u>	<u>516,278</u>	<u>180,316</u>	<u>(335,962)</u>	<u>228,373</u>
Education - education and transportation transportation of handicapped children	-	-	-	-	2,423,501
Economic opportunity and development:					
Social services administration	2,598,965	2,601,694	2,204,368	(397,326)	1,828,959
Food stamp program administration	412,815	412,815	492,669	79,854	397,740
Services for recipients	334,600	334,600	171,978	(162,622)	505,379
Aid to dependent children	211,480	211,480	566,807	355,327	465,823
Early intervention	185,313	187,376	226,245	38,869	208,293
Child care	204,465	204,465	165,126	(39,339)	137,895
FMAP	620,000	620,000	919,223	299,223	1,867,365
Medicaid 3-5	30,000	30,000	34,574	4,574	(15,615)
Medicaid salary sharing	32,360	32,360	42,436	10,076	41,171
Tobacco awareness grant	149,647	111,709	112,850	1,141	106,079
Emergency management	23,374	23,374	-	(23,374)	23,374
Home health grant - WIC	393,435	393,435	379,305	(14,130)	337,774
Safety net	22,550	22,550	73,502	50,952	19,285
Day care	736,272	736,272	692,150	(44,122)	766,673
National Children Alliance - Crime Victims Grant	90,951	104,851	96,953	(7,898)	83,213
Nutrition	111,184	111,184	151,710	40,526	148,450
Fuel crisis - HEAP	-	101,382	65,486	(35,896)	57,316
Sheriff and probation	-	-	-	-	49,109
Title IV B	70,412	175,276	74,214	(101,062)	132,547
Office of the Aging	114,238	114,238	147,618	33,380	146,817
Youth Programs	-	96,220	-	(96,220)	-
Council on alcohol	134,603	134,603	408,280	273,677	134,603

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Revenue and Other Financing Sources Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
Federal aid, continued:					
Economic opportunity and development, continued:					
Community service	\$ 43,031	43,031	60,938	17,907	35,624
Workforce Investment Act	411,026	545,758	407,054	(138,704)	343,562
Incentive program	1,019,327	1,038,280	1,383,209	344,929	1,043,374
SNAP	17,000	17,000	26,361	9,361	23,800
RSVP	51,269	51,269	46,140	(5,129)	50,523
Refund of prior year expense	-	36,930	288,422	251,492	(200,512)
Total economic opportunity and development	<u>8,018,317</u>	<u>8,492,152</u>	<u>9,237,618</u>	<u>745,466</u>	<u>8,738,621</u>
Home and community services:					
Planning board	128,000	128,000	132,482	4,482	125,384
Bio terrorism grant	159,680	222,992	159,645	(63,347)	299,226
Putnam/Westchester Mobility grant	29,500	29,500	17,158	(12,342)	26,573
Wellness grant	2,948	2,948	3,789	841	2,948
Total home and community services	<u>320,128</u>	<u>383,440</u>	<u>313,074</u>	<u>(70,366)</u>	<u>454,131</u>
Total Federal aid	<u>8,425,260</u>	<u>10,033,382</u>	<u>9,882,128</u>	<u>(151,254)</u>	<u>11,961,996</u>
Miscellaneous:					
Refund of prior year's expenditures	357,000	357,000	(1,206,449)	(1,563,449)	744,517
Medicare Part D reimbursement	164,825	164,825	164,825	-	169,947
Proceeds of seized property	-	60,888	56,013	(4,875)	25,024
Other	4,924,864	3,844,506	328,109	(3,516,397)	261,643
Total miscellaneous	<u>5,446,689</u>	<u>4,427,219</u>	<u>(657,502)</u>	<u>(5,084,721)</u>	<u>1,201,131</u>
Total revenues	<u>120,245,123</u>	<u>122,526,753</u>	<u>113,278,644</u>	<u>(9,248,109)</u>	<u>118,531,358</u>
Other financing sources:					
Transfers in:					
County road fund	-	-	-	-	21,118
Road machinery fund	-	12,918	12,918	-	44,648
Total other financing sources	<u>-</u>	<u>12,918</u>	<u>12,918</u>	<u>-</u>	<u>65,766</u>
Total revenues and other financing sources	<u>\$ 120,245,123</u>	<u>122,539,671</u>	<u>113,291,562</u>	<u>(9,248,109)</u>	<u>118,597,124</u>

COUNTY OF PUTNAM, NEW YORK
Schedule of Expenditures and other Financing Uses Compared to Budget
General Fund
Year ended December 31, 2011
(with comparative actuals for 2010)

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2010 <u>Actual</u>
General government support:					
County legislature	\$ 1,150,567	1,173,395	1,090,196	83,199	1,060,401
County share of judicial expenditures	320,500	332,906	281,820	51,086	310,930
District attorney	1,784,177	1,911,545	1,806,186	105,359	1,782,083
Legal Aid Society	596,559	596,559	596,559	-	596,559
Audit	457,704	559,364	536,200	23,164	424,916
Court appointed legal defense of indigents	425,000	464,233	464,233	-	400,000
Justice of the peace and constables	4,250	4,250	4,680	(430)	4,330
Coroners	310,489	343,102	325,226	17,876	283,862
County executive	417,776	478,726	439,555	39,171	409,888
Department of finance	1,567,556	1,694,434	1,578,351	116,083	1,423,041
Division of purchasing - central services	355,897	375,648	341,784	33,864	364,201
Real property tax services	298,855	421,069	293,146	127,923	252,592
Tax advertising and expense	70,000	63,250	45,422	17,828	58,707
Expenditures on property acquired for taxes	75,000	60,850	57,391	3,459	50,121
County clerk as registrar	1,547,997	1,625,779	1,473,452	152,327	1,385,404
County clerk as motor vehicles commissioner	1,039,530	1,058,863	961,783	97,080	926,189
Department of law	1,211,879	1,397,211	1,366,193	31,018	1,284,738
Personnel department	972,503	864,710	759,168	105,542	900,870
Board of elections	1,611,629	1,649,084	1,348,622	300,462	1,422,500
Community affairs	-	-	-	-	26,518
Records management	201,786	213,359	159,647	53,712	121,094
Department of highways and facilities	2,893,222	2,939,001	2,657,018	281,983	1,533,840
Central services administration	312,923	363,318	309,581	53,737	286,500
Building department	2,220,270	2,290,972	2,180,983	109,989	2,582,892
Insurance	845,798	803,081	787,019	16,062	837,028
Dues	26,200	26,200	25,661	539	16,279
Taxes on county property	310,000	293,850	290,132	3,718	283,711
Judgments and claims	300,000	300,000	229,315	70,685	465,716
Department of information technology	660,392	770,506	713,876	56,630	629,422
Contingency fund	926,154	97,885	-	97,885	-
Total general government support	<u>22,914,613</u>	<u>23,173,150</u>	<u>21,123,199</u>	<u>2,049,951</u>	<u>20,124,332</u>
Education:					
Community college tuition	3,250,000	3,223,500	2,578,873	644,627	2,729,010
Education of handicapped children	7,598,114	7,296,154	7,250,412	45,742	7,308,074
Total education	<u>10,848,114</u>	<u>10,519,654</u>	<u>9,829,285</u>	<u>690,369</u>	<u>10,037,084</u>
Public safety:					
Bureau of emergency services	3,958,324	4,782,460	4,035,722	746,738	4,024,896
Sheriff	14,537,516	16,400,315	15,631,446	768,869	13,851,098
Probation department	1,921,247	1,975,788	1,876,517	99,271	1,716,614
Stop DWI	279,386	282,645	257,128	25,517	318,990
Jail	8,987,140	9,298,016	8,932,306	365,710	8,706,018
Total public safety	<u>29,683,613</u>	<u>32,739,224</u>	<u>30,733,119</u>	<u>2,006,105</u>	<u>28,617,616</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Expenditures and other Financing Uses Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
Health:					
Public health	\$ 5,956,381	6,485,036	5,960,232	524,804	7,702,349
Early intervention program	2,341,424	2,284,762	2,047,326	237,436	2,058,470
Communicable disease treatment	40,000	26,000	22,229	3,771	26,565
Substance abuse	339,482	340,308	340,308	-	333,258
Alcoholism	493,282	493,626	445,626	48,000	477,340
Drunk driver program	82,935	88,608	85,201	3,407	79,449
Mental health administration	707,839	715,969	651,934	64,035	683,183
Mental health - clinic	674,214	723,424	401,592	321,832	616,753
Mental health - Eliot House	515,976	514,873	454,467	60,406	149,786
Family support services	1,338,598	1,339,345	1,242,321	97,024	1,341,820
Mental health - PARC	398,113	398,113	376,344	21,769	242,608
Total health	<u>12,888,244</u>	<u>13,410,064</u>	<u>12,027,580</u>	<u>1,382,484</u>	<u>13,711,581</u>
Transportation:					
MTA subsidy	380,276	380,276	380,276	-	380,276
MTA station maintenance	<u>1,051,831</u>	<u>1,069,953</u>	<u>1,062,500</u>	<u>7,453</u>	<u>868,849</u>
Total transportation	<u>1,432,107</u>	<u>1,450,229</u>	<u>1,442,776</u>	<u>7,453</u>	<u>1,249,125</u>
Economic opportunity and development:					
Social services administration	8,081,109	8,225,960	7,366,098	859,862	6,991,579
Purchase of services	1,245,000	1,245,000	1,023,190	221,810	941,119
Medical assistance	216,965	216,965	125,319	91,646	135,427
Medical assistance - MMIS	9,378,616	9,378,616	9,378,616	-	9,099,415
Aid to dependent children	2,760,000	2,772,591	1,967,568	805,023	1,895,344
Child care	2,914,470	2,937,470	2,817,595	119,875	2,477,306
Juvenile delinquents	105,000	122,000	16,384	105,616	52,367
State training school	30,000	2,250	-	2,250	-
Safety net	625,000	672,750	686,582	(13,832)	477,022
State fuel assistance	-	40,553	28,373	12,180	79,219
Emergency aid for adults	50,000	30,000	20,605	9,395	10,924
Grants	259,348	377,089	296,086	81,003	208,071
Child advocacy center	157,462	164,544	154,058	10,486	327,405
Day care	850,000	850,000	796,526	53,474	852,060
Office for the disabled	34,840	167,965	101,558	66,407	30,025
Putnam workforce partnership	411,026	569,889	421,728	148,161	566,592
Putnam tourism promotional agency	321,001	327,444	327,409	35	180,941
SNAP program	607,010	620,426	595,687	24,739	552,831
Veterans' service agency	78,366	80,871	70,080	10,791	70,884
Veterans' home	36,600	37,248	28,293	8,955	28,122
Consumer affairs and weights and measures	582,029	605,490	581,409	24,081	559,766
Office of the Aging - Title III	1,003,808	1,041,566	910,877	130,689	926,477
Office of the Aging - RSVP	454,097	461,940	445,209	16,731	416,449
Nutrition for the elderly	1,519,350	1,575,089	1,500,107	74,982	1,388,976
In-home service program	288,124	288,519	262,209	26,310	313,064
Community services for the elderly	<u>1,233,398</u>	<u>1,235,477</u>	<u>1,166,171</u>	<u>69,306</u>	<u>1,030,341</u>
Total economic opportunity and development	<u>33,242,619</u>	<u>34,047,712</u>	<u>31,087,737</u>	<u>2,959,975</u>	<u>29,611,726</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK
Schedule of Expenditures and other Financing Uses Compared to Budget, Continued

