

The  
Comprehensive  
Annual  
Financial  
Report

**FINANCIAL YEAR ENDED**

**DECEMBER 31, 2012**

**MARYELLEN ODELL, County Executive**

**WILLIAM J. CARLIN, JR. - Commissioner**

# COUNTY OF PUTNAM, NEW YORK

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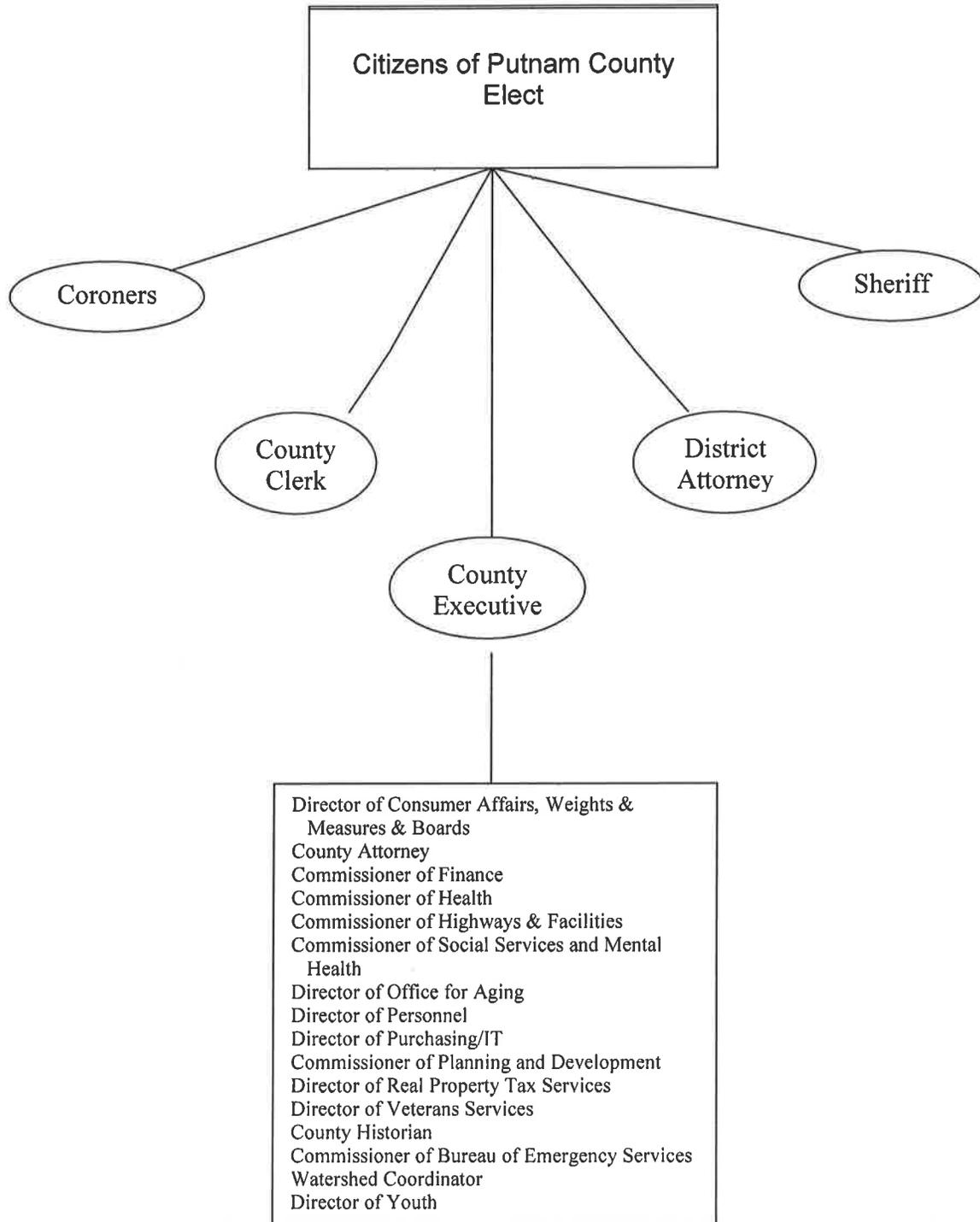
**INTRODUCTORY  
SECTION**

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

**As of December 31, 2012**

<b><u>OFFICE</u></b>	<b><u>OFFICE HOLDER</u></b>	<b><u>TERM EXPIRES</u></b>
<b>County Executive</b>	MaryEllen Odell	12/31/14
<b>County Legislators</b>		
District #1	Barbara Scuccimarra	12/31/15
District #2	Sam Oliverio Jr.	12/31/14
District #3	Richard Othmer (Chairman)	12/31/14
District #4	Ginny Nacerino	12/31/15
District #5	Carl Albano	12/31/13
District #6	Roger Gross	12/31/13
District #7	Joseph Castellano	12/31/15
District #8	Dini LoBue	12/31/14
District #9	Anthony DiCarlo	12/31/13
<b>County Clerk</b>	Dennis J. Sant	12/31/14
<b>District Attorney</b>	Adam Levy	12/31/15
<b>Sheriff</b>	Donald B. Smith	12/31/13
<b>County Attorney</b>	Jennifer Bumgarner	12/31/14
<b>Commissioner of Finance</b>	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, 2013

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, 2012 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, 2012, 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, 2012 are fairly presented in conformity with GAAP.

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).

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.

Putnam County is located 56 miles north of New York City with Metro North trains departing at ½ and 1 hr. intervals to Grand Central Station. The County is also located conveniently to several airports – 25 miles to Stewart Airport; 25 miles to Westchester County Airport and 45 miles to LaGuardia Airport.

The County operates under a Charter form of government that provides for separate, independent executive and legislative functions with an elected County Executive and a 9-person County Legislature. This current form of Government was adopted to the provisions of Local Law No. 1 of 1977 and became effective on January 1, 1979.

The County Executive, elected from the County at large in an even numbered year for a term of four years, not to exceed 2 four year terms, 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 four - three year staggered 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 three 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 October 1<sup>st</sup> 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 October 20<sup>th</sup>.

A second public hearing before all members of the County Legislature is held not later than October 25<sup>th</sup>. 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 28<sup>th</sup>, 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 November 15<sup>th</sup>.

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.

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.

In 2012, the County was required to implement GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, and GASB Statement No. 63, - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. The County also elected to implement early, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which would be required to be implemented for year ended December 31, 2013. 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 2012, the County saw an all time high in the collection of sales tax revenues to \$51,676,481 since 2008. This represented an increase of 3.71% over collections in 2011. This increase was part due to the recovering economy as well as increase gasoline costs.

The County's unemployment rate (5.8%) continues to remain one of the lowest of all the counties in New York State as of December 2012 as well as to New York State (8.7%) and the Nation (8.4%). Residential home sales saw a 4.0% increase from 576 sales in 2011 to 599 sales in 2012. The median sale price of a single-family home showed a decrease of 9.38% from the 2011 median sales price of \$350,000 to a median sales price of \$320,000 for 2012. Home foreclosure filings in Putnam County increased from 285 in 2011 to 331 in 2012.

According to Federal statistics for 2011 Putnam County had a per capita personal income of \$52,273 and a median household income of \$92,711; as compared to New York State with a per capita income of \$50,545 and a median household income of \$56,951 (2011). The Census 2010 population count was 99,710 and the Census Bureau estimates the current population of the County for 2012 at 99,607.

### **Long-Term Financial Planning**

Putnam County will soon bid out the construction contract for Bikeway IV, which will encompass a one mile stretch from the Town of Southeast into the Village of Brewster. When completed, the County trailway system will be connected from the hamlet of Mahopac through the Village of Brewster.

The County is currently negotiating with a private college to establish a satellite campus within Putnam County. Currently, the County spends approximately \$2.7 million per year in community college tuition for Putnam residents to attend out of County community colleges. The County is looking to offer options in Putnam County to provide economic benefits to local businesses.

Putnam County is currently exploring the establishment of alternative energy sources to reduce energy costs. For example, the County is studying the feasibility of establishing a solar energy station on landfill property to supply power which the County can purchase at a lower cost that is currently paid.

## **Relevant 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, 2012 was \$613,941 down from \$688,981 in 2011.

The County prepares its budgets, capital improvement plans, and forecasts with various financials policies in mind, and operates in compliance with the policies. The County does not foresee any issues with its ability to comply with the current policies in the implementations of its near and long term initiatives.

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, 2011. 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, 2011

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.



*Christopher P. Moivell*

President

*Jeffrey R. Enos*

Executive Director

**FINANCIAL  
SECTION**

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Putnam, New York (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Putnam, New York, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

As described in note 5 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," GASB Statement No. 63 - "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities" during 2012. Our opinion is not modified with respect to these matters.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the schedule of funding progress for other postemployment benefits on page 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The information for 2011 was extracted from the financial statements for the year ended December 31, 2011, and in our report dated July 26, 2012 we expressed an unmodified opinion.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York  
July 26, 2013

COUNTY OF PUTNAM, NEW YORK  
Management's Discussion and Analysis  
December 31, 2012

**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, 2012. 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 2012**

Key financial highlights for fiscal year 2012 are as follows:

- The net position (assets minus liabilities minus deferred inflows of resources) of the County for fiscal year 2012 equaled \$5,593,804. Of this amount, \$21,744,975 represents net position for governmental activities and (\$16,151,171) net position for business-type activities.
- Total general fund revenue exceeded general fund expenditures by \$2,209,125.
- The general fund reported an ending fund balance of \$29,053,664, which represents an increase of \$2,209,125 from fiscal year 2011. The capital projects fund reported an ending fund balance of \$6,153,036, an increase of \$2,580,855 from fiscal year 2011.
- The County's total outstanding bonds payable, exclusive of the business-type activities, at December 31, 2012 were \$64,362,498.

**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 position and statement of activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

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

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

The statement of activities presents information showing the change in the County's net position 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 entirely of the Putnam Tobacco Asset Securitization Corporation.

2011 Restatement - The County implemented the requirements of Government Accounting Standards Board Statement No. 65 - "Items Previously Reported as Assets and Liabilities" in 2012. The 2011 financial statements have been restated to reflect this change in accounting principles.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

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.

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

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.

Notes to 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.

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

**Government-Wide Financial Analysis**

As noted earlier, net position 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, 2012, the County's assets less liabilities and deferred inflows equaled \$5,593,804, a 69.64% decrease from the prior year.

The following table reflects the condensed statement of net position:

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011 (Restated)	2012	2011 (Restated)
Current assets	\$ 109,791,491	113,168,930	2,324,053	2,342,881	112,115,544	115,511,811
Capital assets	<u>106,779,846</u>	<u>106,424,739</u>	-	-	<u>106,779,846</u>	<u>106,424,739</u>
Total assets	<u>216,571,337</u>	<u>219,593,669</u>	<u>2,324,053</u>	<u>2,342,881</u>	<u>218,895,390</u>	<u>221,936,550</u>
Current liabilities	47,534,513	65,632,171	323,250	258,650	47,857,763	65,890,821
Long-term liabilities	<u>140,122,339</u>	<u>119,598,931</u>	<u>18,151,974</u>	<u>18,020,859</u>	<u>158,274,313</u>	<u>137,619,790</u>
Total liabilities	<u>187,656,852</u>	<u>185,231,102</u>	<u>18,475,224</u>	<u>18,279,509</u>	<u>206,132,076</u>	<u>203,510,611</u>
Deferred inflows of resources	<u>7,169,510</u>	-	-	-	<u>7,169,510</u>	-
Net position:						
Invested in capital assets, net of related debt	42,242,348	45,649,962	-	-	42,242,348	45,649,962
Restricted	8,980,231	5,983,772	2,265,065	2,283,920	11,245,296	8,267,692
Unrestricted	<u>(29,477,604)</u>	<u>(17,271,167)</u>	<u>(18,416,236)</u>	<u>(18,220,548)</u>	<u>(47,893,840)</u>	<u>(35,491,715)</u>
Total net position	<u>\$ 21,744,975</u>	<u>34,362,567</u>	<u>(16,151,171)</u>	<u>(15,936,628)</u>	<u>5,593,804</u>	<u>18,425,939</u>

The largest component of the County's net position for governmental activities \$42,242,348 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 position for governmental activities is restricted net assets of \$11,245,296. This represents resources that are subject to external restrictions on how they may be used. The restrictions are as follows:

Capital projects	\$ 6,153,036
Special revenue funds	2,196,762
Debt service	<u>2,895,498</u>
Total restricted net position	<u>\$ 11,245,296</u>

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

The County is able to report positive balances for its governmental activities as a whole. The business-type activities reflected a deficit balance of \$16,151,171. This represents an increase in the deficit of \$214,543.

The following table represents the statement of activities.

	Governmental activities		Business-type activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011 (Restated)</u>	<u>2012</u>	<u>2011 (Restated)</u>
Program revenue:						
Charges for services	\$ 13,165,351	13,304,845	1,047,718	932,963	14,213,069	14,237,808
Operating grants and contributions	24,420,622	25,396,717	-	-	24,420,622	25,396,717
Capital grants and contributions	12,630,473	5,455,881	-	-	12,630,473	5,455,881
General revenue:						
Real property taxes	38,084,798	37,248,786	-	-	38,084,798	37,248,786
Other tax items	5,148,031	4,696,118	-	-	5,148,031	4,696,118
Non-property taxes	51,907,116	50,048,010	-	-	51,907,116	50,048,010
Unrestricted use of money and property	956,416	681,908	185	163	956,601	682,071
Sale of property and compensation for loss	204,612	243,328	-	-	204,612	243,328
Miscellaneous	<u>2,155,030</u>	<u>(657,262)</u>	<u>-</u>	<u>-</u>	<u>2,155,030</u>	<u>(657,262)</u>
Total revenue	<u>148,672,449</u>	<u>136,418,331</u>	<u>1,047,903</u>	<u>933,126</u>	<u>149,720,352</u>	<u>137,351,457</u>
Program expenses:						
General government support	26,453,722	25,997,916	-	-	26,453,722	25,997,916
Education	10,172,476	9,849,831	-	-	10,172,476	9,849,831
Public safety	42,845,562	38,692,325	-	-	42,845,562	38,692,325
Health	14,217,985	14,142,348	-	-	14,217,985	14,142,348
Transportation	14,786,291	15,408,159	-	-	14,786,291	15,408,159
Economic opportunity and development	35,270,894	34,918,860	-	-	35,270,894	34,918,860
Culture and recreation	3,759,514	3,508,682	-	-	3,759,514	3,508,682
Home and community services	10,533,633	3,317,020	-	-	10,533,633	3,317,020
Interest	3,249,964	2,751,683	-	-	3,249,964	2,751,683
Putnam Tobacco Asset Securitization Corp.	-	-	1,262,446	1,248,312	1,262,446	1,248,312
Total expenses	<u>161,290,041</u>	<u>148,586,824</u>	<u>1,262,446</u>	<u>1,248,312</u>	<u>162,552,487</u>	<u>149,835,136</u>
Change in net position	<u>(12,617,592)</u>	<u>(12,168,493)</u>	<u>(214,543)</u>	<u>(315,186)</u>	<u>(12,832,135)</u>	<u>(12,483,679)</u>
Net position at beginning of year, as originally stated	34,362,567	46,531,060	(15,936,628)	(15,414,319)	18,425,939	31,116,741
Restatement	-	-	-	(207,123)	-	(207,123)
Net position at beginning of year, as restated	<u>34,362,567</u>	<u>46,531,060</u>	<u>(15,936,628)</u>	<u>(15,621,442)</u>	<u>18,425,939</u>	<u>30,909,618</u>
Net position at end of year	<u>\$ 21,744,975</u>	<u>34,362,567</u>	<u>(16,151,171)</u>	<u>(15,936,628)</u>	<u>5,593,804</u>	<u>18,425,939</u>

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

Governmental activities - For the fiscal year ended December 31, 2012, net position for governmental activities decreased the County's net position \$12,617,592 from the prior fiscal year.

For the fiscal year ended December 31, 2012, revenues from governmental activities totaled \$148.7 million. Tax revenue \$94.9 million, comprised of real property taxes, other tax items and sales tax, represent the largest revenue source 63.8%. Sales tax revenues saw an increase over 2011. Sales tax yielded \$51.9 million, an increase of \$1.9 million from fiscal year 2011 attributed to the local and national economy recovery that occurred during the course of the fiscal year. Real property taxes saw an increase of \$836 thousand from 2011.

Business-type activities - Business-type activities decreased the County's net position by \$214,543.

**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.

**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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$38.0 million, an increase of \$5.3 million in comparison with the prior year. Of the total combined fund balance, \$16.7 million constitutes unassigned fund balance. The balance of \$21.3 million is broken down as follows: \$5.8 million is assigned appropriated fund balance; \$11.6 million is restricted; \$3.2 million is assigned unappropriated fund balance and the balance of \$697 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 \$16,762,962 and its total fund balance was \$29,053,604. The difference of \$12,290,642 represents fund balance monies that have been restricted or assigned for other purposes. The County's unassigned fund balance increased \$620,126 or 3.4% from the prior fiscal years.

Total fund balance increased \$2,209,125 or 8.2% from the previous fiscal year, representing the difference between revenues and expenditures for the fiscal year.

When the fiscal 2012 budget was adopted, it anticipated the use of \$4.5 million of general fund balance. However, actual results of operations resulted in a surplus of \$2.2 million in fund balance. After accounting for specific reserves and \$4.0 million of fund balance to balance the 2013 budget, the unassigned general fund balance increased from \$18.1 million in 2011 to \$18.8 million in 2012. Refer to the next section, General Fund Budgetary Highlights, for detailed analysis.

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

Capital Projects Fund

The capital projects fund, at December 31, 2012, had a total fund balance of \$6.2 million. This represents an increase of \$2.6 million due to the start of several new major projects.

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, 2012, the combined fund balance of these funds totaled \$2.2 million. This represents an increase of \$214 thousand for the fiscal year 2012. This increase was due to increases in County Road and Road Machinery costs over 2011 due to the severe weather in 2012.

The debt service fund reported a fund balance of \$630,433 at December 31, 2012, an increase of \$294,955 from 2011.

