

The
Comprehensive
Annual
Financial
Report

FINANCIAL YEAR ENDED

DECEMBER 31, 2015

County of Putnam, New York



Photo courtesy of Frank Chianca – Hamlet of Carmel Civic Association

Comprehensive Annual Financial Report



Year Ended:
December 31, 2015

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

County of Putnam, New York

Table of Contents

	<u>Page No.</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organization Chart	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 Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Proprietary Funds	
Statement of Net Position	23
Statement of Revenues, Expenses and Changes in Net Position	24
Statement of Cash Flows	25
Statement of Assets and Liabilities - Fiduciary Fund	26
Notes to Financial Statements	27
Required Supplementary Information	
Other Post Employment Benefits – Schedule of Funding Progress – Last Three Fiscal Years	60
New York State and Local Employees Retirement System Schedule of the County's Proportionate Share of the Net Pension Liability Schedule of Contributions	61 62
Combining and Individual Fund Financial Statements and Schedules:	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	63
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	64
Schedule of Revenues and Other Financing Sources Compared to Budget	66
Schedule of Expenditures and Other Financing Uses Compared to Budget	73
Capital Projects Fund	
Comparative Balance Sheet	77
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	78

County of Putnam, New York

Table of Contents (Continued)

	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	81
County Road Fund	
Comparative Balance Sheet	83
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84
Road Machinery Fund	
Comparative Balance Sheet	86
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
Transportation Fund	
Comparative Balance Sheet	89
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	90
Special Purpose Fund	
Comparative Balance Sheet	92
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	93
Debt Service Fund	
Comparative Balance Sheet	94
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
Enterprise Fund – Putnam Tobacco Asset Securitization Corporation	
Statement of Net Position	97
Statement of Revenues, Expenses and Changes in Net Position	98
Statement of Cash Flows	99
Internal Service Funds	
Combining Statement of Net Position	100
Combining Statement of Revenues, Expenses, and Changes in Net Position	101
Combining Statement of Cash Flows	102
Workers' Compensation Benefits Fund	
Comparative Statement of Net Position	103
Comparative Statement of Revenues, Expenses and Changes in Net Position	104
Comparative Statement of Cash Flows	105
Casualty Reserve Benefits	
Comparative Statement of Net Position	106
Comparative Statement of Revenues, Expenses and Changes in Net Position	107
Comparative Statement of Cash Flows	108
Statement of Changes in Assets and Liabilities - Fiduciary Fund	109

<p>STATISTICAL SECTION (Unaudited)</p>
--

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 Position by Component - Last Ten Fiscal Years	110
Changes in Net Position - Last Ten Fiscal Years	112
Fund Balances of Governmental Funds - Last Ten Fiscal Years	116
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	118
Revenue Capacity	
Sales Tax Rates – Last Ten Fiscal Years	120
Taxable Sales by Industry – Ten Years Stated	122
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	124
Direct and Overlapping Property Tax Rates, Per \$1,000 of Assessed Valuation - Last Ten Fiscal years	125
Principal Taxpayers - Current Year and Nine Years Ago	127
Property Tax Levies and Collections - Last Ten Fiscal Years	128
Debt Capacity	
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	129
Direct and Overlapping Governmental Activities Debt	131
Legal Debt Margin Information - Last Ten Fiscal Years	132
Demographic and Economic Information	
Demographic Statistics - Last Ten Fiscal Years	134
Operating Information	
Construction Permit Data - Last Ten Fiscal Years	135
Principal Employers – Current Year and Nine Years Ago	136
Full-Time Equivalent County Government Employees by Function - Last Ten Fiscal Years	137
Operating Indicators by Function/Program - Last Ten Fiscal Years	139
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	141

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

<p>FEDERAL AWARDS</p>

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>	143
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	145
Schedule of Expenditures of Federal Awards	147
Notes to Schedule of Expenditures of Federal Awards	150
Summary Schedule of Prior Audit Findings	151
Schedule of Findings and Questioned Costs	152

