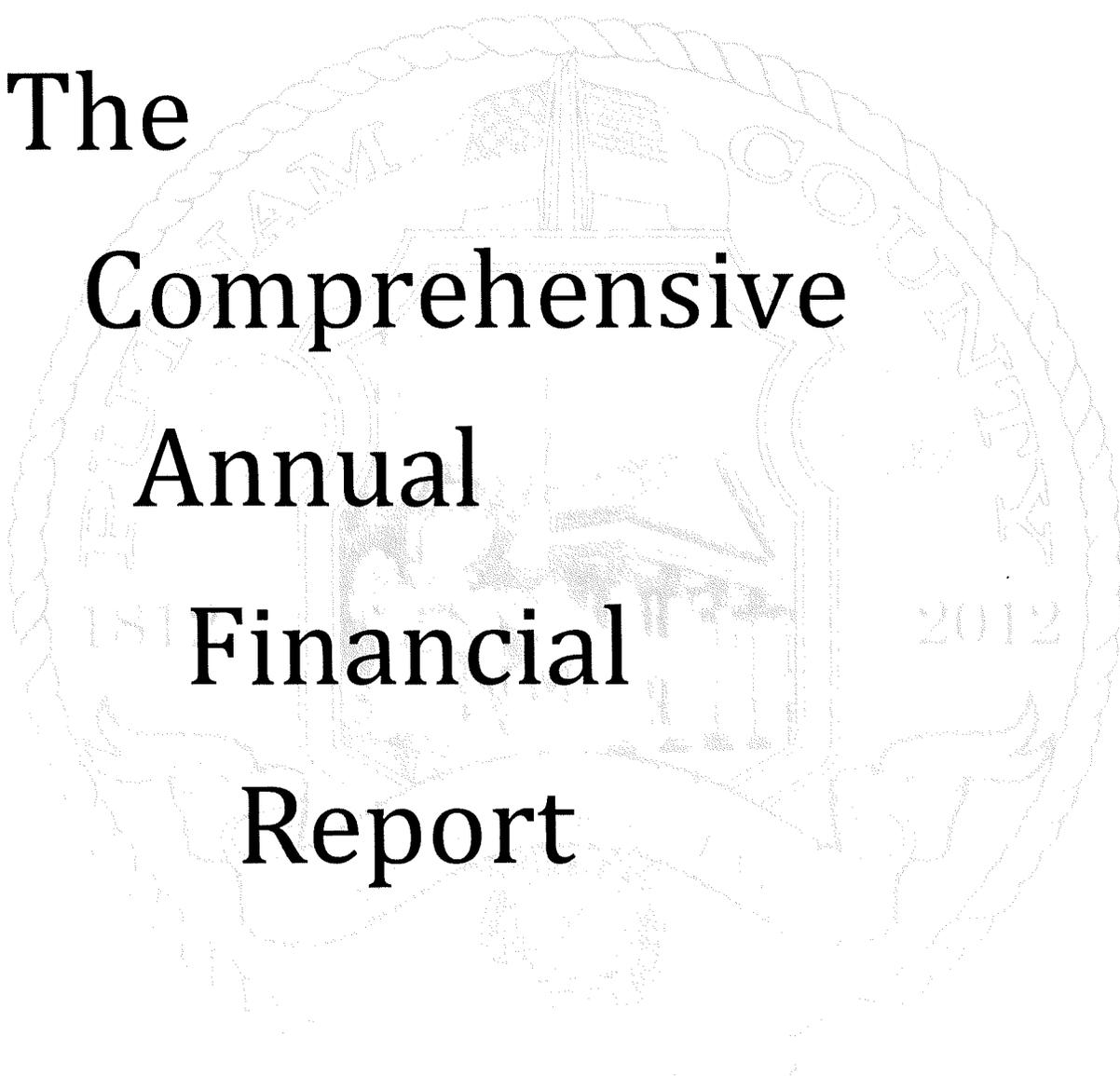


County of Putnam,
New York

The seal of Putnam County, New York, is a circular emblem. It features a central shield with a plow and a sheaf of wheat. Above the shield is a banner with the text 'PUTNAM COUNTY'. The shield is flanked by two figures, possibly representing agriculture and industry. The entire seal is surrounded by a decorative border. The year '2012' is visible on the right side of the seal.

The
Comprehensive
Annual
Financial
Report

FINANCIAL YEAR ENDED

DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

and have been recognized as revenues of the current fiscal period. Fees and other similar revenues 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, certain claims, postclosure care costs, other post employment benefit obligations and certain pension costs, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources 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.

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. As of December 31, 2014, \$1,383,576 of the County's bank balance of \$51,683,903 was exposed to custodial credit risk as they were uninsured and uncollateralized.

Investments - All investments are stated at fair value, which is based on quoted market prices.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investment Pool - The County participates in a joint municipal cooperative investment pool established pursuant to New York State General Municipal Law Article 3-A that meets the definition of a 2a7-like pool as defined by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The sponsoring agency of the pool is another governmental unit which, acting through its chief fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. This pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. The fair value of the City's position in the cooperative is the same as the value of the pool's shares. Additional information concerning the cooperative investment pool is presented in the annual report of the New York Liquid Asset Fund (NYLAF), which may be obtained from Bankers Trust Company, N.A., 453 7th Street, P.O. Box 897, Des Moines, IA 50304.

NYLAF is rated AAAM by Standard & Poor's Financial Services. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts pursuant to New York State General Municipal Law.

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

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

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

Due From/To Other Funds - During the course of its operations, the County has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement and other 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/or will benefit such periods. Reported amounts in governmental funds are equally offset by 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 Investments - 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 \$1,208,857, the maximum annual debt service requirement based on planned structured principal payments. The balance as of December 31, 2014 is \$1,209,192.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Unearned revenues in fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The County has reported unearned revenues of \$1,320,981 for State aid and other items received in advance in the General Fund. The County has also reported unearned revenues of \$3,948,378 for water shed aid received in advance in the Capital Projects Fund and \$223,347 in the County Road Fund for State aid received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County reported deferred inflows of resources of \$13,513,391 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow in the period that the amounts become available.

The County reported deferred outflows of resources of \$1,863,890 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Net Position - Net position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its 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 on the Statement of Net Position includes, net investment in capital assets, restricted for casualty reserve benefits, law enforcement, driving while intoxicated program, retirement, debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The County Legislature is the highest level of decision making authority for the County that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the County removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the County Legislature.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the County Legislature for amounts assigned for balancing the subsequent year's budget or the County Commissioner of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that

Note 1 - Summary of Significant Accounting Policies (Continued)

additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, County Road, Road Machinery and Transportation funds. Encumbrances outstanding at year-end are generally 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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 12, 2015.

Note 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:

- a) On or before October 1st, the County Executive submits to the County Legislature a tentative operating budget for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the means of financing.
- b) The County Executive and Commissioner of Finance meet with the Budget and Finance Committee of the Legislature within five days after transmittal of the tentative budget to review the budget document.
- c) The Committee conducts a public hearing on the tentative budget to obtain taxpayer comments.
- d) A report of the Committee must be filed by October 20th, which includes the Committee's recommendations.
- e) On or before October 25th, the Legislature conducts a public hearing on the tentative budget.
- f) After the public hearing and prior to October 28th, the Legislature meets to consider and adopt the budget.
- g) 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 by the Legislature to override. This process is completed and the final budget is adopted by November 15th.
- h) Formal budgetary integration is employed during the year as a management control device for General, County Road, Road Machinery, Transportation and Debt Service funds.
- i) 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.
- j) 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:
 - (1) Transfers less than \$5,000 may be authorized by the Commissioner of Finance.
 - (2) Transfers between \$5,000 and \$10,000 may be authorized by the County Executive.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- (3) Transfers less than \$10,000 must be approved by the Chairperson of Audit or his/her designee.
 - (4) Transfers between \$10,000 and \$25,000 must be approved by the Audit and Administrative Committee.
 - (5) Transfers over \$25,000 shall require approval of the Legislature.
 - (6) Amendments which increase total fund appropriations require approval by the Legislature.
- k) 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 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 1-1/2% 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 2014 was \$211,031,737, which exceeded the actual levy by \$171,778,303.

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a County in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the County to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The County is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the County, including exclusions for certain portions of the

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 2 - Stewardship, Compliance and Accountability (Continued)

expenditures for retirement system contributions and tort judgments payable by the County. The County Legislature may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the County Legislature first enacts, by a vote of at least sixty percent of the total voting power of the County Legislature, a local law to override such limit for such coming fiscal year.

C. Proprietary Fund Deficit

The Putnam Tobacco Asset Securitization Corporation reflects a deficit at December 31, 2014 of \$16,363,877. This deficit will be reduced annually with the receipt of tobacco revenues.

Note 3 - Detailed Notes on All Funds

A. Restricted Investments

Restricted investments at December 31, 2014 consisted of the following:

US Treasury Money Market	\$ <u>1,209,192</u>
--------------------------	---------------------

These investments are not subject to risk categorization.

B. Taxes Receivable

Taxes receivable at December 31, 2014 consisted of the following:

Returned school and village taxes	\$ 26,458,554
Tax liens	16,086,862
Taxes receivable - Pending	2,418,915
Property acquired for taxes	<u>3,535,706</u>
	48,500,037
Allowance for uncollectible taxes	<u>(6,823,349)</u>
	<u>\$ 41,676,688</u>

Returned school and village taxes have been relieved in the subsequent year as County taxes. Taxes receivable are also partially offset by deferred tax revenues of \$13,513,391, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 1,215,386	\$ 2,952,996
Capital Projects	-	1,432,564
Non-Major Governmental	3,078,151	153,013
Internal Service	245,036	-
	<u>\$ 4,538,573</u>	<u>\$ 4,538,573</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. The amounts due from other funds within the Non-Major Governmental Funds is the result of these funds not having bank accounts.

D. Capital Assets

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

	<u>Balance January 1, 2014</u>	<u>Reclassifications</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
Capital Assets, not being depreciated					
Land	\$ 6,558,531	\$ -	\$ 59,122	\$ -	\$ 6,617,653
Construction-in-Progress	-	-	70,046	-	70,046
Total Capital Assets, not being depreciated	<u>\$ 6,558,531</u>	<u>\$ -</u>	<u>\$ 129,168</u>	<u>\$ -</u>	<u>\$ 6,687,699</u>
Capital Assets, being depreciated					
Buildings and Improvements	\$ 103,262,188	\$ -	\$ 515,913	\$ -	\$ 103,778,101
Machinery and Equipment	26,687,416	(156,505)	1,727,765	3,653,863	24,604,813
Infrastructure	62,414,387	-	4,691,956	-	67,106,343
Total Capital Assets, being depreciated	<u>192,363,991</u>	<u>(156,505)</u>	<u>6,935,634</u>	<u>3,653,863</u>	<u>195,489,257</u>
Less Accumulated Depreciation for					
Buildings and Improvements	47,028,002	(511)	3,158,265	-	50,185,756
Machinery and Equipment	21,883,317	(1,307,310)	1,791,772	3,653,863	18,713,916
Infrastructure	25,303,684	1,151,316	3,586,816	-	30,041,816
Total Accumulated Depreciation	<u>94,215,003</u>	<u>(156,505)</u>	<u>8,536,853</u>	<u>3,653,863</u>	<u>98,941,488</u>
Capital Assets, being depreciated, net	<u>\$ 98,148,988</u>	<u>\$ -</u>	<u>\$ (1,601,219)</u>	<u>\$ -</u>	<u>\$ 96,547,769</u>
Capital Assets, net	<u>\$ 104,707,519</u>	<u>\$ -</u>	<u>\$ (1,472,051)</u>	<u>\$ -</u>	<u>\$ 103,235,468</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

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

Governmental Activities	
General Government Support	\$ 1,248,674
Public Safety	1,373,430
Health	182,084
Transportation	3,844,844
Economic Opportunity and Development	495,191
Culture and Recreation	<u>1,392,630</u>
Total Depreciation Expense	<u>\$ 8,536,853</u>

E. Accrued Liabilities

Accrued Liabilities at December 31, 2014 were as follows:

	Governmental Activities	Business - Type Activities	Total
Payroll and employee benefits	\$ 1,305,033	\$ -	\$ 1,305,033
Other	<u>726,414</u>	<u>76,675</u>	<u>803,089</u>
Total Accrued Liabilities	<u>\$ 2,031,447</u>	<u>\$ 76,675</u>	<u>\$ 2,108,122</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.

	Balance January 1, 2014	New Issues	Redemptions	Balance December 31, 2014
Tax Anticipation Note - A	\$ 16,000,000	\$ -	\$ 16,000,000	\$ -
Tax Anticipation Note - B	<u>-</u>	<u>15,000,000</u>	<u>-</u>	<u>15,000,000</u>
	<u>\$ 16,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 15,000,000</u>

The tax anticipation note - A, was issued on November 15, 2013 and matured on October 24, 2014, with interest at .75%. Interest expenditures of \$113,000 were recorded in the General Fund and interest expense of \$93,000 was recorded in the government-wide financial statements for governmental activities.

The tax anticipation note B, was issued on November 20, 2014 and will mature on October 23, 2015 with interest at 1.00%. Interest expense of \$16,667 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

G. Pension Plans

The County of Putnam participates in the New York State and Local Employees' Retirement System (ERS) (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. 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 in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2015 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	27.7 %
2 75I	25.3
3 553	32.6
3 A14	20.3
4 553	32.6
4 89PBE	22.1
4 A15	20.3
5 553	29.7
5 89PBE	19.5
5 A15	16.6
6 553	22.6
6 89PBE	12.9
6 A15	10.9

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

2014	\$ 9,099,783
2013	5,836,144
2012	5,440,609

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The current contribution for the County was charged to the funds identified below.

<u>Fund</u>	<u>Amount</u>
General	\$ 8,597,361
County Road	408,911
Capital	2,180
Road Machinery	91,331
	<u>\$ 9,099,783</u>

H. Long-Term Liabilities

The changes in the County's long-term indebtedness for the year ended December 31, 2014 is as follows:

	<u>Balance January 1, 2014</u>	<u>New Issues and/or Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2014</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 64,759,535	\$ 3,478,274	\$ 3,396,535	\$ 64,841,274	\$ 3,768,000
Plus					
Unamortized premium on bonds	2,031,298	-	157,558	1,873,740	157,558
	<u>66,790,833</u>	<u>3,478,274</u>	<u>3,554,093</u>	<u>66,715,014</u>	<u>3,925,558</u>
Other Non-current Liabilities					
Compensated Absences	3,666,406	468,894	367,000	3,768,300	377,000
Retirement Incentives and Other Pension Obligations	7,404,355	1,110,576	858,527	7,656,404	892,822
Claims Payable	4,241,833	1,077,922	899,577	4,420,178	442,000
Other Post Employment Benefit Obligations Payable	82,172,153	16,262,695	3,997,506	94,437,342	-
Postclosure Care Costs	1,165,000	-	34,455	1,130,545	35,000
	<u>98,649,747</u>	<u>18,920,087</u>	<u>6,157,065</u>	<u>111,412,769</u>	<u>1,746,822</u>
Total Other Non - Current Liabilities					
Governmental Activities Long-Term Liabilities	<u>\$ 165,440,580</u>	<u>\$ 22,398,361</u>	<u>\$ 9,711,158</u>	<u>\$ 178,127,783</u>	<u>\$ 5,672,380</u>
Business - Type Activities					
Bonds Payable	<u>\$ 24,135,423</u>	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ 23,905,423</u>	<u>\$ 165,000</u>

Governmental fund liabilities for bonds are liquidated by the Debt Service Fund, which is funded by other governmental funds and property taxes. The liability for compensated absences, retirement incentives and other pension obligations, claims payable, other post employment benefit obligations and postclosure care costs are liquidated by the respective fund.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2013
Public improvement	2005	\$ 7,018,000	January, 2015	4.000 %	\$ 345,000
Public improvement	2006	18,000,000	January, 2016	4.375	860,000
Public improvement	2007	16,208,000	January, 2031	4.250	13,340,000
Public improvement	2007	1,384,900	November, 2018	4.000	620,000
Public improvement	2008	4,180,000	November, 2021	4.125 - 4.500	2,710,000
Public improvement	2009	2,595,401	November, 2025	2.500 - 4.000	2,005,000
Public improvement	2010	4,740,000	November, 2028	3.000 - 7.213	4,105,000
Public improvement	2011	3,680,181	November, 2023	2.000 - 2.750	3,075,000
Refunding	2012	6,446,535	November, 2026	2.000 - 2.375	6,010,000
Public improvement	2012	5,905,000	December, 2023	2.000 - 4.000	5,385,000
Public improvement	2013	3,113,000	November, 2024	2.000 - 3.000	3,113,000
Refunding	2013	19,965,000	January, 2036	2.000 - 5.000	19,795,000
Public improvement	2014	3,478,274	November, 2031	2.125 - 3.000	3,478,274
					<u>\$ 64,841,274</u>

Interest expenditures of \$2,343,043 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,854,098 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014 including interest payments of \$20,163,034 are as follows:

Year Ended December 31,	Principal	Interest	Total
2015	\$ 3,768,000	\$ 2,314,873	\$ 6,082,873
2016	4,058,274	2,188,408	6,246,682
2017	4,205,000	2,047,860	6,252,860
2018	4,350,000	1,899,828	6,249,828
2019	4,330,000	1,745,692	6,075,692
2020-2024	21,525,000	6,275,113	27,800,113
2025-2029	13,195,000	2,808,162	16,003,162
2030-2034	7,310,000	815,006	8,125,006
2035-2036	2,100,000	68,092	2,168,092
	<u>\$ 64,841,274</u>	<u>\$ 20,163,034</u>	<u>\$ 85,004,308</u>

County of Putnam, New York

Notes to Financial Statements (Continued)

December 31, 2014

Note 3 - Detailed Notes on All Funds (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 real property within the County.

Prior Year Defeasance

In prior years, the County defeased 2005 and 2006 bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2014, \$4,345,000 and \$14,660,000 of 2005 and 2006 bonds outstanding are considered defeased.

	Balance January 1, 2014	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Blended Component Unit				
Bonds Payable	\$ 24,135,423	\$ (230,000)	\$ 23,905,423	\$ 165,000
Less:				
Unamortized Original Issue Discount on Term Bonds	(213,880)	13,672	(200,208)	-
Unamortized Underwriters Discount	(186,060)	11,893	(174,167)	-
Unaccreted amounts on Turbo Capital Appreciation Bonds	<u>(3,718,590)</u>	<u>181,082</u>	<u>(3,537,508)</u>	<u>-</u>
Business-Type Activities				
Long-Term Liabilities	<u>\$ 20,016,893</u>	<u>\$ (23,353)</u>	<u>\$ 19,993,540</u>	<u>\$ 165,000</u>

PTASC issued bonds on August 25, 2005 and June 1, 2010 as follows:

\$2,915,000 of Turbo Term Bonds due June 1, 2027 with interest at 6.0% and a projected final Turbo Redemption date of June 1, 2015.* Balance due at December 31, 2014 is \$1,385,000.

\$3,400,000 of Turbo Term Bonds due June 1, 2041 with interest at 6.25% and a projected final Turbo Redemption date of June 1, 2017.* Balance due at December 31, 2014 is \$3,400,000.

\$9,165,000 of Turbo Term Bonds due June 1, 2042 with interest at 5.0% and a projected final Turbo Redemption date of June 1, 2024.* Balance due at December 31, 2014 is \$9,165,000.

\$3,325,000 of Turbo Term Bonds due June 1, 2045 with interest at 5.0% and a projected final Turbo Redemption date of June 1, 2026.* Balance due at December 31, 2014 is \$3,325,000.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

\$1,577,587 (net of unaccreted amounts of \$1,533,408) of Turbo Capital Appreciation Bonds due June 1, 2050 with a yield of 5.875% and a projected final Turbo Redemption date of June 1, 2027.*

\$1,515,328 (net of unaccreted amounts of \$2,004,100) of Turbo Capital Appreciation Bonds due June 1, 2055 with a yield of 6.375% and a projected final Turbo Redemption date of June 1, 2029.*

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

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

Year Ended December 31,	Principal	Interest	Total
2015	\$ 3,385,000	* \$ 816,050	\$ 4,201,050
2016	800,000	687,000	1,487,000
2017	960,000	634,250	1,594,250
2018	1,115,000	578,625	1,693,625
2019	1,190,000	521,000	1,711,000
2020 through 2029	<u>16,455,423</u>	<u>1,707,875</u>	<u>18,163,298</u>
	23,905,423	<u>\$ 4,944,800</u>	<u>\$ 28,850,223</u>
Unamortized Original Issue Discount on Term Bonds	(200,208)		
Unamortized Underwriters Discount	(174,167)		
Unaccreted amounts on Capital Appreciation Bonds	<u>(3,537,508)</u>		
	<u>\$ 19,993,540</u>		

* Principal payment assumes "catch up" payment is made June 1, 2015.

The required plan structured principal payments are as follows:

Year Ending December 31,	Amount
2015	\$ 165,000
2016	175,000
2017	175,000
2018	285,000
2019	295,000
2020 through 2029	<u>22,810,423</u>
	<u>\$ 23,905,423</u>

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 \$120,421 and were charged to the General Fund. The balance due at December 31, 2014 was \$270,514.

New York State Loan Payable - Retirement

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 installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at annual rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. Expenditures for the current year were \$738,106 and were included in note 3G above. The County has elected to amortize the maximum amount allowable, which aggregated \$8,475,843. The additional amounts that the County elected to amortize in 2014 were the remaining \$1,110,576 from the 2014 retirement bill. The balance due at December 31, 2014 was \$7,385,890.

Unpaid Claim Liabilities

The Internal Service Funds reflect 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.

Note 3 - Detailed Notes on All Funds (Continued)

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

	<u>2014</u>	<u>2013</u>
Balance - Beginning of Year	\$ 4,241,833	\$ 4,289,407
Provision for Claims and Claims Adjustment Expenses	1,077,922	1,019,108
Claims and Claims Adjustment Expenses Paid	<u>(899,577)</u>	<u>(1,066,682)</u>
Balance - End of Year	<u>\$ 4,420,178</u>	<u>\$ 4,241,833</u>
Due Within One Year	<u>\$ 442,000</u>	<u>\$ 424,183</u>

Other Post-Employment Benefit Obligations

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/expense as claims are paid.

The County's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The County is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

Year Ended December 31,	Pre-65 Premium Trend Rates	Post-65 Premium Trend Rates
2015	4.30 %	(1.70) %
2016	6.10	6.10
2017	6.07	6.07
2018	6.03	6.03
2019	6.00	6.00
2024	5.97	5.97
2029	6.00	6.00
2034	5.88	5.88
2044	5.17	5.17
2054	4.95	4.95
2064	4.81	4.81
2074	4.72	4.72
2084	4.29	4.29

The amortization basis is the level dollar method with a closed amortization approach with 24 years remaining in the amortization period. The actuarial assumptions include a 3% investment rate of return and 2.9% inflation rate. The County currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2014 was as follows:

	Governmental Activities
Active Employees	575
Retired Employees	375
	<u>950</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2014	\$ 182,551,869
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 182,551,869</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 44,408,333</u>
UAAL as a Percentage of Covered Payroll	<u>411.08%</u>
Annual Required Contribution	\$ 18,508,261
Interest on Net OPEB Obligation	2,465,165
Adjustment to Annual Required Contribution	<u>(4,710,731)</u>
Annual OPEB Cost	16,262,695
Contributions Made	<u>(3,997,506)</u>
Increase in Net OPEB Obligation	12,265,189
Net OPEB Obligation - Beginning of Year	<u>82,172,153</u>
Net OPEB Obligation - End of Year	<u>\$ 94,437,342</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 16,262,695	24.6 %	\$ 94,437,342
2013	18,402,250	20.9	82,172,153
2012	17,708,608	21.4	67,624,780

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

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 position. 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 continue operating

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

the landfill and capping it. In 2012 the landfill was capped. The remaining liability of \$1,130,545 at December 31, 2014 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.