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2010 Actual
Culture and recreation:					
Parks and recreation administration	\$ 1,656,555	1,683,343	1,157,485	525,858	2,278,025
Youth programs	703,999	718,604	658,355	60,249	718,136
Library board	369,116	369,116	369,116	-	369,116
County historian	109,952	118,552	95,551	23,001	80,787
Historic preservation	8,500	8,500	3,000	5,500	8,500
Arts council	36,225	36,225	36,225	-	36,225
Contribution to the arts	12,000	12,000	12,000	-	10,800
County museum	50,000	50,000	50,000	-	50,000
Southeast museum	25,000	25,000	25,000	-	25,000
Recreation for the elderly	134,631	137,382	119,551	17,831	112,903
Total culture and recreation	<u>3,105,978</u>	<u>3,158,722</u>	<u>2,526,283</u>	<u>632,439</u>	<u>3,689,492</u>
Home and community services:					
Planning	944,552	1,144,661	1,039,910	104,751	882,054
Soil and water	144,145	147,779	137,615	10,164	125,762
Recycling	289,744	288,194	251,544	36,650	303,264
Humane society	140,920	140,920	140,920	-	140,920
Fish and game	19,952	19,952	16,250	3,702	17,287
Watershed administrator	17,300	18,179	18,102	77	17,143
Extension	288,291	290,791	289,672	1,119	288,291
Total home and community services	<u>1,844,904</u>	<u>2,050,476</u>	<u>1,894,013</u>	<u>156,463</u>	<u>1,774,721</u>
Employee benefits - undistributed:					
Unemployment benefits	63,180	63,180	46,117	17,063	51,239
Disability, accident and health insurance	3,911,751	3,911,751	3,738,796	172,955	3,318,315
Total employee benefits - undistributed	<u>3,974,931</u>	<u>3,974,931</u>	<u>3,784,913</u>	<u>190,018</u>	<u>3,369,554</u>
Debt service - interest - tax anticipation notes	310,000	302,800	199,514	103,286	113,475
Total expenditures	<u>120,245,123</u>	<u>124,826,962</u>	<u>114,648,419</u>	<u>10,178,543</u>	<u>112,298,706</u>
Other financing uses:					
Transfers out:					
Capital projects fund	-	193,884	187,182	6,702	55,200
County road fund	-	54,191	-	54,191	326,133
Road machinery fund	-	109,825	-	109,825	12,918
Transportation fund	-	-	-	-	145,872
Total other financing uses	<u>-</u>	<u>357,900</u>	<u>187,182</u>	<u>170,718</u>	<u>540,123</u>
Total expenditures and other financing sources	<u>\$ 120,245,123</u>	<u>125,184,862</u>	<u>114,835,601</u>	<u>10,349,261</u>	<u>112,838,829</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Balance Sheets
Capital Projects Fund
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash and equivalents	\$ <u>18,253,009</u>	<u>19,842,630</u>
Receivables:		
State and Federal aid	3,738,892	4,135,590
Accounts	<u>2,533</u>	<u>-</u>
Total receivables	<u>3,741,425</u>	<u>4,135,590</u>
Total assets	<u>\$ 21,994,434</u>	<u>23,978,220</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	779,221	1,516,372
Accrued liabilities	17,475	19,093
Retained percentages payable	239,553	126,321
Due to other funds	2,758,441	4,123,542
Deferred revenues	<u>14,627,563</u>	<u>15,328,688</u>
Total liabilities	18,422,253	21,114,016
Fund balances:		
Restricted	3,856,474	3,466,159
Unassigned	<u>(284,293)</u>	<u>(601,955)</u>
Total fund balances	<u>3,572,181</u>	<u>2,864,204</u>
Total liabilities and fund balance	<u>\$ 21,994,434</u>	<u>23,978,220</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Revenue, Expenditures and
 Changes in Fund Balance
 Capital Projects Fund
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
State aid	\$ 1,035,289	1,113,129
Federal aid	1,948,202	1,934,434
Miscellaneous	<u>2,406,290</u>	<u>3,213,950</u>
Total revenues	5,389,781	6,261,513
Expenditures - capital outlay	<u>8,548,292</u>	<u>11,453,142</u>
Excess of expenditures over revenue	<u>(3,158,511)</u>	<u>(5,191,629)</u>
Other financing sources (uses):		
Proceeds from serial bonds	3,680,181	4,888,110
Transfers in	187,182	55,200
Transfers out	<u>(875)</u>	<u>-</u>
Total other financing sources	<u>3,866,488</u>	<u>4,943,310</u>
Net change in fund balance	707,977	(248,319)
Fund balance at beginning of year	<u>2,864,204</u>	<u>3,112,523</u>
Fund balance at end of year	<u>\$ 3,572,181</u>	<u>2,864,204</u>

COUNTY OF PUTNAM, NEW YORK
Capital Projects Fund
Project-Length Schedule
Inception of Project Through December 31, 2011

PROJECT	Appropriation	Expenditures and transfers	Unexpended balance	Methods of Financing				Totals	Fund balance (Deficit) at December 31 2011
				State and Federal aid	Interfund transfers Federal aid	Proceeds of obligations	Other		
General government support:									
Court facility	\$ 26,822,500	26,810,726	11,774	-	62,500	27,510,000	(750,000)	26,822,500	11,774
Minor repairs	7,308,444	5,303,808	2,004,636	-	2,910,870	2,094,610	1,007,097	6,012,577	708,769
Senior Center - Putnam Valley	5,300,000	1,137,768	4,162,232	108,000	-	1,034,000	-	1,142,000	4,232
HVUCP grant	1,490,000	1,482,000	8,000	1,490,000	-	-	-	1,490,000	8,000
34 Gleneida Avenue improvements	29,989	29,989	-	-	10,000	30,000	(10,011)	29,989	-
Roof replacement	794,723	214,723	580,000	-	-	205,760	8,963	214,723	-
Pollution remediation	2,457,130	584,633	1,872,497	-	-	1,580,875	(864)	1,580,011	995,378
Computer upgrade	435,000	-	435,000	-	-	435,000	-	435,000	435,000
Total government support	44,637,786	35,563,647	9,074,139	1,598,000	2,983,370	32,890,245	255,185	37,726,800	2,163,153
Public safety:									
Jail facility	12,682,265	12,541,103	141,162	250,000	504,965	11,806,000	121,300	12,682,265	141,162
Emergency operations center	11,840,719	11,811,611	29,108	-	-	9,050,000	2,790,719	11,840,719	29,108
Total public safety	24,522,984	24,352,714	170,270	250,000	504,965	20,856,000	2,912,019	24,522,984	170,270
Transportation:									
Bridge renovation	9,842,380	1,743,394	8,098,986	299,234	182,500	1,645,186	168,534	2,295,454	552,060
Drainage	50,000	-	50,000	-	50,000	-	-	50,000	50,000
Infrastructure	25,761,776	12,495,664	13,266,112	2,974,958	1,755,000	7,911,055	(212,023)	12,428,990	(66,674)
Signs	282,500	258,015	24,485	-	162,500	120,000	-	282,500	24,485
Transit garage	763,503	133,719	629,784	83,959	100,000	146,000	(89,497)	240,462	106,743
Fair Street	8,437,345	5,173,156	3,264,189	4,903,080	294,500	-	222,367	5,419,947	246,791
Highway equipment	2,252,641	1,945,641	307,000	-	509,403	1,549,806	(9,165)	2,050,044	104,403
Buses	3,153,006	2,472,677	680,329	1,100,246	30,000	1,481,440	36,264	2,647,950	175,273
Maybrook bikeway	24,789,929	13,528,303	11,261,626	11,519,953	224,787	1,712,500	54,034	13,511,274	(17,029)
Multi modal project	1,500,000	1,500,000	-	1,499,694	-	-	306	1,500,000	-
FTC lot paving	100,000	97,462	2,538	-	17,779	-	82,221	100,000	2,538
Gas pump program	154,497	-	154,497	-	65,000	-	89,497	154,497	154,497
FEMA repairs	500,000	97,913	402,087	-	-	-	-	-	(97,913)
Total transportation	77,587,577	39,445,944	38,141,633	22,381,124	3,391,469	14,565,987	342,538	40,681,118	1,235,174
Culture and recreation:									
Macgregor Club	15,957,424	14,679,553	1,277,871	619,085	-	5,950,000	8,007,791	14,576,876	(102,677)
Veterans Museum	66,425	66,425	-	36,032	27,000	5,000	(1,607)	66,425	-
Tilly Foster Wells	513,221	141,396	371,825	84,500	111,000	-	(32,279)	163,221	21,825
Camp Walter Herlich	2,975,000	1,176,658	1,798,342	200,000	-	-	978,764	1,178,764	2,106
County Park	8,553,286	4,814,958	3,738,328	4,406,209	-	177,500	295,863	4,879,572	64,614
Total culture and recreation	28,065,356	20,878,990	7,186,366	5,345,826	138,000	6,132,500	9,248,532	20,864,858	(14,132)
Home and community services - water quality	48,223,440	33,578,160	14,645,280	-	85,200	-	33,510,676	33,595,876	17,716
Totals	\$ 223,037,143	153,819,455	69,217,688	29,574,950	7,103,004	74,444,732	46,268,950	157,391,636	3,572,181

<p style="text-align: center;">NON-MAJOR GOVERNMENTAL FUNDS</p>
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SPECIAL REVENUE FUNDS

- County road fund - The county road fund is established pursuant to New York State Highway Law and is used to account for the maintenance and repair of County roads and bridges and snow removal costs.
- Road machinery fund - The road machinery fund is used to account for the purchase, repair and maintenance of highway machinery, tools and equipment and for the purchase, construction and maintenance of buildings for the storage and repair of highway machinery and equipment.
- Transportation fund - The transportation fund is used to account for the activities of a County-wide bus system funded under the auspices of the Urban Mass Transportation Administration and the New York State Department of Transportation.
- Special purpose fund - The special purpose fund is used to account for assets held by the County in accordance with the terms of a trust agreement.