**General Fund Budgetary Highlights**

The difference between the general fund's original expenditure budget of \$125,074,636, and the final amended budget of \$125,435,454, was an increase of \$360,818 (.29%). 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, 2012 were \$117,842,811; \$7,231,825 less than the original budget and \$8,281,274 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 - \$1.9 million - Of this amount \$447 thousand in Temporary Assistance to Needy Families due to a decrease in foster home and residential cases; \$430 thousand was in Social Services Administration; \$138 thousand was due to unspent grants for 2012 that were rolled into 2013; \$129 thousand due to a decrease in Juvenile Delinquent placements; and \$114 thousand in Office For the Aging Title III.
- Public Safety - \$1.8 million - This decrease was due in part to \$764 thousand in unspent grants for the Sheriff and Bureau of Emergency Services being rolled over into the 2013 budget. The Jail had a decrease of \$334 thousand of which \$132 thousand was for grants being rolled over into 2013; \$94 thousand was due to equipment and repairs that were ordered in 2012 but were not completed until 2013 and \$76 thousand due to decreases in personnel costs due to retirements. \$100 thousand was due to equipment ordered for the Sheriff's Department but not received until 2013. In addition, \$69 thousand was due to a decrease in telephone expenditures for the Bureau of Emergency Services due to credits owed from a telephone audit; and the balance was spread over various contractual and fringe 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 - \$2.2 million - Of this amount \$385 was attributable to the Department of Highways and Facilities as follows: \$165 thousand was due to several vacancies; \$126 was due to contracts that were not completed in 2012 and were rolled over into 2013; and \$94 thousand was due to decreases in various contractual accounts. The Building Department saw a decrease of \$226 thousand which included a decrease in oil and electrical costs for a total of \$77 thousand; \$65 thousand in machine maintenance costs; and \$22 thousand in contacts that were not completed in 2012 and rolled over to 2013; and the balance was spread over various contractual lines within the department. The County Legislature saw a decrease of \$166 thousand due to a retirement \$56 thousand; \$31 thousand in advertising costs; \$30 thousand in various contractual lines and \$17 thousand due to printing expenses that were not completed in 2012. The decrease of \$158 thousand in the Board of Elections was due to decreases in printing, postage and advertising. The District Attorney's office had a variance of \$137 thousand of which \$29 thousand was due to a decrease in health plan costs due to retirements; \$25 thousand was due to a decrease in special services and investigations; \$14 thousand was due to a grant rollover; and the balance was due to decreases in various personnel, contractual and fringe lines. Further decreases of \$118 thousand in the Clerk's office and \$106 thousand in the Audit Department were due to rollovers of grant and contractual expenses that were not completed in 2012; as well as decreases in health plan costs and various contractual expenses in both departments.
- Health - \$840 thousand - Of this variance, \$395 thousand was attributable to decreases in Mental Health Services and Family Support Services which were offset by a decrease in revenues. Public Health had a decrease of \$234 thousand. Of this amount, \$73 thousand was due to various grants that were rolled over into 2013; \$35 thousand decrease in lab analysis and medical supply expenses; and the balance was due to decrease in contractual lines within the Health Department. The Early Intervention Program saw a decrease of \$121 thousand dollars. This decrease was mainly due to a decrease in the number of children receiving services.
- Education - \$299 thousand - This decrease was mainly due to a decrease of \$293 thousand due to tuition rate decreases in Community Colleges for the 2012 - 2013 school years. This is the second tuition rate decrease. There was a decrease for most of the Community Colleges for the 2011 - 2012 school years as well.
- Culture and Recreation - \$406 thousand - This decrease of \$197 thousand was mainly due to the County Golf course which saw a decrease in rounds in 2012 due to the severe weather and the Youth Programs which saw a decrease of \$128,000 mainly due to multiyear funded programs.
- Home and Community Services - \$234 thousand - This decrease is mainly due to vacant positions in the Planning department \$158 thousand and decreases in various contractual expenses for Soil and Water and Recycling.

The difference between the County's original revenue budget of \$120,574,636 and the final revenue budget of \$121,178,160 reflects the recognition of grant revenues as indicated above. The County's actual total revenues and other financing sources at December 31, 2012 was \$120,051,936, a difference of \$1,126,224 from final budget. Shortfalls were noted in the following categories: real property taxes \$1,669,249; state aid \$1,304,473; federal aid \$436,761; fines and forfeitures \$38,187;

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

and use of money and property \$173. Overages in revenues were noted in other tax items \$623,055, non-property tax items \$278,802, licenses and permits \$277,473 and miscellaneous \$1,233,267.

Miscellaneous revenues had a positive variance of \$1.2 million dollars. This variance was due to a refund of prior years' expenditure totaling \$712,000 in various departments and the balance of \$445,000 was due to telephone expenditures for the 911 system. Other tax items saw a variance increase of \$623,055 mainly due to an increase on interest and penalties on real property taxes. Non-property taxes had an overall variance increase of \$278,802 due to an increase in sales tax collections mainly due to an increase in gasoline costs. Licenses and permits had a variance increase of \$277,743 due to an increase in licenses and permits issued. These variances were offset by negative variances in State Aid of \$1,304,474 and Federal Aid of \$436,761.

State Aid had a negative variance of \$1,304,473 mainly due to a decrease in expenditures from Social Services administration of \$237,757 and Other Social Services programs of \$588,883 due to various increase/decreases in adoptions subsidies and foster care; day care eligibility; special project/grant allocations and expenses; and adjustment to prior year claims and settlements. Federal Aid a negative variance of \$436,761 due to the rollover of the Homeland Security grants for the Bureau of Emergency Services and Sheriff's departments totaling \$356,946. Department income had an overall net negative variance of \$109,742 due mainly to a \$282,942 decrease at Putnam National Golf due to the number of rounds played.

**Capital Asset and Debt Administration**

**Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$106,779,846 (net of accumulated depreciation), an increase of \$355,107. 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 \$2,867,590 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 \$3,526,209.
- Improvement of various County facilities including new buildings at a cost of \$1,015,925.
- The purchase of various vehicles and equipment totaling \$1,981,405.

Capital Assets  
(Net of Depreciation)  
(in thousands)

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Land	\$ 6,473	5,237
Buildings and improvements	59,155	61,250
Machinery and equipment	4,623	4,318
Infrastructure	33,662	33,310
Construction in progress	<u>2,867</u>	<u>2,309</u>
Total (net of depreciation)	<u>\$ 106,780</u>	<u>106,424</u>

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

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 \$64,362,498, exclusive of the Tobacco Securitization Corporation. The County issued \$6.5 million in debt and redeemed \$3.5 million of debt during 2012. All of this debt is backed by the full faith and credit of the County.

Outstanding Debt General Obligations Bonds (in thousands)	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Total general obligation bonds	\$ <u>64,362</u>	<u>60,645</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 AA<sup>2</sup> for over ten years. In 2007 the County was downgraded to AA<sup>3</sup> 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 AA<sup>2</sup> 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, 2012, the County of Putnam had used \$61,732,317 or 5.74% of the constitutional debt limit leaving \$1,014,337,290 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 5.8% for 2012 down from 6.2% in 2011. The County's unemployment rate was 33.3% less than the statewide rate of 8.7%.

Labor Department data also indicated that the number of people employed in the County remained the same between 2011 and 2012.

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

The County's estimated median household income for 2012 was \$92,711, while New York State's median household income was \$56,951. The median income for the nation as a whole was \$52,762.

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

The net taxable assessed value of real property in Putnam County decreased from \$11,333,206,698 in 2011 to \$10,992,611,655 in 2012, a decrease of 3.0%. The median sale price of a single-family home increased from \$350,000 in 2011 to \$320,000 in 2012, a decrease of 9.38%. The median sale price of a single-family home for New York State as a whole increased from \$224,450 in 2011 to \$215,000 in 2012, a decrease 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 to 2,511 for the 2011-12 school year, an increase of 24%.

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 2013 budget.

The County has appropriated \$3,976,000 million of the fund balance of the general fund for spending in the 2013 fiscal year. The 2013 County budget increased the real property tax levy by \$527,669 for a tax levy \$38,612,467 or 1.39% keeping under the real property 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](http://www.putnamcountyny.com).

**BASIC FINANCIAL  
STATEMENTS**

COUNTY OF PUTNAM, NEW YORK  
Statement of Net Position  
December 31, 2012

	Primary Government		
	Governmental activities	Business-type activities	Total
<b>Assets:</b>			
Cash and equivalents	\$ 37,129,674	49,583	37,179,257
Restricted cash and equivalents	-	1,209,065	1,209,065
Receivables:			
Taxes, net	42,085,834	-	42,085,834
Accounts	9,792,386	1,056,000	10,848,386
State and Federal aid	18,489,673	-	18,489,673
Due from other governments	865,498	-	865,498
Due from other fund	1,145,383	-	1,145,383
Prepaid expenses	281,405	9,405	290,810
Other assets	1,638	-	1,638
Capital assets (net of accumulated depreciation):			
Land	6,472,531	-	6,472,531
Buildings and improvements	59,155,328	-	59,155,328
Machinery and equipment	4,622,831	-	4,622,831
Infrastructure	33,661,566	-	33,661,566
Construction in progress	2,867,590	-	2,867,590
Total assets	<u>216,571,337</u>	<u>2,324,053</u>	<u>218,895,390</u>
<b>Liabilities:</b>			
Accounts payable	6,394,554	-	6,394,554
Accrued liabilities	2,335,071	78,250	2,413,321
Retained percentages payable	274,299	-	274,299
Tax anticipation notes payable	17,000,000	-	17,000,000
Due to other governments	16,870,223	-	16,870,223
Accrued interest payable	812,844	-	812,844
Non-current liabilities:			
Due within one year:			
Bonds payable	2,899,122	245,000	3,144,122
Compensated absences	372,958	-	372,958
Retirement incentives and other pension obligation	111,501	-	111,501
Claims payable	428,941	-	428,941
Pollution remediation	35,000	-	35,000
Due in more than one year:			
Bonds payable, including unamortized premium	61,463,376	18,151,974	79,615,350
Compensated absences	3,356,630	-	3,356,630
Retirement incentives and other pension obligation	3,416,087	-	3,416,087
Claims payable	3,860,466	-	3,860,466
Other postemployment benefits liability	67,624,780	-	67,624,780
Postclosure care costs	401,000	-	401,000
Total liabilities	<u>187,656,852</u>	<u>18,475,224</u>	<u>206,132,076</u>
Deferred inflows of resources	<u>7,169,510</u>	<u>-</u>	<u>7,169,510</u>
<b>Net position:</b>			
Investments in capital assets, net of related debt	42,242,348	-	42,242,348
Restricted for:			
Capital projects	6,153,036	-	6,153,036
Debt service	630,433	2,265,065	2,895,498
Special revenue funds:			
County road	1,402,822	-	1,402,822
Road machinery	91,827	-	91,827
Transportation	660,916	-	660,916
Special purpose	41,197	-	41,197
Unrestricted	<u>(29,477,604)</u>	<u>(18,416,236)</u>	<u>(47,893,840)</u>
Total net position	<u>\$ 21,744,975</u>	<u>(16,151,171)</u>	<u>5,593,804</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Statement of Activities  
Year ended December 31, 2012

Functions/programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
<b>Governmental activities:</b>							
General government support	\$ 26,453,722	5,417,539	719,871	1,010,144	(19,306,168)	-	(19,306,168)
Education	10,172,476	-	4,670,336	-	(5,502,140)	-	(5,502,140)
Public safety	42,845,562	1,256,026	1,140,208	-	(40,449,328)	-	(40,449,328)
Health	14,217,985	1,210,768	5,142,707	629,098	(7,235,412)	-	(7,235,412)
Transportation	14,786,291	931,674	786,248	68,500	(12,999,869)	-	(12,999,869)
Economic opportunity and development	35,270,894	2,720,570	11,325,216	-	(21,225,108)	-	(21,225,108)
Culture and recreation	3,759,514	1,584,626	310,564	9,955,969	8,091,645	-	8,091,645
Home and community services	10,533,633	44,148	325,472	966,762	(9,197,251)	-	(9,197,251)
Interest	3,249,964	-	-	-	(3,249,964)	-	(3,249,964)
Total government activities	161,290,041	13,165,351	24,420,622	12,630,473	(111,073,595)	-	(111,073,595)
Business-type activities - Putnam Tobacco							
Asset Securitization Corporation	1,262,446	1,047,718	-	-	-	(214,728)	(214,728)
Total	\$ 162,552,487	14,213,069	24,420,622	12,630,473	(111,073,595)	(214,728)	(111,288,323)
<b>General revenues:</b>							
Real property taxes					38,084,798	-	38,084,798
Other tax items:							
Interest and penalties on real property taxes					5,086,019	-	5,086,019
Payments in lieu of taxes					62,012	-	62,012
Non-property tax items:							
Sales taxes					51,676,481	-	51,676,481
OTB distributed earnings					230,635	-	230,635
Unrestricted use of money and property					956,416	185	956,601
Sale of property and compensation for loss					204,612	-	204,612
Miscellaneous					2,155,030	-	2,155,030
Total general revenues					98,456,003	185	98,456,188
Change in net position					(12,617,592)	(214,543)	(12,832,135)
Net position at beginning of year, as restated (note 6)					34,362,567	(15,936,628)	18,425,939
Net position at end of year					\$ 21,744,975	(16,151,171)	5,593,804

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2012

<u>Assets</u>	<u>General</u>	<u>Capital projects</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
Cash and equivalents	\$ 20,770,014	11,867,851	41,497	32,679,362
Taxes receivable, net of allowance for uncollectible amounts	42,085,834	-	-	42,085,834
Other receivables:				
Accounts	9,376,795	-	415,591	9,792,386
State and Federal aid	12,796,416	5,558,163	135,094	18,489,673
Due from other governments	865,498	-	-	865,498
Due to fiduciary funds	1,145,383	-	-	1,145,383
Due from other funds	1,291,610	-	3,170,202	4,461,812
	<u>25,475,702</u>	<u>5,558,163</u>	<u>3,720,887</u>	<u>34,754,752</u>
Prepaid items	281,405	-	-	281,405
Other assets	1,638	-	-	1,638
Total assets	<u>\$ 88,614,593</u>	<u>17,426,014</u>	<u>3,762,384</u>	<u>109,802,991</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities:				
Accounts payable	4,826,943	1,060,575	507,036	6,394,554
Accrued liabilities	2,122,398	4,164	208,509	2,335,071
Retained percentages payable	-	274,299	-	274,299
Tax anticipation notes payable	17,000,000	-	-	17,000,000
Due to other governments	16,870,223	-	-	16,870,223
Due to other funds	-	4,302,647	-	4,302,647
Total liabilities	<u>40,819,564</u>	<u>5,641,685</u>	<u>715,545</u>	<u>47,176,794</u>
Deferred inflows of resources - aggregated deferred inflows of resources	<u>18,741,425</u>	<u>5,631,293</u>	<u>219,644</u>	<u>24,592,362</u>
Fund balances:				
Nonspendable	696,805	-	-	696,805
Restricted	2,657,689	6,263,645	671,630	9,592,964
Assigned - appropriated	4,936,148	-	924,602	5,860,750
Assigned - unappropriated	2,000,000	-	1,230,963	3,230,963
Unassigned	18,762,962	(110,609)	-	18,652,353
Total fund balances	<u>29,053,604</u>	<u>6,153,036</u>	<u>2,827,195</u>	<u>38,033,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,614,593</u>	<u>17,426,014</u>	<u>3,762,384</u>	<u>109,802,991</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 Position  
 December 31, 2012

Fund balances - total governmental funds	\$ 38,033,835
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	106,779,846
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 position.	1,740
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows in the funds - real property taxes receivable.	17,597,852
Deferred gain on advance refunding is not recognized in the fund statements but reported in the government-wide financial statements.	(175,000)
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(812,844)
Bonds payable	(64,362,498)
Compensated absences	(3,729,588)
Retirement incentives and other pension obligations	(3,527,588)
Other postemployment benefit liability	(67,624,780)
Postclosure care costs	(436,000)
Net position of governmental activities	\$ 21,744,975

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, 2012

	<u>General</u>	<u>Capital projects</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
<b>Revenue:</b>				
Real property taxes	\$ 24,302,775	-	12,112,774	36,415,549
Other tax items	5,148,031	-	-	5,148,031
Non-property tax items	51,907,116	-	-	51,907,116
Departmental income	11,056,286	-	303,676	11,359,962
Intergovernmental charges	-	-	666,366	666,366
Use of money and property	343,393	-	609,615	953,008
Licenses and permits	883,673	-	-	883,673
Fines and forfeitures	255,350	-	-	255,350
Sale of property and compensation for loss	204,612	-	-	204,612
Interfund revenues	-	-	310,045	310,045
State aid	14,394,042	1,027,238	786,248	16,207,528
Federal aid	9,240,332	2,014,837	68,500	11,323,669
Miscellaneous	2,116,662	9,519,898	38,368	11,674,928
Total revenue	<u>119,852,272</u>	<u>12,561,973</u>	<u>14,895,592</u>	<u>147,309,837</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government support	21,377,731	-	-	21,377,731
Education	10,152,873	-	-	10,152,873
Public safety	31,768,804	-	263,650	32,032,454
Health	12,304,232	-	-	12,304,232
Transportation	1,433,118	-	8,604,020	10,037,138
Economic opportunity and development	31,649,422	-	-	31,649,422
Culture and recreation	2,755,808	-	-	2,755,808
Home and community services	1,704,197	-	-	1,704,197
Employee benefits	3,766,453	-	-	3,766,453
<b>Debt service:</b>				
Principal	-	-	3,320,000	3,320,000
Interest	241,542	-	2,404,507	2,646,049
Capital outlay	-	<u>16,710,815</u>	-	<u>16,710,815</u>
Total expenditures	<u>117,154,180</u>	<u>16,710,815</u>	<u>14,592,177</u>	<u>148,457,172</u>
Excess (deficiency) of revenue over expenditures	<u>2,698,092</u>	<u>(4,148,842)</u>	<u>303,415</u>	<u>(1,147,335)</u>
<b>Other financing sources (uses):</b>				
Transfers in	199,664	361,644	342,269	903,577
Transfers out	(688,631)	(78,482)	(136,464)	(903,577)
Proceeds from serial bonds	-	6,446,535	-	6,446,535
Issuance of refunding bonds	-	-	5,905,000	5,905,000
Premium on bonds	-	-	730,127	730,127
Payment to bond escrow agent	-	-	(6,635,127)	(6,635,127)
Total other financing sources (uses)	<u>(488,967)</u>	<u>6,729,697</u>	<u>205,805</u>	<u>6,446,535</u>
Net change in fund balances	2,209,125	2,580,855	509,220	5,299,200
Fund balances at beginning of year	<u>26,844,479</u>	<u>3,572,181</u>	<u>2,317,975</u>	<u>32,734,635</u>
Fund balances at end of year	<u>\$ 29,053,604</u>	<u>6,153,036</u>	<u>2,827,195</u>	<u>38,033,835</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, 2012

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

Net change in fund balances - total governmental funds	\$ 5,299,200
<p>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.</p>	
Capital outlay expenditures	8,317,816
Depreciation expense	<u>(7,962,709)</u>
	<u>355,107</u>
Net change in fund balance - internal service fund	1,498
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.	1,669,249
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:</p>	
Principal paid on bonds	3,320,000
Amortization of premium	93,941
Bonds issued	(6,446,535)
Premium on bonds	<u>(730,127)</u>
	<u>(3,762,721)</u>
<p>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.</p>	
Accrued interest	32,271
Retirement incentives and other pension obligations	(2,921,910)
Compensated absences	(138,598)
Other postemployment benefits	(13,915,688)
Landfill liability	<u>764,000</u>
	<u>(16,179,925)</u>
Change in net position of governmental activities	<u>\$ (12,617,592)</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, 2012

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	Variance with final budget positive (negative)
Revenue:				
Real property taxes	\$ 25,972,024	25,972,024	24,302,775	(1,669,249)
Other tax items	4,601,700	4,524,976	5,148,031	623,055
Non-property tax items	50,144,238	51,628,314	51,907,116	278,802
Departmental income	11,126,450	11,166,028	11,056,286	(109,742)
Use of money and property	393,566	343,566	343,393	(173)
Licenses and permits	606,200	606,200	883,673	277,473
Fines and forfeitures	261,789	293,537	255,350	(38,187)
Sale of property and compensation for loss	99,400	184,848	204,612	19,764
State aid	14,469,114	15,698,515	14,394,042	(1,304,473)
Federal aid	8,262,097	9,677,093	9,240,332	(436,761)
Miscellaneous	4,638,058	883,395	2,116,662	1,233,267
Total revenue	<u>120,574,636</u>	<u>120,978,496</u>	<u>119,852,272</u>	<u>(1,126,224)</u>
Expenditures:				
General government support	24,624,176	23,622,604	21,377,731	2,244,873
Education	10,051,968	10,451,701	10,152,873	298,828
Public safety	32,532,471	33,525,429	31,768,804	1,756,625
Health	12,767,116	13,144,293	12,304,232	840,061
Transportation	1,460,564	1,460,564	1,433,118	27,446
Economic opportunity and development	33,909,155	33,537,566	31,649,422	1,888,144
Culture and recreation	7,496,052	3,161,904	2,755,808	406,096
Home and community services	1,924,734	1,937,706	1,704,197	233,509
Employee benefits - undistributed	68,400	4,352,145	3,766,453	585,692
Debt service - interest	240,000	241,542	241,542	-
Total expenditures	<u>125,074,636</u>	<u>125,435,454</u>	<u>117,154,180</u>	<u>8,281,274</u>
Excess (deficiency) of revenue over expenditures	<u>(4,500,000)</u>	<u>(4,456,958)</u>	<u>2,698,092</u>	<u>7,155,050</u>
Other financing sources (uses):				
Transfers in	-	199,664	199,664	-
Transfers out	-	(688,631)	(688,631)	-
Total other financing sources (uses)	<u>-</u>	<u>(488,967)</u>	<u>(488,967)</u>	<u>-</u>
Net change in fund balance	(4,500,000)	(4,945,925)	2,209,125	7,155,050
Fund balance at beginning of year	<u>26,844,479</u>	<u>26,844,479</u>	<u>26,844,479</u>	<u>-</u>
Fund balance at end of year	<u>\$ 22,344,479</u>	<u>21,898,554</u>	<u>29,053,604</u>	<u>7,155,050</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Statement of Net Position - Proprietary Funds  
December 31, 2012