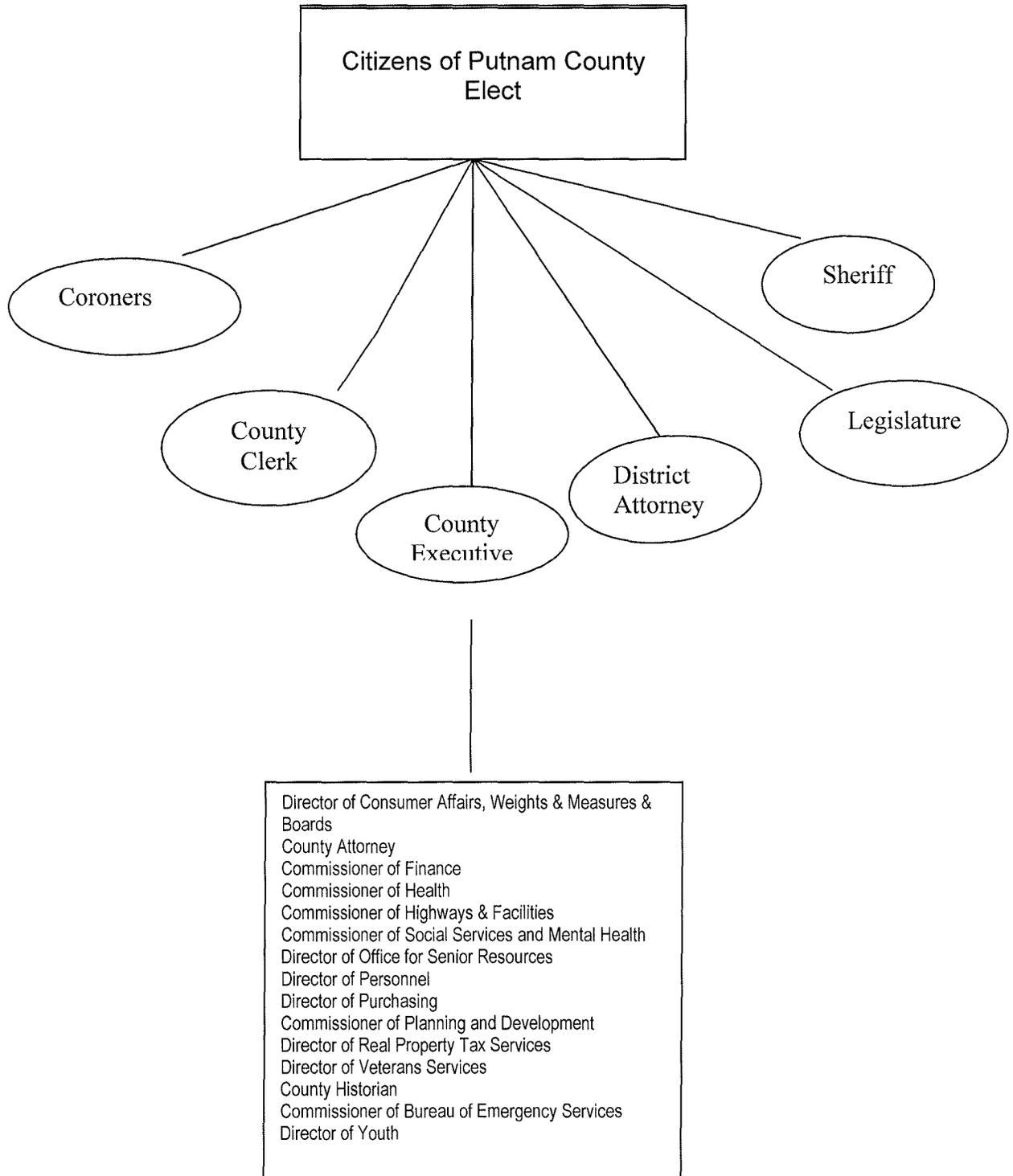
**INTRODUCTORY
SECTION**

(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	12/31/18
County Legislators		
District #1	Barbara Scuccimarra	12/31/15
District #2	William Gouldman.	12/31/17
District #3	Toni Addonizio	12/31/17
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	12/31/17
District #9	Kevin Wright	12/31/16
County Clerk	Michael Bartolotti	12/31/18
District Attorney	Adam Levy	12/31/15
Sheriff	Donald B. Smith	12/31/17
County Attorney	Jennifer Bumgarner	12/31/18
Commissioner of Finance	William J. Carlin Jr.	12/31/18

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 24, 2016

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, 2015 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.

40 GLENEIDA AVENUE ~ CARMEL NEW YORK 10512 ~ Tel (845) 808-1075 ~ Fax (845) 808-1910

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 PFK 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, 2015 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, 2015 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 months 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.

For the year ended December 31, 2015, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. 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 2015, the County saw its first decrease in sales tax of \$2,078,615 after an all-time high the previous year. This represented a decrease of 3.85% over collections in 2014. This decrease was due in part to the dramatic decrease in gasoline prices throughout 2015.

The County's unemployment rate (3.9%) continues to remain one of the lowest of all the counties. Single family home sales rose 17.2% from 763 sales in 2014 to 894 sales in 2015. The median sale price of a single-family home remained unchanged at \$310,000. Home foreclosure filings initiated in Putnam County decreased from 477 in 2014 to 410 in 2015. The actual foreclosure judgments issued were 155 in 2014 and 156 in 2015.

In 2015 the County's Net Taxable Assessments decreased from \$10,476,291,916 in 2014 to \$10,344,827,908 a decrease of 1.3%.

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 2015, the County adopted a budget increasing the tax levy by 3.41%, well under the mandated tax cap.

According to Federal statistics Putnam County had a per capita personal income of \$56,458 (2014) and a median household income of \$96,262 (2014); as compared to New York State with a per capita income of \$57,705 (2014) and a median household income of \$58,687 (2014). The Census 2010 population count was 99,718 and the Census Bureau estimates the current population of the County for 2015 at 99,042.