DEBT SERVICE FUND

- The debt service fund is provided to account for the accumulation of resources to be used for the redemption of principal and interest on long-term debt.

COUNTY OF PUTNAM, NEW YORK
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2011
(with comparative totals for 2010)

<u>Assets</u>	County road <u>fund</u>	Road machinery <u>fund</u>	Transportation <u>fund</u>	Special purpose <u>fund</u>	Debt service <u>fund</u>	<u>Total non-major governmental funds</u>	
						<u>2011</u>	<u>2010</u>
Cash and equivalents	\$ 300	-	-	36,040	-	36,340	29,701
Receivables:							
State and Federal aid	311,038	-	67,494	-	-	378,532	2,625
Accounts	-	-	-	-	415,400	415,400	182,400
Due from other funds	<u>1,306,812</u>	<u>669,426</u>	<u>367,181</u>	-	-	<u>2,343,419</u>	<u>3,568,901</u>
Total receivables	<u>1,617,850</u>	<u>669,426</u>	<u>434,675</u>	-	<u>415,400</u>	<u>3,137,351</u>	<u>3,753,926</u>
Prepaid items	<u>38,553</u>	<u>9,492</u>	-	-	-	<u>48,045</u>	-
Total assets	<u>\$ 1,656,703</u>	<u>678,918</u>	<u>434,675</u>	<u>36,040</u>	<u>415,400</u>	<u>3,221,736</u>	<u>3,783,627</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	136,534	174,476	208,051	-	-	519,061	500,847
Accrued liabilities	249,140	54,656	-	-	-	303,796	374,888
Deferred revenue	-	-	982	-	-	982	212,428
Due to other funds	-	-	-	-	79,922	79,922	19,558
Total liabilities	<u>385,674</u>	<u>229,132</u>	<u>209,033</u>	-	<u>79,922</u>	<u>903,761</u>	<u>1,107,721</u>
Fund balances:							
Nonspendable	38,553	9,492	-	-	-	48,045	-
Restricted	-	-	-	36,040	335,478	371,518	192,243
Assigned - appropriated	738,733	388,663	35,000	-	-	1,162,396	892,894
Assigned - unappropriated	<u>493,743</u>	<u>51,631</u>	<u>190,642</u>	-	-	<u>736,016</u>	<u>1,590,769</u>
Total fund balances	<u>1,271,029</u>	<u>449,786</u>	<u>225,642</u>	<u>36,040</u>	<u>335,478</u>	<u>2,317,975</u>	<u>2,675,906</u>
Total liabilities and fund balances	<u>\$ 1,656,703</u>	<u>678,918</u>	<u>434,675</u>	<u>36,040</u>	<u>415,400</u>	<u>3,221,736</u>	<u>3,783,627</u>

COUNTY OF PUTNAM, NEW YORK
 Combining Statement of Revenue, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year ended December 31, 2011
 (with comparative totals for 2010)

	County road fund	Road machinery fund	Transportation fund	Special purpose fund	Debt service fund	Total non-major governmental funds	
						2011	2010
Revenue:							
Real property taxes	\$ 4,319,366	990,519	1,421,353	-	5,064,512	11,795,750	9,824,884
Departmental income	-	-	299,136	-	-	299,136	291,328
Intergovernmental charges	753,406	-	-	-	-	753,406	656,761
Use of money and property	-	-	-	-	677,807	677,807	540,792
Interfund revenues	-	376,795	-	-	-	376,795	405,648
State aid	-	-	671,645	-	-	671,645	655,964
Federal aid	-	-	66,100	-	-	66,100	62,100
Miscellaneous	29,301	9,381	-	6,639	-	45,321	26,125
Total revenue	<u>5,102,073</u>	<u>1,376,695</u>	<u>2,458,234</u>	<u>6,639</u>	<u>5,742,319</u>	<u>14,685,960</u>	<u>12,463,602</u>
Expenditures:							
Current:							
Public safety	195,800	-	-	-	-	195,800	153,985
Transportation	5,222,850	1,740,394	2,302,246	-	-	9,265,490	8,389,745
Debt service - serial bonds:							
Principal	-	-	-	-	3,015,401	3,015,401	2,950,000
Interest	-	-	-	-	2,555,157	2,555,157	2,415,651
Total expenditures	<u>5,418,650</u>	<u>1,740,394</u>	<u>2,302,246</u>	<u>-</u>	<u>5,570,558</u>	<u>15,031,848</u>	<u>13,909,381</u>
Excess (deficiency) of revenue over expenditures	<u>(316,577)</u>	<u>(363,699)</u>	<u>155,988</u>	<u>6,639</u>	<u>171,761</u>	<u>(345,888)</u>	<u>(1,445,779)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	875	875	484,923
Transfers out	-	(12,918)	-	-	-	(12,918)	(65,766)
Total other financing sources (uses)	<u>-</u>	<u>(12,918)</u>	<u>-</u>	<u>-</u>	<u>875</u>	<u>(12,043)</u>	<u>419,157</u>
Net change in fund balances	(316,577)	(376,617)	155,988	6,639	172,636	(357,931)	(1,026,622)
Fund balances at beginning of year	<u>1,587,606</u>	<u>826,403</u>	<u>69,654</u>	<u>29,401</u>	<u>162,842</u>	<u>2,675,906</u>	<u>3,702,528</u>
Fund balances at end of year	<u>\$ 1,271,029</u>	<u>449,786</u>	<u>225,642</u>	<u>36,040</u>	<u>335,478</u>	<u>2,317,975</u>	<u>2,675,906</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Balance Sheets
 County Road Fund
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash - petty cash	\$ 300	300
Receivables:		
State and Federal aid	311,038	-
Due from other funds	<u>1,306,812</u>	<u>2,298,592</u>
Total receivables	<u>1,617,850</u>	<u>2,298,592</u>
Other	<u>38,553</u>	<u>-</u>
Total assets	<u>\$ 1,656,703</u>	<u>2,298,892</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	136,534	182,528
Accrued liabilities	249,140	316,330
Deferred revenue	<u>-</u>	<u>212,428</u>
Total liabilities	<u>385,674</u>	<u>711,286</u>
Fund balances:		
Nonspendable	38,553	-
Assigned - appropriated	738,733	630,319
Assigned - unappropriated	<u>493,743</u>	<u>957,287</u>
Total fund balances	<u>1,271,029</u>	<u>1,587,606</u>
Total liabilities and fund balances	<u>\$ 1,656,703</u>	<u>2,298,892</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Schedules of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
County Road Fund
Years ended December 31, 2011 and 2010

	2011				2010			
	Original budget	Final budget	Actual	Variance with final budget positive (negative)	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:								
Real property taxes	\$ 4,319,366	4,319,366	4,319,366	-	4,127,161	4,127,161	4,127,161	-
Intergovernmental charges	650,000	650,000	753,406	103,406	647,000	647,000	656,761	9,761
Miscellaneous	11,350	11,350	29,301	17,951	17,250	24,281	8,753	(15,528)
Total revenue	<u>4,980,716</u>	<u>4,980,716</u>	<u>5,102,073</u>	<u>121,357</u>	<u>4,791,411</u>	<u>4,798,442</u>	<u>4,792,675</u>	<u>(5,767)</u>
Expenditures:								
Current:								
Public safety	205,250	273,003	195,800	77,203	222,018	228,929	153,985	74,944
Transportation	5,223,834	5,473,828	5,222,850	250,978	4,969,393	5,328,534	4,719,177	609,357
Total expenditures	<u>5,429,084</u>	<u>5,746,831</u>	<u>5,418,650</u>	<u>328,181</u>	<u>5,191,411</u>	<u>5,557,463</u>	<u>4,873,162</u>	<u>684,301</u>
Deficiency of revenue over expenditures	(448,368)	(766,115)	(316,577)	449,538	(400,000)	(759,021)	(80,487)	678,534
Other financing sources (uses):								
Transfers in	448,368	578,312	-	(578,312)	-	326,133	326,133	-
Transfers out	-	-	-	-	-	(21,118)	(21,118)	-
Net change in fund balance	-	(187,803)	(316,577)	(128,774)	(400,000)	(454,006)	224,528	678,534
Fund balance at beginning of year	963,078	909,072	1,587,606	678,534	1,363,078	1,363,078	1,363,078	-
Fund balance at end of year	<u>\$ 963,078</u>	<u>721,269</u>	<u>1,271,029</u>	<u>549,760</u>	<u>963,078</u>	<u>909,072</u>	<u>1,587,606</u>	<u>678,534</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Balance Sheets
 Road Machinery Fund
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Due from other funds	\$ 669,426	982,669
Other asset	<u>9,492</u>	<u>-</u>
	<u>\$ 678,918</u>	<u>982,669</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	174,476	97,708
Accrued liabilities	<u>54,656</u>	<u>58,558</u>
Total liabilities	<u>229,132</u>	<u>156,266</u>
Fund balances:		
Nonspendable	9,492	-
Assigned - appropriated	388,663	262,575
Assigned - unappropriated	<u>51,631</u>	<u>563,828</u>
Total fund balances	<u>449,786</u>	<u>826,403</u>
Total liabilities and fund balances	<u>\$ 678,918</u>	<u>982,669</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Schedules of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Road Machinery Fund
Years ended December 31, 2011 and 2010