<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	\$ 49,583	4,450,312
Accounts receivable	1,056,000	-
Prepaid expenses	9,405	-
Due from other funds	-	440,835
Total current assets	<u>1,114,988</u>	<u>4,891,147</u>
Noncurrent assets - restricted cash and equivalents	<u>1,209,065</u>	-
Total assets	<u>2,324,053</u>	<u>4,891,147</u>
 <u>Liabilities and Net Position</u>		
Current liabilities:		
Claims payable	-	428,941
Accrued liabilities	78,250	-
Due to other funds	-	600,000
Current maturities of bonds payable	245,000	-
Total current liabilities	<u>323,250</u>	<u>1,028,941</u>
Noncurrent liabilities:		
Claims payable	-	3,860,466
Bonds payable, less current maturities	18,151,974	-
Total noncurrent liabilities	<u>18,151,974</u>	<u>3,860,466</u>
Total liabilities	<u>18,475,224</u>	<u>4,889,407</u>
Net position (deficit):		
Restricted for debt service	2,265,065	-
Unrestricted (deficit)	(18,416,236)	1,740
Total net position	<u>\$ (16,151,171)</u>	<u>1,740</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Statement of Revenue, Expenses and Changes in Net Position  
Proprietary Funds  
Year ended December 31, 2012

	Business-type activities - <u>Enterprise Fund</u> Putnam Tobacco Asset Securitization <u>Corporation</u>	Governmental <u>activities</u> Internal Service <u>Fund</u>
Operating revenue:		
Tobacco settlement	\$ 1,047,718	-
Charges for services	-	1,536,918
Miscellaneous	-	1,422
Total operating revenue	<u>1,047,718</u>	<u>1,538,340</u>
Operating expenses:		
Administration	25,000	475,662
Professional fees	13,071	-
Insurance	7,260	-
Employee benefits	-	1,063,090
Total operating expenses	<u>45,331</u>	<u>1,538,752</u>
Income (loss) from operations	<u>1,002,387</u>	<u>(412)</u>
Non-operating revenues (expenses):		
Interest income	185	1,910
Interest expense	<u>(1,217,115)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(1,216,930)</u>	<u>1,910</u>
Net change in net position	(214,543)	1,498
Net position (deficit) at beginning of year, as restated (note 6)	<u>(15,936,628)</u>	<u>242</u>
Net position (deficit) at end of year	<u>\$ (16,151,171)</u>	<u>1,740</u>

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Statement of Cash Flows  
Proprietary Funds  
Year ended December 31, 2012

	Business-type activities - <u>Enterprise Fund</u> Putnam Tobacco Asset Securitization <u>Corporation</u>	Governmental activities <u>Internal</u> Service <u>Fund</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ -	1,414,492
Cash received from tobacco settlement revenue	1,066,718	-
Cash payments to insurance carriers and claimants	-	(706,873)
Cash payments to vendors	<u>(45,331)</u>	<u>(436,082)</u>
Net cash provided by operating activities	<u>1,021,387</u>	<u>271,537</u>
Cash flows from investing activities - earnings on investments	<u>185</u>	<u>1,910</u>
Cash flows from non-capital financing activities:		
Repayment of bonds	(80,000)	-
Interest paid	<u>(941,400)</u>	<u>-</u>
Net cash used in non-capital financing activities	<u>(1,021,400)</u>	<u>-</u>
Net increase in cash and equivalents	172	273,447
Cash and equivalents at beginning of year	<u>1,258,476</u>	<u>4,176,865</u>
Cash and equivalents at end of year	<u>\$ 1,258,648</u>	<u>4,450,312</u>
Cash:		
Unrestricted	49,583	4,450,312
Restricted	<u>1,209,065</u>	<u>-</u>
	<u>\$ 1,258,648</u>	<u>4,450,312</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	1,002,387	(412)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	19,000	-
Due from other funds	-	100,000
Due to other funds	-	(223,848)
Claims payable	<u>-</u>	<u>395,797</u>
Net cash provided by operating activities	<u>\$ 1,021,387</u>	<u>271,537</u>
Noncash investing activities:		
Increase in bonds payable from amortization of:		
Original issue discount on term bonds	<u>\$ 13,673</u>	
Underwriter's discount	<u>\$ 11,892</u>	
Loss on refunding	<u>\$ 90,650</u>	
Increase in bonds payable from accreted interest on capital appreciation bonds	<u>\$ 159,900</u>	

See accompanying notes to financial statements.

COUNTY OF PUTNAM, NEW YORK  
Statement of Assets and Liabilities -  
Fiduciary Fund  
December 31, 2012

	<u>Assets</u>	<u>Agency</u>
Cash:		
Demand deposits		\$ 2,730,339
Time deposits		<u>11,441</u>
Total assets		<u>\$ 2,741,780</u>
	<u>Liabilities</u>	
Accounts payable		2,495
Employee payroll deductions		186,864
Due to other governments		436,362
Due to other funds		1,145,383
Deposits		<u>970,676</u>
Total liabilities		<u>\$ 2,741,780</u>

See accompanying notes to financial statements.

## COUNTY OF PUTNAM, NEW YORK

### Notes to Financial Statements

December 31, 2012

#### (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 position 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 position 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 position, 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.

(e) Assets, Liabilities and Net Position 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 Position 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, 2012.

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 1<sup>st</sup>. 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 1<sup>st</sup> and/or August 1<sup>st</sup> 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 1<sup>st</sup>. Village taxes are levied by the Villages, with all uncollected taxes returned to the County on February 1<sup>st</sup>. 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, 2012, 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 inventorable 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 Position 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. The balance as of December 31, 2012 is \$1,209,065.

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	15-30

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

(1) Summary of Significant Accounting Policies, Continued

(e) Assets, Liabilities and Net Position 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.

Deferred Inflows - Deferred inflows arise when asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported deferred inflows of \$17,597,852 for real property taxes which is not available under its revenue recognition criteria and \$1,143,573 for state aid and other items received in advance in the general fund. The County has also reported deferred inflows of \$5,590,924 for water shed projects and \$40,369 for other construction projects received in advance in the capital projects fund, \$219,644 for amounts received in advance in the road fund, and a deferred gain on advance refunding of \$175,000.

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.

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 Position 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 Position - Net position represents the difference between assets plus deferred outflows less liabilities and deferred inflows. Net position is 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 position in the statement of net position 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 position 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 position - consists of 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 position - all other assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

Classifications of fund balances focus on the constraints imposed on resources in governmental funds and is reported in 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 Position 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 County Commissioner of Finance, as the Chief Fiscal Officer for the County has been designated, authorized, and empowered by the Putnam County Legislature to allocate fund balance in accordance with GASB Statement No. 54. 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 maintain 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 assigned 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.

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 October 1<sup>st</sup>, the County Executive submits to the County Legislature a tentative operating budget for the fiscal year commencing the following January 1<sup>st</sup>. 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 October 20<sup>th</sup>, which includes the Committee's recommendations.
- (5) On or before October 25<sup>th</sup>, the Legislature conducts a public hearing on the tentative budget.
- (6) After the public hearing and prior to October 28<sup>th</sup>, 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 November 15<sup>th</sup>.
- (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 2012 was \$230,777,120, which exceeded the actual levy by \$198,167,887.

(c) Capital Projects Fund Deficit

The deficit in Macgregor Club project of \$110,609 is the result of expenditures exceeding current financing on this project. This deficit 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, 2012 of \$16,151,171. 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, 2012 consisted of the following:

Returned school and village taxes	\$ 27,068,161
Tax liens	16,154,183
Taxes receivable - pending	2,659,839
Property acquired for taxes	<u>1,959,213</u>
	47,841,396
Less allowance for uncollectible taxes	<u>(5,755,562)</u>
	<u>\$ 42,085,834</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 inflow of taxes of \$17,597,852, 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, 2012 were as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
General	\$ 2,436,993	-
Capital projects	-	4,302,647
Non-major governmental	3,170,202	-
Fiduciary fund	-	1,145,383
Internal service	<u>440,835</u>	<u>600,000</u>
	<u>\$ 6,048,030</u>	<u>6,048,030</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, 2012 consisted of U.S. Treasury money market accounts in the amount of \$1,209,065, recorded in the proprietary funds.

(d) Capital Assets

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

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
Capital assets, not being depreciated:				
Land	\$ 5,236,698	1,235,833	-	6,472,531
Construction in progress	<u>2,309,146</u>	<u>558,444</u>	-	<u>2,867,590</u>
Total capital assets, not being depreciated	<u>7,545,844</u>	<u>1,794,277</u>	-	<u>9,340,121</u>
Capital assets, being depreciated:				
Buildings and improvements	102,019,411	1,015,925	-	103,035,336
Machinery and equipment	22,578,477	1,981,405	-	24,559,882
Infrastructure	<u>53,253,848</u>	<u>3,526,209</u>	-	<u>56,780,057</u>
Total capital assets, being depreciated	<u>177,851,736</u>	<u>6,523,539</u>	-	<u>184,375,275</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>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2012</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 40,768,434	3,111,574	-	43,880,008
Machinery and equipment	18,260,339	1,676,712	-	19,937,051
Infrastructure	<u>19,944,068</u>	<u>3,174,423</u>	-	<u>23,118,491</u>
Total accumulated depreciation	<u>78,972,841</u>	<u>7,962,709</u>	-	<u>86,935,550</u>
Capital assets, being depreciated, net	<u>98,878,895</u>	<u>(1,439,170)</u>	-	<u>97,439,725</u>
Capital assets, net	<u>\$ 106,424,739</u>	<u>355,107</u>	-	<u>106,779,846</u>

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

Governmental Activities:

General government support	\$ 1,141,436
Public safety	1,331,188
Health	169,505
Transportation	3,682,302
Economic opportunity and development	491,096
Culture and recreation	580,801
Home and community services	<u>566,381</u>
Total depreciation expense	\$ <u>7,962,709</u>

(e) Accrued Liabilities

Accrued Liabilities at December 31, 2012 were as follows:

	Governmental <u>activities</u>	Business-type <u>activities</u>	<u>Total</u>
Payroll and employee benefits	\$ 1,303,058	-	1,303,058
Other	<u>1,032,013</u>	<u>78,250</u>	<u>1,110,263</u>
Total	<u>\$ 2,335,071</u>	<u>78,250</u>	<u>2,413,321</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>2012</u>	<u>New issues</u>	<u>Redemptions</u>	Balance December 31, <u>2012</u>
Tax anticipation note - G	\$ 17,000,000	-	(17,000,000)	-
Tax anticipation note - H	<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 - G was issued on November 18, 2011 and matured on October 29, 2012, with interest at 1.50%. Interest expense of approximately \$241,542 was recorded in the governmental funds.

The tax anticipation note - H was issued on November 21, 2012 and matures on October 25, 2013, with interest at 1.00%. Interest expense of approximately \$14,167 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 ERS after July 27, 1976 and prior to January 1, 2010, who have less than 10 years of service or membership, are required to contribute 3% of their salary throughout their active membership. Employees who joined on or after January 1, 2010 and before April 1, 2012 are required to contribute 3% throughout their active membership. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. 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	21.5%
2 - 75I	19.7%
3 - 553	24.5%
3 - A14	15.8%

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

(3) Detailed Notes on All Funds, Continued

(g) Pension Plans, Continued

<u>Tier/Plan</u>	<u>Rate</u>
4 - 553	24.5%
4 - 89PBE	16.5%
4 - A15	15.8%
5 - A15	12.7%
5 - 553	22.1%
5 - 89PBE	14.4%

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

2012	\$ 6,706,029
2011	6,075,653
2010	<u>5,148,943</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	\$ 6,345,515
County road	278,660
Capital fund	21,635
Road machinery	<u>60,219</u>
	<u>\$ 6,706,029</u>

(h) Long-Term Liabilities

The changes in the County's long-term indebtedness for the year ended December 31, 2012 is as follows:

	Balance at January 1, 2012	New issues and/or additions	Maturities and/or payments	Balance at December 31, 2012	Due within one year
Governmental activities:					
Bonds payable	\$ 60,645,181	6,446,535	(3,495,000)*	63,596,716	2,805,181
Unamortized premium	<u>129,596</u>	<u>730,127</u>	<u>(93,941)</u>	<u>765,782</u>	<u>93,941</u>
Net bonds payable	60,774,777	7,176,662	(3,588,941)	64,362,498	2,899,122
Compensated absences	3,590,990	645,783	(507,185)	3,729,588	372,958
Retirement incentives and other pension obligations	605,678	3,025,152	(103,242)	3,527,588	111,501
Claims payable	3,893,610	1,063,090	(667,293)	4,289,407	428,941
OPEB liability	53,709,092	17,708,608	(3,792,920)	67,624,780	-
Postclosure care costs	<u>1,200,000</u>	<u>573,833</u>	<u>(1,337,833)</u>	<u>436,000</u>	<u>35,000</u>
Governmental activities long-term liabilities	<u>\$ 123,774,147</u>	<u>30,193,128</u>	<u>(9,997,414)</u>	<u>143,969,861</u>	<u>3,847,522</u>

\* Includes gain on advance refunding of \$175,000.

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

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

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.

Bonds Payable

Bonds payable at December 31, 2012 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, 2012</u>
Public improvement	2003	\$ 9,917,000	December, 2023	4.00 - 4.25%	490,000
Public improvement	2005	7,018,000	January, 2025	3.625 - 4.25%	5,340,000
Public improvement	2006	18,000,000	January, 2036	4.30 - 4.50%	16,305,000
Public improvement	2007	16,208,000	January, 2031	4.25%	14,370,000
Public improvement	2007	1,384,900	November, 2018	3.75 - 4.00%	895,000
Public improvement	2008	4,180,000	November, 2021	4.00 - 4.50%	3,335,000
Public improvement	2009	2,595,401	November, 2025	2.50 - 4.00%	2,310,000
Public improvement	2010	4,740,000	November, 2028	3.00 - 5.64%	4,535,000
Public improvement	2011	3,680,181	November 2023	2.00 - 2.75%	3,680,181
Public improvement	2012	6,446,535	November 2026	2.00 - 2.375%	6,446,535
Refunding	2012	5,905,000	December 2023	2.00 - 4.00%	<u>5,890,000</u>
					<u>\$ 63,596,716</u>

Interest expenditures of \$9,014,388 were recorded in the fund financial statements in the debt service fund. Interest expense of \$9,223,659 was recorded in the government-wide financial statements for governmental activities.

The annual requirements to amortize all bonded debt outstanding as of December 31, 2012, including interest payments of \$63,596,716, are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,805,181	2,493,425	5,298,606
2014	3,331,535	2,388,568	5,720,103
2015	3,450,000	2,274,389	5,724,389
2016	3,580,000	2,151,279	5,731,279
2017	3,715,000	2,018,532	5,733,532
2018 - 2022	19,540,000	7,917,264	27,457,264
2023 - 2027	14,455,000	4,327,467	18,782,467
2028 - 2032	8,580,000	1,785,959	10,365,959
2033 - 2036	<u>4,140,000</u>	<u>383,176</u>	<u>4,523,176</u>
	<u>\$ 63,596,716</u>	<u>25,740,059</u>	<u>89,336,775</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.

In 2012, the County issued \$5,905,000 in general obligation bonds with an average interest rate of 2.01% and received an additional premium of \$730,137 to advance refund \$6,080,000 of outstanding Series 2003 Bonds with an average interest rate of 4.14%. The net proceeds of \$6,635,127 were deposited in a trust with an agent to provide for future debt service payments on the bonds. As a result, the bonds are considered defeased and the liability for those bonds has been removed from the County's financial statements. The economic gain on the transaction (the difference between the present values of the debt service payments on the old and new debt) is approximately \$422,000. The deferred gain of \$175,000 has been recorded in the government-wide financial statements.

	Balance at January 1, <u>2012</u>	Maturities and/or <u>payments</u>	Balance at December 31, <u>2012</u>	Due within <u>one year</u>
Putnam Tobacco Asset Securitization Corporation (PTASC) (blended component unit):				
Bonds payable	\$ 24,300,424	(80,000)	24,220,424	245,000
Less:				
Unamortized original issue discount on term bonds	(241,219)	13,671	(227,548)	-
Unamortized underwriters discount	(209,850)	11,892	(197,958)	-
Deferred amounts on refunding	(1,599,591)	90,648	(1,508,943)	-
Unaccreted amounts on turbo capital appreciation bonds	<u>(4,048,905)</u>	<u>159,904</u>	<u>(3,889,001)</u>	<u>-</u>
Business-type activities long-term liabilities	\$ <u>18,200,859</u>	<u>196,115</u>	<u>18,396,974</u>	<u>245,000</u>

PTASC issued bonds on August 25, 2005 as follows:

- \$2,915,000 of Turbo Term Bonds due June 1, 2020 with interest at 6.0%. Balance due at December 31, 2012 is \$1,700,000.
- \$9,165,000 of Turbo Term Bonds due June 1, 2042 with interest at 5.0%. Balance due at December 31, 2012 is \$9,165,000.
- \$3,325,000 of Turbo Term Bonds due June 1, 2045 with interest at 5.0%. Balance due at December 31, 2012 is \$3,325,000.
- \$1,404,986 (net of unaccreted amounts of \$1,706,007) of Turbo Capital Appreciation Bonds due June 1, 2050 with a yield of 5.875%.
- \$1,336,436 (net of unaccreted amounts of \$2,182,994) of Turbo Capital Appreciation Bonds due June 1, 2055 with a yield of 6.375%.

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

(3) Detailed Notes on All Funds, Continued

(h) Long-Term Liabilities, Continued

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, 2012 is \$3,400,000.

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>
2013	\$ 245,000	931,650	1,176,650
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	175,000	889,050	1,064,050
2018 - 2022	780,000	4,250,100	5,030,100
2023 - 2027	1,800,000	3,922,500	5,722,500
2028 - 2032	9,225,424	3,259,875	12,485,299
2033 - 2037	3,575,000	2,444,375	6,019,375
2038 - 2042	4,595,000	1,428,125	6,023,125
2043 - 2045	<u>3,325,000</u>	<u>253,625</u>	<u>3,578,625</u>
	24,220,424	<u>20,108,100</u>	<u>44,328,524</u>
Unamortized original issue discount on term bonds	(227,548)		
Unamortized underwriters discount	(197,958)		
Deferred amounts on refunding	(1,508,943)		
Unaccreted amounts on capital appreciation bonds	<u>(3,889,001)</u>		
	<u>\$ 18,396,974</u>		

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.

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

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.

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, \$3,792,920 was paid on behalf of 355 retirees and this amount was recorded as an expenditure in the various funds. The County has recognized revenues and expenditures of \$180,344 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,

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

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. The remaining amortization period is 26 years.