The following major initiatives were commenced or were in progress during calendar year 2015 by the various departments and agencies of the Putnam County government:

Tax Freeze Efficiency Plan: In October 2015, the NYS Division of Budget approved the Tax Freeze Efficiency Plan submitted by our administration. The approval of this plan, combined with the fact that the adopted County budget was within the tax cap, resulted in property tax rebate checks for Putnam County Homeowners issued by the NYS Department of Taxation and Finance over the past few months.

Bond Refunding: In 2015, the County refinanced \$11,060,000 in outstanding debt which will save the taxpayers \$1,200,000 over the next sixteen years.

Public Health Accreditation: Putnam County is the first County in the Hudson Valley Region to gain accreditation by the Public Health Accreditation Board. This will allow the Health Department to better identify strengths and weaknesses, improve management processes and strengthen internal and external partnerships.

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.

Tilly Foster Farm Educational Institute: Through a partnership with Putnam Northern Westchester BOCES Tilly Foster will include an Educational Center, Culinary Arts Training Center and Bioscience Education. In addition, Putnam County will be partnering with local restaurants to showcase their culinary expertise.

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, 2015 was \$274,492 slightly down from \$304,966 in 2014.

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, 2015. The County has received this prestigious award twenty-four of the last twenty-five 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 auditors PFK 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, 2014

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, 2015, 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, 2015, 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.

Emphasis of Matter

We draw attention to Note 2D and Note 3G in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of GASB Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* 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 23, 2016 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 23, 2016

County of Putnam, New York

Management's Discussion and Analysis December 31, 2015

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, 2015. 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 2015

Key financial highlights for fiscal year 2015 are as follows:

- The total net position, governmental activities and business-type activities, (assets plus deferred outflows of resources minus liabilities and deferred inflow of resources) of the County for fiscal year 2015 was \$(38,098,645). Included in this amount, \$(69,542,557) represents government's unrestricted net position while a deficit of \$15,781,169 is reflected for the business-type activities.
- Total General Fund revenues and other financing sources exceeded general fund expenditures and other financing uses by \$477,383.
- The General Fund reported an ending total fund balance of \$35,356,355, which represents an increase of \$477,383 from fiscal year 2014. The Capital Projects Fund reported an ending fund balance of \$2,831,923, a decrease of \$1,938,933 from fiscal year 2014.
- The County's total outstanding bonds payable, exclusive of the business-type activities, at December 31, 2015 were \$60,438,274. During fiscal year 2015, the County retired \$15,463,000 of general obligation debt. The County issued \$11,060,000 which was for the Advanced Refunding Bonds. In addition, the County issued \$8,000,000 in Tax Anticipation Notes.
- For the year ended December 31, 2015, the County implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the County's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System (PFRS'). Under the new standards, cost sharing employers are required to report in their government-wide financial statements a net position liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all municipalities and school districts in the plan. At December 31, 2015, the County reported in its Statement of Net Positions a liability of \$6,877,010 for its proportionate share of the ERS net pension liabilities. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2015, the County's proportion was .2035676% for ERS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

More detailed information about the County's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

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, deferred outflows of resources, 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 funds balance sheet and the governmental funds 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, 2015, the County's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equaled \$(38,098,645).

The following table reflects the condensed statement of net position:

	Governmental Activities		Business-type Activities*		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 96,354,772	\$ 111,756,384	\$ 3,199,622	\$ 2,378,710	\$ 99,554,394	\$ 114,135,094
Capital Assets	101,393,081	103,235,468	-	-	101,393,081	103,235,468
Total Assets	197,747,853	214,991,852	3,199,622	2,378,710	200,947,475	217,370,562
Deferred Outflows of Resources	10,612,374	1,863,890	1,236,971	1,327,628	11,849,345	3,191,518
Current Liabilities	34,245,274	50,223,087	76,325	76,675	34,321,599	50,299,762
Long-term Liabilities	195,615,552	178,127,783	20,141,437	19,993,540	215,756,989	198,121,323
Total Liabilities	229,860,826	228,350,870	20,217,762	20,070,215	250,078,588	248,421,085
Deferred inflows of Resources	816,877	-	-	-	816,877	-
NET POSITION						
Net investment in capital assets	43,227,146	43,155,200	-	-	43,227,146	43,155,200
Restricted	3,997,935	7,092,530	-	-	3,997,935	7,092,530
Unrestricted	(69,542,557)	(61,742,858)	(15,781,169)	(16,363,877)	(85,323,726)	(78,106,735)
Total Net Position	\$ (22,317,476)	\$ (11,495,128)	\$ (15,781,169)	\$ (16,363,877)	\$ (38,098,645)	\$ (27,859,005)

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 \$43,227,146. 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 \$3,997,935 at December 31, 2015. This amount represents resources that are subject to external restrictions on how they may be used.