I. Significant Commitments - Encumbrances

As discussed in Note 1, F, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2014, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 1,078,141
County Road	386,943
Road Machinery	40,594
Transportation	<u>10,220</u>
Total	<u>\$ 1,515,898</u>

J. 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 reflected below have been reflected as transfers:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>	
General Fund	\$ -	\$ 134,625	\$ 336,092	1,000,000	\$ 1,470,717
Capital Projects Fund	2,531	-	217,178	-	219,709
Non-Major Governmental Funds	158,735	-	50,000	-	208,735
Proprietary Funds - Putnam Tobacco Asset Securitization Corporation	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 186,266</u>	<u>\$ 134,625</u>	<u>\$ 603,270</u>	<u>\$ 1,000,000</u>	<u>\$ 1,924,161</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and to move funds from the fund with collection authorization to the funds where additional amounts are needed, 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.

Note 3 - Detailed Notes on All Funds (Continued)

J. Net Position

The components of net position are detailed below:

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

Restricted for Casualty Reserve Benefits - the component of net position that have been established to set aside funds to be used for a specific purpose in accordance with Section 6n of General Municipal Law.

Restricted for Law Enforcement - the component of net position that represents the unexpended 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 are limited by State directive to be used in accordance with the parameters of the Driving While Intoxicated Program.

Restricted for Retirement - the component of net position restricted by General Municipal Law for the purpose of financing retirement contributions to the New York State and Local Employees' Retirement System.

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 represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2014				2013			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
Nonspendable								
Prepaid expenditures	\$ 3,733	\$ -	\$ -	\$ 3,733	\$ 121	\$ -	\$ -	\$ 121
Long-term receivables	2,000,000	-	-	2,000,000	2,415,400	-	-	2,415,400
Total Nonspendable	2,003,733	-	-	2,003,733	2,415,521	-	-	2,415,521
Restricted								
Law enforcement	307,550	-	-	307,550	317,492	-	-	317,492
Driving while intoxicated program	74,369	-	-	74,369	101,729	-	-	101,729
Retirement	3,400,000	-	-	3,400,000	3,500,000	-	-	3,500,000
Capital projects	-	4,770,856	-	4,770,856	-	5,217,841	-	5,217,841
Debt service	-	-	522,020	522,020	-	-	430,823	430,823
Trusts	-	-	650,122	650,122	-	-	728,105	728,105
Total Restricted	3,781,919	4,770,856	1,172,142	9,724,917	3,919,221	5,217,841	1,158,928	10,295,990
Assigned								
Purchases on order:								
General government support	443,125	-	-	443,125	333,613	-	-	333,613
Education	-	-	-	-	110	-	-	110
Public safety	410,430	-	-	410,430	310,387	-	59,545	369,932
Health	52,915	-	-	52,915	13,425	-	-	13,425
Transportation	-	-	437,757	437,757	172,380	-	619,479	791,859
Economic opportunity	55,021	-	-	55,021	185,205	-	-	185,205
Culture and recreation	88,300	-	-	88,300	37,161	-	-	37,161
Home and community services	28,350	-	-	28,350	17,293	-	-	17,293
	1,078,141	-	437,757	1,515,898	1,069,574	-	679,024	1,748,488
For subsequent year's expenditures								
General Fund	2,807,518	-	-	2,807,518	3,750,000	-	-	3,750,000
County Road Fund	-	-	200,000	200,000	-	-	400,000	400,000
Transportation Fund	-	-	240,000	240,000	-	-	280,000	280,000
Grants and obligations	898,099	-	-	898,099	908,086	-	-	908,086
6N insurance	-	-	-	-	1,000,000	-	-	1,000,000
Capital projects	642,122	-	-	642,122	1,100,000	-	-	1,100,000
Tax stabilization	3,537,683	-	-	3,537,683	3,537,683	-	-	3,537,683
County Road Fund	-	-	627,625	627,625	-	-	414,152	414,152
Road Machinery Fund	-	-	109,548	109,548	-	-	18,613	18,613
Transportation Fund	-	-	468,554	468,554	-	-	483,641	483,641
Total Assigned	8,963,563	-	2,083,484	11,047,047	11,365,343	-	2,275,430	13,640,663
Unassigned	20,129,757	-	-	20,129,757	18,825,288	-	-	18,825,288
Total Fund Balances	\$ 34,878,972	\$ 4,770,856	\$ 3,255,626	\$ 42,905,454	\$ 36,525,373	\$ 5,217,841	\$ 3,434,358	\$ 45,177,462

Note 3 - Detailed Notes on All Funds (Continued)

L. Fund Balances

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for retirement and health insurance payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Long-Term Receivables represents funds set aside to indicate that certain receivables will not be collected in sufficient time to use the funds to satisfy liabilities of the period. A reserve has been established to indicate that the funds are not "available" for appropriation or expenditure even though the amounts are a component of current assets.

Capital Projects represents the unexpended balance of the Capital Projects Fund restricted for capital projects.

Trusts has been established to set aside funds in accordance with the terms of the grants.

Assigned

Purchases on order are assigned and represent the County's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at December 31, 2014, the County Legislature has assigned the above amounts to be appropriated for the ensuing year's budget.

Grants and obligations represent funds set aside to fund shortfalls of outstanding grants and obligations.

6N Insurance Fund has been established to fund uninsured losses, claims, actions, or judgments that the County is authorized or required to purchase or maintain insurance.

Capital Projects has been established to fund future capital projects.

Tax stabilization represents funds set aside for an emergency to be used to prevent a large tax increase.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 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.

The County was a defendant where the plaintiff alleged a violation of Civil Rights as a result of a wrongful conviction for rape and murder. As a result of a verdict, the County's insurer paid the first \$6 million and on November 15, 2014 the County paid out \$4 million to the plaintiff. The County is expecting a reimbursement of \$1.5 million from the New York Municipal Insurance Reciprocal "NYMIR".

NYMIR is also representing the County in the defense of the Sheriff in a defamation lawsuit brought by the Putnam County District Attorney, who seeks to recover \$5 million for allegedly defamatory statements issued by the Sheriff. This case is currently in discovery and is believed to be a defensible case.

B. Contingencies

The County participates in various Federal grant programs, principal of which are programs of the 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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 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 \$250,000 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 \$1.5 million per occurrence.

County of Putnam, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2012	\$ -	\$ 187,608,732	\$ 187,608,732	- %	\$ 45,479,935	412.51 %
January 1, 2013	-	197,963,786	197,963,786	-	43,665,566	453.36
January 1, 2014	-	182,551,869	182,551,869	-	44,408,333	411.08

(This page intentionally left blank)

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.

(This page intentionally left blank)

County of Putnam, New York

General Fund
 Comparative Balance Sheet
 December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 34,006,811	\$ 27,133,357
Investments	881,947	877,643
Taxes receivable, net		
Returned school and village taxes	26,458,554	26,153,227
Tax liens	16,086,862	16,157,636
Taxes receivable - Pending	2,418,915	2,172,811
Property acquired for taxes	3,535,706	2,673,633
	<u>48,500,037</u>	<u>47,157,307</u>
Allowance for uncollectible taxes	(6,823,349)	(5,280,295)
	<u>41,676,688</u>	<u>41,877,012</u>
Other receivables		
Accounts	9,151,636	9,701,633
State and Federal aid	7,717,685	10,561,458
Due from other governments	620,949	826,882
Due from other funds	1,215,386	3,906,724
	<u>18,705,656</u>	<u>24,996,697</u>
Prepaid expenditures	3,733	121
Total Assets	<u>\$ 95,274,835</u>	<u>\$ 94,884,830</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 5,074,265	\$ 4,981,431
Accrued liabilities	2,031,447	1,902,038
Unearned revenues	1,320,981	1,071,532
Due to other governments	13,340,226	12,483,919
Due to other funds	2,952,996	3,537,942
Due to retirement system	7,162,557	4,304,558
Tax anticipation notes payable	15,000,000	16,000,000
Total Liabilities	46,882,472	44,281,420
Deferred inflows of resources		
Deferred tax revenues	13,513,391	14,078,037
Total Liabilities and Deferred Inflows of Resources	<u>60,395,863</u>	<u>58,359,457</u>
Fund balance		
Nonspendable	2,003,733	2,415,521
Restricted	3,781,919	3,919,221
Assigned	8,963,563	11,365,343
Unassigned	20,129,757	18,825,288
Total Fund Balance	<u>34,878,972</u>	<u>36,525,373</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 95,274,835</u>	<u>\$ 94,884,830</u>

County of Putnam, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 27,031,795	\$ 27,031,795	\$ 26,178,868	\$ (852,927)
Other tax items	5,398,200	5,046,693	5,041,598	(5,095)
Non-property taxes	52,695,824	55,955,996	56,105,827	149,831
Departmental income	13,014,282	11,948,709	11,384,426	(564,283)
Intergovernmental charges	-	30,868	30,869	1
Use of money and property	332,417	318,917	315,099	(3,818)
Licenses and permits	732,300	748,763	741,059	(7,704)
Fines and forfeitures	179,550	198,245	195,607	(2,638)
Sale of property and compensation for loss	10,750	101,974	111,315	9,341
State aid	15,181,763	15,754,156	14,468,118	(1,286,038)
Federal aid	8,560,360	9,747,240	9,520,714	(226,526)
Miscellaneous	363,004	500,269	1,221,645	721,376
Total Revenues	123,500,245	127,383,625	125,315,145	(2,068,480)
EXPENDITURES				
Current				
General government support	26,716,667	30,481,655	27,219,313	3,262,342
Education	10,435,314	10,197,731	9,379,106	818,625
Public safety	33,354,962	36,714,145	34,541,586	2,172,559
Health	11,465,170	11,936,883	11,382,894	553,989
Transportation	1,335,276	1,315,660	1,315,660	-
Economic opportunity and development	34,583,685	34,926,360	32,481,284	2,445,076
Culture and recreation	3,746,731	3,974,925	3,429,702	545,223
Home and community services	2,039,576	1,935,712	1,768,927	166,785
Employee benefits - Undistributed	4,302,438	4,302,438	4,045,623	256,815
Debt service				
Interest	360,000	113,000	113,000	-
Total Expenditures	128,339,819	135,898,509	125,677,095	10,221,414
Excess (Deficiency) of Revenues Over Expenditures	(4,839,574)	(8,514,884)	(361,950)	8,152,934
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	186,266	186,266	-
Transfers out	-	(1,470,717)	(1,470,717)	-
Total Other Financing Sources (Uses)	20,000	(1,284,451)	(1,284,451)	-
Net Change in Fund Balance	(4,819,574)	(9,799,335)	(1,646,401)	8,152,934
FUND BALANCE				
Beginning of Year	4,819,574	9,799,335	36,525,373	26,726,038
End of Year	\$ -	\$ -	\$ 34,878,972	\$ 34,878,972

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 26,777,340	\$ 27,318,840	\$ 26,792,202	\$ (526,638)
5,371,400	4,941,950	4,940,649	(1,301)
51,280,763	53,608,535	53,330,206	(278,329)
11,546,070	11,680,057	11,413,705	(266,352)
-	-	-	-
352,412	312,412	310,503	(1,909)
731,900	731,900	845,309	113,409
180,550	180,825	218,880	38,055
53,600	127,937	129,251	1,314
15,331,999	15,678,819	14,833,889	(844,930)
8,544,329	9,520,269	9,160,659	(359,610)
594,373	801,218	626,865	(174,353)
<u>120,764,736</u>	<u>124,902,762</u>	<u>122,602,118</u>	<u>(2,300,644)</u>
25,622,141	24,765,651	22,480,066	2,285,585
10,868,331	10,868,979	10,196,769	672,210
32,756,855	34,725,411	32,525,027	2,200,384
11,603,026	11,476,914	10,500,899	976,015
1,333,227	1,308,105	1,308,105	-
34,228,779	34,583,308	32,665,550	1,917,758
2,698,512	3,258,494	3,140,717	117,777
2,095,889	2,083,843	1,753,532	330,311
4,259,124	4,261,364	3,855,901	405,463
255,000	157,723	157,722	1
<u>125,720,884</u>	<u>127,489,792</u>	<u>118,584,288</u>	<u>8,905,504</u>
<u>(4,956,148)</u>	<u>(2,587,030)</u>	<u>4,017,830</u>	<u>6,604,860</u>
20,000	82,280	82,280	-
-	(385,000)	(385,000)	-
20,000	(302,720)	(302,720)	-
(4,936,148)	(2,889,750)	3,715,110	6,604,860
<u>4,936,148</u>	<u>2,889,750</u>	<u>32,810,263</u>	<u>29,920,513</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,525,373</u>	<u>\$ 36,525,373</u>

County of Putnam, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	\$ 27,031,795	\$ 27,031,795	\$ 26,178,868	\$ (852,927)	\$ 26,792,202
OTHER TAX ITEMS					
Taxes on property stricken from roll	-	-	-	-	52
Gain from sale of tax acquired property	424,000	2,595	2,596	1	103,226
Interest and penalties on real property taxes	4,896,000	4,962,294	4,962,294	-	4,762,915
Payments in lieu of taxes	78,200	81,804	76,708	(5,096)	74,456
Total Other Tax Items	5,398,200	5,046,693	5,041,598	(5,095)	4,940,649
NON-PROPERTY TAXES					
Sales taxes	52,495,824	55,885,996	56,035,001	149,005	53,236,813
OTB distributed earnings	200,000	70,000	70,826	826	93,393
Total Non-Property Taxes	52,695,824	55,955,996	56,105,827	149,831	53,330,206
DEPARTMENTAL INCOME					
General					
Clerk fees	1,251,500	842,166	842,097	(69)	1,243,348
Board of elections	30,700	30,700	6,201	(24,499)	34,866
Planning Board Fees	100	100	35	(65)	142
District attorney fees	-	14,438	1	(14,437)	-
Motor vehicle fees	1,475,000	1,447,486	1,447,486	-	1,435,065
Vehicle registration fees	633,000	650,278	650,795	517	654,725
Real property tax services - Computer	45,000	45,000	44,394	(606)	44,034
Emergency 911	440,000	455,758	452,510	(3,248)	450,360
Commissioner of Finance fees	5,000	5,000	1,897	(3,103)	2,629
County share - Examination fees	10,000	10,000	9,210	(790)	16,620
Soil and water fees	58,000	58,000	58,000	-	59,523
Department fees - Other	48,000	42,564	45,657	3,093	115,910
Charges for tax advertising	85,000	85,000	80,680	(4,320)	77,500
Central services chargebacks	1,152,365	1,124,365	925,185	(199,180)	945,853
Mortgage tax fees	352,019	352,019	343,622	(8,397)	318,430
	5,585,684	5,162,874	4,907,770	(255,104)	5,399,005

Public safety					
Sheriff fees	100,000	104,185	95,571	(8,614)	91,933
Prisoner board	129,600	189,960	195,920	5,960	266,728
Vacancy factor	700,000	-	-	-	-
Restitution surcharge	32,000	32,000	32,055	55	43,654
Carmel/Mahopac Cops	544,730	544,730	548,554	3,824	527,852
Marine reimbursement	20,800	-	-	-	-
Brewster contract - patrols	77,500	125,216	128,482	3,266	138,529
Court protection	137,292	136,632	134,340	(2,292)	72,985
Commissions	25,247	25,247	24,353	(894)	16,049
DWI fees	150,879	150,879	116,865	(34,014)	54,523
	<u>1,918,048</u>	<u>1,308,849</u>	<u>1,276,140</u>	<u>(32,709)</u>	<u>1,212,253</u>
Health					
Public health fees	353,527	353,527	374,360	20,833	393,408
Rabies vaccine fees	27,527	28,187	24,492	(3,695)	28,390
Home nursing charges	6,000	6,000	3,855	(2,145)	9,040
Driving while intoxicated program	25,000	25,000	25,000	-	90,500
Contribution from Agency	112,859	112,859	115,810	2,951	108,383
Health services	200,000	200,000	131,333	(68,667)	188,779
Civil defense	200,000	150,000	150,000	-	180,000
Water program	194,224	-	-	-	-
Health - Other	2,500	2,500	647	(1,853)	1,340
	<u>1,121,637</u>	<u>878,073</u>	<u>825,497</u>	<u>(52,576)</u>	<u>999,840</u>
Economic Opportunity and Development					
Medical assistance	400,000	400,000	506,548	106,548	379,241
Aid to dependent children	-	-	4,813	4,813	1,740
Child support	39,864	39,864	77,024	37,160	65,659
Child care	10,000	10,000	49,517	39,517	61,761
Home relief	75,000	75,000	152,014	77,014	78,232
HEAP	11,368	11,368	59,570	48,202	40,222
Contribution from schools	847,104	847,104	806,320	(40,784)	877,251
Services for recipients	8,000	8,000	313	(7,687)	6,638
TANF	100,000	100,000	117,341	17,341	91,723
El fees for service	-	80,000	88,066	8,066	64,162
Outreach	45,000	45,000	45,000	-	45,000
Nutrition	158,750	158,750	159,752	1,002	154,548
	<u>1,695,086</u>	<u>1,775,086</u>	<u>2,066,278</u>	<u>291,192</u>	<u>1,866,177</u>
Culture and Recreation					
Parks and recreation	26,000	26,000	21,065	(4,935)	24,930
Tree program	16,500	16,500	13,068	(3,432)	15,202
Golf reimbursements	267,327	267,327	-	(267,327)	-
Putnam National	2,175,000	2,305,000	2,081,909	(223,091)	1,727,517
	<u>2,484,827</u>	<u>2,614,827</u>	<u>2,116,042</u>	<u>(498,785)</u>	<u>1,767,649</u>

(Continued)

County of Putnam, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
Home and Community Services					
Inspection fees	\$ 29,000	\$ 29,000	\$ 22,110	\$ (6,890)	\$ 30,350
Local conservation grant	180,000	180,000	170,335	(9,665)	138,300
Recycling	-	-	254	254	131
	<u>209,000</u>	<u>209,000</u>	<u>192,699</u>	<u>(16,301)</u>	<u>168,781</u>
Total Departmental Income	<u>13,014,282</u>	<u>11,948,709</u>	<u>11,384,426</u>	<u>(564,283)</u>	<u>11,413,705</u>
INTERGOVERNMENTAL CHARGES					
Legal services	-	30,868	30,869	1	-
USE OF MONEY AND PROPERTY					
Earnings on investments	91,500	66,500	64,672	(1,828)	69,557
Rental income - Co-op extension	55,200	55,200	49,600	(5,600)	45,600
Rental income - County facilities	185,717	197,217	197,713	496	191,583
Commissions	-	-	3,114	3,114	3,763
Total Use of Money and Property	<u>332,417</u>	<u>318,917</u>	<u>315,099</u>	<u>(3,818)</u>	<u>310,503</u>
LICENSES AND PERMITS					
Business and occupational licenses	32,000	32,000	23,569	(8,431)	34,002
Home improvements and alteration permits	700,300	716,763	717,490	727	811,307
Total Licenses and Permits	<u>732,300</u>	<u>748,763</u>	<u>741,059</u>	<u>(7,704)</u>	<u>845,309</u>
FINES AND FORFEITURES					
Fines and forfeited bail	8,000	26,695	29,195	2,500	12,218
Fines and Penalties- Dog cases	6,550	6,550	13,375	6,825	16,375
Forfeited of deposits	-	-	-	-	1,338
Stop DWI fines	165,000	165,000	153,037	(11,963)	188,949
Total Fines and Forfeitures	<u>179,550</u>	<u>198,245</u>	<u>195,607</u>	<u>(2,638)</u>	<u>218,880</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	10,750	96,600	96,608	8	108,877
Insurance recoveries	-	5,374	14,707	9,333	20,374
Total Sale of Property and Compensation for Loss	<u>10,750</u>	<u>101,974</u>	<u>111,315</u>	<u>9,341</u>	<u>129,251</u>

STATE AID

General

Records management	-	-	1,410	1,410	1,653
Miscellaneous	52,527	788	788	-	-

	<u>52,527</u>	<u>788</u>	<u>2,198</u>	<u>1,410</u>	<u>1,653</u>
--	---------------	------------	--------------	--------------	--------------

Education

Education and transportation of handicapped children	3,835,500	3,835,500	3,088,945	(746,555)	3,375,027
Early intervention	629,485	549,485	491,358	(58,127)	407,804

	<u>4,464,985</u>	<u>4,384,985</u>	<u>3,580,303</u>	<u>(804,682)</u>	<u>3,782,831</u>
--	------------------	------------------	------------------	------------------	------------------

Public safety

Probation services	206,462	206,462	206,462	-	206,462
Court facilities	260,000	260,000	260,000	-	265,394
District attorney salary	64,434	68,959	68,959	-	71,234
Criminal justice grant	72,339	29,200	29,200	-	29,200
Alternatives to incarceration	14,297	14,297	11,863	(2,434)	22,718
Miscellaneous	20,000	127,589	128,656	1,067	82,448

	<u>637,532</u>	<u>706,507</u>	<u>705,140</u>	<u>(1,367)</u>	<u>677,456</u>
--	----------------	----------------	----------------	----------------	----------------

Health

Public health	1,358,084	1,391,810	1,355,730	(36,080)	1,352,670
Civil defense	294,000	294,000	294,000	-	294,000
DAAA - Talbot House	125,220	125,220	125,220	-	125,220
Mental health administration	184,112	195,612	183,836	(11,776)	183,836
Environmental conservation	37,529	37,529	21,454	(16,075)	25,542
PARC	313,844	313,844	313,844	-	313,844
Communicable diseases	180	50,035	39,955	(10,080)	45,574
Mental health - Clinic	813,492	832,818	832,818	-	823,154
Mental health - Eliot House	119,832	119,832	119,832	-	119,831
Mental health - Commissioner's performance	892,105	1,112,721	1,112,721	-	892,105
Home Health Grant - Office of the Aging	495,336	495,336	495,336	-	495,336
Drinking supply	-	194,224	179,600	(14,624)	206,027

	<u>4,633,734</u>	<u>5,162,981</u>	<u>5,074,346</u>	<u>(88,635)</u>	<u>4,877,139</u>
--	------------------	------------------	------------------	-----------------	------------------

Transportation

Transportation grants	28,000	28,000	30,511	2,511	26,831
-----------------------	--------	--------	--------	-------	--------

(Continued)

County of Putnam, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2014
 (With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
Economic Opportunity and Development					
Unicorn	\$ 4,080	\$ 4,080	\$ 4,080	\$ -	\$ 4,080
Youth suicide prevention	2,070	2,070	-	(2,070)	2,070
Social Services administration	2,757,758	2,645,502	2,451,726	(193,776)	2,171,431
Youth Court Coordinator	35,246	35,246	34,511	(735)	31,258
Child care	773,039	773,039	655,514	(117,525)	781,662
Child advocacy center	197,887	250,821	202,556	(48,265)	201,007
Day care	48,655	48,655	36,867	(11,788)	62,071
Juvenile delinquents	72,250	72,250	12,212	(60,038)	36,071
Home relief	14,322	14,322	13,146	(1,176)	23,293
Emergency aid for adults	5,000	5,000	6,623	1,623	7,871
Veterans' service agency	8,529	85,893	28,229	(57,664)	8,670
Caregiver's grants	19,611	19,611	19,319	(292)	18,038
Office for the Aging Grant	111,741	111,741	138,264	26,523	111,814
Runaways	28,345	28,345	24,627	(3,718)	32,333
Indigent Legal Services	141,846	269,885	269,885	-	211,951
TANF	291,182	291,182	293,954	2,772	256,777
Safety Net	135,000	135,000	186,473	51,473	177,693
Waste water DEP grant	109,730	109,730	85,740	(23,990)	114,320
Refund prior year's expenditures	-	-	-	-	437,244
Early Intervention	-	-	61,303	61,303	90,365
WIC	37,135	37,135	40,878	3,743	40,482
Medical assistance	(167,000)	(167,000)	(209,616)	(42,616)	(134,555)
Tobacco awareness	132,757	93,169	85,855	(7,314)	141,290
Long term care	48,293	48,293	52,845	4,552	47,596
Expanded services	253,519	253,519	236,967	(16,552)	285,404
County planning	10,000	10,000	10,000	-	2,629
Services to the elderly	66,000	66,000	84,159	18,159	66,546
	5,136,995	5,243,488	4,826,117	(417,371)	5,229,411