Actuarial cost method	Projected Unit Credit
Discount rate	3%
Medical trend	6.70%% reduced to an ultimate rate of 4.29% after 70 years.
Mortality	The RP-2000 Mortality Table
Turnover	Based on the experience under the New York State and Local Retirement System
Election percentage	75% to 100%

Annual OPEB cost

	<u>December 31,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Normal cost	\$ 8,519,712	7,988,081	7,680,847
Amortization of the UAAL	<u>10,494,511</u>	<u>10,929,483</u>	<u>8,917,184</u>
Annual required contribution (ARC)	19,014,223	18,917,564	16,598,031
Interest on OPEB obligation	1,611,273	1,567,722	791,750
Adjustment to ARC	<u>(2,916,888)</u>	<u>(2,307,813)</u>	<u>(1,365,531)</u>
OPEB expense	<u>\$ 17,708,608</u>	<u>18,177,473</u>	<u>16,024,250</u>

Reconciliation of Net OPEB Obligation

	<u>December 31,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net OPEB obligation at beginning of the year	\$ 53,709,092	39,193,052	26,391,656
OPEB expense	17,708,608	18,177,473	16,024,250
Net OPEB contributions made during the year	<u>(3,792,920)</u>	<u>(3,661,433)</u>	<u>(3,222,854)</u>
Net OPEB obligation at the end of the year	<u>\$ 67,624,780</u>	<u>53,709,092</u>	<u>39,193,052</u>
OPEB expense	<u>\$ 17,708,608</u>	<u>18,177,473</u>	<u>16,024,250</u>
Percentage of OPEB cost contributed	<u>21%</u>	<u>20%</u>	<u>20%</u>
Net OPEB obligation at the end of the year	<u>\$ 67,624,780</u>	<u>53,709,092</u>	<u>39,193,052</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

Pollution Remediation Obligations/Postclosure Care Costs

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 related 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. In 2012 the landfill was capped. The remaining liability of \$436,000 is the estimated postclosure care costs that will be paid in the future for certain maintenance and monitoring costs at the site for the next 30 years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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 \$103,242 and were charged to the general fund. The balance due at December 31, 2012 was \$502,436.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The County elected to amortize the maximum allowable ERS contributions for 2012. The amount amortized for the County's 2012 contributions made in February 2013, was \$4,033,535 with \$3,025,152 recognized as of December 31, 2012.

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

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>2012</u>	<u>2011</u>
Balance at beginning of year	\$ 3,893,610	3,727,960
Provision for claims and claims adjustment expenses	1,063,090	772,455
Claims and claims adjustment expenses paid	<u>(667,293)</u>	<u>(606,805)</u>
Balance at end of year	\$ <u>4,289,407</u>	<u>3,893,610</u>
Due within one year	\$ <u>428,941</u>	<u>389,361</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:

Transfers out	Transfers in			Total
	General fund	Capital projects fund	Non-major governmental funds	
General fund	\$ -	361,644	326,987	688,631
Capital projects fund	63,200	-	15,282	78,482
Non-major governmental funds	<u>136,464</u>	-	-	<u>136,464</u>
	\$ <u>199,664</u>	<u>361,644</u>	<u>342,269</u>	<u>903,577</u>

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

(3) Detailed Notes on All Funds, Continued

(i) Revenues and Expenditures, Continued

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) Deferred Inflows of Resources

Certain revenues have been deferred in the funds and/or government-wide statements as the revenue relates to future reporting periods:

	<u>Statement of net position</u>	<u>Balance sheet governmental funds</u>
Advance payments received	\$ 5,850,937	5,850,937
Grant revenue	1,143,573	1,143,573
Tax revenue	-	17,597,852
Gain on advanced refunding	<u>175,000</u>	<u>-</u>
	<u>\$ 7,169,510</u>	<u>24,592,362</u>

(k) Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital net of related debt, restricted and unrestricted.

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

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects.

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

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

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

(3) Detailed Notes on All Funds, Continued

(1) Fund Balances

Classification of Fund Balance

Portions of the unrestricted balances at December 31, 2012 were appropriated for the subsequent year's operating budgets as follows:

Fund	Non-Spendable	Restricted	Fund Balance Assigned			Fund Balance Unassigned	Total Fund Balance
			Appropriated for Subsequent Years's Budget	Appropriated for Encumbrances	Unappropriated		
Major Governmental Funds:							
General fund	\$ 696,805	2,657,689	3,976,000	960,148	2,000,000	18,762,962	29,053,604
Capital projects	-	6,263,645	-	-	-	(110,609)	6,153,036
Total major funds	696,805	8,921,334	3,976,000	960,148	2,000,000	18,652,353	35,206,640
Nonmajor Funds:							
County Road Fund	-	-	400,000	353,761	649,061	-	1,402,822
Road machinery fund	-	-	-	70,841	20,986	-	91,827
Transportation fund	-	-	100,000	-	560,916	-	660,916
Special purpose fund	-	41,197	-	-	-	-	41,197
Debt service fund	-	630,433	-	-	-	-	630,433
Total nonmajor funds	-	671,630	500,000	424,602	1,230,963	-	2,827,195
Total governmental activities	\$ 696,805	9,592,964	4,476,000	1,384,750	3,230,963	18,652,353	38,033,835

Outstanding encumbrances in the general fund are \$521,888 for culture and recreation, \$285,910 for general government support, \$148,746 for public safety, \$1,825 for health and \$1,779 for economic opportunity and development. In addition, there are encumbrances of \$353,761 in the road fund and \$70,841 in the road machinery fund for transportation items.

The County has assigned \$2,000,000 in the general fund for possible disallowances for New York State and Federal revenues.

(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, Continued

(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 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

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

(4) Summary Disclosure of Significant Contingencies, Continued

(d) Risk Management, Continued

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. The liabilities reflected in the internal service funds include a provision for incurred by not reported (IBNR) claims. Health benefits are provided by commercial carriers including health maintenance organizations.

(5) New Pronouncements

(a) Changes in Accounting Standards

Beginning in 2012, the County adopted the provisions of GASB Statement No. 62 - “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.” This statement codifies all sources of accounting principles generally accepted in the United States of America into the GASB’s authoritative literature.

For the year ended December 31, 2012, the County implemented GASB Statement No. 63 - “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” This statement amends the net asset reporting requirements in GASB Statement No. 34 - “Basic Financial Statements - Management’s Discussion and Analysis - for State and Local Governments” and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

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

(5) New Pronouncements, Continued

(a) Changes in Accounting Standards, Continued

For the year ended December 31, 2012, the County implemented GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." This statement established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities.

(b) Accounting Standards Issued Not Yet Implemented

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. This statement is not expected to have a material effect on the financial statements of the County.

GASB Statement No. 66 - "Technical Corrections - 2012 - an Amendment of GASB Statements No. 10 and 62" improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of two pronouncements. Statements No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" and No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The statement amends Statement No. 10 by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of this statement are effective for periods beginning after December 15, 2012, which is the fiscal year beginning January 1, 2013 for the County. This statement is not expected to have a material effect on the financial statements of the County.

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

(5) New Pronouncements, Continued

(b) Accounting Standards Issued Not Yet Implemented, Continued

GASB Statement No. 67 - "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25" replaces the requirements of Statement No. 25 - "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and Statement No. 50 - "Pension Disclosures - an amendment of GASB Statements No. 25 and No. 27" as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for payment retirement benefits) and a statement of changes in fiduciary net position. This statement also enhances note disclosures and RSI for both defined benefit and defined contribution pension plans, as well as requiring the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The requirements of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27" replaces the requirements of Statement No. 27 - "Accounting for Pensions by State and Local Governmental Employers" and Statement No. 50 - "Pension Disclosures - an amendment of GASB Statements No. 25 and No. 67," as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The requirements of this statement are effective for fiscal years beginning after June 15, 2014 which is the fiscal year beginning January 1, 2015 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. 69 - "Government Combinations and Disposals of Government Operations" provides guidance for accounting and financial reporting for U.S. state and local governments' combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or a sale. The requirements of this statement are effective for periods beginning after December 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

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

(5) New Pronouncements, Continued

(b) Accounting Standards Issued Not Yet Implemented, Continued

GASB Statement No. 70 - "Accounting and Financial Reporting for Nonexchange Financial Guarantees," requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The requirement of this statement are effective for periods beginning after June 15, 2013, which is the fiscal year beginning January 1, 2014 for the County. This statement is not expected to have a material effect on the financial statements of the County.

(6) Restatement of PTASC Net Position

During the year ended December 31, 2012, PTASC implemented GASB Statement No. 65. As a result of this implementation, existing PTASC bond issuance costs are expensed. Net position at December 31, 2011 has been restated to remove unamortized bond issue costs of \$196,014.

The effect of these restatements is as follows:

	<u>Business- type activities</u>
Net position at December 31, 2011, as previously stated	\$ (15,740,614)
Recognition of unamortized bond issuance costs	<u>(196,014)</u>
Net position at December 31, 2011, as restated	\$ <u>(15,936,628)</u>

Additionally, the 2011 PTASC statement of revenue, expenses and changes in net position were restated to remove the amortization of bond issuance costs of \$11,109, in accordance with this change.

(7) Subsequent Events

Management has evaluated events after December 31, 2012 and through July 26, 2013, which is the date the financial statements were available to be issued, and have determined that any events or transactions occurring during this period that would require recognition or disclosure are properly addressed in these financial statements.

COUNTY OF PUTNAM, NEW YORK  
 Required Supplementary Information  
 Schedule of Funding Progress for Other Postemployment Benefits (OPEB)  
 December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
As of January 1, 2010	\$ -	167,323,004	167,323,004	-	43,943,139	381%
As of January 1, 2011	-	178,473,917	178,473,917	-	42,605,790	419%
As of January 1, 2012	-	187,608,732	187,608,732	-	45,479,935	413%

**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, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash and equivalents:		
Demand deposits	\$ 20,742,674	24,678,619
Petty cash	27,340	27,340
	<u>20,770,014</u>	<u>24,705,959</u>
Taxes receivable:		
Returned school and village taxes	27,068,161	26,765,338
Tax liens	16,154,183	13,088,667
Taxes receivable - pending	2,659,839	3,595,052
Property acquired for taxes	1,959,213	1,724,161
	<u>47,841,396</u>	<u>45,173,218</u>
Less - allowance for uncollectible amounts	<u>(5,755,562)</u>	<u>(5,654,296)</u>
	<u>42,085,834</u>	<u>39,518,922</u>
Other receivables:		
Accounts	9,376,795	6,660,325
State and Federal aid	12,796,416	13,392,197
Due from other governments	865,498	839,305
Due from fiduciary fund	1,145,383	725,269
Due from other fund	1,291,610	777,957
	<u>25,475,702</u>	<u>22,395,053</u>
Prepaid expenditures	<u>281,405</u>	<u>181,505</u>
Other assets	<u>1,638</u>	<u>95,832</u>
Total assets	<u>\$ 88,614,593</u>	<u>86,897,271</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>		
Liabilities:		
Accounts payable	4,826,943	6,411,968
Accrued liabilities	2,122,398	1,775,981
Tax anticipation notes payable	17,000,000	17,000,000
Due to other governments	16,870,223	17,706,866
Total liabilities	<u>40,819,564</u>	<u>42,894,815</u>
Deferred inflows of resources - aggregated deferred inflows of resources	<u>18,741,425</u>	<u>17,157,977</u>
Fund balances:		
Nonspendable	696,805	692,737
Restricted	2,657,689	433,291
Assigned - appropriated	4,936,148	5,575,615
Assigned - unappropriated	2,000,000	2,000,000
Unassigned	18,762,962	18,142,836
Total fund balances	<u>29,053,604</u>	<u>26,844,479</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,614,593</u>	<u>86,897,271</u>

COUNTY OF PUTNAM, NEW YORK  
Comparative Schedules of Revenue, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund

Years ended December 31, 2012 and 2011

	2012				2011			
	Original budget	Final budget	Actual	Variance with final budget positive (negative)	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenue:</b>								
Real property taxes	\$ 25,972,024	25,972,024	24,302,775	(1,669,249)	25,621,025	25,621,025	22,184,625	(3,436,400)
Other tax items	4,601,700	4,524,976	5,148,031	623,055	4,749,200	4,441,200	4,528,129	86,929
Non-property tax items	50,144,238	51,628,314	51,907,116	278,802	47,829,322	50,048,000	50,048,010	10
Departmental income	11,126,450	11,166,028	11,056,286	(109,742)	10,736,764	10,595,640	10,866,006	270,366
Use of money and property	393,566	343,566	343,393	(173)	457,807	398,090	385,286	(12,804)
Licenses and permits	606,200	606,200	883,673	277,473	626,125	626,125	697,290	71,165
Fines and forfeitures	261,789	293,537	255,350	(38,187)	333,436	333,436	258,400	(75,036)
Sale of property and compensation for loss	99,400	184,848	204,612	19,764	23,000	158,930	243,328	84,398
State aid	14,469,114	15,698,515	14,394,042	(1,304,473)	15,996,495	15,843,706	14,842,944	(1,000,762)
Federal aid	8,262,097	9,677,093	9,240,332	(436,761)	8,425,260	10,033,382	9,882,128	(151,254)
Miscellaneous	9,138,058	4,728,959	2,116,662	(2,612,297)	781,839	938,997	(657,502)	(1,596,499)
<b>Total revenue</b>	<b>125,074,636</b>	<b>124,824,060</b>	<b>119,852,272</b>	<b>(4,971,788)</b>	<b>115,580,273</b>	<b>119,038,531</b>	<b>113,278,644</b>	<b>(5,759,887)</b>
<b>Expenditures:</b>								
General government support	24,624,176	23,622,604	21,377,731	2,244,873	22,914,613	23,173,150	21,123,199	2,049,951
Education	10,051,968	10,451,701	10,152,873	298,828	10,848,114	10,519,654	9,829,285	690,369
Public safety	32,532,471	33,525,429	31,768,804	1,756,625	29,683,613	32,739,224	30,733,119	2,006,105
Health	12,767,116	13,144,293	12,304,232	840,061	12,888,244	13,410,064	12,027,580	1,382,484
Transportation	1,460,564	1,460,564	1,433,118	27,446	1,432,107	1,450,229	1,442,776	7,453
Economic opportunity and development	33,909,155	33,537,566	31,649,422	1,888,144	33,242,619	34,047,712	31,087,737	2,959,975
Culture and recreation	7,496,052	3,161,904	2,755,808	406,096	3,105,978	3,158,722	2,526,283	632,439
Home and community services	1,924,734	1,937,706	1,704,197	233,509	1,844,904	2,050,476	1,894,013	156,463
Employee benefits - undistributed	68,400	4,352,145	3,766,453	585,692	3,974,931	3,974,931	3,784,913	190,018
Debt service - interest	240,000	241,542	241,542	-	310,000	302,800	199,514	103,286
<b>Total expenditures</b>	<b>125,074,636</b>	<b>125,435,454</b>	<b>117,154,180</b>	<b>8,281,274</b>	<b>120,245,123</b>	<b>124,826,962</b>	<b>114,648,419</b>	<b>10,178,543</b>
Excess (deficiency) of revenue over expenditures	-	(611,394)	2,698,092	3,309,486	(4,664,850)	(5,788,431)	(1,369,775)	4,418,656
<b>Other financing sources (uses):</b>								
Transfers in	-	199,664	199,664	-	-	12,918	12,918	-
Transfers out	-	(688,631)	(688,631)	-	-	(357,900)	(187,182)	170,718
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(488,967)</b>	<b>(488,967)</b>	<b>-</b>	<b>-</b>	<b>(344,982)</b>	<b>(174,264)</b>	<b>170,718</b>
Net change in fund balances	-	(1,100,361)	2,209,125	3,309,486	(4,664,850)	(6,133,413)	(1,544,039)	4,589,374
Fund balances at beginning of year	23,723,668	22,255,105	26,844,479	4,589,374	28,388,518	28,388,518	28,388,518	-
Fund balances at end of year	\$ 23,723,668	\$ 21,154,744	\$ 29,053,604	\$ 7,898,860	\$ 23,723,668	\$ 22,255,105	\$ 26,844,479	\$ 4,589,374

COUNTY OF PUTNAM, NEW YORK  
Schedule of Revenue and Other Financing Sources Compared to Budget  
General Fund  
Year ended December 31, 2012  
(with comparative actuals for 2011)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)	2011 Actual
Real property taxes	\$ 25,972,024	25,972,024	24,302,775	(1,669,249)	22,184,625
Other tax items:					
Taxes on property stricken from roll	1,500	1,500	-	(1,500)	-
Gain from sale of tax acquired property	50,000	(39,143)	(39,143)	-	(167,989)
Interest and penalties on real property taxes	4,500,000	4,500,000	5,125,162	625,162	4,646,114
Payments in lieu of taxes	50,200	62,619	62,012	(607)	50,004
Total other tax items	4,601,700	4,524,976	5,148,031	623,055	4,528,129
Non-property taxes:					
Sales taxes	49,827,038	51,397,679	51,676,481	278,802	49,828,070
OTB distributed earnings	317,200	230,635	230,635	-	219,940
Total non-property taxes	50,144,238	51,628,314	51,907,116	278,802	50,048,010
Department income:					
General:					
Clerk fees	1,100,000	1,100,000	1,209,771	109,771	1,115,328
Motor vehicle fees	1,365,000	1,365,000	1,391,177	26,177	1,424,575
Vehicle registration fees	633,000	584,289	628,511	44,222	645,302
Real property tax services - computer	21,769	44,463	44,463	-	44,590
Emergency 911	440,000	440,000	448,715	8,715	448,084
Commissioner of finance fees	3,500	3,500	3,220	(280)	9,761
County share - examination fees	10,000	10,000	29,123	19,123	14,555
Soil and water fees	12,000	12,000	10,915	(1,085)	11,256
Department fees - other	89,487	89,487	33,426	(56,061)	103,538
Charges for tax advertising	85,000	85,000	88,465	3,465	91,880
Central services chargebacks	1,365,541	1,365,541	1,157,817	(207,724)	1,275,360
Mortgage tax fees	301,658	301,658	333,568	31,910	212,461
Total general	5,426,955	5,400,938	5,379,171	(21,767)	5,396,690
Public safety:					
Sheriff fees	105,000	105,000	93,168	(11,832)	102,750
Prisoner board	450,000	450,000	422,060	(27,940)	383,290
Restitution surcharge	76,000	76,000	83,435	7,435	76,814
Carmel/Mahopac cops	386,486	386,486	397,244	10,758	431,816
Court protection	39,760	39,760	4,769	(34,991)	41,468
Total public safety	1,057,246	1,057,246	1,000,676	(56,570)	1,036,138
Health:					
Public health fees	409,200	409,200	443,631	34,431	426,472
Rabies vaccine fees	58,000	58,000	63,875	5,875	14,306
Wellness program	-	1,800	1,100	(700)	550
Home nursing charges	1,800	36,060	5,302	(30,758)	22,849
Driving while intoxicated programs	126,199	155,014	149,696	(5,318)	146,845
Eliot House continuing treatment fee	50,000	50,000	57,614	7,614	55,000
Contribution from agency	135,664	135,664	118,121	(17,543)	126,916
Health services	239,100	239,100	151,429	(87,671)	164,961
Civil defense	220,000	220,000	220,000	-	180,000
Total health	1,239,963	1,304,838	1,210,768	(94,070)	1,137,899

(Continued)