The restrictions are as follows:

Casualty Reserve Benefits	\$ 1,421,826
Law Enforcement	279,859
Health	20,383
Driving While Intoxicated Program	47,725
Retirement	622,186
Debt Service	437,144
Special Revenue Funds	<u>1,168,812</u>
 Total Restricted Net Position	 <u>\$ 3,997,935</u>

There was a net decrease of \$3,094,545 in restricted net position reported in connection with the County's governmental activities compared to prior years. A decrease in the amount of \$2,777,814 was due to paying the retirement bill in December 2015 instead of February 2016. The Special Revenue fund decreased by \$200,148 mainly due to an increase in transportation cost for the Transportation fund (\$129,081) and the purchase of cars for medical use for the Office Of Senior Resources (\$71,003) in the Trust fund. The Debt Service fund decreased by \$84,876 due to the costs associated with a bond refunding. 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 \$85,323,726 with an unrestricted deficit of \$69,542,009 reported in governmental activities and \$15,781,169 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 (\$6,763,582); claims payable (\$4198,546); compensated absences (\$3,920,359); and post closure care costs (\$1,101,187). 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 2015 for the government was \$109,125,352. The recording of the current year's increase in the net OPEB obligation of \$14,688,010 was the primary reason for the overall decrease in the County's governmental activities net position of (\$22,317,476). Additional information on all of these long-term liabilities can be found in Note 3 G, in the notes to financial statements.