Culture and Recreation					
Programs for the aging	143,780	143,780	148,350	4,570	147,388
RSVP grant	6,367	6,367	6,278	(89)	6,525
Youth programs	77,843	77,260	94,875	17,615	84,655
	<u>227,990</u>	<u>227,407</u>	<u>249,503</u>	<u>22,096</u>	<u>238,568</u>
 Total State Aid	 <u>15,181,763</u>	 <u>15,754,156</u>	 <u>14,468,118</u>	 <u>(1,286,038)</u>	 <u>14,833,889</u>
 FEDERAL AID					
General					
Home America Voting Act	-	-	-	-	96,220
Criminal justice grant	-	32,354	31,771	(583)	43,534
Miscellaneous	96,610	128,838	210,401	81,563	91,044
	<u>96,610</u>	<u>161,192</u>	<u>242,172</u>	<u>80,980</u>	<u>230,798</u>
Public Safety					
Homeland security grant	-	868,921	434,424	(434,497)	267,986
Public safety other	41,424	103,786	79,094	(24,692)	-
Immigration grant	-	109,500	100,409	(9,091)	143,827
	<u>41,424</u>	<u>1,082,207</u>	<u>613,927</u>	<u>(468,280)</u>	<u>411,813</u>
Transportation					
Transportation grants	96,000	96,000	104,294	8,294	65,054
Economic Opportunity and Development					
Social Services administration	2,863,931	2,750,826	2,719,277	(31,549)	2,566,415
Food stamp program administration	533,855	522,214	529,826	7,612	497,747
Services for recipients	82,608	82,608	183,142	100,534	85,149
Early intervention	90,000	90,000	72,164	(17,836)	13,256
Child care	192,163	192,163	79,460	(112,703)	76,985
Medicaid 3-5	60,000	60,000	34,900	(25,100)	59,559
Home health grant - WIC	384,616	384,616	414,003	29,387	359,143
Safety net	-	-	26,064	26,064	39,662
Day care	651,612	651,612	624,099	(27,513)	727,629
National Children Alliance	-	16,616	14,734	(1,882)	14,099
Nutrition	149,939	149,939	156,431	6,492	151,859
Fuel crisis - HEAP	-	75,075	50,141	(24,934)	17,303
Title IV D	-	-	3	3	98,540
Council on Alcohol	408,004	408,004	397,356	(10,648)	408,280
Community service elderly	35,568	35,568	40,267	4,699	29,841

(Continued)

County of Putnam, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
Economic Opportunity and Development (Continued)					
Workforce Investment Act	\$ 451,609	\$ 496,026	\$ 484,021	\$ (12,005)	\$ 446,157
Incentive program	1,247,947	1,240,222	1,484,127	243,905	1,411,888
TANF	638,164	710,138	797,636	87,498	780,235
Refund of prior year's expenditures	-	-	-	-	123,124
Caregiver grant	105,474	105,474	114,174	8,700	108,135
Grant	125,030	127,030	95,102	(31,928)	114,725
Medical assistance	(167,000)	(167,000)	(200,808)	(33,808)	(136,677)
Crime victims	91,747	91,747	90,983	(764)	89,292
SNAP	27,900	27,900	29,206	1,306	33,509
RSVP	42,415	44,915	41,390	(3,525)	42,140
	<u>8,015,582</u>	<u>8,095,693</u>	<u>8,277,698</u>	<u>182,005</u>	<u>8,157,995</u>
Home and Community Services					
Planning Board	160,000	160,000	132,162	(27,838)	86,939
Bio Terrorism grant	147,308	148,712	147,087	(1,625)	204,624
Wellness grant	3,436	3,436	3,374	(62)	3,436
	<u>310,744</u>	<u>312,148</u>	<u>282,623</u>	<u>(29,525)</u>	<u>294,999</u>
Total Federal Aid	<u>8,560,360</u>	<u>9,747,240</u>	<u>9,520,714</u>	<u>(226,526)</u>	<u>9,160,659</u>
MISCELLANEOUS					
Refund of prior year's expenditures	-	(111,182)	502,206	613,388	3,214
Gift and donations	41,060	115,459	95,658	(19,801)	59,857
Other	5,395	99,981	234,116	134,135	194,491
Retiree health contribution	316,549	288,324	288,324	-	251,860
Proceeds of seized property	-	107,687	101,341	(6,346)	117,443
Total Miscellaneous	<u>363,004</u>	<u>500,269</u>	<u>1,221,645</u>	<u>721,376</u>	<u>626,865</u>
TOTAL REVENUES	<u>123,500,245</u>	<u>127,383,625</u>	<u>125,315,145</u>	<u>(2,068,480)</u>	<u>122,602,118</u>

OTHER FINANCING SOURCES

Transfers in

Capital Projects Fund	-	2,531	2,531	-	-
County Road Fund	-	133,735	133,735	-	57,280
Transportation Fund	-	25,000	25,000	-	-
Putnam Tobacco Asset Securitization Corporation	20,000	25,000	25,000	-	25,000

TOTAL OTHER FINANCING SOURCES

20,000	186,266	186,266	-	82,280
--------	---------	---------	---	--------

TOTAL REVENUES AND OTHER FINANCING SOURCES

<u>\$ 123,520,245</u>	<u>\$ 127,569,891</u>	<u>\$ 125,501,411</u>	<u>\$ (2,068,480)</u>	<u>\$ 122,684,398</u>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

County of Putnam, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
County Legislature	\$ 1,010,362	\$ 1,026,709	\$ 927,336	\$ 99,373	\$ 960,542
Board of ethics	4,809	4,280	-	4,280	-
County share of judicial expenditures	347,593	340,493	284,639	55,854	287,409
District Attorney	2,030,025	2,200,911	2,061,234	139,677	1,817,643
Legal Aid Society	710,841	780,023	777,791	2,232	672,455
Audit	471,140	481,301	476,773	4,528	471,519
Court appointed legal defense of indigents	435,000	435,000	400,514	34,486	372,524
Justice of the Peace and Constables	4,250	4,250	3,840	410	3,550
Coroners	403,524	387,871	294,244	93,627	285,068
County Executive	682,156	694,595	669,637	24,958	627,476
Department of Finance	1,915,625	1,987,422	1,937,926	49,496	1,837,487
Division of Purchasing - Central services	389,167	398,844	381,769	17,075	369,459
Real property tax services	287,756	295,376	268,320	27,056	240,427
Tax advertising and expense	65,000	60,000	40,777	19,223	57,492
Expenditures on property acquired for taxes	165,000	133,957	133,957	-	194,378
County Clerk as Registrar	1,705,318	1,750,960	1,611,266	139,694	1,548,510
County Clerk as Motor Vehicles Commissioner	1,110,672	1,140,445	1,090,556	49,889	1,016,332
Department of Law	1,292,038	1,441,206	1,368,627	72,579	1,409,292
Personnel Department	1,002,659	1,015,670	949,980	65,690	919,195
Board of Elections	1,722,642	1,820,192	1,562,522	257,670	1,476,898
Records management	273,889	281,613	267,041	14,572	245,465
Department of Highway and Facilities	4,955,707	5,046,632	4,422,202	624,430	4,082,914
Central services administration	373,205	373,462	283,472	89,990	302,599
Insurance	650,250	650,250	596,986	53,264	579,624
Dues	27,400	27,400	26,876	524	26,459
Taxes on County property	310,000	315,000	311,048	3,952	292,949
Judgments and claims	250,000	4,250,000	3,725,050	524,950	234,968
Metropolitan Commuter Transportation Mobility Tax	208,496	209,784	189,913	19,871	151,187
Information Technology and GIS	1,326,201	1,345,978	1,079,525	266,453	886,591
Department of Highway Parks and Recreation	1,148,910	1,186,918	1,075,492	111,426	1,109,654
Contingency fund	1,437,032	395,113	-	395,113	-
Total General Government Support	26,716,667	30,481,655	27,219,313	3,262,342	22,480,066

EDUCATION

Community college tuition	3,000,000	3,000,000	2,955,874	44,126	2,936,059
Education of handicapped children	7,435,314	7,197,731	6,423,232	774,499	7,260,710
	<u>10,435,314</u>	<u>10,197,731</u>	<u>9,379,106</u>	<u>818,625</u>	<u>10,196,769</u>

PUBLIC SAFETY

Bureau of Emergency Services	4,992,047	5,983,147	5,397,184	585,963	5,338,289
Sheriff	15,947,927	17,663,863	16,829,036	834,827	14,867,265
Probation Department	2,110,561	2,154,987	2,065,628	89,359	2,033,559
Jail	10,067,829	10,520,691	9,967,992	552,699	10,053,490
Stop DWI	193,808	200,193	186,782	13,411	193,518
Homeland Security Grant	5,172	153,646	58,114	95,532	1,288
Probation Division -Domestic Violence Department	37,618	37,618	36,850	768	37,618
	<u>33,354,962</u>	<u>36,714,145</u>	<u>34,541,586</u>	<u>2,172,559</u>	<u>32,525,027</u>

HEALTH

Public health	5,092,957	5,290,056	5,054,911	235,145	4,972,798
Early Intervention Program	2,012,846	2,031,198	1,813,862	217,336	1,781,809
Communicable disease treatment	30,000	26,000	18,915	7,085	21,670
Substance abuse	339,482	339,482	339,482	-	339,482
Alcoholism	256,421	257,293	225,084	32,209	233,461
Mental health administration	566,508	585,956	560,030	25,926	540,234
Mental health - Clinic	529,068	529,068	529,068	-	510,902
Mental health - Eliot House	798,748	818,074	818,074	-	322,080
Family Support Services	404,655	522,571	486,283	36,288	354,063
Mental health - PARC	376,344	376,344	376,344	-	376,344
Mental health - Reinvestment	614,661	717,361	717,361	-	604,579
Mental health - County Contribution	443,480	443,480	443,480	-	443,477
	<u>11,465,170</u>	<u>11,936,883</u>	<u>11,382,894</u>	<u>553,989</u>	<u>10,500,899</u>

TRANSPORTATION

MTA subsidy	380,276	380,276	380,276	-	380,276
MTA station maintenance	955,000	935,384	935,384	-	927,829
	<u>1,335,276</u>	<u>1,315,660</u>	<u>1,315,660</u>	<u>-</u>	<u>1,308,105</u>

(Continued)

County of Putnam, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Social services administration	\$ 8,751,060	\$ 8,678,475	\$ 8,086,327	\$ 592,148	\$ 7,713,714
Purchase of services	1,190,000	1,068,000	868,801	199,199	903,673
Medical assistance	66,000	66,000	6,053	59,947	70,574
Medical assistance - MMIS	9,859,681	9,859,681	9,718,400	141,281	9,896,302
Aid to dependent children	2,580,000	2,360,340	1,977,082	383,258	2,141,611
Child care	2,961,350	2,883,628	2,741,588	142,040	3,018,301
Juvenile delinquents	161,774	161,774	23,186	138,588	74,667
Safety net	750,000	1,030,000	1,007,823	22,177	1,005,643
State fuel assistance	-	93,507	92,161	1,346	45,816
Emergency aid for adults	25,000	25,000	21,681	3,319	17,765
Grants	15,000	86,974	43,510	43,464	34,976
Child advocacy center	167,263	210,756	170,022	40,734	158,751
Day care	850,000	932,000	911,118	20,882	925,659
Putnam workforce partnership	452,652	504,482	422,001	82,481	422,984
Putnam tourism promotional agency	379,984	379,984	368,222	11,762	344,929
SNAP program	527,064	565,331	510,333	54,998	511,447
Veterans' Service Agency	132,919	282,891	218,384	64,507	125,463
Veterans' Home	48,000	48,000	30,819	17,181	30,322
Consumer affairs and weights and measures	613,125	568,772	486,004	82,768	456,921
Office for Senior Resources - Title III	1,114,792	1,160,481	1,007,564	152,917	1,026,043
Office for Senior Resources - RSVP	458,455	483,921	470,087	13,834	439,982
Nutrition for the elderly	1,457,964	1,505,741	1,402,130	103,611	1,425,221
In-Home Service Program	360,728	297,064	276,792	20,272	261,160
Workforce Partnership	1,400	1,400	712	688	1,145
Community services for the elderly	1,123,919	1,147,113	1,113,672	33,441	1,087,697
WIC	385,871	351,675	340,528	11,147	351,542
Victim of crimes	99,948	102,440	101,884	556	101,911
Child fatality review	49,736	61,930	55,400	6,530	62,331
National Child Alliance	-	9,000	9,000	-	9,000
Total Economic Opportunity and Development	34,583,685	34,926,360	32,481,284	2,445,076	32,665,550

CULTURE AND RECREATION

Parks and recreation administration	2,289,142	2,489,134	2,052,743	436,391	1,775,516
Youth Bureau	663,866	693,297	632,719	60,578	658,591
Library board	407,003	407,003	407,003	-	392,050
County Historian	140,931	134,515	109,704	24,811	95,352
Arts Council	52,225	52,225	52,225	-	52,225
County Museum	52,000	52,000	52,000	-	52,000
Southeast Museum	30,000	30,000	30,000	-	27,000
Recreation for the elderly	111,564	116,751	93,308	23,443	87,983
Total Culture and Recreation	3,746,731	3,974,925	3,429,702	545,223	3,140,717

HOME AND COMMUNITY SERVICES

Planning	1,301,426	1,185,077	1,031,998	153,079	1,036,489
Soil and water	149,526	153,299	149,092	4,207	133,877
Recycling	116,931	125,643	124,638	1,005	128,122
Humane Society	140,920	140,920	140,920	-	140,920
Fish and game	24,925	24,925	16,431	8,494	17,184
Extension	305,848	305,848	305,848	-	296,940
Total Home and Community Services	2,039,576	1,935,712	1,768,927	166,785	1,753,532

**EMPLOYEE BENEFITS -
UNDISTRIBUTED**

Unemployment benefits	45,000	45,000	25,469	19,531	47,238
Disability, accident and health insurance	4,257,438	4,257,438	4,020,154	237,284	3,808,663
Total Employee Benefits - Undistributed	4,302,438	4,302,438	4,045,623	256,815	3,855,901

DEBT SERVICE

Interest					
Tax anticipation notes	360,000	113,000	113,000	-	157,722

TOTAL EXPENDITURES

128,339,819	135,898,509	125,677,095	10,221,414	118,584,288
--------------------	--------------------	--------------------	-------------------	--------------------

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	-	134,625	134,625	-	310,000
County Road Fund	-	95,586	95,586	-	-
Road Machinery Fund	-	40,506	40,506	-	25,000
Transportation Fund	-	200,000	200,000	-	50,000
Casualty Reserve Fund	-	1,000,000	1,000,000	-	-

TOTAL OTHER FINANCING USES

-	1,470,717	1,470,717	-	385,000
----------	------------------	------------------	----------	----------------

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

\$ 128,339,819	\$ 137,369,226	\$ 127,147,812	\$ 10,221,414	\$ 118,969,288
-----------------------	-----------------------	-----------------------	----------------------	-----------------------

County of Putnam, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 8,508,732	\$ 9,331,583
State and Federal aid receivable	<u>2,117,288</u>	<u>4,176,200</u>
Total Assets	<u>\$ 10,626,020</u>	<u>\$ 13,507,783</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 454,222	\$ 482,203
Retainage payable	20,000	234,087
Unearned revenues	3,948,378	4,062,231
Due to other funds	<u>1,432,564</u>	<u>3,511,421</u>
Total Liabilities	5,855,164	8,289,942
FUND BALANCE		
Restricted	<u>4,770,856</u>	<u>5,217,841</u>
Total Liabilities and Fund Balance	<u>\$ 10,626,020</u>	<u>\$ 13,507,783</u>

County of Putnam, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
State aid	\$ 1,247,413	\$ 824,575
Federal aid	369,187	425,534
Miscellaneous	<u>1,426,876</u>	<u>1,637,925</u>
Total Revenues	3,043,476	2,888,034
EXPENDITURES		
Capital outlay	<u>6,883,651</u>	<u>7,266,229</u>
Deficiency of Revenues Over Expenditures	<u>(3,840,175)</u>	<u>(4,378,195)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	3,478,274	3,113,000
Transfers in	134,625	330,000
Transfers out	<u>(219,709)</u>	<u>-</u>
Total Other Financing Sources	<u>3,393,190</u>	<u>3,443,000</u>
Net Change in Fund Balance	(446,985)	(935,195)
FUND BALANCE		
Beginning of Year	<u>5,217,841</u>	<u>6,153,036</u>
End of Year	<u>\$ 4,770,856</u>	<u>\$ 5,217,841</u>

(This page intentionally left blank)

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
 Year Ended December 31, 2014
 (With Comparative Totals for 2013)

	County Road Fund	Road Machinery Fund	Transportation Fund	Special Purpose Fund
ASSETS				
Cash and equivalents	\$ 300	\$ -	\$ -	\$ 650,122
Receivables				
Accounts	19,748	758	-	-
State and Federal aid	479,784	-	325,366	-
Due from other funds	1,482,016	262,257	811,858	-
	<u>1,981,548</u>	<u>263,015</u>	<u>1,137,224</u>	<u>-</u>
Total Assets	<u>\$ 1,981,848</u>	<u>\$ 263,015</u>	<u>\$ 1,137,224</u>	<u>\$ 650,122</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 57,026	\$ 38,464	\$ 418,450	\$ -
Unearned revenues	223,347	-	-	-
Due to other funds	153,013	-	-	-
Due to retirement system	333,894	74,409	-	-
	<u>767,280</u>	<u>112,873</u>	<u>418,450</u>	<u>-</u>
Fund balances				
Restricted	-	-	-	650,122
Assigned	1,214,568	150,142	718,774	-
	<u>1,214,568</u>	<u>150,142</u>	<u>718,774</u>	<u>650,122</u>
Total Fund Balances	<u>1,214,568</u>	<u>150,142</u>	<u>718,774</u>	<u>650,122</u>
Total Liabilities and Fund Balances	<u>\$ 1,981,848</u>	<u>\$ 263,015</u>	<u>\$ 1,137,224</u>	<u>\$ 650,122</u>

Debt Service Fund	Total Non-Major Governmental Funds	
	2014	2013
\$ -	\$ 650,422	\$ 728,405
-	20,506	415,497
-	805,150	228,523
522,020	3,078,151	3,586,655
522,020	3,903,807	4,230,675
\$ 522,020	\$ 4,554,229	\$ 4,959,080
\$ -	\$ 513,940	\$ 528,286
-	223,347	223,233
-	153,013	498,316
-	408,303	274,887
-	1,298,603	1,524,722
522,020	1,172,142	1,158,928
-	2,083,484	2,275,430
522,020	3,255,626	3,434,358
\$ 522,020	\$ 4,554,229	\$ 4,959,080

County of Putnam, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2014
(With Comparative Totals for 2013)

	County Road	Road Machinery	Transportation	Special Purpose
REVENUES				
Real property taxes	\$ 4,517,615	\$ 1,406,557	\$ 998,341	\$ -
Departmental income	-	-	327,325	3,701
Intergovernmental charges	1,144,053	-	-	-
Use of money and property	-	-	-	-
Interfund revenues	-	411,117	-	-
Sale of property and compensation for loss	-	213	-	-
State aid	-	-	758,656	-
Federal aid	-	-	72,700	-
Miscellaneous	113,908	18,228	4,208	-
Total Revenues	<u>5,775,576</u>	<u>1,836,115</u>	<u>2,161,230</u>	<u>3,701</u>
EXPENDITURES				
Current				
Health	-	-	-	81,684
Transportation	5,882,496	1,859,521	2,400,207	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	<u>5,882,496</u>	<u>1,859,521</u>	<u>2,400,207</u>	<u>81,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(106,920)</u>	<u>(23,406)</u>	<u>(238,977)</u>	<u>(77,983)</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	95,586	90,506	200,000	-
Transfers out	(183,735)	-	(25,000)	-
Total Other Financing Sources (Uses)	<u>(88,149)</u>	<u>90,506</u>	<u>175,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(195,069)</u>	<u>67,100</u>	<u>(63,977)</u>	<u>(77,983)</u>
FUND BALANCES				
Beginning of Year	<u>1,409,637</u>	<u>83,042</u>	<u>782,751</u>	<u>728,105</u>
End of Year	<u>\$ 1,214,568</u>	<u>\$ 150,142</u>	<u>\$ 718,774</u>	<u>\$ 650,122</u>

Debt Service	Total Non-Major Governmental Funds	
	2014	2013
\$ 5,299,126	\$ 12,221,639	\$ 11,835,127
-	331,026	348,983
-	1,144,053	816,455
310,588	310,588	314,027
-	411,117	306,735
-	213	-
-	758,656	703,430
-	72,700	70,600
3,883	140,227	862,232
<u>5,613,597</u>	<u>15,390,219</u>	<u>15,257,589</u>
-	81,684	37,886
-	10,142,224	9,442,582
3,396,535	3,396,535	2,910,181
2,343,043	2,343,043	2,305,035
-	-	145,747
<u>5,739,578</u>	<u>15,963,486</u>	<u>14,841,431</u>
<u>(125,981)</u>	<u>(573,267)</u>	<u>416,158</u>
-	-	19,965,000
-	-	1,419,607
-	-	(21,191,322)
217,178	603,270	75,000
-	(208,735)	(77,280)
<u>217,178</u>	<u>394,535</u>	<u>191,005</u>
91,197	(178,732)	607,163
<u>430,823</u>	<u>3,434,358</u>	<u>2,827,195</u>
<u>\$ 522,020</u>	<u>\$ 3,255,626</u>	<u>\$ 3,434,358</u>

(This page intentionally left blank)

County of Putnam, New York

County Road Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 300	\$ 300
Receivables		
Accounts	19,748	25
State and Federal aid	479,784	154,608
Due from other funds	<u>1,482,016</u>	<u>2,086,292</u>
	<u>1,981,548</u>	<u>2,240,925</u>
Total Assets	<u>\$ 1,981,848</u>	<u>\$ 2,241,225</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 57,026	\$ 256,269
Unearned revenues	223,347	223,233
Due to other funds	153,013	123,013
Due to retirement system	<u>333,894</u>	<u>229,073</u>
Total Liabilities	767,280	831,588
Fund balance		
Assigned	<u>1,214,568</u>	<u>1,409,637</u>
Total Liabilities and Fund Balance	<u>\$ 1,981,848</u>	<u>\$ 2,241,225</u>

County of Putnam, New York

County Road Fund

Comparative Schedule of Revenues, Expenditures and Changes

in Fund Balance - Budget and Actual

Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 4,517,615	\$ 4,517,615	\$ 4,517,615	\$ -
Intergovernmental charges	663,550	1,143,334	1,144,053	719
Miscellaneous	79,350	111,388	113,908	2,520
Total Revenues	5,260,515	5,772,337	5,775,576	3,239
EXPENDITURES				
Current				
Transportation	6,256,000	6,647,635	5,882,496	765,139
Excess (Deficiency) of Revenues Over Expenditures	(995,485)	(875,298)	(106,920)	768,378
OTHER FINANCING SOURCES (USES)				
Transfers in	-	95,586	95,586	-
Transfers out	-	(183,735)	(183,735)	-
Total Other Financing Uses	-	(88,149)	(88,149)	-
Net Change in Fund Balance	(995,485)	(963,447)	(195,069)	768,378
FUND BALANCE				
Beginning of Year	995,485	963,447	1,409,637	446,190
End of Year	\$ -	\$ -	\$ 1,214,568	\$ 1,214,568

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,529,152	\$ 4,529,152	\$ 4,529,152	\$ -
663,550	885,080	816,455	(68,625)
11,350	133,588	137,389	3,801
5,204,052	5,547,820	5,482,996	(64,824)
5,957,817	6,258,532	5,398,901	859,631
(753,765)	(710,712)	84,095	794,807
-	-	-	-
-	(77,280)	(77,280)	-
-	(77,280)	(77,280)	-
(753,765)	(787,992)	6,815	794,807
753,765	787,992	1,402,822	614,830
\$ -	\$ -	\$ 1,409,637	\$ 1,409,637

(This page intentionally left blank)

County of Putnam, New York

Road Machinery Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
Accounts	\$ 758	\$ 72
Due from other funds	<u>262,257</u>	<u>280,835</u>
Total Assets	<u>\$ 263,015</u>	<u>\$ 280,907</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 38,464	\$ 152,051
Due to retirement system	<u>74,409</u>	<u>45,814</u>
Total Liabilities	112,873	197,865
 Fund balance		
Assigned	<u>150,142</u>	<u>83,042</u>
Total Liabilities and Fund Balance	<u>\$ 263,015</u>	<u>\$ 280,907</u>