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

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2011 <u>Actual</u>
Department income, continued:					
Economic opportunity and development:					
Medical assistance	\$ 400,000	400,000	467,619	67,619	743,127
Temporary assistance to needy families	100,000	100,000	72,489	(27,511)	112,262
Child support	44,712	44,712	78,603	33,891	76,915
Child care	10,000	10,000	147,318	137,318	30,031
Home relief	75,000	75,000	171,327	96,327	136,413
HEAP	-	-	14,160	14,160	16,081
Contribution from schools	<u>847,104</u>	<u>847,104</u>	<u>885,381</u>	<u>38,277</u>	<u>794,473</u>
Total economic opportunity and development	<u>1,476,816</u>	<u>1,476,816</u>	<u>1,836,897</u>	<u>360,081</u>	<u>1,909,302</u>
Culture and recreation:					
Parks and recreation	30,120	30,120	22,588	(7,532)	21,840
Litter program	-	720	-	(720)	3,328
Putnam National Golf Club	1,650,000	1,650,000	1,367,058	(282,942)	1,111,007
Contributions - office of the aging	<u>207,250</u>	<u>207,250</u>	<u>194,980</u>	<u>(12,270)</u>	<u>205,425</u>
Total culture and recreation	<u>1,887,370</u>	<u>1,888,090</u>	<u>1,584,626</u>	<u>(303,464)</u>	<u>1,341,600</u>
Home and community services:					
Inspection fees	25,000	25,000	29,660	4,660	28,240
Planning board fees	100	100	141	41	98
Unified court maintenance	1,000	1,000	662	(338)	2,056
Recycling	<u>12,000</u>	<u>12,000</u>	<u>13,685</u>	<u>1,685</u>	<u>13,983</u>
Total home and community services	<u>38,100</u>	<u>38,100</u>	<u>44,148</u>	<u>6,048</u>	<u>44,377</u>
Total department income	<u>11,126,450</u>	<u>11,166,028</u>	<u>11,056,286</u>	<u>(109,742)</u>	<u>10,866,006</u>
Use of money and property:					
Earnings on investments	128,130	78,130	82,308	4,178	125,949
Rental income - co-op extension	50,400	50,400	52,700	2,300	49,200
Rental income - County facilities	214,036	214,036	204,036	(10,000)	205,755
Commissions	<u>1,000</u>	<u>1,000</u>	<u>4,349</u>	<u>3,349</u>	<u>4,382</u>
Total use of money and property	<u>393,566</u>	<u>343,566</u>	<u>343,393</u>	<u>(173)</u>	<u>385,286</u>
Licenses and permits - home improvements and other permits					
	<u>606,200</u>	<u>606,200</u>	<u>883,673</u>	<u>277,473</u>	<u>697,290</u>
Fines and forfeitures:					
Fines and forfeited bail	62,000	94,581	88,954	(5,627)	68,838
Stop DWI fines	<u>199,789</u>	<u>198,956</u>	<u>166,396</u>	<u>(32,560)</u>	<u>189,562</u>
Total fines and forfeitures	<u>261,789</u>	<u>293,537</u>	<u>255,350</u>	<u>(38,187)</u>	<u>258,400</u>
Sale of property and compensation for loss:					
Minor sales	60,400	64,150	58,264	(5,886)	88,469
Other compensation for loss	15,000	25,000	25,000	-	15,000
Phone income, uniform sales and photo reimbursement	24,000	84,917	108,838	23,921	129,462
Insurance recoveries	<u>-</u>	<u>10,781</u>	<u>12,510</u>	<u>1,729</u>	<u>10,397</u>
Total sale of property and compensation for loss	<u>99,400</u>	<u>184,848</u>	<u>204,612</u>	<u>19,764</u>	<u>243,328</u>

(Continued)

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

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2011 <u>Actual</u>
State aid:					
General - environmental conservation	\$ 285,451	291,601	276,765	(14,836)	269,435
Education:					
Education and transportation of handicapped children	3,418,060	3,832,000	4,207,749	375,749	3,185,580
Early intervention	604,010	604,010	462,587	(141,423)	701,988
Total education	<u>4,022,070</u>	<u>4,436,010</u>	<u>4,670,336</u>	<u>234,326</u>	<u>3,887,568</u>
Public safety:					
Probation services	206,462	206,462	221,711	15,249	226,525
Court facilities	270,000	270,000	266,172	(3,828)	258,587
District attorney salary	42,034	42,034	64,434	22,400	42,035
Criminal justice grant	73,219	79,124	72,376	(6,748)	73,243
Community projects	71,563	236,365	70,323	(166,042)	42,804
Alternatives to incarceration	14,297	14,297	6,042	(8,255)	16,113
Miscellaneous	22,550	31,341	75,771	44,430	53,266
Total public safety	<u>700,125</u>	<u>879,623</u>	<u>776,829</u>	<u>(102,794)</u>	<u>712,573</u>
Health:					
Public health	1,538,227	1,537,722	1,441,913	(95,809)	1,568,065
Civil defense	294,000	294,000	294,000	-	294,000
DSAS - common sense	273,677	273,677	-	(273,677)	826
DAAA - Talbot House	125,220	125,220	125,220	-	155,564
Mental health administration	191,457	187,552	190,067	2,515	195,100
Greenway grant	6,000	6,000	9,371	3,371	6,000
Medicare reimbursement - EMS	-	-	-	-	26,663
PARC	313,844	313,844	313,844	-	313,844
Communicable diseases	-	35,851	45,436	9,585	8,002
Mental health - clinic	671,763	787,723	723,308	(64,415)	723,302
Mental health - Eliot House	510,299	562,559	547,404	(15,155)	502,721
Mental health - commissioner's performance	828,320	1,186,210	1,016,269	(169,941)	822,006
Home Health Grant - office of the aging	419,186	419,186	435,875	16,689	421,153
Total health	<u>5,171,993</u>	<u>5,729,544</u>	<u>5,142,707</u>	<u>(586,837)</u>	<u>5,037,246</u>
Economic opportunity and development:					
Unicorn	4,080	4,080	4,080	-	4,080
Youth suicide prevention	1,588	1,588	2,070	482	2,562
Social services administration	2,224,576	2,184,216	1,946,459	(237,757)	1,987,461
Youth court coordinator	84,933	84,933	12,133	(72,800)	34,139
Temporary assistance to needy families	445,037	445,037	258,770	(186,267)	195,141
Child care	667,867	667,867	816,556	148,689	661,128
Child advocacy center	223,367	228,067	229,205	1,138	233,607
Day care	57,375	57,375	49,209	(8,166)	74,957
Juvenile delinquents	12,250	120,172	40,723	(79,449)	59,010
Home relief	111,650	111,650	133,478	21,828	114,961
Emergency aid for adults	7,250	7,250	2,967	(4,283)	4,210
Soil and water	50,000	50,000	24,294	(25,706)	44,736
Veterans' service agency	4,700	4,700	8,529	3,829	8,654
Mobility grants	5,500	5,500	2,861	(2,639)	10,789
Runaways	25,337	25,337	26,013	676	32,389

(Continued)

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

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2011 <u>Actual</u>
State aid, continued:					
Economic opportunity and development, continued:					
Indigent legal services	\$ 141,487	141,487	141,847	360	168,344
Drug abuse prevention	-	-	-	-	15,268
Refund of prior year expense	-	-	(482,353)	(482,353)	985,982
Total economic opportunity and development	<u>4,066,997</u>	<u>4,139,259</u>	<u>3,216,841</u>	<u>(922,418)</u>	<u>4,637,418</u>
Culture and recreation:					
Programs for the aging	147,388	147,388	147,388	-	146,486
RSVP grant	29,913	29,913	36,318	6,405	32,507
Youth programs	45,177	45,177	126,858	81,681	119,711
Total culture and recreation	<u>222,478</u>	<u>222,478</u>	<u>310,564</u>	<u>88,086</u>	<u>298,704</u>
Total State aid	<u>14,469,114</u>	<u>15,698,515</u>	<u>14,394,042</u>	<u>(1,304,473)</u>	<u>14,842,944</u>
Federal aid:					
General:					
Help America Vote Act	-	403,961	443,106	39,145	151,120
Public safety:					
JD/PINS	-	-	2,650	2,650	6,775
Sheriff	91,939	720,325	360,729	(359,596)	173,541
Total public safety	<u>91,939</u>	<u>720,325</u>	<u>363,379</u>	<u>(356,946)</u>	<u>180,316</u>
Economic opportunity and development:					
Social services administration	2,533,582	2,484,781	2,504,859	20,078	2,204,368
Food stamp program administration	490,516	493,306	499,800	6,494	492,669
Services for recipients	460,367	460,367	251,155	(209,212)	171,978
Temporary assistance to needy families	435,886	435,886	489,630	53,744	566,807
Early intervention	165,000	165,000	187,730	22,730	226,245
Child care	211,965	211,965	127,750	(84,215)	165,126
FMAP	-	-	-	-	919,223
Medicaid 3-5	30,000	30,000	30,379	379	34,574
Medicaid salary sharing	37,500	37,500	9,375	(28,125)	42,436
Tobacco awareness grant	135,578	105,820	82,749	(23,071)	112,850
Emergency management	23,374	23,374	4,703	(18,671)	-
Home health grant - WIC	377,203	377,203	387,528	10,325	379,305
Safety net	99,000	99,000	9,405	(89,595)	73,502
Day care	729,897	729,897	780,763	50,866	692,150
National Children Alliance - Crime Victims Grant	90,939	104,839	101,312	(3,527)	96,953
Nutrition	153,145	153,145	152,030	(1,115)	151,710
Fuel crisis - HEAP	-	76,623	35,646	(40,977)	65,486
Title IV B	71,911	133,684	41,966	(91,718)	74,214
Office of the Aging	132,239	132,239	117,701	(14,538)	147,618
Youth Programs	-	96,220	-	(96,220)	-
Council on alcohol	134,603	134,603	408,280	273,677	408,280

(Continued)

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

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2011 <u>Actual</u>
Federal aid, continued:					
Economic opportunity and development, continued:					
Community service	\$ 45,842	45,842	49,683	3,841	60,938
Workforce Investment Act	392,204	542,347	477,094	(65,253)	407,054
Incentive program	1,008,583	1,008,583	1,107,519	98,936	1,383,209
SNAP	28,375	28,375	31,240	2,865	26,361
RSVP	41,015	41,015	41,017	2	46,140
Refund of prior year expense	-	-	179,061	179,061	288,422
Total economic opportunity and development	<u>7,828,724</u>	<u>8,151,614</u>	<u>8,108,375</u>	<u>(43,239)</u>	<u>9,237,618</u>
Home and community services:					
Planning board	128,000	128,000	125,226	(2,774)	132,482
Bio terrorism grant	180,145	239,904	185,141	(54,763)	159,645
Putnam/Westchester Mobility grant	29,500	29,500	11,443	(18,057)	17,158
Wellness grant	3,789	3,789	3,662	(127)	3,789
Total home and community services	<u>341,434</u>	<u>401,193</u>	<u>325,472</u>	<u>(75,721)</u>	<u>313,074</u>
Total Federal aid	<u>8,262,097</u>	<u>9,677,093</u>	<u>9,240,332</u>	<u>(436,761)</u>	<u>9,882,128</u>
Miscellaneous:					
Refund of prior year's expenditures	-	-	1,213,297	1,213,297	(1,206,449)
Medicare Part D reimbursement	165,300	165,300	180,344	15,044	164,825
Proceeds of seized property	72,334	205,097	239,109	34,012	56,013
Other	4,400,424	512,998	483,912	(29,086)	328,109
Total miscellaneous	<u>4,638,058</u>	<u>883,395</u>	<u>2,116,662</u>	<u>1,233,267</u>	<u>(657,502)</u>
Total revenues	<u>120,574,636</u>	<u>120,978,496</u>	<u>119,852,272</u>	<u>(1,126,224)</u>	<u>113,278,644</u>
Other financing sources:					
Transfers in:					
County road fund	-	117,667	117,667	-	-
Road machinery fund	-	18,797	18,797	-	12,918
Capital fund	-	63,200	63,200	-	-
Total other financing sources	<u>-</u>	<u>199,664</u>	<u>199,664</u>	<u>-</u>	<u>12,918</u>
Total revenues and other financing sources	<u>\$ 120,574,636</u>	<u>121,178,160</u>	<u>120,051,936</u>	<u>(1,126,224)</u>	<u>113,291,562</u>

COUNTY OF PUTNAM, NEW YORK  
Schedule of Expenditures and other Financing Uses Compared to Budget  
General Fund  
Year ended December 31, 2012  
(with comparative actuals for 2011)

	Original <u>budget</u>	Final <u>budget</u>	<u>Actual</u>	Variance with final budget positive (negative)	2011 <u>Actual</u>
General government support:					
County legislature	\$ 1,111,895	1,118,288	952,329	165,959	1,090,196
County share of judicial expenditures	344,895	363,434	290,150	73,284	281,820
District attorney	1,890,600	1,942,831	1,806,103	136,728	1,806,186
Legal Aid Society	616,559	616,559	594,954	21,605	596,559
Audit	477,802	557,400	450,463	106,937	536,200
Court appointed legal defense of indigents	420,000	419,260	408,012	11,248	464,233
Justice of the peace and constables	4,250	4,990	4,990	-	4,680
Coroners	308,498	386,974	368,115	18,859	325,226
County executive	543,594	533,308	480,209	53,099	439,555
Department of finance	1,738,118	1,758,240	1,715,459	42,781	1,578,351
Division of purchasing - central services	368,474	355,803	342,643	13,160	341,784
Real property tax services	327,649	315,424	264,523	50,901	293,146
Tax advertising and expense	60,000	50,000	42,752	7,248	45,422
Expenditures on property acquired for taxes	55,000	126,000	125,977	23	57,391
County clerk as registrar	1,651,062	1,602,580	1,484,534	118,046	1,473,452
County clerk as motor vehicles commissioner	1,074,933	1,039,799	970,448	69,351	961,783
Department of law	1,337,510	1,360,448	1,276,103	84,345	1,366,193
Personnel department	1,024,186	991,878	921,466	70,412	759,168
Board of elections	1,710,277	1,767,049	1,609,010	158,039	1,348,622
Records management	240,474	270,156	182,830	87,326	159,647
Department of highways and facilities	2,756,126	2,665,745	2,280,475	385,270	2,657,018
Central services administration	326,676	401,272	337,876	63,396	309,581
Building department	2,851,212	2,857,093	2,631,099	225,994	2,180,983
Insurance	683,250	686,046	614,226	71,820	787,019
Dues	26,500	26,500	26,054	446	25,661
Taxes on county property	300,000	297,000	295,934	1,066	290,132
Judgments and claims	250,000	205,300	164,795	40,505	229,315
Department of information technology	792,445	836,332	669,307	167,025	713,876
Contingency fund	1,332,191	66,895	66,895	-	-
Total general government support	<u>24,624,176</u>	<u>23,622,604</u>	<u>21,377,731</u>	<u>2,244,873</u>	<u>21,123,199</u>
Education:					
Community college tuition	3,050,000	2,955,000	2,661,820	293,180	2,578,873
Education of handicapped children	7,001,968	7,496,701	7,491,053	5,648	7,250,412
Total education	<u>10,051,968</u>	<u>10,451,701</u>	<u>10,152,873</u>	<u>298,828</u>	<u>9,829,285</u>
Public safety:					
Bureau of emergency services	4,329,112	5,179,749	4,525,235	654,514	4,035,722
Sheriff	16,359,130	16,136,065	15,473,846	662,219	15,631,446
Probation department	2,021,349	2,010,355	1,923,908	86,447	1,876,517
Stop DWI	199,789	200,253	181,406	18,847	257,128
Jail	9,623,091	9,999,007	9,664,409	334,598	8,932,306
Total public safety	<u>32,532,471</u>	<u>33,525,429</u>	<u>31,768,804</u>	<u>1,756,625</u>	<u>30,733,119</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)	2011 Actual
<b>Health:</b>					
Public health	\$ 6,046,246	5,921,425	5,686,931	234,494	5,960,232
Early intervention program	2,196,359	2,174,035	2,052,580	121,455	2,047,326
Communicable disease treatment	27,000	30,000	29,979	21	22,229
Substance abuse	339,482	339,482	339,482	-	340,308
Alcoholism	435,282	435,282	425,081	10,201	445,626
Drunk driver program	86,199	86,425	81,697	4,728	85,201
Mental health administration	744,342	739,328	718,020	21,308	651,934
Mental health - clinic	671,763	787,723	612,054	175,669	401,592
Mental health - Eliot House	510,299	562,559	510,524	52,035	454,467
Family support services	1,333,800	1,691,690	1,471,540	220,150	1,242,321
Mental health - PARC	376,344	376,344	376,344	-	376,344
Total health	<u>12,767,116</u>	<u>13,144,293</u>	<u>12,304,232</u>	<u>840,061</u>	<u>12,027,580</u>
<b>Transportation:</b>					
MTA subsidy	539,243	539,243	530,296	8,947	380,276
MTA station maintenance	921,321	921,321	902,822	18,499	1,062,500
Total transportation	<u>1,460,564</u>	<u>1,460,564</u>	<u>1,433,118</u>	<u>27,446</u>	<u>1,442,776</u>
<b>Economic opportunity and development:</b>					
Social services administration	8,555,535	8,008,445	7,578,444	430,001	7,366,098
Purchase of services	1,125,000	1,156,700	1,120,803	35,897	1,023,190
Medical assistance	179,500	180,100	164,937	15,163	125,319
Medical assistance - MMIS	9,659,975	9,659,975	9,615,567	44,408	9,378,616
Aid to dependent children	2,580,000	2,134,014	1,686,644	447,370	1,967,568
Child care	2,942,620	3,122,035	3,053,940	68,095	2,817,595
Juvenile delinquents	65,000	171,678	41,751	129,927	16,384
State training school	15,000	15,000	10,579	4,421	-
Safety net	625,000	788,559	784,859	3,700	686,582
State fuel assistance	-	24,621	23,266	1,355	28,373
Emergency aid for adults	25,000	25,000	16,916	8,084	20,605
Grants	264,986	386,939	249,031	137,908	296,086
Child advocacy center	155,464	154,236	148,109	6,127	154,058
Day care	850,000	850,000	863,312	(13,312)	796,526
Office for the disabled	40,873	56,549	40,059	16,490	101,558
Putnam workforce partnership	388,348	529,306	465,409	63,897	421,728
Putnam tourism promotional agency	326,431	326,431	326,431	-	327,409
SNAP program	649,245	643,918	576,435	67,483	595,687
Veterans' service agency	119,747	121,816	99,235	22,581	70,080
Veterans' home	450,266	425,173	363,595	61,578	28,293
Consumer affairs and weights and measures	191,525	198,271	172,627	25,644	581,409
Office of the Aging - Title III	1,048,628	1,038,855	924,534	114,321	910,877
Office of the Aging - RSVP	464,108	448,031	431,694	16,337	445,209
Nutrition for the elderly	1,617,542	1,587,171	1,536,361	50,810	1,500,107
In-home service program	289,537	298,230	205,539	92,691	262,209
Community services for the elderly	1,279,825	1,186,513	1,149,345	37,168	1,166,171
Total economic opportunity and development	<u>33,909,155</u>	<u>33,537,566</u>	<u>31,649,422</u>	<u>1,888,144</u>	<u>31,087,737</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)	2011 Actual
Culture and recreation:					
Parks and recreation administration	\$ 1,697,403	1,697,772	1,499,350	198,422	1,157,485
Youth programs	4,954,489	628,652	500,974	127,678	658,355
Library board	378,785	378,785	378,785	-	369,116
County historian	196,710	182,648	130,763	51,885	95,551
Historic preservation	10,500	16,000	2,750	13,250	3,000
Arts council	38,225	38,225	38,225	-	36,225
Contribution to the arts	14,000	14,000	14,000	-	12,000
County museum	52,000	52,000	52,000	-	50,000
Southeast museum	27,000	27,000	27,000	-	25,000
Recreation for the elderly	126,940	126,822	111,961	14,861	119,551
Total culture and recreation	<u>7,496,052</u>	<u>3,161,904</u>	<u>2,755,808</u>	<u>406,096</u>	<u>2,526,283</u>
Home and community services:					
Planning	1,182,959	1,084,826	926,271	158,555	1,039,910
Soil and water	162,580	158,187	131,017	27,170	137,615
Recycling	225,050	234,858	190,608	44,250	251,544
Humane society	35,230	140,920	140,920	-	140,920
Fish and game	21,975	21,975	18,441	3,534	16,250
Watershed administrator	-	-	-	-	18,102
Extension	296,940	296,940	296,940	-	289,672
Total home and community services	<u>1,924,734</u>	<u>1,937,706</u>	<u>1,704,197</u>	<u>233,509</u>	<u>1,894,013</u>
Employee benefits - undistributed:					
Unemployment benefits	68,400	68,400	42,398	26,002	46,117
Disability, accident and health insurance	-	4,283,745	3,724,055	559,690	3,738,796
Total employee benefits - undistributed	<u>68,400</u>	<u>4,352,145</u>	<u>3,766,453</u>	<u>585,692</u>	<u>3,784,913</u>
Debt service - interest - tax anticipation notes	240,000	241,542	241,542	-	199,514
Total expenditures	<u>125,074,636</u>	<u>125,435,454</u>	<u>117,154,180</u>	<u>8,281,274</u>	<u>114,648,419</u>
Other financing uses:					
Transfers out:					
Capital projects fund	-	451,664	451,664	-	187,182
County road fund	-	236,967	236,967	-	-
Total other financing uses	<u>-</u>	<u>688,631</u>	<u>688,631</u>	<u>-</u>	<u>187,182</u>
Total expenditures and other financing sources	<u>\$ 125,074,636</u>	<u>126,124,085</u>	<u>117,842,811</u>	<u>8,281,274</u>	<u>114,835,601</u>