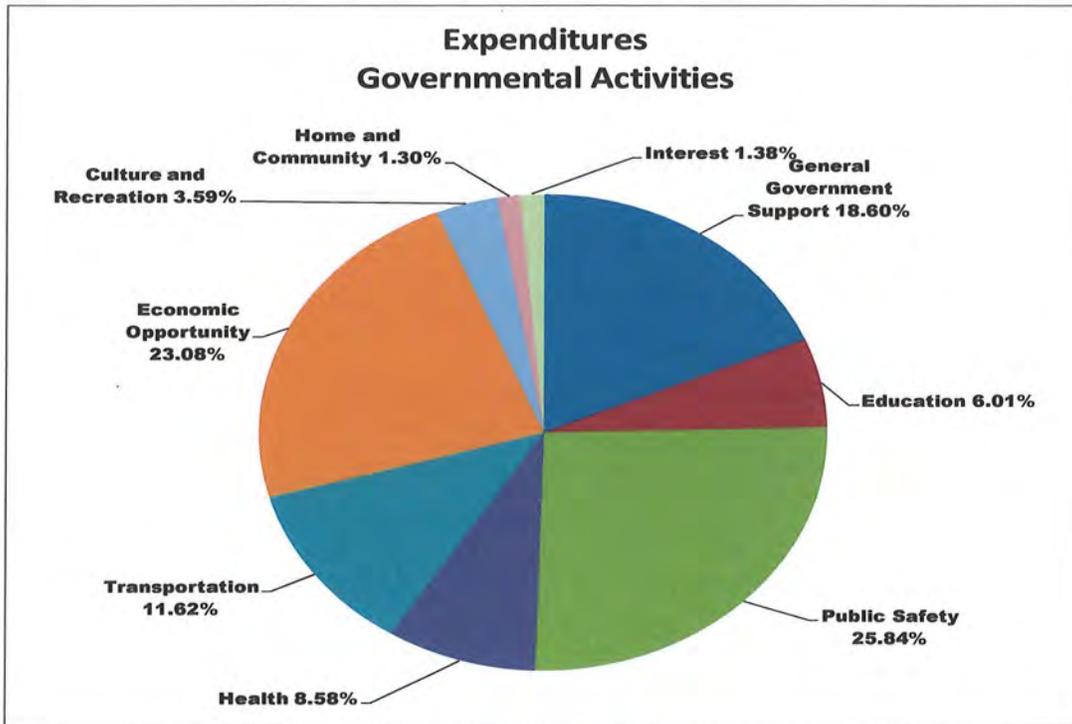
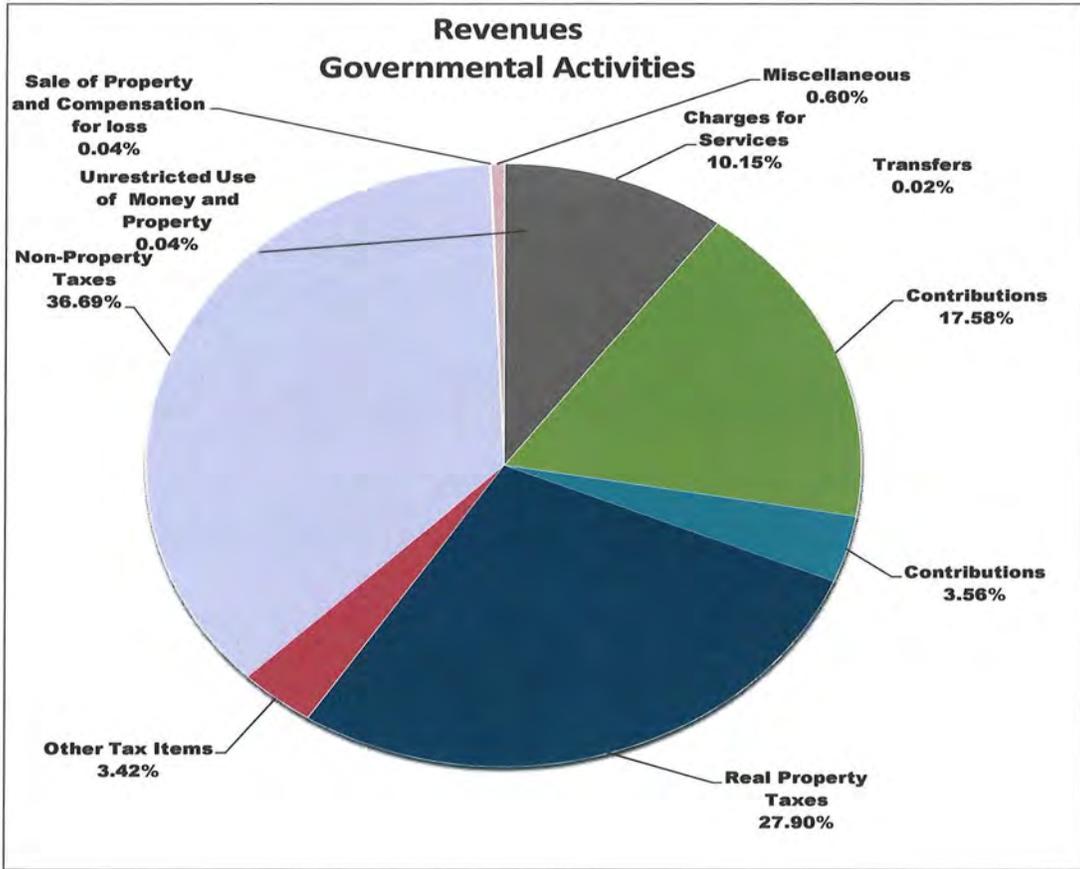
The activities of the Putnam Tobacco Asset Securitization ("PTASC") are reflected as a business-type blended component unit. The County has no obligation for the debt of PTASC. The business-type activity reflected a deficit balance of \$15,781,169. This represents a decrease in the deficit of \$582,708.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program Revenues						
Charges for Services	\$ 13,798,460	\$ 14,365,791	\$ 1,856,566	\$ 1,259,418	\$ 15,655,026	\$ 15,625,209
Operating Grants and Contributions	25,909,207	25,153,744	-	-	25,909,207	25,153,744
Capital Grants and Contributions	5,248,262	3,357,947	-	-	5,248,262	3,357,947
General Revenues						
Real Property Taxes	41,083,016	37,835,861	-	-	41,083,016	37,835,861
Other Tax Items	5,035,733	5,041,598	-	-	5,035,733	5,041,598
Non-Property Taxes	55,080,624	56,105,827	-	-	55,080,624	56,105,827
Unrestricted Use of Money and Property	64,357	73,494	2	10	64,359	73,504
Sale of Property and Compensation for loss	55,389	111,315	-	-	55,389	111,315
Miscellaneous	944,903	736,322	-	-	944,903	736,322
Transfers	25,000	25,000	(25,000)	(25,000)	-	-
Total Revenues	147,244,951	142,806,899	1,831,568	1,234,428	149,076,519	144,041,327
PROGRAM EXPENSES						
General Government Support	29,090,717	32,353,661	-	-	29,090,717	32,353,661
Education	9,406,579	9,378,964	-	-	9,406,579	9,378,964
Public Safety	40,422,619	39,778,386	-	-	40,422,619	39,778,386
Health	13,424,309	13,669,801	-	-	13,424,309	13,669,801
Transportation	18,177,587	17,636,756	-	-	18,177,587	17,636,756
Economic Opportunity	36,112,568	35,934,835	-	-	36,112,568	35,934,835
Culture and Recreation	5,622,633	5,085,712	-	-	5,622,633	5,085,712
Home and Community Interest	2,031,015	2,671,019	-	-	2,031,015	2,671,019
Putnam Tobacco Asset Securitization Corp.	-	-	1,248,860	1,244,728	1,248,860	1,244,728
Total Expenses	156,441,001	158,472,899	1,248,860	1,244,728	157,689,861	159,717,627
Change in Net Position	(9,196,050)	(15,666,000)	582,708	(10,300)	(8,613,342)	(15,676,300)
Net Position - Beginning, as reported	(11,495,128)	-	(16,363,877)	-	(27,859,005)	-
Cumulative Effect of Change In Accounting Principle	(1,626,298)	-	-	-	(1,626,298)	-
Net Position - Beginning as restated	(13,121,426)	4,170,872	(16,363,877)	(16,353,577)	(29,485,303)	(12,182,705)
Ending	\$ (22,317,476)	\$ (11,495,128)	\$ (15,781,169)	\$ (16,363,877)	\$ (38,098,645)	\$ (27,859,005)

Governmental activities - Governmental activities decreased the County's net position by \$9,196,050 from the prior fiscal year.