County of Putnam, New York

Road Machinery Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,406,557	\$ 1,406,557	\$ 1,406,557	\$ -
Interfund revenues	434,600	434,600	411,117	(23,483)
Sale of property and compensation for loss	-	-	213	213
Miscellaneous	-	-	18,228	18,228
Total Revenues	1,841,157	1,841,157	1,836,115	(5,042)
EXPENDITURES				
Current				
Transportation	1,905,586	1,996,092	1,859,521	136,571
Deficiency of Revenues Over Expenditures	(64,429)	(154,935)	(23,406)	131,529
OTHER FINANCING SOURCES				
Transfers in	-	90,506	90,506	-
Net Change in Fund Balance	(64,429)	(64,429)	67,100	131,529
FUND BALANCE				
Beginning of Year	64,429	64,429	83,042	18,613
End of Year	\$ -	\$ -	\$ 150,142	\$ 150,142

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,413,581	\$ 1,413,581	\$ 1,413,581	\$ -
434,350	434,350	306,735	(127,615)
-	-	-	-
-	3,947	4,843	896
1,847,931	1,851,878	1,725,159	(126,719)
1,918,771	1,947,718	1,758,944	188,774
(70,840)	(95,840)	(33,785)	62,055
-	25,000	25,000	-
(70,840)	(70,840)	(8,785)	62,055
70,840	70,840	91,827	20,987
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,042</u>	<u>\$ 83,042</u>

(This page intentionally left blank)

County of Putnam, New York



Photo courtesy of Frank Chianca – Hamlet of Carmel Civic Association

Comprehensive Annual Financial Report



Year Ended:
December 31, 2014

Prepared by
Department of Finance
William J. Carlin, Jr., Commissioner

County of Putnam, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2014
Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organizational Charts	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	xiv
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of Governmental Funds Balance Sheet to the Government- Wide Statement of Net Assets	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	21
Proprietary Fund	
Statement of Net Assets	22
Statement of Revenues, Expenses and Changes in Net Assets	23
Statement of Cash Flows	24
Statement of Assets and Liabilities - Fiduciary Fund	25
Notes to Financial Statements	26
Required Supplementary Information	
Other Post Employment Benefits – Schedule of Funding Progress – Last Three Fiscal Years	56
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	57
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	58
Schedule of Revenues and Other Financing Sources Compared to Budget	60
Schedule of Expenditures and Other Financing Uses Compared to Budget	68

County of Putnam, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2014
Table of Contents (Continued)

	<u>Page</u>
Capital Projects Fund	
Comparative Balance Sheet	72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	73
Non-Major Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76
County Road Fund	
Comparative Balance Sheet	78
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	79
Road Machinery Fund	
Comparative Balance Sheet	81
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	82
Transportation Fund	
Comparative Balance Sheet	84
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	85
Special Purpose Fund	
Comparative Balance Sheet	87
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	88
Debt Service Fund	
Comparative Balance Sheet	89
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
Proprietary Funds	
Enterprise Fund	
Comparative Statement of Net Assets	92
Comparative Statement of Revenues, Expenses and Changes in Net Assets	93
Comparative Statement of Cash Flows	94
Internal Service Funds	
Combining Statement of Net Assets	95
Combining Statement of Revenues, Expenses, and Changes in Net Assets	96
Combining Statement of Cash Flows	97
Workers' Compensation Benefits Fund	
Comparative Statement of Net Assets	98
Comparative Statement of Revenues, Expenses and Changes in Net Assets	99
Comparative Statement of Cash Flows	100
Casualty Reserve Benefits Fund	
Comparative Statement of Net Assets	101
Comparative Statement of Revenues, Expenses and Changes in Net Assets	102
Comparative Statement of Cash Flows	103
Schedule of Changes in Assets and Liabilities - Fiduciary Funds	104

County of Putnam, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2014
Table of Contents (Continued)

Page

STATISTICAL SECTION (Unaudited)
--

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the County's overall financial health.

This section includes the following schedules:

Financial Trends	
Net Assets by Component – Last Five Fiscal Years	105
Changes in Net Assets – Last Five Fiscal Years	107
Fund Balances, Governmental Funds – Last Ten Fiscal Years	111
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	113
Revenue Capacity	
Sales Tax Rates – Last Ten Fiscal Years	115
Taxable Sales by Industry – Ten Years Stated	117
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	119
Property Tax Rates per \$1,000 Assessed Valuation – All Direct and Underlying Governments – Last Ten Fiscal Years	121
Principal Taxpayers – Current Year and Nine Years Ago	123
Property Tax Levies and Collections – Last Ten Fiscal Years	124
Debt Capacity	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	125
Direct and Underlying Governmental Activities Debt	127
Legal Debt Margin Information – Last Ten Fiscal Years	128
Demographic and Economic Information -	
Demographic Statistics – Last Ten Fiscal Years	130
Operating Information	
Construction Permit Data	131
Principal Employers – Current Year and Nine Years Ago	132
Full-Time Equivalent County Government Employees by Function – Last Ten Fiscal Years	133
Operating Indicators by Function – Last Ten Fiscal Years	135
Capital Asset Statistics by Function – Last Ten Fiscal Years	137

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

County of Putnam, New York

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2014
Table of Contents (Concluded)

Page

FEDERAL AWARDS

Federal Programs

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	139
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	141
Schedule of Expenditures of Federal Awards	143
Notes to Schedule of Expenditures of Federal Awards	146
Summary Schedule of Prior Audit Findings	147
Schedule of Findings and Questioned Costs	148

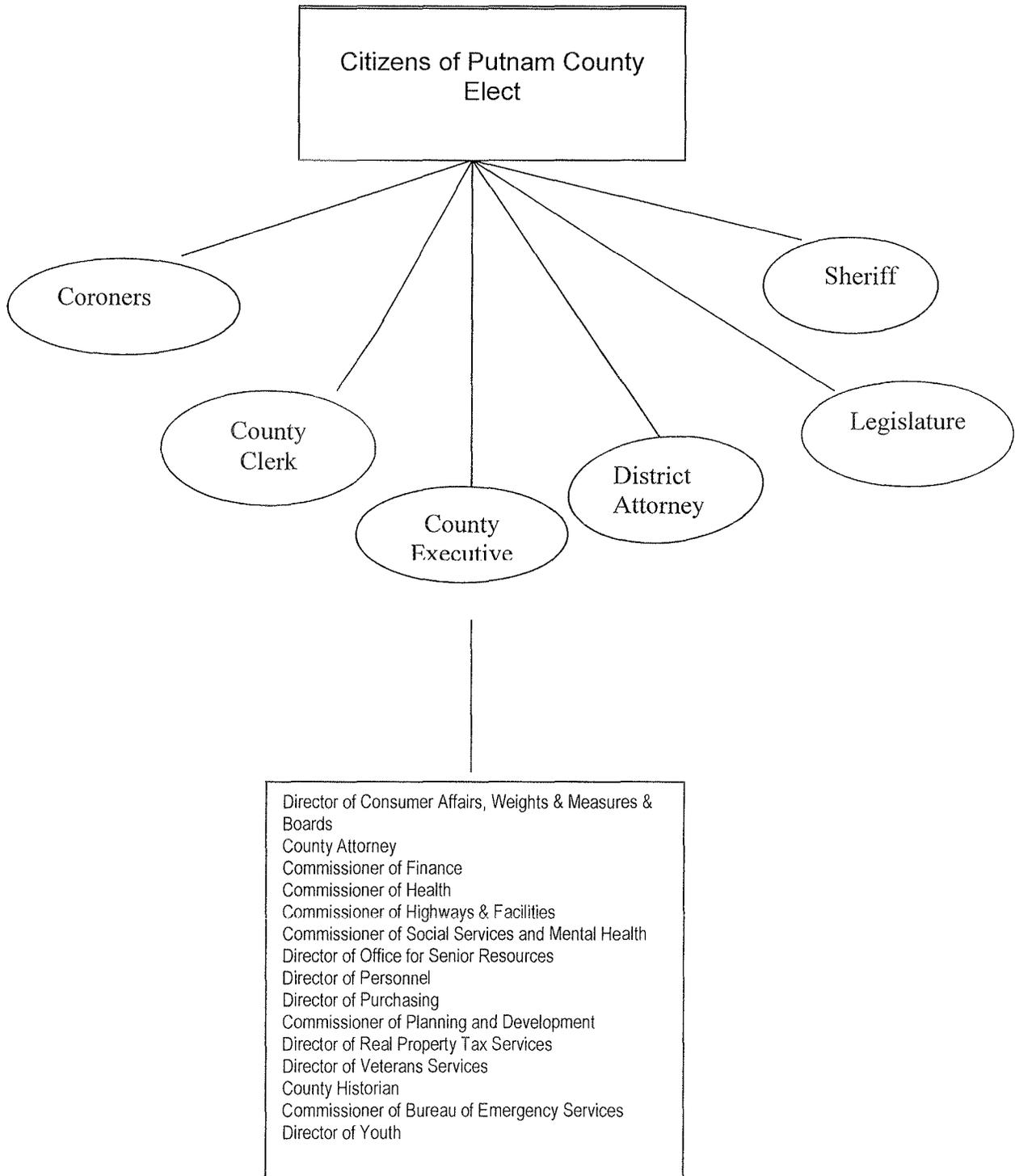
**INTRODUCTORY
SECTION**

(This page intentionally left blank)

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

<u>OFFICE</u>	<u>OFFICE HOLDER</u>	<u>TERM EXPIRES</u>
County Executive	MaryEllen Odell	12/31/14
County Legislators		
District #1	Barbara Scuccimarra	12/31/15
District #2	Sam Oliverio Jr.	12/31/14
District #3	Lou Tartaro	12/31/14
District #4	Ginny Nacerino	12/31/15
District #5	Carl Albano (Chairman)	12/31/16
District #6	Roger Gross	12/31/16
District #7	Joseph Castellano	12/31/15
District #8	Dini LoBue	12/31/14
District #9	Kevin Wright	12/31/16
County Clerk	Dennis J. Sant	12/31/14
District Attorney	Adam Levy	12/31/15
Sheriff	Donald B. Smith	12/31/17
County Attorney	Jennifer Bumgarner	12/31/14
Commissioner of Finance	William J. Carlin Jr.	12/31/14

ORGANIZATIONAL CHART OF PUTNAM COUNTY EXECUTIVE BRANCH



WILLIAM J. CARLIN, Jr. CPA
Commissioner Of Finance



ANITA Z. GILBERT
Chief Deputy Commissioner Of Finance

SHEILA BARRETT
Deputy Commissioner Of Finance

DEPARTMENT OF FINANCE

June 12, 2015

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, 2014 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 O'Connor Davies, LLP, 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, 2014 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 unmodified opinions that the County's basic financial statements for the fiscal year ended December 31, 2014 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 included in the Federal Awards Section of this CAFR.

PROFILE OF THE COUNTY

Putnam County, established in 1812, is located approximately 56 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 mile 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. The nine members represent legislative districts of approximately equal population. Members are elected to serve three year staggered terms and are term limited to 4 three year terms. The current membership of the County Legislature is included on the list of Principal Officials. 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. Legislative committees have been organized to oversee various aspects of County government. These committees are advisory in nature and formal actions must be approved by a vote of the Legislature as a whole.

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: tax collection, financial accounting and reporting, payroll and accounts payable disbursements functions, cash and investment management, debt management, and preparing financial statements.

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 as well the departments of Bureau of Emergency Services, Finance and Real Property, Health, Highways and Facilities, Historian, Law, Mental Health, Personnel, Probation, Purchasing, Social Services, Weights and Measures and Consumer Affairs, Veterans, and Office for Senior Resources formerly known as the Office For Aging. All department heads are appointed by the County Executive and most are subject to approval by the County Legislature.

The County provides a full range of services to its residents, some of which include:

- Public safety and judiciary services including criminal justice, district attorney, corrections, and probation programs.
- Transportation services, which include maintenance of 116 miles of county roads and the operation of the Putnam Area Rapid Transit (“PART”) system.
- Economic Opportunity and Development programs including Social Services programs, Office for Senior Resources, Veterans’ assistance, and Employment and Training services.
- Health services through the County Health and Mental Health Departments.
- Parks and recreation services including 11.85 miles of bikeways after the completion of .92 miles from Putnam Avenue to North Main in the Village of Brewster; a golf course, parks and numerous trails.
- The County also provides general administrative support to all departments and 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 GASB Statement No. 61, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The County also maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the County Legislature. During the month of June, the various County departments are given notice to prepare their budgets. These preliminary budgets are due no later than August 15th or by a date set by the Commissioner of Finance and include the estimated revenues and expenditures for the following fiscal year. Budget meetings are scheduled with each department to occur during the month of August and September.

The County Executive prepares and submits a tentative budget for the ensuing year to the Clerk of the Legislature on or before October 1st 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 20th.

A second public hearing before all members of the County Legislature is held no later than October 25th. 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 28th, 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 15th.

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

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

For the year ended December 31, 2013, the County implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. 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 2014, the County saw an all time high in the collection of sales tax revenues to \$56,035,001. This represented an increase of 5.3% over collections in 2013. This increase was due in part to the recovering economy and increased gasoline costs.

The County's unemployment rate (4.4% as of April 2015) continues to remain one of the lowest of all New York State Counties. Single family homes sales rose 6% from 707 in 2013 to 746 in 2014. The median sale price of a single-family home showed a decrease of 13.6% from the 2013 median sales price of \$308,500 to a median sales

price of \$271,500 for 2014. Home foreclosure filings initiated in Putnam County decreased from 551 in 2013 to 447 in 2014. The actual foreclosure judgments issued were 81 in 2013 and 155 in 2014.

In 2014, the County's Net Taxable Assessments decreased from \$10,695,704,558 in 2013 to \$10,476,291,916 a decrease of 2.1%.

The New York State Property tax cap law provides that the tax levy increase is capped at 2% or the rate of inflation, whichever is less. In 2014, the County adopted a budget increasing the tax levy by 1.66%, well under the mandated tax cap.

According to Federal statistics for 2014 Putnam County had a per capita personal income of \$58,955 and a median household income of \$95,117; as compared to New York State with a per capita income of \$52,095 (2012) and a median household income of \$57,369 (2013). The Census 2010 population count was 99,718 and the Census Bureau estimates the current population of the County for 2014 at 99,645.

The following major initiatives were commenced or were in progress during calendar year 2014 by the various departments and agencies of the Putnam County government:

Managing Medicaid Applications: In 2013 the County contracted with the Bonadio Group to work with employees who review complicated Medicaid cases in terms of eligibility. As of December 31, 2014 the County saved in \$636,218 in "cost avoidance" charges as a result of these reviews.

Highway Road Plan: Working with Cornell University the County is developing an overall strategy that evaluates and prioritizes each of the 62 County roads. This strategy will identify specific remediation and maintenance opportunities for each of the roads that make up a total of 117 miles and is designed to extend the life-span of each of our roads to 15 years avoiding unnecessary bonding and expenses.

Chapter 31 – Sale of County Owned Property Acquired by Tax Foreclosure:

In 2013 we contracted with several Realtors to sell 19 County Owned Properties. Of the 19 properties, the County has already sold 9 properties through December 2014. By placing the properties back on the tax rolls and in providing the neighbors with new owners that care, an overall increase in property values is realized.

Long-Term Financial Planning

County Bikeways: Putnam County has 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.

Alternative Energy: Putnam County continues to explore 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 than is currently paid.

NYC Watershed: Through the East of Hudson (“EOH”) the County continues to pursue developing a comprehensive plan to maximize the utilization of financial and human resources while simultaneously ensuring the maximum benefit to the environment.

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, 2014 was \$304,956 slightly up from \$303,543 in 2013.

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, 2013. The County has received this prestigious award twenty of the last twenty-one 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 the 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 O'Connor Davies, LLP, who assisted in its preparation. I would also like to thank the County Executive and the members of the County Legislature for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectively Submitted,

A handwritten signature in black ink that reads "William J. Carlin, Jr." in a cursive style.

William J. Carlin, Jr.,
Commissioner of Finance

(This page intentionally left blank)



Government Finance Officers Association

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, 2013

Executive Director/CEO

(This page intentionally left blank)

**FINANCIAL
SECTION**

(This page intentionally left blank)

Independent Auditors' Report

**The Honorable Legislature of the
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 ("County") as of and for the year ended December 31, 2014, 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.

Auditors' 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 auditors' 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 County'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 County'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 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, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof, and the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits 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.

Supplementary and 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 combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations and the introductory and statistical sections 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 and the schedule of expenditures of federal awards 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2015 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

June 12, 2015

County of Putnam, New York

Management's Discussion and Analysis December 31, 2014

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, 2014. 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 2014

Key financial highlights for fiscal year 2014 are as follows:

- The net position (assets plus deferred outflows of resources minus liabilities and deferred inflow of resources) of the County for fiscal year 2014 was \$(27,859,005). Of this amount, \$(11,495,128) represents government net position while a deficit of \$16,363,877 is reflected for the business-type activities.
- Total General Fund expenditures exceeded general fund revenues by \$1,646,401.
- The General Fund reported an ending total fund balance of \$34,878,972, which represents a decrease of \$1,646,401 from fiscal year 2013. The Capital Projects Fund reported an ending fund balance of \$4,770,856, a decrease of \$446,985 from fiscal year 2013.
- The County's total outstanding bonds payable, exclusive of the business-type activities, at December 31, 2013 were \$64,841,274.

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.

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.

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.

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.

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, 2013, the County's assets plus deferred outflows of resources less liabilities equaled \$(27,859,005).

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-type Activities*		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	\$ 111,756,384	\$ 110,648,589	\$ 2,378,710	\$ 2,322,856	\$ 114,135,094	\$ 112,971,445
Capital Assets	103,235,468	104,707,519	-	-	103,235,468	104,707,519
Total Assets	<u>214,991,852</u>	<u>215,356,108</u>	<u>2,378,710</u>	<u>2,322,856</u>	<u>217,370,562</u>	<u>217,678,964</u>
Deferred Outflows of Resources	1,863,890	1,937,606	1,418,285	1,418,285	3,282,175	3,355,891
Current Liabilities	50,223,087	47,682,262	76,675	77,825	50,299,762	47,760,087
Long-term Liabilities	178,127,783	165,440,580	19,993,540	20,016,893	198,121,323	185,457,473
Total Liabilities	<u>228,350,870</u>	<u>213,122,842</u>	<u>20,070,215</u>	<u>20,094,718</u>	<u>248,421,085</u>	<u>233,217,560</u>
Deferred inflows of resources	-	-	-	-	-	-
NET POSITION						
Net investment in capital assets	43,155,201	45,072,133	-	-	43,155,201	45,072,133
Restricted	7,092,480	6,463,642	-	-	7,092,480	6,463,642
Unrestricted	(61,742,859)	(47,364,903)	(16,363,877)	(16,353,577)	(78,106,736)	(63,718,480)
Total Net Position	<u>\$ (11,495,178)</u>	<u>\$ 4,170,872</u>	<u>\$ (16,363,877)</u>	<u>\$ (16,353,577)</u>	<u>\$ (27,859,055)</u>	<u>\$ (12,182,705)</u>

The largest component of the County's net position for governmental activities is its investment in capital assets, (e.g., land, buildings and facilities, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding amounted to \$43,155,201. 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.

Another portion of net position is restricted net position aggregating \$7,092,480 at December 31, 2014. This amount represents resources that are subject to external restrictions on how they may be used.

The restrictions are as follows:

Casualty Reserve Fund	\$ 1,419,695
Law Enforcement	307,550
Driving While Intoxicated Program	74,369
Retirement	3,400,000
Special revenue funds	<u>1,368,960</u>
Total restricted net position	<u>\$ 6,570,510</u>

There was a net increase of \$106,868 in restricted net position reported in connection with the County's governmental activities compared to prior years. Increases in the amounts restricted for causality and reserves of \$815,953 due to more than expected claim payments, were partially offset by a reduction in monies restricted for the Debt Service fund of \$522,000 and a decrease of \$100,000 for the retirement reserve. These factors combined for the majority of the change in the County's restricted position.

The remaining portion of net position, unrestricted net position, is a negative \$78,106,736 with a deficit of \$61,742,859 reported in governmental activities and a \$16,363,877 deficit reported in business-type activities. This deficit does not mean that the County does not have resources available to meet its obligations in the ensuing year. Rather, it is partly the result of having long-term commitments, including retirement incentives and other pension obligations (\$7,656,404); claims payable (\$4,420,178); compensated absences (\$3,768,300); and post closure care costs (\$1,130,545). Additionally, in

accordance with the Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions ("OPEB")", municipalities were required to beginning recognizing as actuarial determined liability for benefits provided to retirees. The liability will be amortized into the County's entity-wide operations over a period of 30 years. The liability reflected in 2014 for the government was \$94,437,342. The recording of the current year's increase in the net OPEB obligation of \$12,265,189 was the primary reason for the overall decrease in the County's net position of \$22,133,168. Additional information on all of these long-term liabilities can be found in Note 3, H in the notes to financial statements.

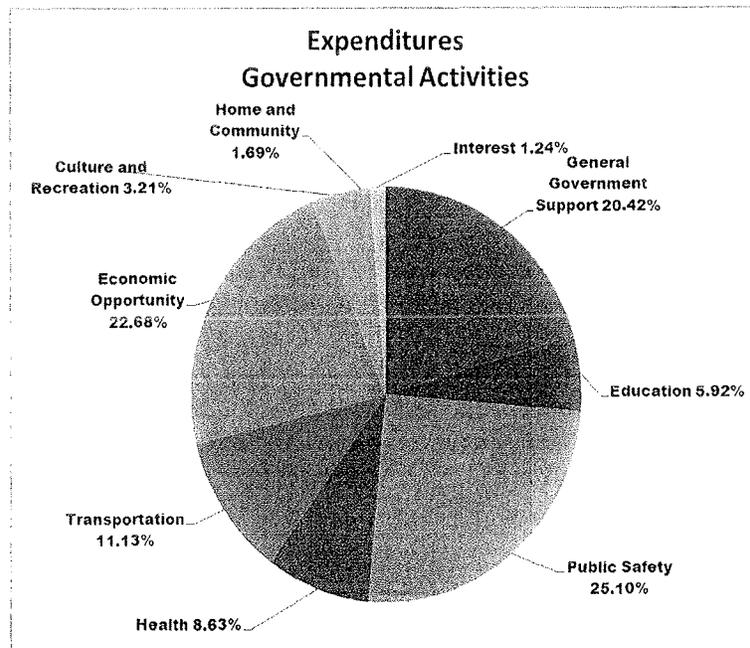
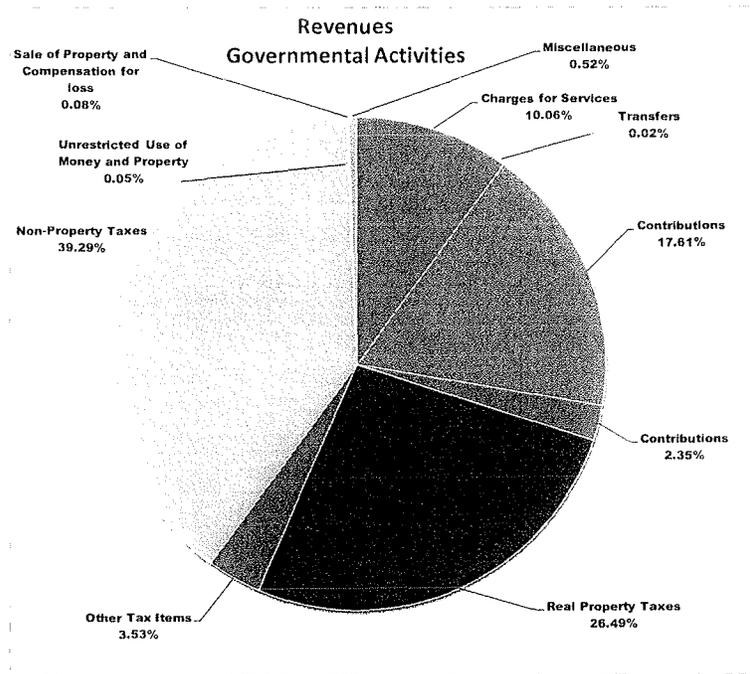
The activities of the Putnam Tobacco Asset Securitization (PTASC) are reflected as a business-type blended component unit. The County has no obligation for the debt of PTASC. The business-type activity reflected a deficit balance of \$16,363,877. This represents an increase in the deficit of \$10,300.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues						
Charges for Services	\$ 14,365,791	\$ 14,137,422	\$ 1,259,418	\$ 1,069,644	\$ 15,625,209	\$ 15,207,066
Operating Grants and Contributions	25,153,744	25,608,248	-	-	25,153,744	25,608,248
Capital Grants and Contributions	3,357,947	3,284,480	-	-	3,357,947	3,284,480
General Revenues						
Real Property Taxes	37,835,861	35,107,514	-	-	37,835,861	35,107,514
Other Tax Items	5,041,598	4,940,649	-	-	5,041,598	4,940,649
Non-Property Taxes	56,105,827	53,330,206	-	-	56,105,827	53,330,206
Unrestricted Use of Money and Property	73,494	69,557	10	161	73,504	69,718
Sale of Property and Compensation for loss	111,315	129,251	-	-	111,315	129,251
Miscellaneous	736,322	315,148	-	-	736,322	315,148
Transfers	25,000	25,000	(25,000)	(25,000)	-	-
Total Revenues	142,806,899	136,947,475	1,234,428	1,044,805	144,041,327	137,992,280
PROGRAM EXPENSES						
General Government Support	32,353,661	29,010,140	-	-	32,353,661	29,010,140
Education	9,378,964	10,201,595	-	-	9,378,964	10,201,595
Public Safety	39,778,386	39,752,916	-	-	39,778,386	39,752,916
Health	13,669,801	13,394,756	-	-	13,669,801	13,394,756
Transportation	17,636,756	17,916,455	-	-	17,636,756	17,916,455
Economic Opportunity	35,934,835	37,271,454	-	-	35,934,835	37,271,454
Culture and Recreation	5,085,712	4,275,442	-	-	5,085,712	4,275,442
Home and Community Interest	2,671,019	4,352,084	-	-	2,671,019	4,352,084
Putnam Tobacco Asset Securitization Corp.	-	-	1,244,728	1,247,211	1,244,728	1,247,211
Total Expenses	158,472,899	158,878,237	1,244,728	1,247,211	159,717,627	160,125,448
Change in Net Position	(15,666,000)	(21,930,762)	(10,300)	(202,406)	(15,676,300)	(22,133,168)
NET POSITION						
Beginning as reported	4,170,872	26,101,634	(16,353,577)	(16,151,171)	(12,182,705)	9,950,463
Ending	\$ (11,495,128)	\$ 4,170,872	\$ (16,363,877)	\$ (16,353,577)	\$ (27,859,005)	\$ (12,182,705)

Governmental activities - Governmental activities decreased the County's net position by \$15,666,000 from the prior fiscal year.