	2011				2010			
	Original budget	Final budget	Actual	Variance with final budget positive (negative)	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:								
Real property taxes	\$ 990,519	990,519	990,519	-	1,245,701	1,245,701	1,245,701	-
Interfund revenues	433,310	433,310	376,795	(56,515)	467,685	512,333	405,648	(106,685)
Miscellaneous	-	-	9,381	9,381	-	13,325	13,325	-
Total revenues	1,423,829	1,423,829	1,376,695	(47,134)	1,713,386	1,771,359	1,664,674	(106,685)
Expenditures - transportation	1,676,206	1,795,600	1,740,394	55,206	1,713,386	1,748,532	1,519,463	229,069
Excess (deficiency) of revenues over expenditures	(252,377)	(371,771)	(363,699)	8,072	-	22,827	145,211	122,384
Other financing sources (uses):								
Transfers in	-	109,825	-	(109,825)	-	12,918	12,918	-
Transfers out	-	(32,918)	(12,918)	20,000	-	(44,648)	(44,648)	-
Total other financing sources (uses)	-	76,907	(12,918)	(89,825)	-	(31,730)	(31,730)	-
Net change in fund balance	(252,377)	(294,864)	(376,617)	(81,753)	-	(8,903)	113,481	122,384
Fund balance at beginning of year	712,922	704,019	826,403	122,384	712,922	712,922	712,922	-
Fund balance at end of year	\$ 460,545	409,155	449,786	40,631	712,922	704,019	826,403	122,384

COUNTY OF PUTNAM, NEW YORK
 Comparative Balance Sheets
 Transportation Fund
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Receivables:		
State and Federal aid	\$ 67,494	2,625
Due from other funds	<u>367,181</u>	<u>287,640</u>
Total assets	<u>\$ 434,675</u>	<u>290,265</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	208,051	220,611
Deferred revenues	<u>982</u>	<u>-</u>
Total liabilities	<u>209,033</u>	<u>220,611</u>
Fund balances:		
Assigned - appropriated	35,000	-
Assigned - unappropriated	<u>190,642</u>	<u>69,654</u>
Total fund balances	<u>225,642</u>	<u>69,654</u>
Total liabilities and fund balances	<u>\$ 434,675</u>	<u>290,265</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Schedules of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Transportation Fund
Years ended December 31, 2011 and 2010

	2011				2010			
	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenue:								
Real property taxes	\$ 1,421,353	1,421,353	1,421,353	-	764,665	764,665	764,665	-
Departmental income	290,000	290,000	299,136	9,136	267,300	267,300	291,328	24,028
State aid	670,000	670,000	671,645	1,645	675,000	675,000	655,964	(19,036)
Federal aid	66,100	66,100	66,100	-	62,100	62,100	62,100	-
Total revenue	<u>2,447,453</u>	<u>2,447,453</u>	<u>2,458,234</u>	<u>10,781</u>	<u>1,769,065</u>	<u>1,769,065</u>	<u>1,774,057</u>	<u>4,992</u>
Expenditures - transportation	<u>2,447,453</u>	<u>2,407,453</u>	<u>2,302,246</u>	<u>105,207</u>	<u>2,069,065</u>	<u>2,214,937</u>	<u>2,151,105</u>	<u>63,832</u>
Deficiency of revenue over expenditures	-	40,000	155,988	115,988	(300,000)	(445,872)	(377,048)	68,824
Other financing sources - transfers in	-	-	-	-	-	145,872	145,872	-
Net change in fund balance	-	40,000	155,988	115,988	(300,000)	(300,000)	(231,176)	68,824
Fund balance at beginning of year	<u>830</u>	<u>830</u>	<u>69,654</u>	<u>68,824</u>	<u>300,830</u>	<u>300,830</u>	<u>300,830</u>	<u>-</u>
Fund balance at end of year	<u>\$ 830</u>	<u>40,830</u>	<u>225,642</u>	<u>184,812</u>	<u>830</u>	<u>830</u>	<u>69,654</u>	<u>68,824</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Balance Sheets
Special Purpose Fund
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash - demand deposits	<u>\$ 36,040</u>	<u>29,401</u>
<u>Fund Balance</u>		
Restricted for trusts	<u>\$ 36,040</u>	<u>29,401</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Revenue, Expenditures and
 Changes in Fund Balance
 Special Purpose Fund
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue - miscellaneous	\$ 6,639	4,047
Expenditures - culture and recreation	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures over revenue	6,639	4,047
Fund balance at beginning of year	<u>29,401</u>	<u>25,354</u>
Fund balance at end of year	<u><u>\$ 36,040</u></u>	<u><u>29,401</u></u>

COUNTY OF PUTNAM, NEW YORK
Comparative Balance Sheets
Debt Service Fund
December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Accounts receivable	\$ 415,400	<u>182,400</u>
<u>Liabilities and Fund Balance</u>		
Liabilities - due to other funds	79,922	19,558
Fund balance - restricted	<u>335,478</u>	<u>162,842</u>
Total liabilities and fund balance	<u>\$ 415,400</u>	<u>182,400</u>

COUNTY OF PUTNAM, NEW YORK
Comparative Schedules of Revenue, Expenditures and
Changes in Fund Balance - Budget and Actual
Debt Service Fund
Years ended December 31, 2011 and 2010

	2011				2010			
	Original budget	Final budget	Actual	Variance with final budget positive (negative)	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue:								
Real property taxes	\$5,064,512	5,064,512	5,064,512	-	3,687,357	3,687,357	3,687,357	-
Use of money and property	<u>590,813</u>	<u>589,938</u>	<u>677,807</u>	<u>87,869</u>	<u>545,206</u>	<u>545,206</u>	<u>540,792</u>	<u>(4,414)</u>
Total revenue	<u>5,655,325</u>	<u>5,654,450</u>	<u>5,742,319</u>	<u>87,869</u>	<u>4,232,563</u>	<u>4,232,563</u>	<u>4,228,149</u>	<u>(4,414)</u>
Expenditures:								
Debt service - serial bonds:								
Principal	3,015,401	3,015,401	3,015,401	-	2,950,000	2,950,000	2,950,000	-
Interest	<u>2,639,924</u>	<u>2,639,924</u>	<u>2,555,157</u>	<u>84,767</u>	<u>2,582,563</u>	<u>2,582,563</u>	<u>2,415,651</u>	<u>166,912</u>
Total expenditures	<u>5,655,325</u>	<u>5,655,325</u>	<u>5,570,558</u>	<u>84,767</u>	<u>5,532,563</u>	<u>5,532,563</u>	<u>5,365,651</u>	<u>166,912</u>
Deficiency of revenues over expenditures	-	(875)	171,761	172,636	(1,300,000)	(1,300,000)	(1,137,502)	162,498
Other financing sources - transfers in	-	<u>875</u>	<u>875</u>	-	-	-	-	-
Net change in fund balance	-	-	172,636	172,636	(1,300,000)	(1,300,000)	(1,137,502)	162,498
Fund balance at beginning of year	<u>344</u>	<u>344</u>	<u>162,842</u>	<u>162,498</u>	<u>1,300,344</u>	<u>1,300,344</u>	<u>1,300,344</u>	-
Fund balance at end of year	<u>\$ 344</u>	<u>344</u>	<u>335,478</u>	<u>335,134</u>	<u>344</u>	<u>344</u>	<u>162,842</u>	<u>162,498</u>

**ENTERPRISE
FUND**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The operations of the Putnam Tobacco Asset Securitization Corporation, a blended component unit, are recorded as an enterprise fund.

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Net Assets
 Proprietary Funds - Enterprise Fund
 Putnam Tobacco Asset Securitization Corporation
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and equivalents	\$ 49,556	44,895
Accounts receivable	1,075,000	1,188,026
Prepaid items	<u>9,405</u>	<u>9,405</u>
Total current assets	<u>1,133,961</u>	<u>1,242,326</u>
Noncurrent assets:		
Restricted cash and equivalents	1,208,920	1,208,859
Cost of issuance, net of accumulated amortization of \$70,604 in 2011 and \$59,495 in 2010	<u>196,014</u>	<u>207,123</u>
Total noncurrent assets	<u>1,404,934</u>	<u>1,415,982</u>
Total assets	<u>\$ 2,538,895</u>	<u>2,658,308</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accrued liabilities	78,650	78,950
Current maturities of bonds payable	<u>180,000</u>	<u>530,000</u>
Total current liabilities	258,650	608,950
Non-current liabilities - bonds payable, less current maturities	<u>18,020,859</u>	<u>17,463,677</u>
Total liabilities	18,279,509	18,072,627
Net assets (deficit) - unrestricted	<u>(15,740,614)</u>	<u>(15,414,319)</u>
	<u>\$ 2,538,895</u>	<u>2,658,308</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Revenue, Expenses and
 Changes in Net Assets
 Proprietary Funds - Enterprise Fund
 Putnam Tobacco Asset Securitization Corporation
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue - tobacco settlement	\$ <u>932,963</u>	<u>1,076,594</u>
Operating expenses:		
Professional fees	13,570	29,625
Insurance	7,260	7,260
Administration	15,000	15,000
Amortization	<u>11,109</u>	<u>11,109</u>
Total operating expenses	<u>46,939</u>	<u>62,994</u>
Income from operations	<u>886,024</u>	<u>1,013,600</u>
Non-operating revenue (expenses):		
Earnings on investments	163	160
Interest expense	<u>(1,212,482)</u>	<u>(1,213,364)</u>
Total non-operating expenses	<u>(1,212,319)</u>	<u>(1,213,204)</u>
Change in net assets	(326,295)	(199,604)
Net asset (deficit) at beginning of year	<u>(15,414,319)</u>	<u>(15,214,715)</u>
Net asset (deficit) at end of year	<u><u>\$ (15,740,614)</u></u>	<u><u>(15,414,319)</u></u>

COUNTY OF PUTNAM, NEW YORK
Comparative Statements of Cash Flows
Proprietary Funds - Enterprise Fund
Putnam Tobacco Asset Securitization Corporation
Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from tobacco settlement revenues	\$ 1,045,989	1,103,269
Cash payments to vendors	<u>(35,830)</u>	<u>(51,885)</u>
Net cash provided by operating activities	<u>1,010,159</u>	<u>1,051,384</u>
Cash flows from investing activities - earnings on investments	<u>163</u>	<u>160</u>
Cash flows from non-capital financing activities:		
Repayment of bonds	(60,000)	(110,000)
Interest paid	<u>(945,600)</u>	<u>(957,505)</u>
Net cash used in non-capital financing activities	<u>(1,005,600)</u>	<u>(1,067,505)</u>
Net increase (decrease) in cash and equivalents	4,722	(15,961)
Cash and cash equivalents at beginning of year	<u>1,253,754</u>	<u>1,269,715</u>
Cash and cash equivalents at end of year	<u>\$ 1,258,476</u>	<u>1,253,754</u>
Cash:		
Unrestricted	49,556	44,895
Restricted	<u>1,208,920</u>	<u>1,208,859</u>
	<u>\$ 1,258,476</u>	<u>1,253,754</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	886,024	1,013,600
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Amortization	11,109	11,109
Changes in accounts receivable	<u>113,026</u>	<u>26,675</u>
Net cash provided by operating activities	<u>\$ 1,010,159</u>	<u>1,051,384</u>
Noncash investing activities:		
Increase in bonds payable from amortization of original issue and underwriters discounts	<u>\$ 25,565</u>	<u>25,563</u>
Increase in bonds payable from amortization of loss on refunding	<u>\$ 90,650</u>	<u>90,658</u>
Increase in bonds payable from accreted interest on capital appreciation bonds	<u>\$ 150,967</u>	<u>141,321</u>

**INTERNAL SERVICE
FUND**

Internal service fund accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County has established its workers' compensation benefits fund as an internal service fund.