COUNTY OF PUTNAM, NEW YORK  
Comparative Balance Sheets  
Capital Projects Fund  
December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash and equivalents	\$ 11,867,851	18,253,009
Receivables:		
Accounts	-	2,533
State and Federal aid	5,558,163	3,738,892
Total receivables	5,558,163	3,741,425
Total assets	\$ 17,426,014	21,994,434
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,060,576	779,221
Accrued liabilities	4,164	17,475
Retained percentages payable	274,299	239,553
Due to other funds	4,302,646	2,758,441
Total liabilities	5,641,685	3,794,690
Deferred inflows of resources	5,631,293	14,627,563
Fund balances:		
Restricted	6,263,645	3,856,474
Unassigned	(110,609)	(284,293)
Total fund balances	6,153,036	3,572,181
Total liabilities and fund balance	\$ 17,426,014	21,994,434

COUNTY OF PUTNAM, NEW YORK  
Comparative Statements of Revenue, Expenditures and  
Changes in Fund Balance  
Capital Projects Fund  
Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues:		
State aid	\$ 1,027,238	1,035,289
Federal aid	2,014,837	1,948,202
Miscellaneous	<u>9,519,898</u>	<u>2,406,290</u>
Total revenues	12,561,973	5,389,781
Expenditures - capital outlay	<u>16,710,815</u>	<u>8,548,292</u>
Excess (deficiency) of revenue over expenditures	<u>(4,148,842)</u>	<u>(3,158,511)</u>
Other financing sources (uses):		
Proceeds from serial bonds	6,446,535	3,680,181
Transfers in	361,644	187,182
Transfers out	<u>(78,482)</u>	<u>(875)</u>
Total other financing sources	<u>6,729,697</u>	<u>3,866,488</u>
Net change in fund balance	2,580,855	707,977
Fund balance at beginning of year	<u>3,572,181</u>	<u>2,864,204</u>
Fund balance at end of year	<u>\$ 6,153,036</u>	<u>3,572,181</u>

COUNTY OF PUTNAM, NEW YORK  
Capital Projects Fund  
Project-Length Schedule  
Inception of Project Through December 31, 2012

PROJECT	Appropriation	Expenditures and transfers	Unexpended balance	Methods of Financing			Totals	Fund balance (Deficit) at December 31, 2012
				State and Federal aid	Interfund transfers Federal aid	Proceeds of obligations		
<b>General government support:</b>								
Court facility	\$ 26,822,500	26,810,726	11,774	-	62,500	27,510,000	(750,000)	26,822,500
Minor repairs	8,042,801	5,856,903	2,185,898	-	3,057,370	2,873,700	760,864	6,691,934
Senior Center - Putnam Valley	1,137,768	1,137,768	-	108,000	-	1,034,000	(4,232)	1,137,768
HVUCP grant	750,000	742,000	8,000	750,000	-	-	-	750,000
Roof replacement	1,046,069	-	1,046,069	-	-	921,069	-	921,069
Pollution remediation	3,288,306	1,828,130	1,460,176	32,581	-	2,531,375	-	2,563,956
Computer upgrade	435,000	250,904	184,096	-	-	435,000	-	435,000
GIS Project	95,000	-	95,000	-	95,000	-	-	95,000
Feasibility study	80,000	-	80,000	-	80,000	-	-	80,000
<b>Total government support</b>	<b>41,697,444</b>	<b>36,626,431</b>	<b>4,991,013</b>	<b>890,581</b>	<b>3,294,870</b>	<b>35,305,144</b>	<b>6,632</b>	<b>39,497,227</b>
<b>Public safety:</b>								
Jail facility	12,716,209	12,599,395	116,814	250,000	513,909	11,806,000	146,300	12,716,209
Emergency operations center	11,397,940	11,368,832	29,108	-	-	8,600,000	2,797,940	11,397,940
<b>Total public safety</b>	<b>24,114,149</b>	<b>23,968,227</b>	<b>145,922</b>	<b>250,000</b>	<b>513,909</b>	<b>20,406,000</b>	<b>2,944,240</b>	<b>24,114,149</b>
<b>Transportation:</b>								
Bridge renovation	9,838,380	1,739,394	8,098,986	299,234	182,500	1,607,686	202,035	2,291,455
Drainage	50,000	-	50,000	-	50,000	-	-	50,000
Infrastructure	26,200,008	11,584,842	14,615,166	2,793,727	1,678,200	7,792,455	(134,523)	12,129,859
Signs	282,500	258,015	24,485	-	162,500	120,000	-	282,500
Transit garage	815,500	546,584	268,916	370,911	-	208,500	-	579,411
Fair Street	8,437,345	5,173,156	3,264,189	4,903,080	294,500	-	222,367	5,419,947
Highway equipment	984,403	102,400	882,003	-	104,403	880,000	-	984,403
Buses	1,991,766	1,734,779	256,987	759,818	-	1,065,216	34,950	1,859,984
Maybrook bikeway	24,625,037	13,554,103	11,070,934	11,542,993	224,787	2,087,000	54,034	13,908,814
FTC lot paving	100,000	97,462	2,538	-	17,779	-	82,221	100,000
Gas pump program	154,496	-	154,496	-	65,000	-	89,497	154,497
FEMA repairs	500,000	250,712	249,288	319,281	-	-	-	319,281
<b>Total transportation</b>	<b>73,979,435</b>	<b>35,041,447</b>	<b>38,937,988</b>	<b>20,989,044</b>	<b>2,779,669</b>	<b>13,760,857</b>	<b>550,581</b>	<b>38,080,151</b>
<b>Culture and recreation:</b>								
Macgregor Club	15,957,424	15,237,997	719,427	619,085	-	5,950,000	8,558,303	15,127,388
Tilly Foster Wells	513,221	141,827	371,394	84,500	86,000	(7,279)	-	163,221
Camp Walter Herlich	2,975,000	1,176,658	1,798,342	200,000	-	-	978,764	1,178,764
County Park	8,533,540	6,152,796	2,380,744	5,618,160	-	365,000	296,499	6,279,659
<b>Total culture and recreation</b>	<b>27,979,185</b>	<b>22,709,278</b>	<b>5,269,907</b>	<b>6,521,745</b>	<b>86,000</b>	<b>6,307,721</b>	<b>9,833,566</b>	<b>22,749,032</b>
<b>Home and community services - water quality</b>								
Home and community services - water quality	48,808,240	42,624,054	6,184,186	-	-	133,650	42,548,264	42,681,914
<b>Totals</b>	<b>\$ 216,578,453</b>	<b>160,969,437</b>	<b>55,529,016</b>	<b>28,651,370</b>	<b>6,674,448</b>	<b>75,913,372</b>	<b>55,883,283</b>	<b>167,122,473</b>

**NON-MAJOR  
GOVERNMENTAL FUNDS**

**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, 2012

(with comparative totals for 2011)

	County road fund		Road machinery fund	Transportation fund	Special purpose fund	Debt service fund	Total non-major governmental funds
	2012	2011	2012	2011	2012	2012	2011
<u>Assets</u>							
Cash and equivalents	\$ 300	-	-	-	41,197	-	36,340
Receivables:							
Accounts	-	191	-	-	-	415,400	415,400
State and Federal aid	-	-	135,094	-	-	-	378,532
Due from other funds	1,901,071	207,310	846,788	-	-	215,033	2,343,419
Total receivables	1,901,071	207,501	981,882	-	-	630,433	3,137,351
Prepaid items	-	-	-	-	-	-	48,045
Total assets	\$ 1,901,371	207,501	981,882	41,197	630,433	3,762,384	3,221,736
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities:							
Accounts payable	103,593	82,477	320,966	-	-	507,036	519,061
Accrued liabilities	175,312	33,197	-	-	-	208,509	303,796
Due to other funds	-	-	-	-	-	-	79,922
Total liabilities	278,905	115,674	320,966	-	-	715,545	902,779
Deferred inflows of resources	219,644	-	-	-	-	219,644	982
Fund balances:							
Nonspendable	-	-	-	-	-	-	48,045
Restricted	-	-	-	41,197	630,433	671,630	371,518
Assigned - appropriated	753,761	70,841	100,000	-	-	924,602	1,162,396
Assigned - unappropriated	649,061	20,986	560,916	-	-	1,230,963	736,016
Total fund balances	1,402,822	91,827	660,916	41,197	630,433	2,827,195	2,317,975
Total liabilities and fund balances	\$ 1,901,371	207,501	981,882	41,197	630,433	3,762,384	3,221,736

COUNTY OF PUTNAM, NEW YORK  
 Combining Statement of Revenue, Expenditures and  
 Changes in Fund Balances  
 Non-Major Governmental Funds  
 Year ended December 31, 2012  
 (with comparative totals for 2011)

	County road fund	Road machinery fund	Transportation fund	Special purpose fund	Debt service fund	Total non-major governmental funds 2012	2011
Revenue:							
Real property taxes	\$ 4,220,115	999,304	1,498,790	-	5,394,565	12,112,774	11,795,750
Departmental income	-	-	303,676	-	-	303,676	299,136
Intergovernmental charges	666,366	-	-	-	-	666,366	753,406
Use of money and property	-	-	-	-	609,615	609,615	677,807
Interfund revenues	-	310,045	-	-	-	310,045	376,795
State aid	-	-	786,248	-	-	786,248	671,645
Federal aid	-	-	68,500	-	-	68,500	66,100
Miscellaneous	28,587	4,624	-	5,157	-	38,368	45,321
Total revenue	<u>4,915,068</u>	<u>1,313,973</u>	<u>2,657,214</u>	<u>5,157</u>	<u>6,004,180</u>	<u>14,895,592</u>	<u>14,685,960</u>
Expenditures:							
Current:							
Public safety	263,650	-	-	-	-	263,650	195,800
Transportation	4,638,925	1,753,655	2,211,440	-	-	8,604,020	9,265,490
Debt service - serial bonds:							
Principal	-	-	-	-	3,320,000	3,320,000	3,015,401
Interest	-	-	-	-	2,404,507	2,404,507	2,555,157
Total expenditures	<u>4,902,575</u>	<u>1,753,655</u>	<u>2,211,440</u>	<u>-</u>	<u>5,724,507</u>	<u>14,592,177</u>	<u>15,031,848</u>
Excess (deficiency) of revenue over expenditures	<u>12,493</u>	<u>(439,682)</u>	<u>445,774</u>	<u>5,157</u>	<u>279,673</u>	<u>303,415</u>	<u>(345,888)</u>
Other financing sources (uses):							
Issuance of refunding bonds	-	-	-	-	5,905,000	5,905,000	-
Transfers in	236,967	90,020	-	-	15,282	342,269	875
Transfers out	(117,667)	(8,297)	(10,500)	-	-	(136,464)	(12,918)
Premium on bonds	-	-	-	-	730,127	730,127	-
Payment to bond escrow agent	-	-	-	-	(6,635,127)	(6,635,127)	-
Total other financing sources (uses)	<u>119,300</u>	<u>81,723</u>	<u>(10,500)</u>	<u>-</u>	<u>15,282</u>	<u>205,805</u>	<u>(12,043)</u>
Net change in fund balances	<u>131,793</u>	<u>(357,959)</u>	<u>435,274</u>	<u>5,157</u>	<u>294,955</u>	<u>509,220</u>	<u>(357,931)</u>
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 1,402,822</u>	<u>91,827</u>	<u>660,916</u>	<u>41,197</u>	<u>630,433</u>	<u>2,827,195</u>	<u>2,317,975</u>

COUNTY OF PUTNAM, NEW YORK  
Comparative Balance Sheets  
County Road Fund  
December 31, 2012 and 2011

	<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash - petty cash		\$ 300	300
Receivables:			
State and Federal aid		-	311,038
Due from other funds		<u>1,901,071</u>	<u>1,306,812</u>
Total receivables		<u>1,901,071</u>	<u>1,617,850</u>
Prepaid items		<u>-</u>	<u>38,553</u>
Total assets		<u>\$ 1,901,371</u>	<u>1,656,703</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>			
Liabilities:			
Accounts payable		103,593	136,534
Accrued liabilities		<u>175,312</u>	<u>249,140</u>
Total liabilities		<u>278,905</u>	<u>385,674</u>
Deferred inflows of resources		<u>219,644</u>	<u>-</u>
Fund balances:			
Nonspendable		-	38,553
Assigned - appropriated		753,761	738,733
Assigned - unappropriated		<u>649,061</u>	<u>493,743</u>
Total fund balances		<u>1,402,822</u>	<u>1,271,029</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 1,901,371</u>	<u>1,656,703</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, 2012 and 2011

	2012			2011			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	Original budget	Final budget	Actual	
Revenue:							
Real property taxes	\$ 4,220,115	4,220,115	4,220,115	4,319,366	4,319,366	4,319,366	-
Intergovernmental charges	663,550	663,550	666,366	650,000	650,000	753,406	103,406
Miscellaneous	13,008	17,723	28,587	11,350	11,350	29,301	17,951
Total revenue	4,896,673	4,901,388	4,915,068	4,980,716	4,980,716	5,102,073	121,357
Expenditures:							
Current:							
Public safety	304,127	360,113	263,650	205,250	273,003	195,800	77,203
Transportation	5,295,801	5,397,648	4,638,925	5,223,834	5,473,828	5,222,850	250,978
Total expenditures	5,599,928	5,757,761	4,902,575	5,429,084	5,746,831	5,418,650	328,181
Excess (deficiency) of revenue over expenditures	(703,255)	(856,373)	12,493	(448,368)	(766,115)	(316,577)	449,538
Other financing sources (uses):							
Transfers in	703,255	794,254	236,967	448,368	578,312	-	(578,312)
Transfers out	-	(117,667)	(117,667)	-	-	-	-
Total other financing services	703,255	676,587	119,300	448,368	578,312	-	(578,312)
Net change in fund balance	-	(179,786)	131,793	-	(187,803)	(316,577)	(128,774)
Fund balance at beginning of year	1,271,029	1,271,029	1,271,029	1,587,606	1,587,606	1,587,606	-
Fund balance at end of year	\$ 1,271,029	1,091,243	1,402,822	1,587,606	1,399,803	1,271,029	(128,774)

COUNTY OF PUTNAM, NEW YORK  
 Comparative Balance Sheets  
 Road Machinery Fund  
 December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Due from other funds	\$ 207,310	669,426
Accounts receivable	191	-
Prepaid items	-	9,492
	<u>\$ 207,501</u>	<u>678,918</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	82,477	174,476
Accrued liabilities	33,197	54,656
Total liabilities	<u>115,674</u>	<u>229,132</u>
Fund balances:		
Nonspendable	-	9,492
Assigned - appropriated	70,841	388,663
Assigned - unappropriated	20,986	51,631
Total fund balances	<u>91,827</u>	<u>449,786</u>
Total liabilities and fund balances	<u>\$ 207,501</u>	<u>678,918</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, 2012 and 2011

	2012			2011			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	Original budget	Final budget	Actual	
Revenues:							
Real property taxes	\$ 999,304	999,304	999,304	-	990,519	990,519	-
Interfund revenues	430,460	430,460	310,045	(120,415)	433,310	376,795	(56,515)
Miscellaneous	-	3,834	4,624	790	-	9,381	9,381
Total revenues	1,429,764	1,433,598	1,313,973	(119,625)	1,423,829	1,376,695	(47,134)
Expenditures - transportation	1,822,551	1,903,985	1,753,655	150,330	1,676,206	1,740,394	55,206
Excess (deficiency) of revenues over expenditures	<u>(392,787)</u>	<u>(470,387)</u>	<u>(439,682)</u>	<u>30,705</u>	<u>(252,377)</u>	<u>(363,699)</u>	<u>8,072</u>
Other financing sources (uses):							
Transfers in	28,959	90,020	90,020	-	109,825	-	(109,825)
Transfers out	-	(8,297)	(8,297)	-	(32,918)	(12,918)	20,000
Total other financing sources (uses)	<u>28,959</u>	<u>81,723</u>	<u>81,723</u>	<u>-</u>	<u>76,907</u>	<u>(12,918)</u>	<u>(89,825)</u>
Net change in fund balance	<u>(363,828)</u>	<u>(388,664)</u>	<u>(357,959)</u>	<u>30,705</u>	<u>(252,377)</u>	<u>(376,617)</u>	<u>(81,753)</u>
Fund balance at beginning of year	<u>449,786</u>	<u>449,786</u>	<u>449,786</u>	<u>-</u>	<u>826,403</u>	<u>826,403</u>	<u>-</u>
Fund balance at end of year	<u>\$ 85,958</u>	<u>61,122</u>	<u>91,827</u>	<u>30,705</u>	<u>531,539</u>	<u>449,786</u>	<u>(81,753)</u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Balance Sheets  
 Transportation Fund  
 December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Receivables:		
State and Federal aid	\$ 135,094	67,494
Due from other funds	<u>846,788</u>	<u>367,181</u>
Total assets	<u>\$ 981,882</u>	<u>434,675</u>
<u>Liabilities, Deferred Inflows or Resources and Fund Balance</u>		
Liabilities - accounts payable	<u>320,966</u>	<u>208,051</u>
Deferred inflows of resources	<u>-</u>	<u>982</u>
Fund balances:		
Assigned - appropriated	100,000	35,000
Assigned - unappropriated	<u>560,916</u>	<u>190,642</u>
Total fund balances	<u>660,916</u>	<u>225,642</u>
Total liabilities and fund balances	<u>\$ 981,882</u>	<u>434,675</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, 2012 and 2011

	2012			2011			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	Original budget	Final budget	Actual	
Revenue:							
Real property taxes	\$ 1,498,790	1,498,790	1,498,790	1,421,353	1,421,353	1,421,353	-
Departmental income	290,000	290,000	303,676	290,000	290,000	299,136	9,136
State aid	675,000	675,000	786,248	670,000	670,000	671,645	1,645
Federal aid	65,200	65,200	68,500	66,100	66,100	66,100	-
Total revenue	2,528,990	2,528,990	2,657,214	2,447,453	2,447,453	2,458,234	10,781
Expenditures - transportation	2,563,990	2,553,490	2,211,440	2,447,453	2,407,453	2,302,246	105,207
Excess (deficiency) of revenue over expenditures	(35,000)	(24,500)	445,774	-	40,000	155,988	115,988
Other financing sources (uses) - transfers out	-	(10,500)	(10,500)	-	-	-	-
Net change in fund balance	(35,000)	(35,000)	435,274	-	40,000	155,988	115,988
Fund balance at beginning of year	225,642	225,642	225,642	69,654	69,654	69,654	-
Fund balance at end of year	\$ 190,642	190,642	660,916	69,654	109,654	225,642	115,988

COUNTY OF PUTNAM, NEW YORK  
Comparative Balance Sheets  
Special Purpose Fund  
December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash - demand deposits	<u>\$ 41,197</u>	<u>36,040</u>
<u>Fund Balance</u>		
Restricted for trusts	<u>\$ 41,197</u>	<u>36,040</u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Statements of Revenue, Expenditures and  
 Changes in Fund Balance  
 Special Purpose Fund  
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue - miscellaneous	\$ 5,157	6,639
Expenditures - culture and recreation	<u>-</u>	<u>-</u>
Excess (deficiency) of expenditures over revenue	5,157	6,639
Fund balance at beginning of year	<u>36,040</u>	<u>29,401</u>
Fund balance at end of year	<u><u>\$ 41,197</u></u>	<u><u>36,040</u></u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Balance Sheets  
 Debt Service Fund  
 December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Accounts receivable	\$ 415,400	415,400
Due from other funds	<u>215,033</u>	<u>-</u>
Total Assets	<u>\$ 630,433</u>	<u>415,400</u>
<u>Liabilities and Fund Balance</u>		
Liabilities - due to other funds	-	79,922
Fund balance - restricted	<u>630,433</u>	<u>335,478</u>
Total liabilities and fund balance	<u>\$ 630,433</u>	<u>415,400</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, 2012 and 2011