For the fiscal year ended December 31, 2014, revenues from governmental activities totaled \$142 million. Tax revenues (\$99.1 million), comprised of real property taxes, other tax items and sales tax; represent the largest revenue source 69.4%. Sales tax yielded \$55.9 million, an increase of \$2.6 million in comparison with fiscal year 2013. This increase was attributed to the local and national economy recovery that occurred during the course of the fiscal year and to the increase of gasoline prices. **Collections of the current tax levy remains very strong at 91.87% while averaging 94.81% over the last 10 years.**



Business-type activities - Business-type activities decreased the County's net position by \$10,300.

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.

Fund balance reporting – GASB issued Statement No. 54, "Fund Balance Reporting and Government Fund Type Definitions", in February 2009. The requirements of the GASB Statement No. 54 became effective for financial statements for the County's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

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, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributions, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed - consist 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 constraint.

Assigned - consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus other 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.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

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 discretionary use, as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the County Legislature.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$42.9 million, a decrease of \$2.3 million in comparison with the prior year. Of the total combined fund balance, \$20.1 million constitutes unassigned fund balance, which is available for

spending at the County's discretion. The remainder of the fund balance is non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$2 million), 2) restricted for particular purposes (\$9.7 million), and 3) assigned for a particular purpose (\$11 million).

General Fund

The County's primary 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 \$20,129,757 representing 58% of the total General Fund balance of \$34,878,972. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a healthy 16% unassigned fund balance to total expenditures, while total fund balance represents 27.7% of that same amount.

When the fiscal 2014 budget was adopted, it anticipated the use of \$3.79 million of general fund balance. However, actual results of operations resulted in a deficit of \$1.65 million in fund balance. After accounting for specific reserves and \$2.81 million of fund balance to balance the 2015 budget, the unassigned general fund balance increased from \$18.8 million in 2013 (exclusive of the prior period adjustment) to \$20.1 million in 2014. Revenues and other financing sources were \$125,501,411 which was 1,981,166 less than the original budget and 2,068,480 less than the final budget. Expenditures and other financing uses were \$127,147,812 which was \$1,192,000 less than the original budget and \$10,221,414 less than the final budget. Major changes in specific revenues and expenditures in comparison to the prior year were as follows:

- Non-property taxes increased from \$53,330,206 to \$56,105,827 (\$2,775,621 or 5.2%) and primary represents the sales taxes revenues recognized as the regional economy began to recover.
- Federal Aid increased from \$9,080,824 to \$9,520,714 (\$439,890 or 4.84%) as a result of an increase in Homeland Security expenditures (\$180,624) and an increase in the distribution of Title XX allocations based on monthly claims submitted to the state (\$180,544).
- General Government support expenditures increased \$4,739,247 (21%) from \$22,480,066 to \$27,219,313 due in part to a \$4,000,000 settlement.
- Public Safety expenditures increase \$2,016,559 (6.2%) from \$32,525,027 to \$34,541,586 and are the result of an increase in fringe benefits and a multi-year contract settlement.

Capital Projects Fund

The Capital Projects Fund is used to account for capital project activity throughout the County. The Capital Projects Fund ending fund balance is \$4,770,856 for fiscal year 2014. This represents a decrease of \$446,985 due to the closing out of various 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, 2013, the combined fund balance of these funds totaled \$3.3 million. This represents a decrease of \$178,732 for the fiscal year 2014, resulting from a planned use of fund balance.

The Debt Service Fund reported a fund balance of \$522,020 at December 31, 2014, an increase of \$91,197 due to closing out various capital projects.

For 2014, the net position of the Internal Service funds increased by \$816,953. This resulted in a net position of \$1,419,695 at December 31, 2014. This increase is primarily attributed to an increase in the reserve for the Causality Reserve Benefit fund.

General Fund Budgetary Highlights

During the year, there was a \$9 million increase in appropriations between the original and final amended budget. The principal drivers of the increase to the budget were 1) \$4,000,000 due to a settlement; 2) increases in public safety due to contract settlements and retirement expenses (\$1.7 million), Homeland security Federal grants for 2013 and 2014 (\$800 thousand), and overtime and retirement expenses for the Jail (\$500 thousand); and 3) increases in Health and Economic Opportunity and Development due to various pass-thru grants.

Overall, actual General Fund expenditures, exclusive of other financing uses, were \$125.8 million, which was \$10.2 million less than the final budget. The major areas where spending was less than budget was general government support (\$3.3 million) primarily as a result of savings in personnel services and fringe benefits and a settlement (\$500 thousand) that was received and used to offset expenses; economic opportunity and development (\$2.4 million) from savings in certain social services programs; public safety (\$2.2 million) primarily as a result of personnel services and fringe benefits due to vacancies and unspent grant monies; education \$800 thousand) due to a decrease in the number of children and services provided in the Children with Special Needs 3-5 program; and health (\$550 thousand) primarily as a result of savings in personnel services and a decrease in the number of children receiving services in the Early Intervention program.

Actual General Fund revenues, exclusive of other financing sources, were \$125.3 million, which was \$2.06 million less than the final budget. The revenue categories that reflected positive variances as compared to the final budget were miscellaneous (\$721 thousand) primarily due to a reclassification of Prior Years Expenditures of State revenues as per the State Comptroller's Office. These were offset by shortfalls in state aid (\$1.29 million) primarily due to a reduction in services provided in education (\$800 thousand) and social services programs as expenditures were less than budgeted for these programs (\$417 thousand).

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$103,235,468 (net of accumulated depreciation), a decrease of \$1,472,051. This reflects the County's investment in all of its capital assets including land, building and improvements, machinery and equipment, infrastructure and construction-in-progress.

	Putnam County Capital Assets	
	(Net of Depreciation)	
	(in thousands)	
	Governmental Activities	
	2014	2013
Land	\$ 6,618	\$ 6,558
Buildings and Improvements	53,592	56,234
Machinery and Equipment	5,891	4,804
Infrastructure	37,065	37,111
Construction-in-Progress	70	
Total (Net of Depreciation)	\$ 103,236	\$ 104,707

Major capital activities during the current fiscal year included the following:

- Various projects for infrastructure were completed this year for a total cost of \$4,691,956.
- Improvement of various County facilities at a cost of \$515,913.
- The purchase of various vehicles and equipment totaling \$1,727,765.

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

Long-Term debt

At the end of the current fiscal year, the County had total debt outstanding of \$64,841,274 exclusive of the Tobacco Securitization Corporation. The County issued \$3,478,274 in new debt. The County redeemed \$3,396,535 in outstanding bonded indebtedness. 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>2014</u>	<u>2013</u>
Total general obligation bonds	<u>\$ 64,841</u>	<u>\$ 64,760</u>

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

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the County may incur. The State Constitution provides that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt," may be issued without regard to the constitutional limits and without affecting the County's authority to issue debt subject to the limit. At December 31, 2014, the County of Putnam had used \$61,363,000 or 6.21% of the constitutional debt limit leaving \$927,115,100 remaining to be used.

Additional information on the County's long-term debt can be found in note 3, H 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 4.4% in March 2015 down from 5.3% in March 2014. The County's unemployment rate compared favorably to the State-wide rate of 5.8%.

Labor Department data also indicated that the number of people employed in the County decreased by 1.27% from 47,800 to 47,200, between March 2014 and March 2015.

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 2013 was \$95,117, while New York State's median household income was \$58,003. The median income for the nation as a whole was \$51,939.

The net taxable assessed value of real property in Putnam County decreased from \$10,695,704,558 in 2013 to \$10,476,291,916 in 2014, a decrease of 2.1%. The median sale price of a single-family home decreased from \$308,500 in 2013 to \$271,500 in 2014, a decrease of 13.6%. The median sale price of a single-family home for New York State as a whole decreased from \$226,500 in 2013 to \$225,000 in 2014, a decrease of 0.7%. Single-family houses sold were 707 in 2013 as compared to 746 in 2014, an increase of 6%.

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.

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 2015 budget.

The County has appropriated \$2,807,518 million of the fund balance of the general fund for spending in the 2015 fiscal year. The 2014 County budget increased the real property tax levy by \$640,967 for a tax levy of \$39,253,434 or 1.66% keeping under the real property tax cap authorized by the State of New York.

Additional information on this law can be found in Note 2,B in the notes to financial statements.

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.gov.

(This page intentionally left blank)

**BASIC
FINANCIAL STATEMENTS**

(This page intentionally left blank)

County of Putnam, New York

Statement of Net Position
December 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 48,760,802	\$ 48,702	\$ 48,809,504
Investments	881,947	-	881,947
Receivables			
Taxes, net	41,676,688	-	41,676,688
Accounts	9,172,142	1,112,945	10,285,087
State and Federal aid	10,640,123	-	10,640,123
Due from other governments	620,949	-	620,949
Prepaid expenses	3,733	7,871	11,604
Restricted investments	-	1,209,192	1,209,192
Capital assets			
Not being depreciated	6,687,699	-	6,687,699
Being depreciated, net	96,547,769	-	96,547,769
Total Assets	214,991,852	2,378,710	217,370,562
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding bonds	1,863,890	1,327,628	3,191,518
LIABILITIES			
Accounts payable	6,042,427	-	6,042,427
Accrued liabilities	2,031,447	76,675	2,108,122
Retainage payable	20,000	-	20,000
Unearned revenues	5,492,706	-	5,492,706
Due to other governments	13,340,226	-	13,340,226
Due to retirement system	7,570,860	-	7,570,860
Tax anticipation notes payable	15,000,000	-	15,000,000
Accrued interest payable	725,421	-	725,421
Non-current liabilities			
Due within one year	5,672,380	165,000	5,837,380
Due in more than one year	172,455,403	19,828,540	192,283,943
Total Liabilities	228,350,870	20,070,215	248,421,085
NET POSITION			
Net investment in capital assets	43,155,200	-	43,155,200
Restricted for			
Casualty reserve benefits	1,419,695	-	1,419,695
Law enforcement	307,550	-	307,550
Driving while intoxicated program	74,369	-	74,369
Retirement	3,400,000	-	3,400,000
Debt service	522,020	-	522,020
Special Revenue Funds			
Transportation	718,774	-	718,774
Trusts	650,122	-	650,122
Unrestricted	(61,742,858)	(16,363,877)	(78,106,735)
Total Net Position	\$ (11,495,128)	\$ (16,363,877)	\$ (27,859,005)

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 32,353,661	\$ 5,707,939	\$ 244,370	\$ -
Education	9,378,964	-	3,580,303	-
Public safety	39,778,386	1,927,751	1,420,408	-
Health	13,669,801	883,497	5,074,346	-
Transportation	17,636,756	1,471,585	1,102,718	229,577
Economic opportunity and development	35,934,835	2,066,278	13,199,473	-
Culture and recreation	5,085,712	2,116,042	249,503	1,387,023
Home and community services	2,671,019	192,699	282,623	1,426,876
Interest	1,963,765	-	-	314,471
Total Governmental Activities	158,472,899	14,365,791	25,153,744	3,357,947
Business-type activities				
Putnam Tobacco Asset Securitization Corporation	1,244,728	1,259,418	-	-
Total	\$ 159,717,627	\$ 15,625,209	\$ 25,153,744	\$ 3,357,947

General revenues

Real property taxes

Other tax items

Gain from sale of tax acquired property

Interest and penalties on real property taxes

Payments in lieu of taxes

Non-property taxes

Sales taxes

OTB distributed earnings

Unrestricted use of money and property

Sale of property and compensation for loss

Miscellaneous

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (26,401,352)	\$ -	\$ (26,401,352)
(5,798,661)	-	(5,798,661)
(36,430,227)	-	(36,430,227)
(7,711,958)	-	(7,711,958)
(14,832,876)	-	(14,832,876)
(20,669,084)	-	(20,669,084)
(1,333,144)	-	(1,333,144)
(768,821)	-	(768,821)
(1,649,294)	-	(1,649,294)
(115,595,417)	-	(115,595,417)
-	14,690	14,690
(115,595,417)	14,690	(115,580,727)
37,835,861	-	37,835,861
2,596	-	2,596
4,962,294	-	4,962,294
76,708	-	76,708
56,035,001	-	56,035,001
70,826	-	70,826
73,494	10	73,504
111,315	-	111,315
736,322	-	736,322
25,000	(25,000)	-
99,929,417	(24,990)	99,904,427
(15,666,000)	(10,300)	(15,676,300)
4,170,872	(16,353,577)	(12,182,705)
\$ (11,495,128)	\$ (16,363,877)	\$ (27,859,005)

County of Putnam, New York

Balance Sheet
 Governmental Funds
 December 31, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 34,006,811	\$ 8,508,732	\$ 650,422	\$ 43,165,965
Investments	881,947	-	-	881,947
Taxes receivable, net	41,676,688	-	-	41,676,688
Other receivables				
Accounts	9,151,636	-	20,506	9,172,142
State and Federal aid	7,717,685	2,117,288	805,150	10,640,123
Due from other governments	620,949	-	-	620,949
Due from other funds	1,215,386	-	3,078,151	4,293,537
	18,705,656	2,117,288	3,903,807	24,726,751
Prepaid expenditures	3,733	-	-	3,733
Total Assets	<u>\$ 95,274,835</u>	<u>\$ 10,626,020</u>	<u>\$ 4,554,229</u>	<u>\$ 110,455,084</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,074,265	\$ 454,222	\$ 513,940	\$ 6,042,427
Accrued liabilities	2,031,447	-	-	2,031,447
Retainage payable	-	20,000	-	20,000
Unearned revenues	1,320,981	3,948,378	223,347	5,492,706
Due to other governments	13,340,226	-	-	13,340,226
Due to other funds	2,952,996	1,432,564	153,013	4,538,573
Due to retirement system	7,162,557	-	408,303	7,570,860
Tax anticipation notes payable	15,000,000	-	-	15,000,000
Total Liabilities	46,882,472	5,855,164	1,298,603	54,036,239
Deferred inflows of resources				
Deferred tax revenues	13,513,391	-	-	13,513,391
Total Liabilities and Deferred Inflows of Resources	60,395,863	5,855,164	1,298,603	67,549,630
Fund balances				
Nonspendable	2,003,733	-	-	2,003,733
Restricted	3,781,919	4,770,856	1,172,142	9,724,917
Assigned	8,963,563	-	2,083,484	11,047,047
Unassigned	20,129,757	-	-	20,129,757
Total Fund Balances	34,878,972	4,770,856	3,255,626	42,905,454
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 95,274,835</u>	<u>\$ 10,626,020</u>	<u>\$ 4,554,229</u>	<u>\$ 110,455,084</u>

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position - Governmental Activities
December 31, 2014

Fund Balances - Total Governmental Funds	\$	42,905,454
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		103,235,468
Governmental funds report the effects of losses on refunding debt when debt is first issued, whereas this amounts is deferred and amortized in the statement of activities.		
Deferred amounts on refunding bonds		1,863,890
Internal service funds are used by management to charge insurance and dental benefits to individual funds.		
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,419,695
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Real property taxes		13,513,391
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.		
Accrued interest payable		(725,421)
Bonds payable		(66,715,014)
Compensated absences		(3,768,300)
Retirement incentives and other pension obligations		(7,656,404)
Other post employment benefit obligations payable		(94,437,342)
Postclosure care costs		(1,130,545)
Net Position of Governmental Activities	\$	<u>(11,495,128)</u>

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes	\$ 26,178,868	\$ -	\$ 12,221,639	\$ 38,400,507
Other tax items	5,041,598	-	-	5,041,598
Non-property taxes	56,105,827	-	-	56,105,827
Departmental income	11,384,426	-	331,026	11,715,452
Intergovernmental charges	30,869	-	1,144,053	1,174,922
Use of money and property	315,099	-	310,588	625,687
Licenses and permits	741,059	-	-	741,059
Fines and forfeitures	195,607	-	-	195,607
Sale of property and compensation for loss	111,315	-	213	111,528
Interfund revenues	-	-	411,117	411,117
State aid	14,468,118	1,247,413	758,656	16,474,187
Federal aid	9,520,714	369,187	72,700	9,962,601
Miscellaneous	1,221,645	1,426,876	140,227	2,788,748
Total Revenues	125,315,145	3,043,476	15,390,219	143,748,840
EXPENDITURES				
Current				
General government support	27,219,313	-	-	27,219,313
Education	9,379,106	-	-	9,379,106
Public safety	34,541,586	-	-	34,541,586
Health	11,382,894	-	81,684	11,464,578
Transportation	1,315,660	-	10,142,224	11,457,884
Economic opportunity and development	32,481,284	-	-	32,481,284
Culture and recreation	3,429,702	-	-	3,429,702
Home and community services	1,768,927	-	-	1,768,927
Employee benefits				
Undistributed	4,045,623	-	-	4,045,623
Debt service				
Principal	-	-	3,396,535	3,396,535
Interest	113,000	-	2,343,043	2,456,043
Capital outlay	-	6,883,651	-	6,883,651
Total Expenditures	125,677,095	6,883,651	15,963,486	148,524,232
Deficiency of Revenues Over Expenditures	(361,950)	(3,840,175)	(573,267)	(4,775,392)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	3,478,274	-	3,478,274
Transfers in	186,266	134,625	603,270	924,161
Transfers out	(1,470,717)	(219,709)	(208,735)	(1,899,161)
Total Other Financing Sources (Uses)	(1,284,451)	3,393,190	394,535	2,503,274
Net Change in Fund Balances	(1,646,401)	(446,985)	(178,732)	(2,272,118)
FUND BALANCES				
Beginning of Year	36,525,373	5,217,841	3,434,358	45,177,572
End of Year	\$ 34,878,972	\$ 4,770,856	\$ 3,255,626	\$ 42,905,454

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2014

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ (2,272,118)
<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 depreciation expense exceeded capital outlays in the current period. This amount may be 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	7,064,802
Depreciation expense	<u>(8,536,853)</u>
	<u>(1,472,051)</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>(564,646)</u>
<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. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
Bonds issued	(3,478,274)
Principal paid on bonds	3,396,535
Amortization of loss on refunding bonds and issuance premium	<u>83,842</u>
	<u>2,103</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	408,436
Retirement incentives and other pension obligations	(252,049)
Compensated absences	(101,894)
Other post employment benefit obligations	(12,265,189)
Postclosure care costs	<u>34,455</u>
	<u>(12,176,241)</u>
<p>Internal service funds are used by management to charge the costs of risk to individual funds. The net revenue of the internal service funds are reported within governmental activities.</p>	
	<u>816,953</u>
Change in Net Position of Governmental Activities	<u>\$ (15,666,000)</u>

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 27,031,795	\$ 27,031,795	\$ 26,178,868	\$ (852,927)
Other tax items	5,398,200	5,046,693	5,041,598	(5,095)
Non-property taxes	52,695,824	55,955,996	56,105,827	149,831
Departmental income	13,014,282	11,948,709	11,384,426	(564,283)
Intergovernmental charges	-	30,868	30,869	1
Use of money and property	332,417	318,917	315,099	(3,818)
Licenses and permits	732,300	748,763	741,059	(7,704)
Fines and forfeitures	179,550	198,245	195,607	(2,638)
Sale of property and compensation for loss	10,750	101,974	111,315	9,341
State aid	15,181,763	15,754,156	14,468,118	(1,286,038)
Federal aid	8,560,360	9,747,240	9,520,714	(226,526)
Miscellaneous	363,004	500,269	1,221,645	721,376
Total Revenues	123,500,245	127,383,625	125,315,145	(2,068,480)
EXPENDITURES				
Current				
General government support	26,716,667	30,481,655	27,219,313	3,262,342
Education	10,435,314	10,197,731	9,379,106	818,625
Public safety	33,354,962	36,714,145	34,541,586	2,172,559
Health	11,465,170	11,936,883	11,382,894	553,989
Transportation	1,335,276	1,315,660	1,315,660	-
Economic opportunity and development	34,583,685	34,926,360	32,481,284	2,445,076
Culture and recreation	3,746,731	3,974,925	3,429,702	545,223
Home and community services	2,039,576	1,935,712	1,768,927	166,785
Employee benefits Undistributed	4,302,438	4,302,438	4,045,623	256,815
Debt service				
Interest	360,000	113,000	113,000	-
Total Expenditures	128,339,819	135,898,509	125,677,095	10,221,414
Deficiency of Revenues Over Expenditures	(4,839,574)	(8,514,884)	(361,950)	8,152,934
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	186,266	186,266	-
Transfers out	-	(1,470,717)	(1,470,717)	-
Total Other Financing Sources (Uses)	20,000	(1,284,451)	(1,284,451)	-
Net Change in Fund Balance	(4,819,574)	(9,799,335)	(1,646,401)	8,152,934
FUND BALANCE				
Beginning of Year	4,819,574	9,799,335	36,525,373	26,726,038
End of Year	\$ -	\$ -	\$ 34,878,972	\$ 34,878,972

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Net Position
 Proprietary Funds
 December 31, 2014

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
ASSETS		
Current assets		
Cash and equivalents	\$ 48,702	\$ 5,594,837
Accounts receivable	1,112,945	-
Due from other funds	-	245,036
Prepaid expenses	7,871	-
Total Current Assets	1,169,518	5,839,873
Non-current assets		
Restricted investments	1,209,192	-
Total Assets	2,378,710	5,839,873
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding bonds	1,327,628	-
LIABILITIES		
Current liabilities		
Current portion of claims payable	-	442,000
Accrued liabilities	76,675	-
Current maturities of bonds payable	165,000	-
Total Current Liabilities	241,675	442,000
Non-current Liabilities		
Claims payable, less current portion	-	3,978,178
Bonds payable, less current maturities	19,828,540	-
Total Noncurrent Liabilities	19,828,540	3,978,178
Total Liabilities	20,070,215	4,420,178
NET POSITION		
Unrestricted	\$ (16,363,877)	\$ 1,419,695

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2014

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	Internal Service Funds
OPERATING REVENUES		
Tobacco settlement revenues	\$ 1,259,418	\$ -
Charges for services	-	1,437,208
Miscellaneous	-	12,140
Total Operating Revenues	<u>1,259,418</u>	<u>1,449,348</u>
OPERATING EXPENSES		
Administration	-	340,653
Professional fees	13,571	-
Insurance	8,003	-
Employee benefits	-	1,300,564
Total Operating Expenses	<u>21,574</u>	<u>1,641,217</u>
Income (Loss) from Operations	<u>1,237,844</u>	<u>(191,869)</u>
NON-OPERATING REVENUES (EXPENSES)		
Earnings on investments	10	8,822
Interest expense	(1,223,154)	-
Total Non-Operating Revenues (Expenses)	<u>(1,223,144)</u>	<u>8,822</u>
Income (Loss) Before Transfers	<u>14,700</u>	<u>(183,047)</u>
Transfers in	-	1,000,000
Transfers out	(25,000)	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>1,000,000</u>
Change in Net Position	(10,300)	816,953
NET POSITION		
Beginning of Year	<u>(16,353,577)</u>	<u>602,742</u>
End of Year	<u>\$ (16,363,877)</u>	<u>\$ 1,419,695</u>

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2014

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and miscellaneous	\$ -	\$ 1,258,612
Cash received from tobacco settlement revenues	1,206,061	-
Cash payments to insurance carriers and claimants	-	(1,122,219)
Cash payments to vendors	(22,157)	(340,653)
Net Cash From Operating Activities	<u>1,183,904</u>	<u>(204,260)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted investments	(8)	-
Earnings on investments	10	8,822
Net Cash From Investing Activities	<u>2</u>	<u>8,822</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	-	1,000,000
Repayment of bonds	(230,000)	-
Transfer to County	(25,000)	-
Interest paid	(927,000)	-
Net Cash From Non-Capital Financing Activities	<u>(1,182,000)</u>	<u>1,000,000</u>
Net Change in Cash and Equivalents	1,906	804,562
CASH AND EQUIVALENTS		
Beginning of Year	46,796	4,790,275
End of Year	<u>\$ 48,702</u>	<u>\$ 5,594,837</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 1,237,844	\$ (191,869)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(53,357)	-
Due from other funds	-	(190,736)
Prepaid expenses	(583)	-
Claims payable	-	178,345
Net Cash From Operating Activities	<u>\$ 1,183,904</u>	<u>\$ (204,260)</u>
NONCASH INVESTING ACTIVITIES		
Increase in bonds payable from amortization of original issue and underwriters discounts	\$ 25,565	\$ -
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	181,082	-
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	90,657	-

The notes to the financial statements are an integral part of this statement.