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Net Assets
 Proprietary Funds - Internal Service Fund - Workers' Compensation Benefits Fund
 December 31, 2011 and 2010

<u>Assets</u>	<u>2011</u>	<u>2010</u>
Cash - demand deposits	\$ 4,176,865	3,892,157
Due from other funds	<u>216,987</u>	<u>-</u>
Total assets	<u>4,393,852</u>	<u>3,892,157</u>
<u>Liabilities</u>		
Current liabilities:		
Claims payable	389,361	372,796
Due to other funds	500,000	164,197
Noncurrent liabilities - claims payable	<u>3,504,249</u>	<u>3,355,164</u>
Total liabilities	<u>4,393,610</u>	<u>3,892,157</u>
Net assets	<u>\$ 242</u>	<u>-</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Revenue, Expenses and
 Changes in Net assets
 Proprietary Funds - Internal Service Fund - Workers' Compensation Benefits Fund
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenue:		
Charges for services	\$ 1,108,805	990,260
Miscellaneous	<u>5,403</u>	<u>-</u>
Total operating revenue	<u>1,114,208</u>	<u>990,260</u>
Operating expenses:		
Administration	345,612	202,142
Employee benefits	<u>772,455</u>	<u>799,047</u>
Total operating expenses	<u>1,118,067</u>	<u>1,001,189</u>
Loss from operations	(3,859)	(10,929)
Non-operating revenue - earnings on investments	<u>4,101</u>	<u>10,929</u>
Change in net assets	242	-
Net assets at beginning of year	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ 242</u>	<u>-</u>

COUNTY OF PUTNAM, NEW YORK
 Comparative Statements of Cash Flows
 Proprietary Funds - Internal Service Funds - Workers' Compensation Benefits Fund
 Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ 1,227,621	1,716,844
Cash payments to insurance carriers and claimants	(606,805)	(904,426)
Cash payments to vendors	<u>(340,209)</u>	<u>(202,142)</u>
Net cash provided by operating activities	280,607	610,276
Cash flows from investing activities - earnings on investments	<u>4,101</u>	<u>10,929</u>
Net increase in cash	284,708	621,205
Cash at beginning of year	<u>3,892,157</u>	<u>3,270,952</u>
Cash at end of year	<u>\$ 4,176,865</u>	<u>3,892,157</u>
Reconciliation of loss from operations to net cash provided by operating activities:		
Loss from operations	(3,859)	(10,929)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Due to other funds	335,803	-
Due from other funds	(216,987)	726,584
Claims payable	<u>165,650</u>	<u>(105,379)</u>
Net cash provided by operating activities	<u>\$ 280,607</u>	<u>610,276</u>

COUNTY OF PUTNAM, NEW YORK
 Statements of Changes in Assets Liabilities
 Fiduciary Funds
 Year ended December 31, 2011

<u>Assets</u>	Balance at January 1, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2011</u>
Cash:				
Demand deposits	\$ 2,300,046	6,636,964	(6,754,926)	2,182,084
Time deposits	<u>11,355</u>	<u>51</u>	<u>(400)</u>	<u>11,006</u>
Total assets	<u>\$ 2,311,401</u>	<u>6,637,015</u>	<u>(6,755,326)</u>	<u>2,193,090</u>
<u>Liabilities</u>				
Accounts payable	-	1,477,192	(1,475,797)	1,395
Employee payroll deductions	187,190	5,339,658	(5,337,958)	188,890
Due to other governments	484,049	2,090,577	(2,177,209)	397,417
Due to other funds	587,795	340,852	(203,378)	725,269
Deposits	<u>1,052,367</u>	<u>416,454</u>	<u>(588,702)</u>	<u>880,119</u>
Total liabilities	<u>\$ 2,311,401</u>	<u>9,664,733</u>	<u>(9,783,044)</u>	<u>2,193,090</u>

**STATISTICAL
SECTION**

(Unaudited)

Financial Trends

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

Net Assets by Component

Changes in Net Assets

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

Sales Tax Rates

Taxable Sales by Industry

COUNTY OF PUTNAM, NEW YORK
Net Assets by Component
Last Five Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:					
Invested in capital assets, net of related debt	\$ 44,537,069	41,371,988	45,623,536	45,318,653	45,649,962
Restricted	6,376,060	9,726,336	7,243,267	5,842,999	5,983,772
Unrestricted	<u>14,239,453</u>	<u>8,005,971</u>	<u>2,094,586</u>	<u>(4,630,592)</u>	<u>(17,271,167)</u>
Total governmental activities net assets	<u>\$ 65,152,582</u>	<u>59,104,295</u>	<u>54,961,389</u>	<u>46,531,060</u>	<u>34,362,567</u>
Business - type activities (1) - unrestricted	<u>\$(15,271,420)</u>	<u>(15,280,355)</u>	<u>(15,214,715)</u>	<u>(15,414,319)</u>	<u>(15,740,614)</u>
Primary government:					
Invested in capital assets, net of related debt	44,537,069	41,371,988	45,623,536	45,318,653	45,649,962
Restricted	6,376,060	9,726,336	7,243,267	5,842,999	5,983,772
Unrestricted	<u>(1,051,275)</u>	<u>(7,274,384)</u>	<u>(13,120,129)</u>	<u>(20,044,911)</u>	<u>(33,011,781)</u>
Total primary government net assets	<u>\$ 49,861,854</u>	<u>43,823,940</u>	<u>39,746,674</u>	<u>31,116,741</u>	<u>18,621,953</u>

COUNTY OF PUTNAM, NEW YORK
Changes in Net Assets
Last Five Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses:					
Governmental activities:					
General government support	\$ 21,463,035	26,366,289	24,707,516	24,927,519	25,997,916
Education	9,484,352	10,470,440	10,815,692	10,054,837	9,849,831
Public safety	28,165,423	32,610,889	33,668,710	35,366,964	38,692,325
Health	13,507,594	15,824,780	16,453,864	15,919,935	14,142,348
Transportation	11,953,018	12,819,268	18,475,978	13,714,854	15,408,159
Economic opportunity and development	29,346,867	32,694,544	32,066,078	32,980,631	34,918,860
Culture and recreation	3,331,009	4,688,132	4,961,376	4,631,669	3,508,682
Home and community services	5,752,136	6,392,376	4,430,107	6,126,995	3,317,020
Interest	<u>2,929,762</u>	<u>2,829,152</u>	<u>2,698,843</u>	<u>2,528,179</u>	<u>2,751,683</u>
Total governmental activities expenses	125,933,196	144,695,870	148,278,164	146,251,583	148,586,824
Business-type activities (1) - Putnam Tobacco					
Asset Securitization Corporation	<u>1,285,037</u>	<u>1,277,269</u>	<u>1,281,678</u>	<u>1,276,358</u>	<u>1,259,421</u>
Total primary government expenses	<u>127,218,233</u>	<u>145,973,139</u>	<u>149,559,842</u>	<u>147,527,941</u>	<u>149,846,245</u>
Program revenue:					
Governmental activities:					
Charges for services					
General government support	5,318,679	5,011,170	5,234,956	4,955,678	5,827,297
Public safety	2,285,005	1,618,561	1,333,540	1,161,519	1,294,538
Health	3,243,851	3,493,263	3,859,706	3,032,359	1,137,899
Transportation	744,668	998,509	937,715	948,089	1,052,542
Economic opportunity and development	1,221,629	2,004,446	2,229,395	2,973,886	2,606,592
Culture and recreation	225,679	1,648,896	1,892,674	1,646,192	1,341,600
Home and community service	54,879	30,931	35,416	34,635	44,377
Operating grants and contributions	24,967,256	24,371,292	27,530,302	24,656,770	25,396,717
Capital grants and contributions	<u>6,554,265</u>	<u>7,093,634</u>	<u>12,249,007</u>	<u>6,323,613</u>	<u>5,455,881</u>
Total governmental activities program revenue	44,615,911	46,270,702	55,302,711	45,732,741	44,157,443
Business-type activities - charges for services - Putnam Tobacco Asset Securitization					
Corporation	<u>1,176,355</u>	<u>1,214,243</u>	<u>1,346,981</u>	<u>1,076,594</u>	<u>932,963</u>
Total primary government program revenue	<u>45,792,266</u>	<u>47,484,945</u>	<u>56,649,692</u>	<u>46,809,335</u>	<u>45,090,406</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK
Changes in Net Assets, Continued

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net expense/revenue:					
Governmental activities	\$(81,317,285)	(98,425,168)	(92,975,453)	(100,518,842)	(104,429,381)
Business-type activities	<u>(108,682)</u>	<u>(63,026)</u>	<u>65,303</u>	<u>(199,764)</u>	<u>(326,458)</u>
Total primary government net expense	<u>(81,425,967)</u>	<u>(98,488,194)</u>	<u>(92,910,150)</u>	<u>(100,718,606)</u>	<u>(104,755,839)</u>
General revenue:					
Governmental activities:					
Taxes:					
Real property taxes	26,556,914	34,272,168	35,975,679	37,416,775	37,248,786
Other tax items	3,774,610	4,258,338	4,565,134	4,073,276	4,696,118
Non-property taxes	46,902,545	51,718,375	45,986,045	47,943,822	50,048,010
Unrestricted use of money and proper	895,198	914,840	775,381	1,283,155	681,908
Sale of property and compensation for loss	141,936	346,344	136,717	170,354	243,328
Miscellaneous	2,027,397	856,816	1,393,591	1,201,131	(657,262)
Transfers	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>80,308,600</u>	<u>92,376,881</u>	<u>88,832,547</u>	<u>92,088,513</u>	<u>92,260,888</u>
Business-type activities:					
Unrestricted use of money and proper	99,374	83,399	337	160	163
Transfers	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>89,374</u>	<u>73,399</u>	<u>337</u>	<u>160</u>	<u>163</u>
Total primary government general revenue	<u>80,397,974</u>	<u>92,450,280</u>	<u>88,832,884</u>	<u>92,088,673</u>	<u>92,261,051</u>
Prior period adjustment - effect of overstated/ understated capital assets	<u>(5,067,136)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets:					
Governmental activities	(6,075,824)	(6,048,287)	(4,142,906)	(8,430,329)	(12,168,493)
Business-type activities	<u>(19,308)</u>	<u>10,373</u>	<u>65,640</u>	<u>(199,604)</u>	<u>(326,295)</u>
Total primary government	<u>\$ (6,095,132)</u>	<u>(6,037,914)</u>	<u>(4,077,266)</u>	<u>(8,629,933)</u>	<u>(12,494,788)</u>