For the fiscal year ended December 31, 2015, revenues from governmental activities totaled \$147 million. Tax revenues (\$100 million), comprised of real property taxes, other tax items and sales tax; represent the largest revenue source 68.01%. Sales tax yielded \$53.9 million, a decrease of \$2.08 million in comparison with fiscal year 2014. This decrease was mainly attributed to the dramatic decrease in gasoline prices throughout 2015. Collections of the current tax levy remains very strong at 95.05% while averaging 97.97% over the last 10 years.



Business-type activities - Business-type activities increased the County's net position by \$582,708.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for 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 \$41.3 million, a decrease of \$1.6 million in comparison with the prior year. Of the total combined fund balance, \$12.5 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 (\$4.5 million), 2) restricted for particular purposes (\$4.2 million), committed for various purposes (\$9.3) and 3) assigned (\$10.8 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 \$12,476,739 representing 35.3% of the total General Fund balance of \$35,356,355. 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 10% unassigned fund balance to total expenditures, while total fund balance represents 28% of that same amount.

When the fiscal 2015 budget was adopted, it anticipated the use of \$2.81 million of general fund balance. However, actual results of operations resulted in an increase of \$477,383 to fund balance. After accounting for specific reserves and \$7.76 million of fund balance to balance the 2016 budget, the unassigned general fund balance decreased from \$20.1 million in 2014 (exclusive of the prior period adjustment) to \$12.5 million in 2015. Revenues and other financing sources were \$124,683,901 which was \$1,948,400 less than the original budget and \$2,064,232 less than the final budget. Expenditures and other financing uses were \$124,206,518 which was \$6,311,442 less than the original budget and \$10,145,011 less than the final budget. Major changes in specific revenues and expenditures in comparison to the prior year were as follows:

- Non-property taxes decreased from \$56,105,827 to \$55,080,624 (\$1,025,203 or 1.98%) and primarily represents the dramatic decrease in gasoline prices throughout the region.
- State Aid increased from \$14,468,118 to \$15,680,037 (\$1,211,919 or 8.38%) as a result of an increase in Services for Recipients (\$379,027); Children with Special Needs 3-5 Program (\$348,741) and Social Services Administration (\$273,782). These programs all saw an increase in services and these increase were offset by increases on the expenditure side.
- General Government support expenditures decreased \$3,175,450 (13.2%) from \$27,219,313 to \$24,045,903 due in part to a \$4,000,000 settlement in 2014.
- Public Safety expenditures increased \$656,477 (1.9%) from \$34,541,586 to \$35,198,063 and are the result of the county not entering into the retirement amortization program for 2015 (\$447,141); negotiated contract raises (\$375,826); and health insurance costs (\$167,068). These were offset

by decreases in the jail of \$127,547 due to a final payment in 2014 for the touchscreen security system; \$149,575 was due to several Homeland Security grants being closed out in 2014 and the balance was due to an overall decrease in the jail average daily population from 102 in 2014 to 88 in 2015.

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 \$2,831,923 for fiscal year 2015. This represents a decrease of \$1,938,933 due to the normal spend down of various capital 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, 2015, the combined fund balance of the Special Revenue funds totaled \$2.71 million. This represents a decrease of \$23,448 for the fiscal year 2015, resulting from operations. The Debt Service Fund reported a fund balance of \$437,144 at December 31, 2014, a decrease of \$84,876 resulting from a planned use of fund balance.

For 2015, the net position of the Internal Service funds increased by \$2,131. This resulted in a net position of \$1,421,826 at December 31, 2015. This increase is due to interest earned in the reserve for the Causality Reserve Benefit fund.

General Fund Budgetary Highlights

During the year, there was a \$3.14 million increase in appropriations between the original and final amended budget. The principal drivers of the increase to the budget were 1) \$2.7 due to the use of the retirement reserve to enable the County to avoid entering the State Comptroller's Retirement Amortization plan in 2016 and 2) rollover of various grants including Homeland Security grants for both the Sheriff and Bureau of Emergency Services Departments (\$465,000).