	2012			2011			Variance with final budget positive (negative)
	Original budget	Final budget	Actual	Original budget	Final budget	Actual	
Revenue:							
Real property taxes	\$ 5,394,565	5,394,565	5,394,565	5,064,512	5,064,512	5,064,512	-
Use of money and property	613,429	613,429	609,615	590,813	589,938	677,807	87,869
Total revenue	6,007,994	6,007,994	6,004,180	5,655,325	5,654,450	5,742,319	87,869
Expenditures:							
Debt service - serial bonds:							
Principal	3,305,000	3,320,000	3,320,000	3,015,401	3,015,401	3,015,401	-
Interest	2,783,994	2,711,455	2,404,507	2,639,924	2,639,924	2,555,157	84,767
Total expenditures	6,088,994	6,031,455	5,724,507	5,655,325	5,655,325	5,570,558	84,767
Excess (deficiency) of revenues over expenditures	(81,000)	(23,461)	279,673	-	(875)	171,761	172,636
Other financing sources (uses):							
Transfers in	-	15,282	15,282	-	875	875	-
Premium on bonds	-	730,127	730,127	-	-	-	-
Issuance of refunding bonds	-	5,905,000	5,905,000	-	-	-	-
Payment to bond escrow agent	-	(6,635,127)	(6,635,127)	-	-	-	-
Total other financing sources (uses)	-	15,282	15,282	-	875	875	-
Net change in fund balance	(81,000)	(8,179)	294,955	303,134	-	172,636	172,636
Fund balance at beginning of year	335,478	335,478	335,478	162,842	162,842	162,842	-
Fund balance at end of year	\$ 254,478	327,299	630,433	162,842	162,842	335,478	172,636

## **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 Position  
 Proprietary Funds - Enterprise Fund  
 Putnam Tobacco Asset Securitization Corporation  
 December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and equivalents	\$ 49,583	49,556
Accounts receivable	1,056,000	1,075,000
Prepaid items	9,405	9,405
Total current assets	<u>1,114,988</u>	<u>1,133,961</u>
Restricted cash and equivalents	<u>1,209,065</u>	<u>1,208,920</u>
Total assets	<u>2,324,053</u>	<u>2,342,881</u>
 <u>Liabilities and Net Position</u> 		
Current liabilities:		
Accrued liabilities	78,250	78,650
Current maturities of bonds payable	<u>245,000</u>	<u>180,000</u>
Total current liabilities	<u>323,250</u>	<u>258,650</u>
Non-current liabilities - bonds payable, less current maturities	<u>18,151,974</u>	<u>18,020,859</u>
Total liabilities	<u>18,475,224</u>	<u>18,279,509</u>
Net position (deficit)		
Restricted of debt service	2,265,065	2,283,920
Unrestricted	<u>(18,416,236)</u>	<u>(18,220,548)</u>
Total net position	<u>\$ (16,151,171)</u>	<u>(15,936,628)</u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Statements of Revenue, Expenses and  
 Changes in Net Position  
 Proprietary Funds - Enterprise Fund  
 Putnam Tobacco Asset Securitization Corporation  
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(Restated)</u>
Operating revenue - tobacco settlement	\$ 1,047,718	<u>932,963</u>
Operating expenses:		
Administration	25,000	15,000
Professional fees	13,071	13,570
Insurance	<u>7,260</u>	<u>7,260</u>
Total operating expenses	<u>45,331</u>	<u>35,830</u>
Income from operations	<u>1,002,387</u>	<u>897,133</u>
Non-operating revenue (expenses):		
Interest income	185	163
Interest expense	<u>(1,217,115)</u>	<u>(1,212,482)</u>
Total non-operating expenses	<u>(1,216,930)</u>	<u>(1,212,319)</u>
Decrease in net position	<u>(214,543)</u>	<u>(315,186)</u>
Net Position (deficit):		
Beginning of year, as previously stated	(15,936,628)	(15,414,319)
Restatement	<u>-</u>	<u>(207,123)</u>
Beginning of year, as restated	<u>(15,936,628)</u>	<u>(15,621,442)</u>
End of year	<u>\$ (16,151,171)</u>	<u>(15,936,628)</u>

COUNTY OF PUTNAM, NEW YORK  
Comparative Statements of Cash Flows  
Proprietary Funds - Enterprise Fund  
Putnam Tobacco Asset Securitization Corporation  
Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(Restated)</u>
Cash flows from operating activities:		
Cash received from tobacco settlement revenues	\$ 1,066,718	1,045,989
Cash payments to vendors	<u>(45,331)</u>	<u>(35,830)</u>
Net cash provided by operating activities	<u>1,021,387</u>	<u>1,010,159</u>
Cash flows from investing activities - earnings on investments	<u>185</u>	<u>163</u>
Cash flows from non-capital financing activities:		
Repayment of bonds	(80,000)	(60,000)
Interest paid	<u>(941,400)</u>	<u>(945,600)</u>
Net cash used in non-capital financing activities	<u>(1,021,400)</u>	<u>(1,005,600)</u>
Net increase in cash and equivalents	172	4,722
Cash and cash equivalents at beginning of year	<u>1,258,476</u>	<u>1,253,754</u>
Cash and cash equivalents at end of year	<u>\$ 1,258,648</u>	<u>1,258,476</u>
Cash:		
Unrestricted	49,583	49,556
Restricted	<u>1,209,065</u>	<u>1,208,920</u>
	<u>\$ 1,258,648</u>	<u>1,258,476</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	1,002,387	897,133
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Changes in accounts receivable	<u>19,000</u>	<u>113,026</u>
Net cash provided by operating activities	<u>\$ 1,021,387</u>	<u>1,010,159</u>
Noncash investing activities:		
Increase in bonds payable from amortization of:		
Original issue discount on term bonds	<u>\$ 13,673</u>	<u>13,673</u>
Underwriter's discount	<u>\$ 11,892</u>	<u>11,892</u>
Loss on refunding	<u>\$ 90,650</u>	<u>90,650</u>
Increase in bonds payable from accreted interest on capital appreciation bonds	<u>\$ 159,900</u>	<u>150,967</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 Position  
 Proprietary Funds - Internal Service Fund - Workers' Compensation Benefits Fund  
 December 31, 2012 and 2011

<u>Assets</u>	<u>2012</u>	<u>2011</u>
Cash and equivalents	\$ 4,450,312	4,176,865
Due from other funds	440,835	216,987
Total assets	<u>4,891,147</u>	<u>4,393,852</u>
<u>Liabilities</u>		
Current liabilities:		
Claims payable	428,941	389,361
Due to other funds	600,000	500,000
Total current liabilities	<u>1,028,941</u>	<u>889,361</u>
Noncurrent liabilities - claims payable	<u>3,860,466</u>	<u>3,504,249</u>
Total liabilities	<u>4,889,407</u>	<u>4,393,610</u>
Net position	<u>\$ 1,740</u>	<u>242</u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Statements of Revenue, Expenses and  
 Changes in Net Position  
 Proprietary Funds - Internal Service Fund - Workers' Compensation Benefits Fund  
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenue:		
Charges for services	\$ 1,536,918	1,108,805
Miscellaneous	<u>1,422</u>	<u>5,403</u>
Total operating revenue	<u>1,538,340</u>	<u>1,114,208</u>
Operating expenses:		
Administration	475,662	345,612
Employee benefits	<u>1,063,090</u>	<u>772,455</u>
Total operating expenses	<u>1,538,752</u>	<u>1,118,067</u>
Loss from operations	(412)	(3,859)
Non-operating revenue - earnings on investments	<u>1,910</u>	<u>4,101</u>
Change in net position	1,498	242
Net position at beginning of year	<u>242</u>	<u>-</u>
Net position at end of year	<u>\$ 1,740</u>	<u>242</u>

COUNTY OF PUTNAM, NEW YORK  
 Comparative Statements of Cash Flows  
 Proprietary Funds - Internal Service Funds - Workers' Compensation Benefits Fund  
 Years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Cash received from charges for services	\$ 1,414,492	1,227,621
Cash payments to insurance carriers and claimants	(706,873)	(606,805)
Cash payments to vendors	<u>(436,082)</u>	<u>(340,209)</u>
Net cash provided by operating activities	271,537	280,607
Cash flows from investing activities - earnings on investments	<u>1,910</u>	<u>4,101</u>
Net increase in cash	273,447	284,708
Cash at beginning of year	<u>4,176,865</u>	<u>3,892,157</u>
Cash at end of year	<u>\$ 4,450,312</u>	<u>4,176,865</u>
Reconciliation of loss from operations to net cash provided by operating activities:		
Loss from operations	(412)	(3,859)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Due to other funds	100,000	335,803
Due from other funds	(223,848)	(216,987)
Claims payable	<u>395,797</u>	<u>165,650</u>
Net cash provided by operating activities	<u>\$ 271,537</u>	<u>280,607</u>

COUNTY OF PUTNAM, NEW YORK  
 Statements of Changes in Assets and Liabilities  
 Fiduciary Funds  
 Year ended December 31, 2012

<u>Assets</u>	Balance at January 1, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>2012</u>
Cash:				
Demand deposits	\$ 2,182,084	27,345,708	(26,797,453)	2,730,339
Time deposits	<u>11,006</u>	<u>435</u>	<u>-</u>	<u>11,441</u>
Total assets	<u>\$ 2,193,090</u>	<u>27,346,143</u>	<u>(26,797,453)</u>	<u>2,741,780</u>
<u>Liabilities</u>				
Accounts payable	1,395	6,709,367	(6,708,267)	2,495
Employee payroll deductions	188,890	19,978,642	(19,980,668)	186,864
Due to other governments	397,417	3,509,730	(3,470,785)	436,362
Due to other funds	725,269	6,727,397	(6,307,283)	1,145,383
Deposits	<u>880,119</u>	<u>476,420</u>	<u>(385,863)</u>	<u>970,676</u>
Total liabilities	<u>\$ 2,193,090</u>	<u>37,401,556</u>	<u>(36,852,866)</u>	<u>2,741,780</u>

**STATISTICAL  
SECTION**

**(Unaudited)**

## **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:

Tax Revenue by Source

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  
Net Position by Component  
Last Nine Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:									
Invested in capital assets,									
net of related debt	\$ 50,633,880	55,501,635	56,667,290	44,537,069	41,371,988	45,623,536	45,318,653	45,649,962	42,242,348
Restricted	10,972,266	10,771,140	7,472,431	6,376,060	9,726,336	7,243,267	5,842,999	5,983,772	8,980,231
Unrestricted	<u>11,144,641</u>	<u>2,015,578</u>	<u>7,088,685</u>	<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>	<u>(29,477,604)</u>
Total governmental activities net position	<u>\$ 72,750,787</u>	<u>68,288,353</u>	<u>71,228,406</u>	<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>	<u>21,744,975</u>
Business-type activities (1) - unrestricted	<u>\$(12,228,597)</u>	<u>(15,115,118)</u>	<u>(15,271,420)</u>	<u>(15,290,728)</u>	<u>(15,280,355)</u>	<u>(15,214,715)</u>	<u>(15,414,319)</u>	<u>(15,740,614)</u>	<u>(16,151,171)</u>
Primary government:									
Invested in capital assets,									
net of related debt	50,633,880	55,501,635	56,667,290	44,537,069	41,371,988	45,623,536	45,318,653	45,649,962	42,242,348
Restricted	10,972,266	10,771,140	7,472,431	6,376,060	9,726,336	7,243,267	5,842,999	5,983,772	8,980,231
Unrestricted	<u>(1,083,956)</u>	<u>(13,099,540)</u>	<u>(8,182,735)</u>	<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>	<u>(45,628,775)</u>
Total primary government net assets	<u>\$ 60,522,190</u>	<u>53,173,235</u>	<u>55,956,986</u>	<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>	<u>5,593,804</u>

Note: Data is not available prior to the fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."

(1) The activities of the Putnam Tobacco Asset Securitization Corporation have been included as a blended component unit effective with the 2004 fiscal year in accordance with Governmental Accounting Standards Board Technical Bulletin 2004-1.

COUNTY OF PUTNAM, NEW YORK  
Changes in Net Position  
Last Nine Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses:									
Governmental activities:									
General government support	\$ 21,952,573	21,803,269	23,348,782	21,463,035	26,366,289	24,707,516	24,927,519	25,997,916	26,453,722
Education	8,510,030	8,718,305	8,824,844	9,484,352	10,470,440	10,815,692	10,054,837	9,849,831	10,172,476
Public safety	21,431,453	22,222,166	23,755,131	28,165,423	32,610,889	33,668,710	35,366,964	38,692,325	42,845,562
Health	13,688,914	13,641,526	13,319,283	13,507,594	15,824,780	16,453,864	15,919,935	14,142,348	14,217,985
Transportation	8,860,735	11,160,427	10,986,929	11,953,018	12,819,268	18,475,978	13,714,854	15,408,159	14,786,291
Economic opportunity and development	28,368,831	29,988,650	27,402,622	29,346,867	32,694,544	32,066,078	32,980,631	34,918,860	35,270,894
Culture and recreation	5,106,702	5,245,590	5,029,753	3,331,009	4,688,132	4,961,376	4,631,669	3,508,682	3,759,514
Home and community services	3,178,199	2,528,593	6,292,290	5,752,136	6,392,376	4,430,107	6,126,995	3,317,020	10,533,633
Interest	1,096,046	1,420,355	2,475,859	2,929,762	2,829,152	2,698,843	2,528,179	2,751,683	3,249,964
Total governmental activities expenses	112,193,483	116,728,881	121,435,493	125,933,196	144,695,870	148,278,164	146,251,583	148,586,824	161,290,041
Business-type activities (1) - Putnam Tobacco Asset Securitization Corporation	(983,965)	784,022	1,363,546	1,285,037	1,277,269	1,281,678	1,276,358	1,259,421	1,262,446
Total primary government expenses	111,209,518	117,512,903	122,799,039	127,218,233	145,973,139	149,559,842	147,527,941	149,846,245	162,552,487
Program revenue:									
Governmental activities:									
Charges for services									
General government support	4,735,116	5,074,998	5,089,336	5,318,679	5,011,170	5,234,956	4,955,678	5,827,297	5,417,539
Public safety	2,694,431	2,721,571	2,437,405	2,285,005	1,618,561	1,333,540	1,161,519	1,294,538	1,256,026
Health	4,136,232	3,322,275	3,324,752	3,243,851	3,493,263	3,859,706	3,032,359	1,137,899	1,210,768
Transportation	537,944	760,588	482,885	744,668	998,509	937,715	948,089	1,052,542	931,674
Economic opportunity and development	1,665,839	1,485,327	970,490	1,221,629	2,004,446	2,229,395	2,973,886	2,606,592	2,720,570
Culture and recreation	2,749,166	2,803,205	2,645,291	2,25,679	1,648,896	1,892,674	1,646,192	1,341,600	1,584,626
Home and community service	45,568	41,937	44,413	54,879	30,931	35,416	34,635	44,377	44,148
Operating grants and contributions	25,673,753	23,649,589	23,199,649	24,967,256	24,371,292	27,530,302	24,656,770	25,396,717	24,420,622
Capital grants and contributions	3,803,641	4,293,288	11,142,431	6,554,265	7,093,634	12,249,007	6,323,613	5,455,881	12,630,473
Total governmental activities program revenue	46,041,690	44,152,778	49,336,652	44,615,911	46,270,702	55,302,711	45,732,741	44,157,443	50,216,446
Business-type activities - charges for services - Putnam Tobacco Asset Securitization Corporation	1,219,435	1,199,338	1,114,648	1,176,355	1,214,243	1,346,981	1,076,594	932,963	1,047,718
Total primary government program revenue	47,261,125	45,352,116	50,451,300	45,792,266	47,484,945	56,649,692	46,809,335	45,090,406	51,264,164

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net expense/revenue:									
Governmental activities	\$(66,151,793)	(72,576,103)	(72,098,841)	(81,317,285)	(98,425,168)	(92,975,453)	(100,518,842)	(104,429,381)	(111,073,595)
Business-type activities	2,203,400	415,316	(248,898)	(108,682)	(63,026)	65,303	(199,764)	(326,458)	(214,728)
Total primary government	<u>(63,948,393)</u>	<u>(72,160,787)</u>	<u>(72,347,739)</u>	<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>	<u>(111,288,323)</u>
Net expense									
General revenue:									
Governmental activities:									
Taxes:									
Real property taxes	19,984,514	18,879,132	25,897,639	26,556,914	34,272,168	35,975,679	37,416,775	37,248,786	38,084,798
Other tax items	3,756,855	3,133,769	3,651,296	3,774,610	4,258,338	4,565,134	4,073,276	4,696,118	5,148,031
Non-property taxes	37,425,091	39,388,360	43,309,401	46,902,545	51,718,375	45,986,045	47,943,822	50,048,010	51,907,116
Unrestricted use of money and property	474,021	736,891	1,106,767	895,198	914,840	775,381	1,283,155	681,908	956,416
Sale of property and compensation for lo	174,338	183,982	165,620	141,936	346,344	136,717	170,354	243,328	204,612
Miscellaneous	782,059	1,163,160	898,171	2,027,397	856,816	1,393,591	1,201,131	(657,262)	-
Transfers	-	4,628,375	10,000	10,000	10,000	-	-	-	2,155,030
Total governmental activities	<u>62,596,878</u>	<u>68,113,669</u>	<u>75,038,894</u>	<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>	<u>98,456,003</u>
Business-type activities:									
Unrestricted use of money and property	81,448	89,894	102,596	99,374	83,399	337	160	163	185
Transfers	-	(4,628,375)	(10,000)	(10,000)	(10,000)	-	-	-	-
Total business-type activities	<u>81,448</u>	<u>(4,538,481)</u>	<u>92,596</u>	<u>89,374</u>	<u>73,399</u>	<u>337</u>	<u>160</u>	<u>163</u>	<u>185</u>
Total primary government									
general revenue	<u>62,678,326</u>	<u>63,575,188</u>	<u>75,131,490</u>	<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>	<u>98,456,188</u>
Prior period adjustment - effect of overstated/ understated capital assets	-	-	-	(5,067,136)	-	-	-	-	-
Change in net position:									
Governmental activities	(3,554,915)	(4,462,434)	2,940,053	(6,075,824)	(6,048,287)	(4,142,906)	(8,430,329)	(12,168,493)	(12,617,592)
Business-type activities	2,284,848	(4,123,165)	(156,302)	(19,308)	10,373	65,640	(199,604)	(326,295)	(214,543)
Total primary government	<u>\$ (1,270,067)</u>	<u>(8,585,599)</u>	<u>2,783,751</u>	<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>	<u>(12,832,135)</u>

Note: Data is not available prior to the fiscal 2004 implementation of Governmental Accounting Standards Board Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."

(1) The activities of the Putnam Tobacco Asset Securitization Corporation have been included as a blended component unit effective with the 2004 fiscal year in accordance with Governmental Accounting Standards Board Technical Bulletin 2004-1.