COUNTY OF PUTNAM, NEW YORK
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund:										
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,000,000	692,737
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	302,889	433,291
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,824,856	7,575,615
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18,260,773	18,142,836
Reserved	\$ 1,921,057	2,383,007	5,440,292	1,582,132	2,281,753	2,048,439	2,309,207	2,859,777	N/A	N/A
Unreserved	<u>31,380,982</u>	<u>28,317,950</u>	<u>21,300,353</u>	<u>14,319,832</u>	<u>12,377,007</u>	<u>13,783,498</u>	<u>17,227,752</u>	<u>19,770,446</u>	<u>N/A</u>	<u>N/A</u>
Total general fund	<u>33,302,039</u>	<u>30,700,957</u>	<u>26,740,645</u>	<u>15,901,964</u>	<u>14,658,760</u>	<u>15,831,937</u>	<u>19,536,959</u>	<u>22,630,223</u>	<u>28,388,518</u>	<u>26,844,479</u>
All other governmental funds:										
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	48,045
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,658,402	4,227,992
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,483,663	1,898,412
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(601,955)	(284,293)
Reserved	343,423	169,399	326,788	2,533,061	1,563,762	1,632,460	1,125,162	1,388,263	N/A	N/A
Unreserved, reported in:										
Special revenue funds	1,573,195	1,700,111	1,565,297	1,825,332	2,281,259	1,553,696	1,969,854	2,314,265	N/A	N/A
Debt service fund	250,000	100,000	-	-	-	-	-	-	N/A	N/A
Capital projects fund	<u>5,653,513</u>	<u>2,651,474</u>	<u>(7,129,570)</u>	<u>(5,342,659)</u>	<u>(2,673,369)</u>	<u>4,410,862</u>	<u>6,362,736</u>	<u>3,112,523</u>	<u>N/A</u>	<u>N/A</u>
Total all other governmental funds	<u>7,820,131</u>	<u>4,620,984</u>	<u>(5,237,485)</u>	<u>(984,266)</u>	<u>1,171,652</u>	<u>7,597,018</u>	<u>9,457,752</u>	<u>6,815,051</u>	<u>5,540,110</u>	<u>5,890,156</u>
Total governmental fund	<u>\$41,122,170</u>	<u>35,321,941</u>	<u>21,503,160</u>	<u>14,917,698</u>	<u>15,830,412</u>	<u>23,428,955</u>	<u>28,994,711</u>	<u>29,445,274</u>	<u>33,928,628</u>	<u>32,734,635</u>

Note: Governmental Accounting Standards Board Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" changed the categories of fund balance effective for year ended December 31, 2010.

COUNTY OF PUTNAM, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenue:										
Real property taxes	\$ 19,762,254	19,833,879	21,079,929	20,952,994	23,499,901	26,340,950	30,806,868	32,492,279	36,457,275	33,980,375
Other tax items	3,154,157	3,199,276	3,756,855	3,156,246	3,651,296	3,774,610	4,258,338	4,565,134	4,073,276	4,528,129
Non-property taxes	33,387,082	35,503,770	37,425,091	39,388,360	43,309,401	46,902,545	51,718,375	45,986,045	47,943,822	50,048,010
Departmental income	10,530,559	10,668,892	15,125,961	14,402,833	13,431,250	11,400,447	12,541,459	13,574,941	13,205,278	11,165,142
Intergovernmental charges	332,801	522,280	358,204	595,027	244,705	502,836	737,133	664,099	656,761	753,406
Use of money and property	1,073,802	901,059	856,147	1,190,115	1,996,140	1,988,720	1,185,454	1,037,311	985,088	1,063,093
Licenses and permits	272,965	446,533	610,987	574,086	680,651	562,565	844,411	706,307	896,933	697,290
Fines and forfeitures	148,344	205,956	197,061	266,623	224,970	197,144	297,607	286,165	254,399	258,400
Sale of property and compensation for loss	1,072,208	83,945	174,338	183,982	165,620	141,936	346,344	136,717	170,354	243,328
Interfund revenue	403,438	470,289	548,602	244,859	292,355	211,309	240,594	410,367	405,648	376,795
State aid	16,419,094	18,666,749	19,613,261	17,207,635	17,277,677	17,996,389	18,769,376	19,393,736	13,807,903	16,549,878
Federal aid	9,752,228	9,558,074	8,397,606	9,690,881	12,334,694	9,504,887	9,213,455	18,432,884	13,958,530	11,896,430
Miscellaneous	13,323,786	7,915,412	2,117,961	2,073,394	5,055,268	5,282,055	4,081,081	3,364,622	4,441,206	1,794,109
Total revenue	109,632,718	107,976,114	110,262,003	109,927,035	122,163,928	124,806,393	135,040,495	141,050,607	137,256,473	133,354,385
Expenditures:										
Current:										
General government support	16,197,741	16,978,959	18,243,186	18,941,560	20,005,355	20,017,538	20,484,027	20,161,510	20,124,332	21,123,199
Education	6,553,561	7,079,769	8,509,886	8,715,146	8,824,338	9,483,564	10,453,744	10,322,400	10,037,084	9,829,285
Public safety	17,069,609	18,340,151	21,245,206	22,191,984	22,707,370	26,429,020	25,517,994	27,126,749	28,771,601	30,928,919
Health	12,635,667	12,845,007	13,341,513	13,168,219	13,099,520	13,100,806	13,565,255	14,126,793	13,711,581	12,027,580
Transportation	7,645,053	8,819,029	8,728,627	9,814,173	9,383,936	9,903,015	9,996,637	10,271,963	9,638,870	10,708,266
Economic opportunity and development	25,355,335	26,280,004	27,832,749	29,467,472	26,770,835	28,113,635	29,264,080	29,335,234	29,611,726	31,087,737
Culture and recreation	1,459,337	2,029,482	5,072,681	5,202,787	4,956,780	2,509,804	3,716,383	4,006,699	3,689,492	2,526,283
Home and community services	1,818,527	1,946,354	2,136,281	2,214,098	2,323,035	1,946,374	4,941,156	3,989,111	1,774,721	1,894,014
Employee benefits	1,196,229	1,834,826	2,109,296	2,334,684	2,268,474	2,719,530	3,024,159	3,132,538	3,369,554	3,784,913
Debt service:										
Principal	1,540,000	1,728,000	1,795,000	2,202,000	2,105,000	2,123,000	2,480,000	3,042,900	2,950,000	3,015,401
Interest	779,259	812,968	1,122,174	1,285,596	1,084,710	3,287,865	3,232,086	2,712,610	2,529,126	2,754,671
Capital outlay	12,963,588	24,998,794	13,944,185	12,621,153	25,731,861	15,176,599	6,989,218	14,966,938	11,453,142	8,549,167
Total expenditures	105,213,906	123,693,343	124,080,784	128,158,872	139,261,214	134,810,750	133,664,739	143,195,445	137,661,229	138,229,435
Excess (deficiency) of revenue over expenditures	4,418,812	(15,717,229)	(13,818,781)	(18,231,837)	(17,097,286)	(10,004,357)	1,375,756	(2,144,838)	(404,756)	(4,875,050)
Other financing sources (uses):										
Proceeds from serial bonds	2,028,000	9,917,000	-	7,018,000	18,000,000	17,592,900	4,180,000	2,595,401	4,888,110	3,680,181
Transfers in	1,842,598	3,009,690	1,318,271	14,047,180	992,920	2,258,168	226,348	3,175,214	605,889	200,975
Transfers out	(1,842,598)	(3,009,690)	(1,318,271)	(9,418,805)	(982,920)	(2,248,168)	(216,348)	(3,175,214)	(605,889)	(200,099)
Total other financing sources	2,028,000	9,917,000	-	11,646,375	18,010,000	17,602,900	4,190,000	2,595,401	4,888,110	3,681,057
Net change in fund balances	\$ 6,446,812	(5,800,229)	(13,818,781)	(6,585,462)	912,714	7,598,543	5,565,756	450,563	4,483,354	(1,193,993)
Debt service as a percentage of non-capital expenditures	2.5%	2.6%	2.6%	3.0%	2.7%	4.4%	4.7%	4.7%	4.5%	4.5%

COUNTY OF PUTNAM, NEW YORK
Sales Tax Rates
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
New York State *	4.000%	4.250%	4.250%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
MTA (1) **	0.250	0.250	0.250	0.375	0.375	0.375	0.375	0.375	0.375	0.375
County ***	<u>3.000</u>	<u>3.000</u>	<u>3.000</u>	<u>3.500</u>	<u>3.500</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
Total	<u>7.250%</u>	<u>7.500%</u>	<u>7.500%</u>	<u>7.875%</u>	<u>7.875%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>	<u>8.375%</u>

(1) Metropolitan Transit Authority

* Effective June 1, 2003 - May 31, 2005 the NYS rate increased from 4% to 4 1/2%

Effective June 1, 2005 the NYS rate decreased from 4 1/2% to 4%.

** Effective June 1, 2005 the MTA rate increased from 1/4% to 3/8%

*** Effective September 1, 2005 the County rate increased from 3% to 3.5%

Effective 9/1/07 the County rate increased from 3.5% to 4%.