Overall, actual General Fund expenditures, exclusive of other financing uses, were \$123.5 million, which was \$10.1 million less than the final budget. The major areas where spending was less than the budget were (1) Economic Opportunity and Development (\$3.3m); (2) General Government Support (\$2.5m); and (3) Public Safety (\$2.1m). The decreases in Economic Opportunity and Development were due to an FMAP reduction to the weekly MMIS shares effective April 1, 2015 (\$544,816); Aid to Dependent Children due to a decrease in TANF family assistance and EAF assistance/prevention services (\$382,294); vacant positions and their associated fringe costs in Social Services (\$223,884) Office for Senior Resources – Title III mainly due to the delay in Balance Incentive Program (BIP) grant (\$206,757); Child Care due to decreases in school placements by the Committee on Special Ed and adoption subsidies (\$206,671) and miscellaneous Social Services administration costs (\$124,063). General Government Support major variances were in the Department of Highways and Facilities (\$566,533) due to decreases in various contractual and supply accounts (\$260,048); vacant positions and their related fringe costs (\$200,192); energy costs (heating oil, electric, natural gas and propane) accounted for \$62,531; Board of Elections (\$225,364) mainly due to a decrease in costs associated with the 2015 elections; IT/GIS due to contractual commitments that were not completed in 2015 (\$176,882); and the District Attorney's office mainly due to personnel, fringes and stenographic services (\$142,428). Variances in Public Safety were mainly due to the Sheriff and Jail which accounted for \$1,510,221 of the difference. Personnel costs including overtime, temporary and fringes accounted for \$587,294 of the variance and the decrease in gasoline prices accounted for \$193,928; the balance of \$728,999 was in various contractual lines including automotive repairs (\$79,000); radio communications (\$57,000); and

food (\$43,000). The Bureau of Emergency Services had a variance of \$506,197 of which \$165,833 was due to vacant personnel positions and the associated fringe costs; \$68,750 due to grants not being expensed; and the balance due to various contractual lines.

Actual General Fund revenues, exclusive of other financing sources, were \$124.6 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 (\$494,000) 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 Real Property Taxes (\$1.82 million) due to the increase in the 2015 tax liens outpacing collections; Federal Aid (\$481,086) due to a decrease in program costs for the department of Social Services; and Departmental Income (\$205,417) mainly due to departmental chargeback for gasoline.

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 \$101,393,081 (net of accumulated depreciation), a decrease of \$1,842,387. 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		
	2015	2014
Land	\$ 6,618	\$ 6,618
Buildings and Improvements	50,506	53,592
Machinery and Equipment	6,395	5,891
Infrastructure	37,190	37,065
Construction-in-Progress	684	70
Total (Net of Depreciation)	\$ 101,393	\$ 103,236

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

- Various projects for infrastructure where completed this year for a total cost of \$3,975,329.
- Improvement of various County facilities at a cost of \$100,515.
- The purchase of various vehicles and equipment totaling \$2,723,464.

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 \$60,438,274 exclusive of the Tobacco Securitization Corporation. The County had an Advanced Refunding of debt for \$11,060,000. The County redeemed \$15,463,000 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)**

	Governmental Activities	
	2015	2014
Total general obligation bonds	\$ 60,438	\$ 64,841

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 \$60,438,274 or 5.65% of the constitutional debt limit leaving \$1,008,983,525 remaining to be used.

Additional information on the County's long-term debt can be found in note 3, G 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 in March 2016 was 3.9%, down from 4.4% in March 2015. The County's unemployment rate compared favorably to the State-wide rate of 4.8%.

Labor Department data also indicated that the number of people employed in the County increased by 2.92% from 48,000 to 49,400, between March 2015 and March 2016.

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 2014 was \$96,262, while New York State's median household income was \$58,687. The median income for the nation as a whole was \$53,657.

The net taxable assessed value of real property in Putnam County decreased from \$10,476,291,916 in 2014 to \$10,344,827,908 in 2015, a decrease of 1.3%. The median sale price of a single-family home remained unchanged at \$310,000. The median sale price of a single-family home for New York State as a whole increased from \$225,000 in 2014 to \$254,500 in 2015, an increase of 13.1%. Single-family houses sold were 894 in 2015 as compared to 763 in 2014, an increase of 17.2%.

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 decreases 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 2016 budget.

The County has appropriated \$7,760,000 million of the fund balance of the general fund for spending in the 2016 fiscal year. The 2015 County budget increased the real property tax levy by \$1,338,934 for a tax levy of \$40,592,368 or 3.41% 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.

**BASIC
FINANCIAL STATEMENTS**

(This page intentionally left blank)

County of Putnam, New York

Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 28,743,941	\$ 45,150	\$ 28,789,091
Investments	886,766	-	886,766
Receivables			
Taxes, net	43,632,331	-	43,632,331
Accounts	7,910,816	1,937,407	9,848,223
State and Federal aid	11,325,274	-	11,325,274
Due from other governments	1,328,155	-	1,328,155
Prepaid expenses	2,527,489	7,871	2,535,360
Restricted investments	-	1,209,194	1,209,194
Capital assets			
Not being depreciated	7,301,869	-	7,301,869
Being depreciated, net	94,091,212	-	94,091,212
Total Assets	197,747,853	3,199,622	200,947,475
DEFERRED OUTFLOWS OF RESOURCES	10,612,374	1,236,971	11,849,345
LIABILITIES			
Accounts payable	5,369,077	-	5,369,077
Accrued liabilities	2,285,124	76,325	2,361,449
Unearned revenues	4,855,203	-	4,855,203
Due to other governments	13,064,711	-	13,064,711
Tax anticipation notes payable	8,000,000	-	8,000,000
Accrued interest payable	671,159	-	671,159
Non-current liabilities			
Due within one year	6,089,615	175,000	6,264,615
Due in more than one year	189,525,937	19,966,437	209,492,374
Total Liabilities	229,860,826	20,217,762	250,078,588
DEFERRED INFLOWS OF RESOURCES	816,877	-	816,877
NET POSITION			
Net investment in capital assets	43,227,146	-	43,227,146
Restricted for			
Casualty reserve benefits	1,421,826	-	1,421,826
Law enforcement	279,859	-	279,859
Health	20,383	-	20,383
Driving while intoxicated program	47,725	-	47,725
Retirement	622,186	-	622,186
Debt service	437,144	-	437,144
Special Revenue Funds			
Transportation	589,693	-	589,693
Trusts	579,119	-	579,119
Unrestricted	(69,542,557)	(15,781,169)	(85,323,726)
Total Net Position	\$ (22,317,476)	\$ (15,781,169)	\$ (38,098,645)