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

	<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>	<u>2012</u>
General fund:										
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,000,000	692,737	696,805
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	302,889	433,291	2,657,689
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,824,856	7,575,615	6,936,148
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18,260,773	18,142,836	18,762,962
Reserved	\$ 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	N/A
Unreserved	28,317,950	21,300,353	14,319,832	12,377,007	13,783,498	17,227,752	19,770,446	N/A	N/A	N/A
Total general fund	30,700,957	26,740,645	15,901,964	14,658,760	15,831,937	19,536,959	22,630,223	28,388,518	26,844,479	29,053,604
All other governmental funds:										
Nonspendable	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	3,658,402	4,227,992	6,935,275
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,483,663	1,898,412	2,155,565
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(601,955)	(284,293)	(110,609)
Reserved	169,399	326,788	2,533,061	1,563,762	1,632,460	1,125,162	1,388,263	N/A	N/A	N/A
Unreserved, reported in:										
Special revenue funds	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	N/A
Debt service fund	100,000	-	-	-	-	-	-	N/A	N/A	N/A
Capital projects fund	2,651,474	(7,129,570)	(5,342,659)	(2,673,369)	4,410,862	6,362,736	3,112,523	N/A	N/A	N/A
Total all other governmental funds	4,620,984	(5,237,485)	(984,266)	1,171,652	7,597,018	9,457,752	6,815,051	5,540,110	5,890,156	8,980,231
Total governmental fund	\$35,321,941	21,503,160	14,917,698	15,830,412	23,428,955	28,994,711	29,445,274	33,928,628	32,734,635	38,033,835

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>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>	<u>2012</u>
<b>Revenue:</b>										
Real property taxes	\$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	36,415,549
Other tax items:	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	5,148,031
Non-property taxes	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	51,907,116
Departmental income	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	11,359,962
Intergovernmental charges	522,280	358,204	595,027	244,705	502,836	737,133	664,099	656,761	753,406	666,366
Use of money and property	901,059	856,147	1,190,115	1,996,140	1,988,720	1,185,454	1,037,311	985,088	1,063,093	953,008
Licenses and permits	446,533	610,987	574,086	680,651	562,565	844,411	706,307	896,933	697,290	883,673
Fines and forfeitures	205,956	197,061	266,623	224,970	197,144	297,607	286,165	254,399	258,400	255,350
Sale of property and compensation for loss	83,945	174,338	183,982	165,620	141,936	346,344	136,717	170,354	243,328	204,612
Interfund revenue	470,289	548,602	244,859	292,355	211,309	240,594	410,367	405,648	376,795	310,045
State aid	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	16,207,528
Federal aid	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	11,323,669
Miscellaneous	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	11,674,928
<b>Total revenue</b>	<u>107,976,114</u>	<u>110,262,003</u>	<u>109,927,035</u>	<u>122,163,928</u>	<u>124,806,393</u>	<u>135,040,495</u>	<u>141,050,607</u>	<u>137,256,473</u>	<u>133,354,385</u>	<u>147,309,837</u>
<b>Expenditures:</b>										
<b>Current:</b>										
General government support	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	21,377,731
Education	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	10,152,873
Public safety	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	32,032,454
Health	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	12,304,232
Transportation	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	10,037,138
Economic opportunity and development	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	31,649,422
Culture and recreation	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	2,755,808
Home and community services	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	1,704,197
Employee benefits	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	3,766,453
Debt service:										
Principal	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	3,320,000
Interest	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	2,646,049
Capital outlay	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	16,710,815
<b>Total expenditures</b>	<u>123,693,343</u>	<u>124,080,784</u>	<u>128,158,872</u>	<u>139,261,214</u>	<u>134,810,750</u>	<u>133,664,739</u>	<u>143,195,445</u>	<u>137,661,229</u>	<u>138,229,435</u>	<u>148,457,172</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>(15,717,229)</u>	<u>(13,818,781)</u>	<u>(18,231,837)</u>	<u>(17,097,286)</u>	<u>(10,004,357)</u>	<u>1,375,756</u>	<u>(2,144,838)</u>	<u>(404,756)</u>	<u>(4,875,050)</u>	<u>(1,147,335)</u>
<b>Other financing sources (uses):</b>										
Issuance of debt	9,917,000	-	7,018,000	18,000,000	17,592,900	4,180,000	2,595,401	4,888,110	3,680,181	12,351,535
Premiums on bonds	-	-	-	-	-	-	-	-	-	730,127
Transfers in	3,009,690	1,318,271	14,047,180	992,920	2,258,168	226,348	3,175,214	605,889	200,975	903,577
Transfers out	(3,009,690)	(1,318,271)	(9,418,805)	(982,920)	(2,248,168)	(216,348)	(3,175,214)	(605,889)	(200,999)	(903,577)
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	(6,635,127)
<b>Total other financing sources</b>	<u>9,917,000</u>	<u>-</u>	<u>11,646,375</u>	<u>18,010,000</u>	<u>17,602,900</u>	<u>4,190,000</u>	<u>2,595,401</u>	<u>4,888,110</u>	<u>3,681,057</u>	<u>6,446,535</u>
<b>Net change in fund balances</b>	<u>\$(5,800,229)</u>	<u>(13,818,781)</u>	<u>(6,585,462)</u>	<u>912,714</u>	<u>7,598,543</u>	<u>5,565,756</u>	<u>450,563</u>	<u>4,483,354</u>	<u>(1,193,993)</u>	<u>5,299,200</u>
<b>Debt service as a percentage of non-capital expenditures</b>	<u>2.6%</u>	<u>2.6%</u>	<u>3.0%</u>	<u>2.7%</u>	<u>4.4%</u>	<u>4.7%</u>	<u>4.7%</u>	<u>4.5%</u>	<u>4.7%</u>	<u>4.7%</u>

COUNTY OF PUTNAM, NEW YORK

Sales Tax Rates

Last Ten Fiscal Years

	<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>	<u>2012</u>
New York State *	4.250%	4.250%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
MTA (1) **	0.250	0.250	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375
County ***	<u>3.000</u>	<u>3.000</u>	<u>3.500</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>	<u>4.000</u>
Total	<u><u>7.500%</u></u>	<u><u>7.500%</u></u>	<u><u>7.875%</u></u>	<u><u>7.875%</u></u>	<u><u>8.375%</u></u>	<u><u>8.375%</u></u>	<u><u>8.375%</u></u>	<u><u>8.375%</u></u>	<u><u>8.375%</u></u>	<u><u>8.375%</u></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 2001 to	March 2002 to	March 2003 to	March 2004 to	March 2005 to	March 2006 to	March 2007 to	March 2008 to	March 2009 to	March 2010 to
	February 2002	February 2003	February 2004	February 2005 **	February 2006 **	February 2007 **	February 2008 **	February 2009 **	February 2010 *	February 2011 *
Utilities (excluding residential energy) \$	19,708	18,130	21,159	22,625	26,769	30,197	30,267	32,216	19,872	32,216
Construction	24,062	24,623	25,779	29,151	29,794	31,035	26,758	27,844	20,430	27,844
Manufacturing	27,290	26,876	28,229	27,713	29,902	27,527	28,445	38,231	22,320	38,231
Wholesale trade	71,591	75,579	73,001	89,183	108,228	88,433	92,221	80,319	68,786	80,319
Retail trade:										
Motor vehicles and parts	200,762	213,541	239,211	230,077	210,389	184,397	186,812	168,060	166,081	168,060
Furniture and home furnishings	27,857	31,278	33,687	32,205	30,427	30,787	29,311	24,842	16,394	24,842
Electronics and appliances	9,193	10,687	11,001	11,094	12,259	10,371	10,017	9,072	8,655	9,072
Building materials and garden equipment	64,860	97,182	109,827	121,427	120,540	111,558	99,800	90,587	80,603	90,587
Food and beverage	59,462	62,156	68,936	69,909	71,565	69,349	73,232	73,553	78,290	73,553
Health and personal care	11,756	12,425	13,908	14,553	14,774	15,163	16,317	16,659	16,570	16,659
Gasoline stations	54,760	58,244	70,234	76,267	76,371	34,537	14,948	16,214	17,334	16,214
Clothing	3,813	9,422	23,397	29,361	30,331	13,400	7,894	6,055	6,348	6,055
Sporting goods, hobby, book and music stores	5,544	4,930	6,973	9,895	10,988	10,401	12,028	10,941	10,345	10,941
General merchandise	30,609	25,992	24,267	29,155	29,467	22,144	20,763	20,165	32,643	20,165
Miscellaneous retail	17,532	20,908	19,715	19,777	20,418	21,820	24,653	23,309	22,746	23,309
Nonstore retail	16,165	17,709	19,574	20,866	22,729	22,440	22,906	25,716	29,344	25,716
Information	55,869	68,728	81,836	101,089	80,241	78,576	80,233	80,406	77,014	80,406
Professional, scientific and technical	7,037	7,382	6,771	7,217	9,621	9,370	10,795	8,570	7,666	8,570
Administrative/support services	23,077	22,125	25,996	27,234	28,937	30,413	32,536	33,202	32,522	33,202
Health care	1,201	1,059	1,123	951	1,594	1,528	1,497	1,303	1,207	1,303
Arts, entertainment and recreation	11,061	12,819	12,992	16,855	16,582	14,159	14,841	14,330	13,221	14,330
Accommodation and food services:										
Food services	49,097	51,397	55,868	61,937	64,789	68,370	71,074	73,829	74,464	78,829
Accommodation	1,799	1,812	1,775	1,566	2,176	2,156	2,162	1,414	1,414	1,414
Other services:										
Repair and maintenance	27,710	28,607	33,148	36,372	41,628	38,642	42,016	40,378	39,879	40,378
Personal and laundry services	4,762	6,230	5,861	6,745	6,589	5,979	6,471	6,810	7,123	6,810
All other services	687	1,062	1,134	1,181	1,134	1,162	1,020	661	670	661
Ag., mining, trans., fire, educ., govt.	40,174	44,188	39,163	39,437	42,362	41,242	50,035	48,064	39,238	48,064
Unclassified by industry	13,730	6,847	8,735	12,636	16,770	14,461	13,122	9,861	9,800	9,861
Grand total	\$ 881,168	\$ 961,938	\$ 1,063,300	\$ 1,146,478	\$ 1,157,374	\$ 1,029,617	\$ 1,022,174	\$ 982,611	\$ 920,979	\$ 987,611

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  
 Tax Revenue by Source - Governmental Funds  
 Last Ten Fiscal Years

Non-Property Taxes

<u>Year</u>	<u>Real Property Taxes</u>	<u>Sales Taxes</u>	<u>911 Emergency Surcharge</u>	<u>Total</u>
2003	\$ 19,833,879	34,559,056	233,501	54,626,436
2004	21,079,929	36,716,813	208,551	58,005,293
2005	20,952,994	38,567,231	424,028	59,944,253
2006	23,499,901	42,469,162	445,974	66,415,037
2007	26,340,950	46,245,081	432,653	73,018,684
2008	30,806,868	51,200,284	426,207	82,433,359
2009	32,492,279	45,599,172	427,699	78,519,150
2010	36,457,275	47,632,078	447,632	84,536,985
2011	33,980,375	49,828,070	448,084	84,256,529
2012	36,415,549	51,676,481	448,715	88,540,745

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

<u>Year</u>	<u>Commercial property</u>	<u>Residential property</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>
2003	n/a	n/a	8,284,189,678	79.65	10,400,392,986	2.45
2004	n/a	n/a	8,719,179,373	74.72	11,668,531,485	2.38
2005	n/a	n/a	10,182,047,459	80.26	12,685,557,819	2.06
2006	n/a	n/a	11,058,405,063	77.03	14,355,222,555	2.11
2007	n/a	n/a	11,760,206,076	74.63	15,757,048,182	2.36
2008	n/a	n/a	12,569,993,091	73.89	17,010,436,286	3.65
2009	n/a	n/a	12,275,535,937	75.71	16,214,689,625	3.85
2010	n/a	n/a	11,693,214,268	75.89	15,408,675,737	3.34
2011	n/a	n/a	11,133,206,698	78.31	14,473,917,502	3.43
2012	2,224,905	10,990,386,750	10,992,611,655	78.28	14,043,316,000	3.51

(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

n/a Breakout of total taxable assessed value between commercial and residential is not readily available.

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>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>	<u>2012</u>
County Direct Rates	2.38	2.29	2.00	2.03	2.03	2.01	2.93	3.20	3.30	3.46
Town Rates	.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	1.70 - 6.87
Village Rates	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	4.04 - 10.11
School Districts	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	9.33 - 53.09

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

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

2012

<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	\$ 650,614,615	5.92 %
2	State of New York	Public Utility	160,077,250	1.46
3	New York State Electric & Gas	Public Utility	101,557,939	0.92
4	Algonquin Gas	Public Utility	63,100,385	0.57
5	Verizon	Public Utility	57,710,758	0.52
6	Consolidated Edison	Public Utility	31,222,019	0.28
7	Highland Center, LLC	Private Corp.	25,538,000	0.23
8	Plaza, LLC (Lakeview Plaza)	Private Corp.	23,073,500	0.21
9	Central Hudson	Private Corp.	22,064,550	0.20
10	Triple C Associates	Private Corp.	18,444,000	0.17
			<u>\$ 1,153,403,016</u>	<u>10.48 %</u>

2002

<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	\$ 344,377,025	5.19 %
2	New York State Electric & Gas	Public Utility	90,417,296	1.36
3	Verizon	Public Utility	44,366,167	0.67
4	Consolidated Edison	Public Utility	39,130,190	0.59
5	Algonquin Gas	Public Utility	43,374,573	0.65
6	Lakeview Associates	Private Corp.	18,942,600	0.29
7	Centennial Golf	Private Corp.	17,947,334	0.27
8	Gandol	Private Corp.	16,462,162	0.25
9	Triple C Associates	Private Corp.	13,000,000	0.20
10	Plaza at Clover Lake	Private Corp.	15,000,000	0.23
			<u>\$ 643,017,347</u>	<u>9.70 %</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>	Collected within the <u>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>
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
2012	128,752,271	122,975,161	95.51	1,801,414	124,776,575	96.91

(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

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (1)</u>	<u>Business- type Activities Tobacco Securitization Bonds (2)</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
2003	22,552,000	0.22	226.54	-	22,552,000	0.56	227
2004	20,757,000	0.18	206.52	14,140,000	34,897,000	0.81	347
2005	25,573,000	0.20	254.44	17,851,041	43,424,041	0.96	432
2006	41,468,000	0.29	412.59	17,969,010	59,437,010	1.24	591
2007	56,937,900	0.36	566.51	17,968,886	74,906,786	1.44	745
2008	58,637,900	0.34	583.42	17,941,069	76,578,969	1.42	762
2009	58,190,401	0.36	586.21	17,846,135	76,036,536	1.50	766
2010	60,128,511	0.39	602.99	17,993,677	78,122,188	1.50	783
2011	60,774,777	0.42	608.16	18,200,859	78,975,636	1.52	790
2012	64,537,498 *	0.46	645.81	18,396,974	82,934,472	1.54	830

(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

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

\* Includes gain on advance refunding of \$175,000.

COUNTY OF PUTNAM, NEW YORK  
Direct and Underlying Governmental Activities Debt  
December 31, 2012

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, 2012):			
Carmel	\$ 31,491,000	10,905,418	20,585,582
Kent	2,830,334	-	2,830,334
Patterson	7,135,000	205,000	6,930,000
Philipstown	204,780	69,906	134,874
Putnam Valley	1,000,350	-	1,000,350
Southeast	14,366,651	3,399,428	10,967,223
Villages (as of May 31, 2012):			
Brewster	12,835,158	12,792,987	42,171
Cold Spring	1,560,000	-	1,560,000
Nelsonville	70,000	-	70,000
Schools (as of June 30, 2012):			
Brewster	18,720,000	1,646,183	17,073,817
Carmel	33,833,923	928,902	32,905,021
Garrison	4,884,421	1,048,858	3,835,563
Haldane	19,845,305	-	19,845,305
Mahopac	24,378,384	-	24,378,384
Putnam Valley	24,967,599	-	<u>24,967,599</u>
Total underlying debt			167,126,223
Direct bonded debt of the County			<u>64,537,498</u>
Direct and underlying debt			<u>\$ 231,663,721</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 June 30, 2011.

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

	<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>	<u>2012</u>
Debt limit	\$ 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	1,076,069,607
Total net debt applicable to limit	<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>	<u>61,732,317</u>
Legal debt margin	<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>	<u>1,014,337,290</u>
Total net debt applicable to the limit as a percentage of debt limit	2.85%	2.93%	3.30%	4.90%	5.47%	5.86%	5.12%	5.43%	5.31%	5.74%

Legal Debt Margin Calculation for Fiscal Year 2012

Five year full valuation of taxable real property (2008-2012) (1)	<u>\$76,862,114,772</u>
Five year average full valuation of taxable real property	<u>\$15,372,422,954</u>
Debt limit - 7% of five year average full valuation	<u>\$ 1,076,069,607</u>
Indebtedness - serial bonds (2)	64,537,498
Less exclusion - 2013 appropriations	<u>(2,805,181)</u>
Net indebtedness subject to debt limit	<u>61,732,317</u>
Net debt contracting margin	<u>\$ 1,014,337,290</u>
Percentage of debt contracting power exhausted as of December 31, 2012	5.74 %

(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>
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
2012	99,933	5,374,477,000 e	53,781 e	6.7

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>	2012	
	<u>Employees</u>	Percentage of total <u>employment</u>
Putnam Hospital Center	1,200	2.23 %
Mahopac Central School District	803	1.49
Putnam County	747	1.39
Carmel Central School District	698	1.30
Brewster Central School District	620	1.15
Green Chimneys	570	0.70
Putnam Associated Resource Center	375	1.06
Putnam Precision Products	349	0.65
Arms Acres	297	0.55
Putnam Valley Central School District	281	0.52
	<u>5,940</u>	<u>11.04 %</u>

<u>Employer</u>	2003	
	<u>Employees</u>	Percentage of total <u>employment</u>
Putnam Hospital Center	964	1.77 %
Carmel Central School District	757	1.39
Putnam County	723	1.33
Mahopac Central School District	703	1.29
Brewster Central School District	620	1.14
A&P	485	0.89
Guidepost Associates, Inc.	449	0.83
Watson Pharmaceutical	403	0.74
Putnam Associated Resource Center	375	0.69
Green Chimneys	355	0.65
	<u>5,834</u>	<u>10.72 %</u>

Source - Putnam County Planning Department

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

	<u>Full-time equivalent employees as of December 31,</u>									
Function:	<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>	<u>2012</u>
General government	158	158	158	161	166	156	159	143	144	153
Education	1	1	1	1	1	1	1	1	1	1
Public safety	195	198	203	204	204	211	202	200	200	206
Health	87	86	85	84	78	83	80	71	71	58
Transportation	60	58	57	56	55	44	41	39	39	34
Economic opportunity and development	160	161	163	163	178	173	158	161	160	161
Culture and recreation	18	20	21	23	21	20	18	17	17	19
Home and community services	<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>	<u>7</u>
Total	<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>	<u>639</u>

Source - Putnam County Finance Department

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

<u>Function</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>	<u>2012</u>
General government:										
Motor vehicles - number of drivers' licenses issued	N/A	N/A	23,609	16,197	15,961	16,778	25,657	28,181	30,454	18,545
County clerk - number of mortgages issued	11,588	12,585	9,766	7,364	6,284	3,907	3,294	3,101	3,154	3,402
Finance - number of Certificates of Residence issued	N/A	N/A	N/A	N/A	2,027	2,099	2,412	2,490	2,523	2,491
Highway - number of permits issued	33	28	41	37	23	23	20	12	14	13
Public safety - emergency services - number of calls at 911 center	15,369	10,649	6,531	10,793	10,793	37,911	39,725	35,601	36,742	41,782
Corrections - number of inmates	828	815	940	955	713	844	868	930	936	894
Health - number of home health aid visits*	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	39,579	37,849	36,926	39,116	22,951	29,739	32,898	24,412	30,800
Home and community services - transportation - ridership on public buses	168,284	172,485	172,988	157,507	164,495	174,243	177,246	186,867	172,781	168,331

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>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>	<u>2012</u>
General Government										
Buildings	5	5	5	5	6	6	6	7	7	7
Public Safety										
Buildings	2	3	3	3	3	3	3	3	3	3
Health										
Buildings	2	3	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	2,651	2,652	2,699	2,699	2,699	2,699	2,699	2,698	2,698	2,698
Buildings	4	5	6	7	7	7	8	8	8	8
Economic, Opportunity										
Buildings	4	4	5	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