County of Putnam, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2014

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 1,384,964</u>
LIABILITIES	
Accounts payable	\$ 359,063
Employee payroll deductions	115,129
Due to other governments	347,006
Deposits	<u>563,766</u>
Total Liabilities	<u>\$ 1,384,964</u>

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The County of Putnam, New York 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 operation. 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 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 TSA's, are entitled to future tobacco settlement resources and have a majority of the governing board appointed by the government, the financial 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Enterprise Fund is Tobacco Settlement Revenues and the principal operating expenses are administrative expenses, professional fees and insurance. The principal operating revenues of the Internal Service Funds are charges to customers for services and operating expenses include administrative expenses and employee benefits. 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 generally accepted accounting principles as follows:

Fund Categories

- a. 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 that are restricted, committed or assigned for expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

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

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The non-major 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.

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 and report financial resources that are restricted, committed or assigned to

Note 1 - Summary of Significant Accounting Policies (Continued)

expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. 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. 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 operations of the Putnam Tobacco Asset Securitization Corporation are recorded as a major enterprise fund. The County has established its Workers' Compensation Benefits and Casualty Reserve Benefits funds as internal service funds. The County applies all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in accounting and reporting for its enterprise operations.
- c. 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 statements.

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 but 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

County of Putnam, New York

Road Machinery Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
Accounts	\$ 758	\$ 72
Due from other funds	<u>262,257</u>	<u>280,835</u>
Total Assets	<u>\$ 263,015</u>	<u>\$ 280,907</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 38,464	\$ 152,051
Due to retirement system	<u>74,409</u>	<u>45,814</u>
Total Liabilities	112,873	197,865
 Fund balance		
Assigned	<u>150,142</u>	<u>83,042</u>
Total Liabilities and Fund Balance	<u>\$ 263,015</u>	<u>\$ 280,907</u>

County of Putnam, New York

Road Machinery Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,406,557	\$ 1,406,557	\$ 1,406,557	\$ -
Interfund revenues	434,600	434,600	411,117	(23,483)
Sale of property and compensation for loss	-	-	213	213
Miscellaneous	-	-	18,228	18,228
Total Revenues	1,841,157	1,841,157	1,836,115	(5,042)
EXPENDITURES				
Current				
Transportation	1,905,586	1,996,092	1,859,521	136,571
Deficiency of Revenues Over Expenditures	(64,429)	(154,935)	(23,406)	131,529
OTHER FINANCING SOURCES				
Transfers in	-	90,506	90,506	-
Net Change in Fund Balance	(64,429)	(64,429)	67,100	131,529
FUND BALANCE				
Beginning of Year	64,429	64,429	83,042	18,613
End of Year	\$ -	\$ -	\$ 150,142	\$ 150,142

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,413,581	\$ 1,413,581	\$ 1,413,581	\$ -
434,350	434,350	306,735	(127,615)
-	-	-	-
-	3,947	4,843	896
1,847,931	1,851,878	1,725,159	(126,719)
1,918,771	1,947,718	1,758,944	188,774
(70,840)	(95,840)	(33,785)	62,055
-	25,000	25,000	-
(70,840)	(70,840)	(8,785)	62,055
70,840	70,840	91,827	20,987
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,042</u>	<u>\$ 83,042</u>

(This page intentionally left blank)

County of Putnam, New York

Transportation Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Receivables		
State and Federal aid	\$ 325,366	\$ 73,915
Due from other funds	<u>811,858</u>	<u>828,802</u>
Total Assets	<u>\$ 1,137,224</u>	<u>\$ 902,717</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 418,450	\$ 119,966
Fund balance		
Assigned	<u>718,774</u>	<u>782,751</u>
Total Liabilities and Fund Balance	<u>\$ 1,137,224</u>	<u>\$ 902,717</u>

County of Putnam, New York

Transportation Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 998,341	\$ 998,341	\$ 998,341	\$ -
Departmental income	353,000	327,325	327,325	-
State aid	675,000	753,731	758,656	4,925
Federal aid	72,700	72,700	72,700	-
Miscellaneous	-	-	4,208	4,208
Total Revenues	2,099,041	2,152,097	2,161,230	9,133
EXPENDITURES				
Current				
Transportation	2,398,151	2,598,151	2,400,207	197,944
Excess (Deficiency) of Revenues Over Expenditures	(299,110)	(446,054)	(238,977)	207,077
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200,000	200,000	-
Transfers out	-	(25,000)	(25,000)	-
Total Other Financing Sources	-	175,000	175,000	-
Net Change in Fund Balance	(299,110)	(271,054)	(63,977)	207,077
FUND BALANCE				
Beginning of Year	299,110	271,054	782,751	511,697
End of Year	\$ -	\$ -	\$ 718,774	\$ 718,774

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,238,353	\$ 1,238,353	\$ 1,238,353	\$ -
319,000	319,000	344,189	25,189
675,000	675,000	703,430	28,430
68,500	68,500	70,600	2,100
-	-	-	-
2,300,853	2,300,853	2,356,572	55,719
2,400,853	2,450,853	2,284,737	166,116
(100,000)	(150,000)	71,835	221,835
-	50,000	50,000	-
-	-	-	-
-	50,000	50,000	-
(100,000)	(100,000)	121,835	221,835
100,000	100,000	660,916	560,916
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 782,751</u>	<u>\$ 782,751</u>

County of Putnam, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 650,122</u>	<u>\$ 728,105</u>
FUND BALANCE		
Restricted	<u>\$ 650,122</u>	<u>\$ 728,105</u>

County of Putnam, New York

Special Purpose Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Departmental income	\$ 3,701	\$ 4,794
Miscellaneous	<u>-</u>	<u>720,000</u>
Total Revenues	3,701	724,794
EXPENDITURES		
Current		
Health	<u>81,684</u>	<u>37,886</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,983)	686,908
FUND BALANCE		
Beginning of Year	<u>728,105</u>	<u>41,197</u>
End of Year	<u><u>\$ 650,122</u></u>	<u><u>\$ 728,105</u></u>

(This page intentionally left blank)

County of Putnam, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Accounts receivable	\$ -	\$ 415,400
Due from other funds	<u>522,020</u>	<u>390,726</u>
 Total Assets	 <u>\$ 522,020</u>	 <u>\$ 806,126</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 375,303
 Fund balance		
Restricted	 <u>522,020</u>	 <u>430,823</u>
 Total Liabilities and Fund Balance	 <u>\$ 522,020</u>	 <u>\$ 806,126</u>

County of Putnam, New York

Debt Service Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,299,126	\$ 5,299,126	\$ 5,299,126	\$ -
Use of money and property	505,158	285,097	310,588	25,491
Miscellaneous	-	2,883	3,883	1,000
Total Revenues	<u>5,804,284</u>	<u>5,587,106</u>	<u>5,613,597</u>	<u>26,491</u>
EXPENDITURES				
Debt service				
Serial bonds				
Principal	3,396,535	3,396,535	3,396,535	-
Interest	2,407,749	2,407,749	2,343,043	64,706
Refunding bond issuance costs	-	-	-	-
Total Expenditures	<u>5,804,284</u>	<u>5,804,284</u>	<u>5,739,578</u>	<u>64,706</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>(217,178)</u>	<u>(125,981)</u>	<u>91,197</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	-	217,178	217,178	-
Total Other Financing Sources	<u>-</u>	<u>217,178</u>	<u>217,178</u>	<u>-</u>
Net Change in Fund Balance	-	-	91,197	91,197
FUND BALANCE				
Beginning of Year	<u>-</u>	<u>-</u>	<u>430,823</u>	<u>430,823</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,020</u>	<u>\$ 522,020</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,654,041	\$ 4,654,041	\$ 4,654,041	\$ -
713,724	561,177	314,027	(247,150)
-	-	-	-
<u>5,367,765</u>	<u>5,215,218</u>	<u>4,968,068</u>	<u>(247,150)</u>
2,805,181	2,910,181	2,910,181	-
2,562,584	2,305,037	2,305,035	2
-	145,747	145,747	-
<u>5,367,765</u>	<u>5,360,965</u>	<u>5,360,963</u>	<u>2</u>
-	(145,747)	(392,895)	(247,148)
-	19,965,000	19,965,000	-
-	1,372,069	1,419,607	47,538
-	(21,191,322)	(21,191,322)	-
-	-	-	-
<u>-</u>	<u>145,747</u>	<u>193,285</u>	<u>47,538</u>
-	-	(199,610)	(199,610)
-	-	630,433	630,433
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,823</u>	<u>\$ 430,823</u>

(This page intentionally left blank)

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

Enterprise Fund -
Putnam Tobacco Asset Securitization Corporation
Comparative Statement of Net Position
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Cash and equivalents	\$ 48,702	\$ 46,796
Accounts receivable	1,112,945	1,059,588
Prepaid expenses	<u>7,871</u>	<u>7,288</u>
Total Current Assets	1,169,518	1,113,672
Non-current assets		
Restricted investments	<u>1,209,192</u>	<u>1,209,184</u>
Total Assets	<u>2,378,710</u>	<u>2,322,856</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding bonds	<u>1,327,628</u>	<u>1,418,285</u>
LIABILITIES		
Current liabilities		
Accrued liabilities	76,675	77,825
Current maturities of bonds payable	<u>165,000</u>	<u>160,000</u>
Total Current Liabilities	241,675	237,825
Non-current liabilities		
Bonds payable, less current maturities	<u>19,828,540</u>	<u>19,856,893</u>
Total Liabilities	<u>20,070,215</u>	<u>20,094,718</u>
NET POSITION		
Unrestricted	<u>\$ (16,363,877)</u>	<u>\$ (16,353,577)</u>

County of Putnam, New York

Enterprise Fund -

Putnam Tobacco Asset Securitization Corporation

Comparative Statement of Revenues, Expenses and Changes in Net Position

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Tobacco settlement revenues	\$ 1,259,418	\$ 1,069,644
OPERATING EXPENSES		
Professional fees	13,571	14,483
Insurance	<u>8,003</u>	<u>10,068</u>
Total Operating Expenses	<u>21,574</u>	<u>24,551</u>
Income from Operations	<u>1,237,844</u>	<u>1,045,093</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	10	161
Interest expense	<u>(1,223,154)</u>	<u>(1,222,660)</u>
Total Non-Operating Expenses	<u>(1,223,144)</u>	<u>(1,222,499)</u>
Income (Loss) Before Transfers	14,700	(177,406)
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>
Change in Net Position	(10,300)	(202,406)
NET POSITION		
Beginning of Year	<u>(16,353,577)</u>	<u>(16,151,171)</u>
End of Year	<u>\$ (16,363,877)</u>	<u>\$ (16,353,577)</u>

County of Putnam, New York

Enterprise Fund -
Putnam Tobacco Asset Securitization Corporation
Comparative Statement of Cash Flows
Years Ended December 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 1,206,061	\$ 1,066,056
Cash payments to vendors	<u>(22,157)</u>	<u>(22,434)</u>
Net Cash From Operating Activities	<u>1,183,904</u>	<u>1,043,622</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted investments	(8)	(120)
Interest income	<u>10</u>	<u>161</u>
Net Cash From Investing Activities	<u>2</u>	<u>41</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Repayment of bonds	(230,000)	(85,000)
Transfer to County	(25,000)	(25,000)
Interest paid	<u>(927,000)</u>	<u>(936,450)</u>
Net Cash From Non-Capital Financing Activities	<u>(1,182,000)</u>	<u>(1,046,450)</u>
Net Change in Cash and Equivalents	1,906	(2,787)
CASH AND EQUIVALENTS		
Beginning of Year	<u>46,796</u>	<u>49,583</u>
End of Year	<u>\$ 48,702</u>	<u>\$ 46,796</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 1,237,844	\$ 1,045,093
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(53,357)	(3,588)
Prepaid expenses	<u>(583)</u>	<u>2,117</u>
Net Cash From Operating Activities	<u>\$ 1,183,904</u>	<u>\$ 1,043,622</u>
NONCASH INVESTING ACTIVITIES		
Increase in bonds payable from amortization of original issue and underwriters discounts	\$ 25,565	\$ 25,565
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	181,082	170,411
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	90,657	90,658

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 Casualty Reserve Benefits funds as internal service funds.

County of Putnam, New York

Internal Service Funds
 Combining Statement of Net Position
 Year Ended December 31, 2014
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2014	2013
ASSETS				
Cash and equivalents	\$ 4,175,142	\$ 1,419,695	\$ 5,594,837	\$ 4,790,275
Due from other funds	245,036	-	245,036	54,300
Total Assets	<u>4,420,178</u>	<u>1,419,695</u>	<u>5,839,873</u>	<u>4,844,575</u>
LIABILITIES				
Current liabilities				
Current portion of claims payable	442,000	-	442,000	424,183
Non-current liabilities				
Claims payable, less current portion	<u>3,978,178</u>	<u>-</u>	<u>3,978,178</u>	<u>3,817,650</u>
Total Liabilities	<u>4,420,178</u>	<u>-</u>	<u>4,420,178</u>	<u>4,241,833</u>
NET POSITION				
Unrestricted	<u>\$ -</u>	<u>\$ 1,419,695</u>	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>

County of Putnam, New York

Internal Service Funds

Combining Statement of Revenues, Expenses and

Changes in Net Position

Year Ended December 31, 2014

(With Comparative Totals for 2013)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2014	2013
OPERATING REVENUES				
Charges for services	\$ 1,399,515	\$ 37,693	\$ 1,437,208	\$ 1,423,560
Miscellaneous	12,140	-	12,140	2,409
Total Operating Revenues	<u>1,411,655</u>	<u>37,693</u>	<u>1,449,348</u>	<u>1,425,969</u>
OPERATING EXPENSES				
Administration	340,653	-	340,653	407,143
Employee benefits	1,077,922	222,642	1,300,564	1,019,108
Total Operating Expenses	<u>1,418,575</u>	<u>222,642</u>	<u>1,641,217</u>	<u>1,426,251</u>
Loss from Operations	(6,920)	(184,949)	(191,869)	(282)
NON-OPERATING REVENUES				
Interest income	<u>6,920</u>	<u>1,902</u>	<u>8,822</u>	<u>1,284</u>
Income (Loss) Before Transfers	-	(183,047)	(183,047)	1,002
Transfers in	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Change in Net Position	-	816,953	816,953	1,002
NET POSITION				
Beginning of Year	<u>-</u>	<u>602,742</u>	<u>602,742</u>	<u>601,740</u>
End of Year	<u>\$ -</u>	<u>\$ 1,419,695</u>	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>

County of Putnam, New York

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2014
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services and miscellaneous	\$ 1,220,919	\$ 37,693	\$ 1,258,612	\$ 1,812,504
Cash payments to insurance carriers and claimants	(899,577)	(222,642)	(1,122,219)	(1,066,682)
Cash payments to vendors	(340,653)	-	(340,653)	(407,143)
Net Cash From Operating Activities	(19,311)	(184,949)	(204,260)	338,679
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	1,000,000	1,000,000	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	6,920	1,902	8,822	1,284
Net Change in Cash and Equivalents	(12,391)	816,953	804,562	339,963
CASH AND EQUIVALENTS				
Beginning of Year	4,187,533	602,742	4,790,275	4,450,312
End of Year	\$ 4,175,142	\$ 1,419,695	\$ 5,594,837	\$ 4,790,275
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Loss from operations	\$ (6,920)	\$ (184,949)	\$ (191,869)	\$ (282)
Adjustments to reconcile loss from operations to net cash from operating activities				
Changes in operating assets and liabilities				
Due from other funds	(190,736)	-	(190,736)	386,535
Claims payable	178,345	-	178,345	(47,574)
Net Cash From Operating Activities	\$ (19,311)	\$ (184,949)	\$ (204,260)	\$ 338,679

County of Putnam, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Net Position
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 4,175,142	\$ 4,187,533
Due from other funds	<u>245,036</u>	<u>54,300</u>
Total Assets	<u>4,420,178</u>	<u>4,241,833</u>
LIABILITIES		
Current liabilities		
Current portion of claims payable	442,000	424,183
Non-current liabilities		
Claims payable, less current portion	<u>3,978,178</u>	<u>3,817,650</u>
Total Liabilities	<u>\$ 4,420,178</u>	<u>\$ 4,241,833</u>

County of Putnam, New York

Internal Service Fund - Workers' Compensation Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for services	\$ 1,399,515	\$ 1,423,560
Miscellaneous	12,140	2,409
Total Operating Revenues	<u>1,411,655</u>	<u>1,425,969</u>
OPERATING EXPENSES		
Administration	340,653	407,143
Employee benefits	<u>1,077,922</u>	<u>1,019,108</u>
Total Operating Expenses	<u>1,418,575</u>	<u>1,426,251</u>
Loss from Operations	(6,920)	(282)
NON-OPERATING REVENUES		
Interest income	<u>6,920</u>	<u>282</u>
Change in Net Position	-	-
NET POSITION		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

County of Putnam, New York

Internal Service Fund - Workers' Compensation Benefits Fund
 Comparative Statement of Cash Flows
 Years Ended December 31,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and miscellaneous	\$ 1,220,919	\$ 1,812,504
Cash payments to insurance carriers and claimants	(899,577)	(1,066,682)
Cash payments to vendors	(340,653)	(407,143)
Net Cash From Operating Activities	<u>(19,311)</u>	<u>338,679</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>6,920</u>	<u>282</u>
Net Change in Cash and Equivalents	(12,391)	338,961
CASH AND EQUIVALENTS		
Beginning of Year	<u>4,187,533</u>	<u>3,848,572</u>
End of Year	<u>\$ 4,175,142</u>	<u>\$ 4,187,533</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (6,920)	\$ (282)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	(190,736)	386,535
Claims payable	<u>178,345</u>	<u>(47,574)</u>
Net Cash From Operating Activities	<u>\$ (19,311)</u>	<u>\$ 338,679</u>

County of Putnam, New York

Internal Service Fund - Casualty Reserve Benefits Fund
Comparative Statement of Net Position
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>
NET POSITION		
Unrestricted	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>

County of Putnam, New York

Internal Service Fund - Casualty Reserve Benefits Fund
Comparative Statement of Revenues, Expenses and Changes
in Net Position
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for services	\$ 37,693	\$ -
OPERATING EXPENSES		
Judgments and claims	<u>222,642</u>	<u>-</u>
Loss from Operations	(184,949)	-
NON-OPERATING REVENUES		
Interest income	<u>1,902</u>	<u>1,002</u>
Income (Loss) Before Transfers	(183,047)	1,002
Transfers in	<u>1,000,000</u>	<u>-</u>
Change in Net Position	816,953	1,002
NET POSITION		
Beginning of Year	<u>602,742</u>	<u>601,740</u>
End of Year	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>

County of Putnam, New York

Internal Service Fund - Casualty Reserve Benefits Fund
Comparative Statement of Cash Flows
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and miscellaneous	\$ 37,693	\$ -
Cash payments to insurance carriers and claimants	<u>(222,642)</u>	<u>-</u>
Net Cash from Operating Activities	<u>(184,949)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	<u>1,000,000</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>1,902</u>	<u>1,002</u>
Net Change in Cash and Equivalents	816,953	1,002
CASH AND EQUIVALENTS		
Beginning of Year	<u>602,742</u>	<u>601,740</u>
End of Year	<u>\$ 1,419,695</u>	<u>\$ 602,742</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations/Net cash from operating activities	<u>\$ (184,949)</u>	<u>\$ -</u>

County of Putnam, New York

Fiduciary Fund - Agency Fund
 Schedule of Changes in Assets and Liabilities
 Year Ended December 31, 2014

	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014
ASSETS				
Cash and equivalents	\$ 1,957,614	\$ 25,120,087	\$ 25,692,737	\$ 1,384,964
LIABILITIES				
Accounts payable	\$ 535,349	\$ 5,822,817	\$ 5,999,103	\$ 359,063
Employee payroll deductions	189,709	19,659,071	19,733,651	115,129
Due to other governments	326,578	2,091,502	2,071,074	347,006
Deposits	905,978	60,963	403,175	563,766
Total Liabilities	\$ 1,957,614	\$ 27,634,353	\$ 28,207,003	\$ 1,384,964

(This page intentionally left blank)

**STATISTICAL
SECTION**

(Unaudited)

(This page intentionally left blank)

Financial Trends

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

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

COUNTY OF PUTNAM, NEW YORK

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 55,501,635	\$ 56,667,290	\$ 44,537,072	\$ 41,371,988
Restricted	10,771,140	7,472,431	6,376,060	9,726,336
Unrestricted	<u>2,015,578</u>	<u>7,088,685</u>	<u>14,239,453</u>	<u>8,005,971</u>
Total Governmental Activities				
Net Position	<u>\$ 68,288,353</u>	<u>\$ 71,228,406</u>	<u>\$ 65,152,585</u>	<u>\$ 59,104,295</u>
Business - Type Activities (1) -				
Unrestricted	<u>\$ (15,115,118)</u>	<u>\$ (15,271,420)</u>	<u>\$ (15,290,728)</u>	<u>\$ (15,280,355)</u>
Primary Government:				
Invested in Capital Assets,				
Net of Related Debt	\$ 55,501,635	\$ 56,667,290	\$ 44,537,072	\$ 41,371,988
Restricted	10,771,140	7,472,431	6,376,060	9,726,336
Unrestricted	<u>(13,099,540)</u>	<u>(8,182,735)</u>	<u>(1,051,275)</u>	<u>(7,274,384)</u>
Total Primary Government				
Net Position	<u>\$ 53,173,235</u>	<u>\$ 55,956,986</u>	<u>\$ 49,861,857</u>	<u>\$ 43,823,940</u>