COUNTY OF PUTNAM, NEW YORK

Taxable Sales by Industry

Ten Years Stated

Industry	March 2000 to February 2001	March 2001 to February 2002	March 2002 to February 2003	March 2003 to February 2004	March 2004 to February 2005 **	March 2005 to February 2006 **	March 2006 to February 2007 **	March 2007 to February 2008 **	March 2008 to February 2009 **	March 2009 to February 2010 *
Utilities (excluding residential energy) \$	19,837	19,708	18,130	21,159	22,625	26,769	30,197	30,267	32,216	19,872
Construction	21,750	24,062	24,623	25,779	29,151	29,794	31,035	26,758	27,844	20,430
Manufacturing	23,725	27,290	26,876	28,229	27,713	29,902	27,527	28,445	38,231	22,320
Wholesale trade	70,686	71,591	75,579	73,001	89,183	108,228	88,433	92,221	80,319	68,786
Retail trade:										
Motor vehicles and parts	174,501	200,762	213,541	239,211	230,077	210,389	184,397	186,812	168,060	166,081
Furniture and home furnishings	23,752	27,857	31,278	33,687	32,205	30,427	30,787	29,311	24,842	16,394
Electronics and appliances	9,343	9,193	10,687	11,001	11,094	12,259	10,371	10,017	9,072	8,655
Building materials and garden equipment	55,673	64,860	97,182	109,827	121,427	120,540	111,558	99,800	90,587	80,603
Food and beverage	61,207	59,462	62,156	68,936	69,909	71,565	69,349	73,232	73,553	78,290
Health and personal care	10,838	11,756	12,425	13,908	14,553	14,774	15,163	16,317	16,659	16,570
Gasoline stations	63,695	54,760	58,244	70,234	76,267	76,371	34,537	14,948	16,214	17,334
Clothing	3,715	3,813	9,422	23,397	29,361	30,331	13,400	7,894	6,055	6,348
Sporting goods, hobby, book and music stores	5,544	5,544	4,930	6,973	9,895	10,988	10,401	12,028	10,941	10,345
General merchandise	29,040	30,609	25,992	24,267	29,155	29,467	22,144	20,763	20,165	32,643
Miscellaneous retail	18,051	17,532	20,908	19,715	19,777	20,418	21,820	24,653	23,309	22,746
Nonstore retail	18,470	16,165	17,709	19,574	20,866	22,729	22,440	22,906	25,716	29,344
Information	50,300	55,869	68,728	81,836	101,089	80,241	78,576	80,233	80,406	77,014
Professional, scientific and technical	7,023	7,037	7,382	6,771	7,217	9,621	9,370	10,795	8,570	7,666
Administrative/support services	22,055	23,077	22,125	25,996	27,234	28,937	30,413	32,536	33,202	32,522
Health care	879	1,201	1,059	1,123	951	1,594	1,528	1,497	1,303	1,207
Arts, entertainment and recreation	10,672	11,061	12,819	12,992	16,855	16,582	14,159	14,841	14,330	13,221
Accommodation and food services:										
Food services	46,557	49,097	51,397	55,868	61,937	64,789	68,370	71,074	73,829	74,464
Accommodation	1,702	1,799	1,812	1,775	1,566	2,176	2,156	2,162	1,414	1,414
Other services:										
Repair and maintenance	25,606	27,710	28,607	33,148	36,372	41,628	38,642	42,016	40,378	39,879
Personal and laundry services	4,120	4,762	6,230	5,861	6,745	6,589	5,979	6,471	6,810	7,123
All other services	735	687	1,062	1,134	1,181	1,134	1,162	1,020	661	670
Ag., mining, trans., fire, educ., govt.	39,928	40,174	44,188	39,163	39,437	42,362	41,242	50,035	48,064	39,238
Unclassified by industry	11,401	13,730	6,847	8,735	12,636	16,770	14,461	13,122	9,861	9,800
Grand total	\$ 830,805	881,168	961,938	1,063,300	1,146,478	1,157,374	1,029,617	1,022,174	982,611	920,979

Source - New York State Department of Taxation and Finance

* Preliminary

** Revised

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax. These schedules include:

Sales Tax Collections

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Underlying Property Tax Rates
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

COUNTY OF PUTNAM, NEW YORK
Sales Tax Collections
Last Ten Fiscal Years

<u>Year</u>	<u>Amount</u>
2002	\$ 32,305,715.28
2003	34,559,055.83
2004	36,716,813.42
2005	38,567,231.09
2006	42,469,161.78
2007	46,245,081.40
2008	51,200,284.21
2009	45,599,171.92
2010	47,632,078.08
2011	49,828,070.00

COUNTY OF PUTNAM, NEW YORK
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<u>Year</u>	<u>Total Taxable Assessed Value (1)</u>	<u>State Special Equalization Rate (2)</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
2002	\$ 7,584,237,007	86.34	8,784,152,197	2.56
2003	8,284,189,678	79.65	10,400,392,986	2.38
2004	8,719,179,373	74.72	11,668,531,485	2.29
2005	10,182,047,459	80.26	12,685,557,819	2.00
2006	11,058,405,063	77.03	14,355,222,555	2.03
2007	11,760,206,076	74.63	15,757,048,182	2.03
2008	12,569,993,091	73.89	17,010,436,286	2.01
2009	12,275,535,937	75.71	16,214,689,625	2.93
2010	11,693,214,268	75.89	15,408,675,737	3.20
2011	11,343,976,691	78.31	14,486,456,269	3.30

(1) Assessed valuations are established by the town governments comprising the County.

(2) The equalization rate is the average of the equalization rates for each of the six towns within the County. The town's equalization rates are established by the New York State Board of Equalization and Assessment.

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the State special equalization rate. Tax rates are per \$1,000 of assessed value.

COUNTY OF PUTNAM, NEW YORK
 Direct and Underlying Property Tax Rates
 Per \$1,000 of Assessed Valuation
 Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
County Direct Rates	2.30 - 2.97	1.95 - 3.00	1.77 - 3.13	1.65 - 2.93	1.59 - 3.09	1.72 - 3.73	2.02 - 4.68	2.22 - 5.08	2.43 - 5.72	2.59 - 5.67
Town Rates	.69 - 6.02	.87 - 5.42	.78 - 5.85	.80 - 5.19	.81 - 5.19	.82 - 5.58	.79 - 5.33	1.80 - 5.63	.92 - 6.05	1.36 - 6.29
Village Rates	4.46 - 6.39	4.42 - 6.28	4.60 - 6.76	4.60 - 7.54	4.51 - 7.88	3.55 - 8.21	3.6 - 8.7	3.46 - 9.56	3.43 - 9.55	3.56 - 7.68
School Districts	12.66 - 28.20	12.40 - 28.92	11.61 - 37.49	8.95 - 37.97	9.07 - 41.38	8.44 - 41.90	7.48 - 40.10	7.89 - 41.43	7.66 - 45.54	8.98 - 52.65

Source - State of New York, Office of the State Comptroller.

COUNTY OF PUTNAM, NEW YORK
Principal Taxpayers
Current Year and Ten Years Ago

2011

<u>Rank</u>	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Taxable Assessed Valuation</u>
1	NYC D.E.P	Public Utility	\$ 655,952,894	5.34 %
2	State of New York	Public Utility	159,592,464	1.30
3	New York State Electric & Gas	Public Utility	107,276,911	0.87
4	Algonquin Gas	Public Utility	72,361,632	0.59
5	Verizon	Public Utility	64,111,299	0.52
6	Consolidated Edison	Public Utility	33,124,999	0.27
7	The Retreat at Carmel	Private Corp.	28,824,034	0.23
8	Plaza, LLC (Lakeview Plaza)	Private Corp.	22,708,000	0.18
9	Central Hudson	Private Corp.	22,945,794	0.19
10	Highland Center, LLC	Private Corp.	25,538,000	0.21
			<u>\$ 1,192,436,027</u>	<u>9.70 %</u>

2001

<u>Rank</u>	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Valuation</u>	<u>Percent of Taxable Assessed Valuation</u>
1	NYC D.E.P	Public Utility	\$ 220,323,489	3.32 %
2	New York State Electric & Gas	Public Utility	88,394,427	1.33
3	Verizon	Public Utility	55,846,920	0.84
4	Algonquin Gas	Public Utility	29,528,190	0.45
5	Consolidated Edison	Public Utility	27,274,414	0.41
6	Lakeview Associates	Private Corp.	17,442,600	0.26
7	Centennial Golf	Private Corp.	14,603,896	0.22
8	Gandol	Private Corp.	13,400,000	0.20
9	Mahopac Drive In	Private Corp.	10,000,000	0.15
10	Triple C Associates	Private Corp.	10,000,000	0.15
			<u>\$ 486,813,936</u>	<u>7.33 %</u>

Source - Town Assessor's Offices

COUNTY OF PUTNAM, NEW YORK
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Year</u>	County taxes levied for the <u>fiscal year (1)</u>	<u>Collected within the fiscal year of the levy</u>		Collections in subsequent <u>years</u>	<u>Total collections to date</u>	
		<u>Amount</u>	<u>Percentage of levy</u>		<u>Amount</u>	<u>Percentage of levy</u>
2002	76,331,213	71,376,784	93.51	3,381,741	74,758,525	97.94
2003	78,492,174	73,737,394	93.94	3,507,950	77,245,344	98.41
2004	82,844,328	78,469,306	94.72	3,437,154	81,906,460	98.87
2005	87,073,345	82,790,352	95.08	3,202,681	85,993,033	98.76
2006	92,819,840	88,784,460	95.65	3,412,527	92,196,987	99.33
2007	101,728,120	97,536,960	95.88	3,502,082	101,039,042	99.32
2008	114,970,773	109,117,827	94.91	4,215,979	113,333,806	98.58
2009	119,731,511	112,490,921	93.95	2,879,271	115,370,192	96.36
2010	123,196,494	116,597,425	94.64	1,234,956	117,832,381	95.65
2011	124,070,276	118,979,863	95.90	1,230,885	120,210,748	96.89

(1) The total tax levy includes County and town tax levies, relieved school taxes, as well as that portion of current school tax returned to the County for collection and enforcement in November of the previous year.