(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.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 45,623,536	\$ 45,318,653	\$ 45,649,962	\$ 42,242,348	\$ 45,072,133	\$ 43,155,200
7,243,267	5,842,999	5,983,772	8,980,231	6,463,642	7,092,530
<u>2,094,586</u>	<u>(4,630,592)</u>	<u>(17,271,167)</u>	<u>(29,477,604)</u>	<u>(47,364,903)</u>	<u>(61,742,858)</u>
<u>\$ 54,961,389</u>	<u>\$ 46,531,060</u>	<u>\$ 34,362,567</u>	<u>\$ 21,744,975</u>	<u>\$ 4,170,872</u>	<u>\$ (11,495,128)</u>
<u>\$ (15,214,715)</u>	<u>\$ (15,414,319)</u>	<u>\$ (15,740,614)</u>	<u>\$ (16,151,171)</u>	<u>\$ (16,353,577)</u>	<u>\$ (16,363,877)</u>
\$ 45,623,536	\$ 45,318,653	\$ 45,649,962	\$ 42,242,348	\$ 45,072,133	\$ 43,155,200
7,243,267	5,842,999	5,983,772	8,980,231	6,463,642	7,092,530
<u>(13,120,129)</u>	<u>(20,044,911)</u>	<u>(33,011,781)</u>	<u>(45,628,775)</u>	<u>(63,718,480)</u>	<u>(78,106,735)</u>
<u>\$ 39,746,674</u>	<u>\$ 31,116,741</u>	<u>\$ 18,621,953</u>	<u>\$ 5,593,804</u>	<u>\$ (12,182,705)</u>	<u>\$ (27,859,005)</u>

COUNTY OF PUTNAM, NEW YORK

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
General government support	\$ 21,803,269	\$ 23,348,782	\$ 21,463,035	\$ 26,366,289
Education	8,718,305	8,824,844	9,484,352	10,470,440
Public safety	22,222,166	23,755,131	28,165,423	32,610,889
Health	13,641,526	13,319,283	13,507,594	15,824,780
Transportation	11,160,427	10,986,929	11,953,018	12,819,268
Economic opportunity and development	29,988,650	27,402,622	29,346,867	32,694,544
Culture and recreation	5,245,590	5,029,753	3,331,009	4,688,132
Home and community services	2,528,593	6,292,290	5,752,136	6,392,376
Interest	1,420,355	2,475,859	2,929,762	2,829,152
Total Governmental Activities Expenses	116,728,881	121,435,493	125,933,196	144,695,870
Business-type Activities (1) - Putnam Tobacco Asset Securitization Corporation				
	784,022	1,363,546	1,285,037	1,277,269
Total Primary Government Expenses	\$ 117,512,903	\$ 122,799,039	\$ 127,218,233	\$ 145,973,139
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government support	\$ 5,074,998	\$ 5,089,336	\$ 5,318,679	\$ 5,011,170
Public safety	2,721,571	2,437,405	2,285,005	1,618,561
Health	3,322,275	3,324,752	3,243,851	3,493,263
Transportation	760,588	482,885	744,668	998,509
Economic opportunity and development	1,485,327	970,490	1,221,629	2,004,446
Culture and recreation	2,803,205	2,645,291	225,679	1,648,896
Home and community services	41,937	44,413	54,879	30,931
Operating Grants and Contributions	23,649,589	23,199,649	24,967,256	24,371,292
Capital Grants and Contributions	4,293,288	11,142,431	6,554,265	7,093,634
Total Governmental Activities Program Revenues	44,152,778	49,336,652	44,615,911	46,270,702
Business-type Activities - Charges for Services - Putnam Tobacco Asset Securitization Corporation				
	1,199,338	1,114,648	1,176,355	1,214,243
Total Primary Government Program Revenues	\$ 45,352,116	\$ 50,451,300	\$ 45,792,266	\$ 47,484,945

2009	2010	2011	2012	2013	2014
\$ 24,707,516	\$ 24,927,519	\$ 25,997,916	\$ 26,453,722	\$ 29,010,140	\$ 32,353,661
10,815,692	10,054,837	9,849,831	10,172,476	10,201,595	9,378,964
33,668,710	35,366,964	38,692,325	42,845,562	39,752,916	39,778,386
16,453,864	15,919,935	14,142,348	14,217,985	13,394,756	13,669,801
18,475,978	13,714,854	15,408,159	14,786,291	17,916,455	17,636,756
32,066,078	32,980,631	34,918,860	35,270,894	37,271,454	35,934,835
4,961,376	4,631,669	3,508,682	3,759,514	4,275,442	5,085,712
4,430,107	6,126,995	3,317,020	10,533,633	4,352,084	2,671,019
2,698,843	2,528,179	2,751,683	3,249,964	2,703,395	1,963,765
148,278,164	146,251,583	148,586,824	161,290,041	158,878,237	158,472,899
1,281,678	1,276,358	1,259,421	1,262,446	1,247,211	1,244,728
<u>\$ 149,559,842</u>	<u>\$ 147,527,941</u>	<u>\$ 149,846,245</u>	<u>\$ 162,552,487</u>	<u>\$ 160,125,448</u>	<u>\$ 159,717,627</u>
\$ 5,234,956	\$ 4,955,678	\$ 5,827,297	\$ 5,417,539	\$ 6,228,521	\$ 5,707,939
1,333,540	1,161,519	1,294,538	1,256,026	1,886,017	1,927,751
3,859,706	3,032,359	1,137,899	1,210,768	1,059,363	883,497
937,715	948,089	1,052,542	931,674	1,160,914	1,471,585
2,229,395	2,973,886	2,606,592	2,720,570	1,866,177	2,066,278
1,892,674	1,646,192	1,341,600	1,584,626	1,767,649	2,116,042
35,416	34,635	44,377	44,148	168,781	192,699
27,530,302	24,656,770	25,396,717	24,420,622	25,608,248	25,153,744
12,249,007	6,323,613	5,455,881	12,630,473	3,284,480	3,357,947
55,302,711	45,732,741	44,157,443	50,216,446	43,030,150	42,877,482
1,346,981	1,076,594	932,963	1,047,718	1,069,644	1,259,418
<u>\$ 56,649,692</u>	<u>\$ 46,809,335</u>	<u>\$ 45,090,406</u>	<u>\$ 51,264,164</u>	<u>\$ 44,099,794</u>	<u>\$ 44,136,900</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK

CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Net Expense/Revenue:				
Governmental Activities	\$ (72,576,103)	\$ (72,098,841)	\$ (81,317,285)	\$ (98,425,168)
Business-type Activities	415,316	(248,898)	(108,682)	(63,026)
Total Primary Government Net Expense	<u>\$ (72,160,787)</u>	<u>\$ (72,347,739)</u>	<u>\$ (81,425,967)</u>	<u>\$ (98,488,194)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Real Property Taxes	\$ 18,879,132	\$ 25,897,639	\$ 26,556,914	\$ 34,272,168
Other Tax Items	3,133,769	3,651,296	3,774,610	4,258,338
Non-property Taxes	39,388,360	43,309,401	46,902,545	51,718,375
Unrestricted Use of Money and Property	736,891	1,106,767	895,198	914,840
Sale of Property and				
Compensation for Loss	183,982	165,620	141,936	346,344
Miscellaneous	1,163,160	898,171	2,027,397	856,816
Transfers	4,628,375	10,000	10,000	10,000
Total Governmental Activities	<u>68,113,669</u>	<u>75,038,894</u>	<u>80,308,600</u>	<u>92,376,881</u>
Business-type Activities:				
Unrestricted Use of Money and Property	89,894	102,596	99,374	83,399
Transfers	(4,628,375)	(10,000)	(10,000)	(10,000)
Total Business-type Activities	<u>(4,538,481)</u>	<u>92,596</u>	<u>89,374</u>	<u>73,399</u>
Total Primary Government				
General Revenues	<u>\$ 63,575,188</u>	<u>\$ 75,131,490</u>	<u>\$ 80,397,974</u>	<u>\$ 92,450,280</u>
Prior period adjustment-effect of overstated/ understated capital assets	-	-	(5,067,136)	-
Change in Net Position				
Governmental Activities	\$ (4,462,434)	\$ 2,940,053	\$ (6,075,821)	\$ (6,048,287)
Business-type Activities	(4,123,165)	(156,302)	(19,308)	10,373
Total Primary Government	<u>\$ (8,585,599)</u>	<u>\$ 2,783,751</u>	<u>\$ (6,095,129)</u>	<u>\$ (6,037,914)</u>

(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.

2009	2010	2011	2012	2013	2014
\$ (92,975,453)	\$ (100,518,842)	\$ (104,429,381)	\$ (111,073,595)	\$ (115,848,087)	\$ (115,595,417)
65,303	(199,764)	(326,458)	(214,728)	(177,567)	14,690
<u>\$ (92,910,150)</u>	<u>\$ (100,718,606)</u>	<u>\$ (104,755,839)</u>	<u>\$ (111,288,323)</u>	<u>\$ (116,025,654)</u>	<u>\$ (115,580,727)</u>
\$ 35,975,679	\$ 37,416,775	\$ 37,248,786	\$ 38,084,798	\$ 35,107,514	\$ 37,835,861
4,565,134	4,073,276	4,696,118	5,148,031	4,940,649	5,041,598
45,986,045	47,943,822	50,048,010	51,907,116	53,330,206	56,105,827
775,381	1,283,155	681,908	956,416	69,557	73,494
136,717	170,354	243,328	204,612	129,251	111,315
1,393,591	1,201,131	(657,262)	-	315,148	736,322
-	-	-	2,155,030	25,000	25,000
<u>88,832,547</u>	<u>92,088,513</u>	<u>92,260,888</u>	<u>98,456,003</u>	<u>93,917,325</u>	<u>99,929,417</u>
337	160	163	185	161	10
-	-	-	-	(25,000)	(25,000)
<u>337</u>	<u>160</u>	<u>163</u>	<u>185</u>	<u>(24,839)</u>	<u>(24,990)</u>
<u>\$ 88,832,884</u>	<u>\$ 92,088,673</u>	<u>\$ 92,261,051</u>	<u>\$ 98,456,188</u>	<u>\$ 93,892,486</u>	<u>\$ 99,904,427</u>
-	-	-	-	-	-
\$ (4,142,906)	\$ (8,430,329)	\$ (12,168,493)	\$ (12,617,592)	\$ (21,930,762)	\$ (15,666,000)
65,640	(199,604)	(326,295)	(214,543)	(202,406)	(10,300)
<u>\$ (4,077,266)</u>	<u>\$ (8,629,933)</u>	<u>\$ (12,494,788)</u>	<u>\$ (12,832,135)</u>	<u>\$ (22,133,168)</u>	<u>\$ (15,676,300)</u>

COUNTY OF PUTNAM, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Restricted	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	1,582,132	2,281,753	2,048,439	2,309,207
Unreserved	<u>14,319,832</u>	<u>12,377,007</u>	<u>13,783,498</u>	<u>17,227,752</u>
Total General Fund	<u>\$ 15,901,964</u>	<u>\$ 14,658,760</u>	<u>\$ 15,831,937</u>	<u>\$ 19,536,959</u>
All Other Governmental Funds				
Nonspendable	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Restricted	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	2,533,061	1,563,762	1,632,460	1,125,162
Unreserved, Reported In:				
Special Revenue Funds	1,825,332	2,281,259	1,553,696	1,969,854
Capital Projects Fund	<u>(5,342,659)</u>	<u>(2,673,369)</u>	<u>4,410,862</u>	<u>6,362,736</u>
Total All Other Governmental Funds	<u>\$ (984,266)</u>	<u>\$ 1,171,652</u>	<u>\$ 7,597,018</u>	<u>\$ 9,457,752</u>
Total Governmental Funds	<u>\$ 14,917,698</u>	<u>\$ 15,830,412</u>	<u>\$ 23,428,955</u>	<u>\$ 28,994,711</u>

(1) - The County implemented the provisions of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", for the fiscal year ended December 31, 2010.

	2009	2010	2011	2012	2013	2014
\$	N/A	\$ 1,000,000	\$ 692,737	\$ 696,805	\$ 2,415,521	\$ 2,003,733
	N/A	302,889	433,291	2,657,689	3,919,221	3,781,919
	N/A	8,824,856	7,575,615	6,936,148	11,365,343	8,963,563
	N/A	18,260,773	18,142,836	18,762,962	18,825,288	20,129,757
	2,859,777	N/A	N/A	N/A	N/A	N/A
	19,770,446	N/A	N/A	N/A	N/A	N/A
	<u>\$ 22,630,223</u>	<u>\$ 28,388,518</u>	<u>\$ 26,844,479</u>	<u>\$ 29,053,604</u>	<u>\$ 36,525,373</u>	<u>\$ 34,878,972</u>
\$	N/A	\$ -	\$ 48,045	\$ -	\$ -	\$ -
	N/A	3,658,402	4,227,992	6,935,275	6,376,769	5,942,998
	N/A	2,483,663	1,898,412	2,155,565	2,275,430	2,083,484
	N/A	(601,955)	(284,293)	(110,609)	-	-
	1,388,263	N/A	N/A	N/A	N/A	N/A
	2,314,265	N/A	N/A	N/A	N/A	N/A
	3,112,523	N/A	N/A	N/A	N/A	N/A
	<u>\$ 6,815,051</u>	<u>\$ 5,540,110</u>	<u>\$ 5,890,156</u>	<u>\$ 8,980,231</u>	<u>\$ 8,652,199</u>	<u>\$ 8,026,482</u>
	<u>\$ 29,445,274</u>	<u>\$ 33,928,628</u>	<u>\$ 32,734,635</u>	<u>\$ 38,033,835</u>	<u>\$ 45,177,572</u>	<u>\$ 42,905,454</u>

COUNTY OF PUTNAM, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005	2006	2007	2008
Revenues				
Real property taxes	\$ 20,952,994	\$ 23,499,901	\$ 26,340,950	\$ 30,806,868
Other tax items	3,156,246	3,651,296	3,774,610	4,258,338
Non-property taxes	39,388,360	43,309,401	46,902,545	51,718,375
Departmental income	14,402,833	13,431,250	11,400,447	12,541,459
Intergovernmental charges	595,027	244,705	502,836	737,133
Use of money and property	1,190,115	1,996,140	1,988,720	1,185,454
Licenses and permits	574,086	680,651	562,565	844,411
Fines and forfeitures	266,623	224,970	197,144	297,607
Sale of property and compensation for loss	183,982	165,620	141,936	346,344
Interfund revenues	244,859	292,355	211,309	240,594
State aid	17,207,635	17,277,677	17,996,389	18,769,376
Federal aid	9,690,881	12,334,694	9,504,887	9,213,455
Miscellaneous	2,073,394	5,055,268	5,282,055	4,081,081
Total Revenues	109,927,035	122,163,928	124,806,393	135,040,495
Expenditures				
Current				
General government support	18,941,560	20,005,355	20,017,538	20,484,027
Education	8,715,146	8,824,338	9,483,564	10,453,744
Public safety	22,191,984	22,707,370	26,429,020	25,517,994
Health	13,168,219	13,099,520	13,100,806	13,565,255
Transportation	9,814,173	9,383,936	9,903,015	9,996,637
Economic opportunity and development	29,467,472	26,770,835	28,113,635	29,264,080
Culture and recreation	5,202,787	4,956,780	2,509,804	3,716,383
Home and community services	2,214,098	2,323,035	1,946,374	4,941,156
Employee benefits	2,334,684	2,268,474	2,719,530	3,024,159
Debt Service:				
Principal	2,202,000	2,105,000	2,123,000	2,480,000
Interest	1,285,596	1,084,710	3,287,865	3,232,086
Refunding bond issuance costs	-	-	-	-
Capital Outlay	12,621,153	25,731,861	15,176,599	6,989,218
Total Expenditures	128,158,872	139,261,214	134,810,750	133,664,739
Excess (Deficiency) of Revenues Over Expenditures	(18,231,837)	(17,097,286)	(10,004,357)	1,375,756
Other Financing Sources (Uses)				
Bonds issued	7,018,000	18,000,000	17,592,900	4,180,000
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	14,047,180	992,920	2,258,168	226,348
Transfers out	(9,418,805)	(982,920)	(2,248,168)	(216,348)
Total Other Financing Sources	11,646,375	18,010,000	17,602,900	4,190,000
Net Change in Fund Balances	\$ (6,585,462)	\$ 912,714	\$ 7,598,543	\$ 5,565,756
Debt Service as a Percentage of Non-Capital Expenditures	3.0%	2.7%	4.4%	4.7%

	2009	2010	2011	2012	2013	2014
\$	32,492,279	\$ 36,457,275	\$ 33,980,375	\$ 36,415,549	\$ 38,627,329	\$ 38,400,507
	4,565,134	4,073,276	4,528,129	5,148,031	4,940,649	5,041,598
	45,986,045	47,943,822	50,048,010	51,907,116	53,330,206	56,105,827
	13,574,941	13,205,278	11,165,142	11,359,962	11,762,688	11,715,452
	664,099	656,761	753,406	666,366	816,455	1,174,922
	1,037,311	985,088	1,063,093	953,008	624,530	625,687
	706,307	896,933	697,290	883,673	845,309	741,059
	286,165	254,399	258,400	255,350	218,880	195,607
	136,717	170,354	243,328	204,612	129,251	111,528
	410,367	405,648	376,795	310,045	306,735	411,117
	19,393,736	13,807,903	16,549,878	16,207,528	16,441,729	16,474,187
	18,432,884	13,958,530	11,896,430	11,323,669	9,576,958	9,962,601
	3,364,622	4,441,206	1,794,109	11,674,928	3,127,022	2,788,748
	<u>141,050,607</u>	<u>137,256,473</u>	<u>133,354,385</u>	<u>147,309,837</u>	<u>140,747,741</u>	<u>143,748,840</u>
	20,161,510	20,124,332	21,123,199	21,377,731	22,480,066	27,219,313
	10,322,400	10,037,084	9,829,285	10,152,873	10,196,769	9,379,106
	27,126,749	28,771,601	30,928,919	32,032,454	32,804,565	34,541,586
	14,126,793	13,711,581	12,027,580	12,304,232	10,538,785	11,464,578
	10,271,963	9,638,870	10,708,266	10,037,138	10,471,149	11,457,884
	29,335,234	29,611,726	31,087,737	31,649,422	32,665,550	32,481,284
	4,006,699	3,689,492	2,526,283	2,755,808	3,140,717	3,429,702
	3,989,111	1,774,721	1,894,014	1,704,197	1,753,532	1,768,927
	3,132,538	3,369,554	3,784,913	3,766,453	3,855,901	4,045,623
	3,042,900	2,950,000	3,015,401	3,320,000	2,910,181	3,396,535
	2,712,610	2,529,126	2,754,671	2,646,049	2,462,757	2,456,043
	-	-	-	-	145,747	-
	14,966,938	11,453,142	8,549,167	16,710,815	7,266,229	6,883,651
	<u>143,195,445</u>	<u>137,661,229</u>	<u>138,229,435</u>	<u>148,457,172</u>	<u>140,691,948</u>	<u>148,524,232</u>
	<u>(2,144,838)</u>	<u>(404,756)</u>	<u>(4,875,050)</u>	<u>(1,147,335)</u>	<u>55,793</u>	<u>(4,775,392)</u>
	2,595,401	4,888,110	3,680,181	12,351,535	3,113,000	3,478,274
	-	-	-	730,127	19,965,000	-
	-	-	-	-	1,419,607	-
	-	-	-	(6,635,127)	(21,191,322)	-
	3,175,214	605,889	200,975	903,577	487,280	924,161
	<u>(3,175,214)</u>	<u>(605,889)</u>	<u>(200,099)</u>	<u>(903,577)</u>	<u>(462,280)</u>	<u>(1,899,161)</u>
	<u>2,595,401</u>	<u>4,888,110</u>	<u>3,681,057</u>	<u>6,446,535</u>	<u>3,331,285</u>	<u>2,503,274</u>
\$	<u>450,563</u>	<u>\$ 4,483,354</u>	<u>\$ (1,193,993)</u>	<u>\$ 5,299,200</u>	<u>\$ 3,387,078</u>	<u>\$ (2,272,118)</u>

4.7%

4.5%

4.7%

4.7%

4.0%

4.1%

COUNTY OF PUTNAM, NEW YORK

SALES TAX RATES
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
New York State *	4.000 %	4.000 %	4.000 %	4.000 %	4.000 %
MTA (1) **	0.375	0.375	0.375	0.375	0.375
County ***	<u>3.500</u>	<u>3.500</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
Total	<u>7.875 %</u>	<u>7.875 %</u>	<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>

(1) Metropolitan Transit Authority

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

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

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

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

Effective September 1, 2007 the County rate increased from 3.5% to 4%.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
4.000 %	4.000 %	4.000 %	4.000 %	4.000 %
0.375	0.375	0.375	0.375	0.375
<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
<u>8.375 %</u>				

COUNTY OF PUTNAM, NEW YORK
TAXABLE SALES BY INDUSTRY
TEN YEARS STATED

Industry	March 2003 to February 2004	March 2004 to February 2005	March 2005 to February 2006	March 2006 to February 2007
Utilities (excluding residential energy)	\$ 21,159	\$ 22,625	\$ 26,769	\$ 30,197
Construction	25,779	29,151	29,794	31,035
Manufacturing	28,229	27,713	29,902	27,527
Wholesale Trade	73,001	89,183	108,228	88,433
Retail Trade:				
Motor Vehicles and Parts	239,211	230,077	210,389	184,397
Furniture and Home Furnishings	33,687	32,205	30,427	30,787
Electronics and Appliances	11,001	11,094	12,259	10,371
Building Materials and Garden Equipment	109,827	121,427	120,540	111,558
Food and Beverage	68,936	69,909	71,565	69,349
Health and Personal Care	13,908	14,553	14,774	15,163
Gasoline Stations	70,234	76,267	76,371	34,537
Clothing	23,397	29,361	30,331	13,400
Sporting Goods, Hobby, Book and Music Stores	6,973	9,895	10,988	10,401
General Merchandise	24,267	29,155	29,467	22,144
Miscellaneous Retail	19,715	19,777	20,418	21,820
Nonstore Retail	19,574	20,866	22,729	22,440
Information	81,836	101,089	80,241	78,576
Professional, Scientific, and Technical	6,771	7,217	9,621	9,370
Administrative/Support Services	25,996	27,234	28,937	30,413
Health Care	1,123	951	1,594	1,528
Arts, Entertainment, and Recreation	12,992	16,855	16,582	14,159
Accommodation and Food Services:	N/A	N/A	N/A	N/A
Food Services	55,868	61,937	64,789	68,370
Accommodation	1,775	1,566	2,176	2,156
Other Services:	N/A	N/A	N/A	N/A
Repair and Maintenance	33,148	36,372	41,628	38,642
Personal and Laundry Services	5,861	6,745	6,589	5,979
All Other Services	1,134	1,181	1,134	1,162
Ag., Mining, Trans., Fire, Educ., Govt.	39,163	39,437	42,362	41,242
Unclassified by Industry	8,735	12,636	16,770	14,461
Grand Total	\$ 1,063,300	\$ 1,146,478	\$ 1,157,374	\$ 1,029,617

Source: New York State Department of Taxation and Finance

* Preliminary

** Revised

N/A - not available

March 2007 to February 2008	March 2008 to February 2009	March 2009 to February 2010	March 2010 to February 2011	March 2011 to February 2012**	March 2012 to February 2013*
\$ 30,267	\$ 32,216	\$ 19,872	\$ 30,561	\$ 26,889	\$ 27,067
26,758	27,844	20,430	21,294	23,181	22,260
28,445	38,231	22,320	21,773	33,092	32,495
92,221	80,319	68,786	76,608	57,342	55,205
186,812	168,060	166,081	176,025	169,533	167,642
29,311	24,842	16,394	16,060	17,292	16,966
10,017	9,072	8,655	10,068	10,532	11,101
99,800	90,587	80,603	86,213	83,211	86,182
73,232	73,553	78,290	95,298	80,189	81,987
16,317	16,659	16,570	17,121	16,544	16,444
14,948	16,214	17,334	17,607	22,294	22,697
7,894	6,055	6,348	10,250	13,934	11,577
12,028	10,941	10,345	11,411	7,853	7,758
20,763	20,165	32,643	35,361	22,416	20,847
24,653	23,309	22,746	22,505	56,324	57,917
22,906	25,716	29,344	31,302	34,287	35,914
80,233	80,406	77,014	76,244	71,003	69,350
10,795	8,570	7,666	13,479	10,873	11,240
32,536	33,202	32,522	33,468	34,483	34,738
1,497	1,303	1,207	1,151	1,842	1,410
14,841	14,330	13,221	14,465	13,488	14,586
N/A	N/A				
71,074	73,829	74,464	78,893	86,198	88,872
2,162	1,414	1,414	1,456	1,527	1,526
N/A	N/A	N/A			
42,016	40,378	39,879	37,774	46,189	45,356
6,471	6,810	7,123	6,156	7,160	5,590
1,020	661	670	589	531	524
50,035	48,064	39,238	44,647	42,512	40,602
13,122	9,861	9,800	4,394	940	1,730
<u>\$ 1,022,174</u>	<u>\$ 982,611</u>	<u>\$ 920,979</u>	<u>\$ 992,173</u>	<u>\$ 991,659</u>	<u>\$ 989,583</u>

(This page intentionally left blank)

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 Rates

Taxable Sales by Industry

Assessed Value and Estimated Actual Value
of Taxable Property

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

Principal Taxpayers

Property Tax Levies and Collections

COUNTY OF PUTNAM, NEW YORK

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Commerical Property	Residential Property	Total Net Taxable Assessed Value (1)	State Special Equalization Rate (2)
2005	\$ N/A	\$ N/A	\$ 10,182,047,459	\$ 80.26
2006	N/A	N/A	11,058,405,063	77.03
2007	N/A	N/A	11,760,206,076	74.63
2008	N/A	N/A	12,569,993,091	73.89
2009	N/A	N/A	12,275,535,937	75.71
2010	N/A	N/A	11,693,214,268	75.89
2011	N/A	N/A	11,133,206,698	78.31
2012	2,324,509,404	8,668,102,251	10,992,611,655	78.28
2013	2,104,054,697	8,591,649,861	10,695,704,558	79.11
2014	2,024,797,218	8,451,494,698	10,476,291,916	79.16

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

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

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.

Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 12,685,557,819	\$ 2.00
14,355,971,781	2.03
15,758,014,305	2.03
17,011,764,909	2.01
16,213,889,760	2.93
15,408,109,458	3.20
14,216,839,098	3.30
14,042,682,237	3.46
13,520,041,155	3.62
13,234,325,311	3.75

COUNTY OF PUTNAM, NEW YORK

DIRECT AND OVERLAPPING PROPERTY TAX RATES,
 PER \$1,000 OF ASSESSED VALUATION
 LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
County Direct Rates	\$ 2.00	\$ 2.03	\$ 2.03	\$ 2.01	\$ 2.93
Town Rates	.80-5.19	.81-5.19	.82-5.58	.79-5.33	1.80-5.63
Village Rates	4.60-7.54	4.51-7.88	3.55-8.21	3.6-8.7	3.46-9.56
School Districts	8.95-37.97	9.07-41.38	8.44-41.90	7.48-40.10	7.89-41.43

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 3.20	\$ 3.30	\$ 3.46	\$ 3.62	\$ 3.75
.92-6.05	1.36-6.29	1.70-6.87	1.32-7.41	1.34 - 7.83
3.43-9.55	3.56-7.68	4.04-10.11	4.37-10.37	4.60 - 10.68
7.66-45.54	8.98-52.65	9.33-53.09	9.54-54.58	9.16 - 58.47

COUNTY OF PUTNAM, NEW YORK

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2014				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	City of New York	Government	\$ 652,562,915	6.23 %
2	State Of New York	Government	162,913,361	1.56
3	NYSEG	Public Utility	101,378,273	0.97
4	Algonquin Gas	Public Utility	75,778,738	0.72
5	Verizon	Public Utility	51,003,060	0.49
6	Consolidated Edison	Public Utility	29,204,692	0.28
7	Highlands Center	Private Corp	25,538,000	0.24
8	Central Hudson	Public Utility	22,008,922	0.21
9	Lakeview Plaza	Private Corp	21,670,200	0.21
10	Putnam Ridge Estate	Private Corp	20,000,000	0.19
	Total		<u>\$ 1,162,058,161</u>	<u>11.09 %</u>

2005				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	NYCDEP	Government	\$ 512,707,396	5.04 %
2	NYSEG	Public Utility	80,782,961	0.79
3	Verizon	Public Utility	74,625,028	0.73
4	Consolidated Edison	Public Utility	44,790,598	0.44
5	Emgee Highlands	Private Corp	34,920,300	0.34
6	Algonquin Gas	Public Utility	31,612,081	0.31
7	Plaza LLC (Lakeview Plaza)	Private Corp	23,950,400	0.24
8	Triple C Associates	Private Corp	19,023,600	0.19
9	Mahopac Improvements	Private Corp	17,550,000	0.17
10	Gandol	Private Corp	17,095,893	0.17
	Total		<u>\$ 857,058,257</u>	<u>8.42 %</u>

COUNTY OF PUTNAM, NEW YORK

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year	County Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 87,073,345	\$ 82,789,336	95.08 %	\$ 3,204,299	\$ 85,993,636	98.76 %
2006	92,819,840	88,782,177	95.65	3,415,770	92,197,947	99.33
2007	101,728,120	97,536,921	95.88	3,499,447	101,036,369	99.32
2008	114,970,773	109,118,761	94.91	4,230,924	113,349,685	98.59
2009	119,761,511	112,491,987	93.93	3,137,752	115,629,739	96.55
2010	123,196,494	116,593,162	94.64	1,823,308	118,416,470	96.12
2011	124,070,276	118,983,395	95.90	2,357,335	121,340,730	97.80
2012	128,752,271	122,971,294	95.51	4,570,706	127,542,000	99.06
2013	134,431,543	123,503,651	91.87	3,117,419	126,621,070	94.19
2014	137,606,543	131,018,279	95.21	1,197,575	132,215,854	96.08

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

Source: Putnam County Finance Department

(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.

(This page intentionally left blank)

Debt Capacity

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

Ratios of Outstanding Debt by Type

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

COUNTY OF PUTNAM, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Less Debt Service Funds Available	Net	
2005	\$ 25,573,000	\$ 2,353,285	\$ 23,219,715	0.18 %
2006	41,468,000	1,242,641	40,225,359	0.28
2007	59,060,900	1,387,552	57,673,348	0.37
2008	58,637,900	817,903	57,819,997	0.34
2009	58,190,401	1,300,344	56,890,057	0.35
2010	60,128,511	162,942	59,965,569	0.39
2011	60,774,777	415,400	60,359,377	0.42
2012	64,362,498	630,433	63,732,065	0.45
2013	66,790,833	430,823	66,360,010	0.49
2014	65,715,014	522,020	65,192,994	0.49

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

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

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

*Data not available

Per Capita (1)	Business- type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Tobacco Securitization Bonds (2)			
\$ 231.03	\$ 17,851,041	\$ 41,070,756	0.89 %	\$ 408.64
400.22	17,969,010	58,194,369	1.18	579.01
573.82	17,968,886	75,642,234	1.42	752.61
575.28	17,941,069	75,761,066	1.38	753.79
573.11	17,846,135	74,736,192	1.42	752.90
601.35	17,993,677	77,959,246	1.46	781.80
604.00	18,200,859	78,560,236	1.41	786.13
639.84	18,396,974	82,129,039	1.44	824.53
665.96	20,016,893	86,376,903	1.47	866.85
654.25	19,993,540	85,186,534	*	854.90

(This page intentionally left blank)

COUNTY OF PUTNAM, NEW YORK

DIRECT AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

UNDERLYING DEBT

Municipality or School District	Gross Long-Term Debt (1)	Exclusions (2)	Net Underlying Debt
Towns: (as of December 31, 2014)			
Carmel	\$ 23,480,000	\$ 983,787	\$ 22,496,213
Kent	2,432,360	187,464	2,244,896
Patterson	6,365,000	165,000	6,200,000
Philipstown	293,675	70,158	223,517
Putnam Valley	519,984	97,157	422,827
Southeast	11,000,661	3,605,509	7,395,152
Villages: (as of May 31, 2014)			
Brewster (3)	12,335,000	-	12,335,000
Cold Spring	1,560,000	320,641	1,239,359
Nelsonville	35,000	-	35,000
Schools: (as of June 30, 2014)			
Brewster	13,805,000	4,542,049	9,262,951
Carmel	34,754,495	80,000	34,674,495
Garrison	4,570,666	932,054	3,638,612
Haldane	12,922,028	-	12,922,028
Mahopac	18,781,970	-	18,781,970
Putnam Valley	17,245,000	-	17,245,000
Total Underlying Debt			149,117,020
Direct Bonded Debt of the County			<u>65,715,014</u>
Direct and Underlying Debt			<u>\$ 214,832,034</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.

COUNTY OF PUTNAM, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 711,318,815	\$ 803,022,150	\$ 995,372,809	\$ 1,000,675,191
Total Net Debt Applicable to Limit	<u>23,468,000</u>	<u>39,345,000</u>	<u>54,457,900</u>	<u>58,637,900</u>
Legal Debt Margin	<u>\$ 687,850,815</u>	<u>\$ 763,677,150</u>	<u>\$ 940,914,909</u>	<u>\$ 942,037,291</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.30%	4.90%	5.47%	5.86%

Legal Debt Margin Calculation for Fiscal Year 2014

<u>Assessment Roll</u>			State Special Equalization Ratio	Full Valuation
<u>Year</u>	<u>Budget Year</u>	<u>Assessed Valuation</u>		
2010	2010	\$ 11,693,214,268	75.89	% \$ 15,408,109,458
2011	2011	11,133,206,698	78.31	14,216,839,098
2012	2012	10,992,611,655	78.28	14,042,682,237
2013	2013	10,695,704,558	79.11	13,520,041,155
2014	2014	10,476,291,916	79.16	<u>13,234,325,311</u>
Total Five Year Full Valuation				<u>\$ 70,421,997,259</u>
Five Year Average Full Valuation of Taxable Real Property				<u>14,084,399,452</u>
Debt Limit - 7% of Five Year Average Full Valuation				<u>985,907,962</u>
Outstanding County Debt:				
Serial Bonds				64,841,274
Bond Anticipation Notes				<u>-</u> 64,841,274
Less:				
Exclusion for Water and Sewer Districts Appropriations in 2013 Budget, Exclusive of Water and Sewer Districts				<u>5,299,126</u> <u>5,299,126</u>
Net Indebtedness Subject to Debt Limit				<u>59,542,148</u>
Net Debt Contracting Margin				<u>\$ 1,045,450,110</u>

(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.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 1,079,101,957	\$ 1,077,977,328	\$ 1,079,970,478	\$ 1,076,069,607	\$ 1,087,770,019	\$ 1,045,450,110
<u>55,240,401</u>	<u>58,545,401</u>	<u>57,340,181</u>	<u>61,732,317</u>	<u>59,902,458</u>	<u>59,542,148</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>	<u>\$ 1,027,867,561</u>	<u>\$ 985,907,962</u>
5.12%	5.43%	5.31%	5.74%	5.51%	5.70%

(This page intentionally left blank)

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 June 30,	Population (1)	Personal Income (2)	Per Capita Income (2)	Annual Ave Unemployment Rate (3)
2005	100,507	\$ 4,606,278,000	\$ 46,259	3.8 %
2006	100,507	4,951,860,000	49,839	3.6
2007	100,507	5,343,158,000	53,725	3.4
2008	100,507	5,472,188,000	54,976	4.4
2009	99,265	5,264,243,000	52,819	6.8
2010	99,718	5,340,729,000	53,523	6.9
2011	99,933	5,583,575,000	55,883	6.8
2012	99,607	5,720,532,000	57,431	6.7
2013*	99,645	5,874,620,000	58,955	5.8
2014	99,645 a	*	*	4.4

Sources:

(1) Estimated by Putnam County

(2) U.S. Bureau of Economic Analysis

(3) New York State Department of Labor

*Data not available

a - Census Bureau midyear population estimates. Estimates for 2010-2013 reflect estimated as of March 2014 (BEA)

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:

Construction Permit Data

Principal Employers

Full-Time Equivalent Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function

COUNTY OF PUTNAM, NEW YORK

CONSTRUCTION PERMIT DATA
LAST TEN FISCAL YEARS

Year	Value of Residential Constructon (1)	Number of Building Permits (1)
2005	\$ 42,338,964	139
2006	43,570,304	138
2007	31,769,052	108
2008	25,949,306	74
2009	13,906,710	54
2010	24,427,410	67
2011	27,952,050	138
2012	11,721,445	38
2013	14,594,500	52
2014	17,626,385	74

Sources:

(1) U.S Census Bureau

COUNTY OF PUTNAM, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	2014	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	1,041	2.60 %
Mahopac Central School District	773	1.93
Carmel Central School District	712	1.78
Putnam County	700	1.75
Brewster Central School District	520	1.30
Green Chimneys	502	1.25
Putnam Associated Resource Center	375	0.94
Putnam Valley Central School District	290	0.72
Cerebral Palsy Assoc of Putnam & Southern Dutchess	264	0.66
A&P	260	0.65
	<u>5,437</u>	<u>13.56 %</u>

<u>EMPLOYER</u>	2005	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	485	1.27 %
Carmel Central School District	757	1.98
Putnam County	712	1.86
Mahopac Central School District	703	1.84
Brewster Central School District	620	1.62
Watson Pharmaceutical	529	1.38
A&P	485	1.27
Guideposts Associates, Inc.	449	1.18
Putnam Associated Resource Center	375	0.98
	<u>5,115</u>	<u>13.39 %</u>

COUNTY OF PUTNAM, NEW YORK

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

Function	Full-time Equivalent Employees as of December 31,			
	2005	2006	2007	2008
General Government	158	161	166	156
Education	1	1	1	1
Public Safety	203	204	204	211
Health	85	84	78	83
Transportation	57	56	55	44
Economic Opportunity and Development	163	163	169	173
Culture and Recreation	21	23	21	20
Home and Community Services	20	19	18	9
Total	<u>707</u>	<u>710</u>	<u>712</u>	<u>697</u>

Source: Putnam County Finance Department

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
159	143	144	153	155	156
1	1	1	1	1	1
202	200	200	206	198	200
80	71	71	58	56	52
41	39	39	34	33	35
158	161	160	161	158	156
18	17	17	19	20	21
<u>10</u>	<u>9</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>8</u>
<u><u>669</u></u>	<u><u>641</u></u>	<u><u>641</u></u>	<u><u>639</u></u>	<u><u>628</u></u>	<u><u>629</u></u>

COUNTY OF PUTNAM, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function:	2005	2006	2007	2008
General Government:				
Motor Vehicles				
Number of drivers' licenses issued	23,609	16,197	15,961	16,778
County Clerk				
Number of mortgages issued	9,766	7,364	6,284	3,907
Finance				
Number of certificates of residence issued	N/A	N/A	2,027	2,099
Highway:				
Number of permits issued	41	37	23	23
Public Safety:				
Emergency Services				
Number of calls at 911 center	6,531	10,793	10,793	37,911
Corrections				
Total Inmate admissions	940	955	713	844
Probation				
Average Monthly # Criminal Court Supervision Cases	548	534	540	550
Health:				
Number of Home Health Aid Visits	3,137	2,152	2,072	1,740
Number of Vaccines (Immunization & flu)	4,779	4,297	4,172	5,221
Culture and Recreation:				
Number of rounds of golf played	37,849	36,926	39,116	22,951
Home and Community Services:				
Transportation				
Ridership on public buses	172,988	157,507	164,495	174,243
Economic Assistance and Opportunity				
OFA				
Meals				
Homebound	19,634	18,008	22,894	20,194
Senior Centers	48,110	51,144	55,944	57,190

* Home Health agency was sold in 2010.

N/A - Information not available

NA - not applicable

Source: Various County Departments

2009	2010	2011	2012	2013	2014
N/A	N/A	23,609	16,197	10,660	11,458
3,294	3,101	3,154	3,402	3,595	2,391
2,412	2,490	2,523	2,153	2,106	1,666
20	12	14	13	25	26
39,725	35,601	36,742	41,782	42,795	33,060
868	930	936	894	746	720
599	609	600	600	600	600
1,928	1,470	*	*	*	*
10,621	5,977	4,829	5,801	5,657	5,041
29,739	32,898	24,739	31,335	30,088	30,221
177,246	186,867	172,781	168,331	160,464	144,151
22,362	22,713	26,606	33,095	30,247	32,240
61,588	60,324	62,321	66,462	59,440	52,787

COUNTY OF PUTNAM, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2005	2006	2007	2008
General Government - Buildings	5	5	6	6
Public Safety - Buildings	3	3	3	3
Health - Buildings	3	3	3	3
Transportation - Buildings	1	1	1	1
Culture and Recreation - Parks acreage	2,699	2,699	2,699	2,699
Buildings	6	7	7	7
Economic Opportunity - Buildings	5	5	5	5
Home & Community Services - Buildings	1	1	1	1

Source - Various County departments

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
6	7	7	8	8	8
3	3	3	3	4	4
3	3	3	3	3	3
1	1	1	1	1	1
2,966	2,698	2,698	2,698	2,698	2,698
8	8	8	8	8	8
5	5	5	5	5	5
1	1	1	1	1	1

(This page intentionally left blank)

FEDERAL AWARDS

(This page intentionally left blank)

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Honorable Legislature
of the County of Putnam, New York**

We have audited, in accordance with the 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, the 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 ("County") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the County in a separate letter.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

June 12, 2015

**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance****Independent Auditors' Report****The Honorable Legislature of the
County of Putnam, New York****Report on Compliance for Each Major Federal Program**

We have audited the County of Putnam, New York's ("County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



O'Connor Davies, LLP

Harrison, New York

June 12, 2015

County of Putnam, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditure</u>
<u>U.S. Department of Agriculture</u>		
Indirect Program - Passed through NYS Dept of Health Special Supplemental Food Program for Women, Infants and Children C025786	10.557	\$ 1,618,040
Indirect Program - Passed Through Dept of Temporary & Disability Assistance State Admin Matching Grants for Supplemental Nutrition Assistance Program	10.561	529,840
Total U.S. Department of Agriculture		<u>2,147,880</u>
<u>U.S. Office of Community Planning & Development</u>		
Indirect Program - Passed through the City of New York Housing Opportunities for Persons with Aids	14.241	30,923
<u>U.S. Department of Justice</u>		
Direct Program		
State Criminal Alien Assistance Program (SCAAP) (2012-AP-BX0627/2013 AP-BX-0376/2014 AP-BX-0883)	16.606	100,409
Indirect Programs - Passed through NYS Division of Criminal Services		
Crime Victim Assistance C501123 /C501029 / C100064	16.575	122,755
Improving the Investigation and Prosecution of Child Abuse & the Regional & Local Children's Advocacy Centers 5-BREW-NY-SA14	16.758	9,000
Alcohol Impaired Driving Countermeasures Incentive Grants C523686	20.601	9,985
Public Safety Partnership and Community Policing Grants C 547348	16.710	50,850
		<u>192,590</u>
Total U.S. Department of Justice		<u>292,999</u>
<u>Department of Labor</u>		
Indirect Programs - through Westchester County:		
Trade Adjustment Assistance	17.245	9,620
WIA Adult Programs	17.258	149,768
WIA Youth Activities	17.259	124,114
WIA National Emergency Grants	17.277	18,971
WIA Dislocated Worker	17.278	181,548
Total Department of Labor		<u>484,021</u>
<u>U.S. Department of Transportation</u>		
Direct Programs		
New Freedom Program NY-57-X030 PIN8823.44	20.521	\$ 46,223
Public Transportation Research NY-90-X748	20.514	80,000
Federal Transit Formula Grants NY-95-X020/NY-90-X655/ NY-95-X019/NY-95-X655	20.507	1,247,275
		<u>1,373,498</u>

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)
 Year Ending December 31, 2014

<u>Federal Grantor</u> <u>Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditure</u>
<u>U.S. Department of Transportation (Continued)</u>		
Indirect Programs - Passed through Governor's Traffic Safety Committee - DMV		
Occupant Protection Incentive Grant T005238	20.602	\$ 1,260
State and Community Highway Safety HIS-2014-NYS 00195-088	20.600	6,993
		<u>8,253</u>
Indirect Programs - Passed through NYS Department of Transportation & US Dept of Transportation		
Highway Planning & Construction PIN 8757.83/PIN8822.84- Formula Grants for Rural Areas	20.205	24,399
(NY-18-X032 5311 PINS 8792.33.404/8793.33.404/3C003929-2014)	20.509	72,700
Metropolitan Transportation Planning D000645-C033470	20.505	132,162
		<u>229,261</u>
Indirect Program - Passed through NYS Department of Homeland Security		
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	6,871
		<u>6,871</u>
Total U.S. Department of Transportation		<u>1,617,883</u>
<u>U.S. Elections Assistance Commission</u>		
Indirect Program - Passed through NYS Board of Elections		
Help Americans Vote Act Requirements Payments C003239	90.401	143,856
		<u>143,856</u>
<u>Corporation for National & Community Service</u>		
Direct Program		
Retired and Senior Volunteer Program 12SRANY006	94.002	41,390
		<u>41,390</u>
<u>US Department of Homeland Security</u>		
Indirect Program - Passed through NYS Emergency Management		
Disaster Grant - Public Assistance (PA-02-NY-4085 DRNY PW 2621/PA-02-NY-4085DRNY PW3885/ HMPG 4020-0008)	97.036	105,073
Indirect Program - Passed through NYS Office of Homeland Security & Emergency Management		
Homeland Security Grant Program (C836300 / C9727739, 710, 720, 730, 722, 732)	97.067	442,212
		<u>442,212</u>
Total US Department of Homeland Security		<u>547,285</u>
<u>U.S. Department of Education</u>		
Indirect Program - Passed through the NYS Department of Health:		
Special Education - Grants for Infants & Families C027501	84.181	38,308
		<u>38,308</u>

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)
 Year Ending December 31, 2014

<u>Federal Grantor</u> <u>Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditure</u>
<u>U.S. Department of Health and Human Services</u>		
Indirect Programs - Passed through NYS Office of Aging:		
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services &	93.044	\$ 72,367
Special Programs for the Aging-Title VII, Chapter 2 - Long Term Care Ombudsman	93.042	13,724
Special Programs for the Aging-Title III, Part D-Disease Prevention & Health	93.043	3,374
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations &	93.779	39,961
Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	124,495
National Family Caregiver Support, Title III, Part E	93.052	28,084
Nutrition Services Incentive Program	93.053	61,448
Medicare Enrollment Assistance Program	93.071	12,502
		<u>355,955</u>
Indirect Programs - Passed through NYS Office of Temporary & Disability Assistance:		
Promoting Safe and Stable Families	93.556	27,926
Temporary Assistance of Needy Families (TANF)	93.558	2,065,151
Child Support Enforcement	93.563	303,584
Low Income Home Energy Assistance	93.568	50,141
HEAP Benefits issued through OSC	93.568	730,928
Child Care Development Block Grant	93.575	894,839
Child Welfare Services	93.645	23,545
Adoption Assistance	93.659	90,628
Social Services Block Grant - Title XX	93.667	639,112
Chafee Foster Care Independence Program	93.674	2,203
		<u>4,828,057</u>
Indirect Programs - Passed through NYS Office of Alcoholism and Substance Abuse:		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	397,356
Indirect Programs - Passed through NYS Department of Health:		
Medical Reserve Corp Small Grant Program	93.008	5,734
Immunization Cooperative Agreements C028312	93.268	15,735
Foster Care Title IV E	93.658	406,951
Medical Assistance Program	93.778	1,366,108
Federal Share of all MA Expenditures via eMedNY (MR-0-54)	93.778	55,229,288
Maternal & Child Health Services BG to the States C026529	93.994	12,069
		<u>57,035,885</u>
Indirect Program - Passed through Health Resources & Services Administration		
Cooperative Agreements 001592-11	93.074	147,095
Total U.S. Dep't of Health & Human Services		<u>62,764,348</u>
TOTAL		<u>\$ 68,108,893</u>

County of Putnam, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Putnam, New York ("County") under programs of the federal government for the year ended December 31, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

County of Putnam, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

None

County of Putnam, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

___ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

93.778
93.959

Medical Assistance Program (Medicaid; Title XIX)
Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$2,043,267
X Yes ___ No

County of Putnam, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None