Source - Putnam County Finance Department

Debt Capacity

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. These schedules include:

Ratios of Outstanding Debt by Type

Direct and Underlying Governmental Activities Debt

Legal Debt Margin Information

COUNTY OF PUTNAM, NEW YORK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita (1)	Business-type Activities Tobacco Securitization Bonds (2)	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Less Debt Service Funds Available	Net						
2002	\$14,363,000	382,543	13,980,457	0.13	146.02	-	13,980,457	0.37	146
2003	22,552,000	130,577	22,421,423	0.22	225.23	-	22,421,423	0.55	225
2004	20,757,000	39,852	20,717,148	0.18	206.13	14,140,000	34,857,148	0.81	347
2005	25,573,000	2,353,285	23,219,715	0.18	231.03	17,851,041	41,070,756	0.91	409
2006	41,468,000	1,242,641	40,225,359	0.28	400.22	17,969,010	58,194,369	1.20	579
2007	56,937,900	1,387,552	55,550,348	0.35	552.70	17,968,886	73,519,234	1.41	731
2008	58,637,900	817,093	57,820,807	0.34	575.29	17,941,069	75,761,876	1.43	754
2009	58,190,401	1,300,344	56,890,057	0.35	573.11	17,846,135	74,736,192	1.47	753
2010	59,980,401	162,842	59,817,559	0.39	599.87	17,993,677	77,811,236	1.49	780
2011	60,645,181	415,400	60,229,781	0.42	602.70	18,200,859	78,430,640	1.50	785

(1) Population and personal income data can be found in the schedule of demographic and economic status.

(2) The financial statements of the Putnam Tobacco Asset Securitization Corporation have been reflected as a blended component unit of the County beginning in 2004 in accordance with the Governmental Accounting Standards Board Technical Bulletin 2004-1.

Note - Details regarding the County's outstanding debt can be found in the notes to financial statements.

COUNTY OF PUTNAM, NEW YORK
Direct and Underlying Governmental Activities Debt
December 31, 2011

UNDERLYING DEBT

<u>Municipality or School District</u>	<u>Gross long-term debt (1)</u>	<u>Exclusions (2)</u>	<u>Net underlying debt</u>
Towns (as of December 31, 2011):			
Carmel	\$ 30,346,000	13,068,545	17,277,455
Kent	(3) 3,509,163	11,611	3,497,552
Patterson	7,590,000	225,000	7,365,000
Philipstown	(3) 545,317	69,406	475,911
Putnam Valley	(3) 1,560,700	-	1,560,700
Southeast	(3) 11,794,197	-	11,794,197
Villages (as of May 31, 2011):			
Brewster	12,900,000	12,785,000	115,000
Cold Spring	1,765,000	-	1,765,000
Nelsonville	70,000	-	70,000
Schools (as of June 30, 2011):			
Brewster	(4) 23,915,000	1,314,455	22,600,545
Carmel	34,010,000	926,976	33,083,024
Garrison	(4) 4,981,638	1,138,761	3,842,877
Haldane	12,853,190	-	12,853,190
Mahopac	28,189,384	-	28,189,384
Putnam Valley	24,967,599	-	<u>24,967,599</u>
Total underlying debt			169,457,434
Direct bonded debt of the County			<u>60,229,781</u>
Direct and underlying debt			<u>\$ 229,687,215</u>

(1) Excludes proprietary funds.

(2) Exclusions reflect the amount available for repayment in the debt service fund. For school districts, the state school building aid has also been excluded.

(3) As of 12/31/10

(4) As of 6/30/10

COUNTY OF PUTNAM, NEW YORK
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$511,654,940	504,808,602	633,535,900	711,318,815	803,022,150	995,372,809	1,000,675,191	1,079,101,957	1,077,977,328	1,079,970,478
Total net debt applicable to limit	<u>12,630,000</u>	<u>14,363,000</u>	<u>18,555,000</u>	<u>23,468,000</u>	<u>39,345,000</u>	<u>54,457,900</u>	<u>58,637,900</u>	<u>55,240,401</u>	<u>58,545,401</u>	<u>57,340,181</u>
Legal debt margin	<u>\$499,024,940</u>	<u>490,445,602</u>	<u>614,980,900</u>	<u>687,850,815</u>	<u>763,677,150</u>	<u>940,914,909</u>	<u>942,037,291</u>	<u>1,023,861,556</u>	<u>1,019,431,927</u>	<u>1,022,630,297</u>
Total net debt applicable to the limit as a percentage of debt limit	2.47%	2.85%	2.93%	3.30%	4.90%	5.47%	5.86%	5.12%	5.43%	5.31%

Legal Debt Margin Calculation for Fiscal Year 2010

Five year full valuation of taxable real property (2007-2011) (1)	<u>\$77,140,748,415</u>
Five year average full valuation of taxable real property	<u>\$15,428,149,683</u>
Debt limit - 7% of five year average full valuation	<u>\$ 1,079,970,478</u>
Indebtedness - serial bonds (2)	60,645,181
Less exclusion - 2012 appropriations	<u>(3,305,000)</u>
Net indebtedness subject to debt limit	<u>57,340,181</u>
Net debt contracting margin	<u>\$ 1,022,630,297</u>
Percentage of debt contracting power exhausted as of December 31, 2011	5.31 %

(1) Full valuations are furnished by the State Comptroller based on finalized town assessment rolls at the time of determination. Full valuations presented differ from values in other tables due to timing differences for establishing final rolls in the County's six component towns.

(2) Excludes enterprise fund bonds.

Demographic and Economic Information

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

COUNTY OF PUTNAM, NEW YORK
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (2)</u>	<u>Unemployment Rate (3)</u>
2002	95,745	\$ 3,774,746,625	39,425	3.4
2003	99,550	4,049,694,000	40,680	3.2
2004	e 100,507	4,320,092,381	42,983	3.3
2005	e 100,507	4,503,919,684	44,812	3.0
2006	e 100,507	4,786,049,000	47,619	3.5
2007	e 100,507	5,202,008,000	51,758	3.3
2008	e 100,507	5,378,718,000	53,516	4.4
2009	e 99,265	5,077,388,000	51,150	6.9
2010	99,718	5,212,607,000	52,273	6.9
2011	99,933	5,212,607,000 e	52,161 e	6.2

Sources: (1) U.S. Bureau of Census, New York State Data Center
(2) U.S. Bureau of Economic Analysis
(3) U.S. Department of Labor
e Estimated

Operating Information

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. These schedules include:

Principal Employers

Full-Time Equivalent County Government Employees by Function

Operating Indicators by Function

Capital Asset Statistics by Function

COUNTY OF PUTNAM, NEW YORK
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2011</u>	
	<u>Employees</u>	<u>Percentage of total employment</u>
Putnam Hospital Center	1,200	2.38 %
Carmel Central School District	900	1.78
Mahopac Central School District	839	1.66
Putnam County	645	1.28
Brewster Central School District	620	1.23
Putnam Associated Resource Center	355	0.70
Green Chimneys	375	0.74
Putnam Valley Central School District	292	0.58
Cerebral Palsy of Putnam and Dutchess	273	0.54
Arms Acres	226	0.45
	<u>5,725</u>	<u>11.34 %</u>

<u>Employer</u>	<u>2002</u>	
	<u>Employees</u>	<u>Percentage of total employment</u>
Putnam Hospital Center	964	1.89 %
Putnam County	723	1.41
Carmel Central School District	659	1.29
Watson Pharmaceutical	572	1.12
Mahopac Central School District	535	1.05
A&P	485	0.95
Brewster Central School District	474	0.93
Guidepost Associates, Inc.	449	0.88
Putnam Associated Resource Center	375	0.73
Green Chimneys	355	0.69
	<u>5,591</u>	<u>10.94 %</u>

Source - Putnam County Planning Department

COUNTY OF PUTNAM, NEW YORK
 Full-time Equivalent County Government Employees by Function
 Last Nine Fiscal Years

Function:	Full-time equivalent employees as of December 31,									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government	148	158	158	158	161	166	156	159	143	144
Education	1	1	1	1	1	1	1	1	1	1
Public safety	188	195	198	203	204	204	211	202	200	200
Health	80	87	86	85	84	78	83	80	71	71
Transportation	61	60	58	57	56	55	44	41	39	39
Economic opportunity and development	153	160	161	163	163	178	173	158	161	160
Culture and recreation	11	18	20	21	23	21	20	18	17	17
Home and community services	<u>18</u>	<u>19</u>	<u>18</u>	<u>20</u>	<u>19</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>9</u>	<u>9</u>
Total	<u>660</u>	<u>698</u>	<u>700</u>	<u>708</u>	<u>711</u>	<u>712</u>	<u>697</u>	<u>669</u>	<u>641</u>	<u>641</u>

Source - Putnam County Finance Department

COUNTY OF PUTNAM, NEW YORK
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government:										
Motor vehicles - number of drivers' licenses issued	N/A	N/A	N/A	23,609	16,197	15,961	16,778	25,657	28,181	30,454
County clerk - number of mortgages issued	8,537	11,588	12,585	9,766	7,364	6,284	3,907	3,294	3,101	3,154
Finance - number of Certificates of Residence issued	N/A	N/A	N/A	N/A	N/A	2,027	2,099	2,412	2,490	2,523
Highway - number of permits issued	28	33	28	41	37	23	23	20	12	14
Public safety - emergency services - number of calls at 911 center	13,283	15,369	10,649	6,531	10,793	10,793	37,911	39,725	35,601	36,742
Corrections - number of inmates	908	828	815	940	955	713	844	868	930	936
Health - number of home health aid visits*	4,504	3,613	3,237	3,137	2,152	2,072	1,740	1,928	1,470	-
Culture and recreation - number of rounds of golf played	NA	NA	39,579	37,849	36,926	39,116	22,951	29,739	32,898	24,412
Home and community services - transportation - ridership on public buses	157,188	168,284	172,485	172,988	157,507	164,495	174,243	177,246	186,867	172,781

N/A - Information not available

NA - not applicable

* Putnam County sold its Certified Home Health Agency to the Visiting Nursing Services of Westchester on December 22, 2010

Source - Various County Departments

COUNTY OF PUTNAM, NEW YORK
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Buildings	5	5	5	5	5	6	6	6	7	7
Public Safety										
Buildings	2	2	3	3	3	3	3	3	3	3
Health										
Buildings	2	2	3	3	3	3	3	3	3	3
Transportation										
Buildings	1	1	1	1	1	1	1	1	1	1
Culture and Recreation -										
Parks acreage	2,188	2,651	2,652	2,699	2,699	2,699	2,699	2,699	2,698	2,698
Buildings	3	4	5	6	7	7	7	8	8	8
Economic, Opportunity										
Buildings	4	4	4	5	5	5	5	5	5	5
Home & Community Services										
Buildings	1	1	1	1	1	1	1	1	1	1

Source - Various County departments