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 29,090,717	\$ 4,920,516	\$ 871,373	\$ 1,500,000
Education	9,406,579	-	3,485,368	-
Public safety	40,422,619	1,938,396	1,100,565	-
Health	13,424,309	981,362	6,608,968	-
Transportation	18,177,587	1,606,913	1,005,852	1,699,906
Economic opportunity and development	36,112,568	1,930,935	12,302,588	-
Culture and recreation	5,622,633	2,394,896	240,994	1,335,616
Home and community services	2,031,015	25,442	293,499	421,751
Interest	2,152,974	-	-	290,989
Total Governmental Activities	156,441,001	13,798,460	25,909,207	5,248,262
Business-type activities				
Putnam Tobacco Asset Securitization Corporation	1,248,860	1,856,566	-	-
Total	\$ 157,689,861	\$ 15,655,026	\$ 25,909,207	\$ 5,248,262

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

Automobile use tax

Emergency telephone system surcharge

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, as reported

Cumulative Effect of Change in Accounting Principle

Net Position - Beginning, as restated

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
\$ (21,798,828)	\$ -	\$ (21,798,828)
(5,921,211)	-	(5,921,211)
(37,383,658)	-	(37,383,658)
(5,833,979)	-	(5,833,979)
(13,864,916)	-	(13,864,916)
(21,879,045)	-	(21,879,045)
(1,651,127)	-	(1,651,127)
(1,290,323)	-	(1,290,323)
(1,861,985)	-	(1,861,985)
(111,485,072)	-	(111,485,072)
-	607,706	607,706
(111,485,072)	607,706	(110,877,366)
41,083,016	-	41,083,016
34,535	-	34,535
4,923,753	-	4,923,753
77,445	-	77,445
53,956,385	-	53,956,385
670,879	-	670,879
453,360	-	453,360
64,357	2	64,359
55,389	-	55,389
944,903	-	944,903
25,000	(25,000)	-
102,289,022	(24,998)	102,264,024
(9,196,050)	582,708	(8,613,342)
(11,495,128)	(16,363,877)	(27,859,005)
(1,626,298)	-	(1,626,298)
(13,121,426)	(16,363,877)	(29,485,303)
\$ (22,317,476)	\$ (15,781,169)	\$ (38,098,645)

County of Putnam, New York

Balance Sheet
 Governmental Funds
 December 31, 2015

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 16,207,853	\$ 6,313,374	\$ 579,419	\$ 23,100,646
Investments	886,766	-	-	886,766
Taxes receivable, net	43,632,331	-	-	43,632,331
Other receivables				
Accounts	7,886,810	-	24,006	7,910,816
State and Federal aid	7,854,464	2,302,797	1,168,013	11,325,274
Due from other governments	1,328,155	-	-	1,328,155
Due from other funds	1,532,352	-	1,548,920	3,081,272
	<u>18,601,781</u>	<u>2,302,797</u>	<u>2,740,939</u>	<u>23,645,517</u>
Prepaid expenditures	2,386,166	548	140,775	2,527,489
Total Assets	<u>\$ 81,714,897</u>	<u>\$ 8,616,719</u>	<u>\$ 3,461,133</u>	<u>\$ 93,792,749</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,389,422	\$ 665,824	\$ 313,831	\$ 5,369,077
Accrued liabilities	2,285,124	-	-	2,285,124
Unearned revenues	1,371,375	3,483,828	-	4,855,203
Due to other governments	13,064,711	-	-	13,064,711
Due to other funds	1,423,205	1,635,144	-	3,058,349
Tax anticipation notes payable	8,000,000	-	-	8,000,000
Total Liabilities	30,533,837	5,784,796	313,831	36,632,464
Deferred inflows of resources				
Deferred tax revenues	15,824,705	-	-	15,824,705
Total Liabilities and Deferred Inflows of Resources	<u>46,358,542</u>	<u>5,784,796</u>	<u>313,831</u>	<u>52,457,169</u>
Fund balances				
Nonspendable	4,386,166	548	140,775	4,527,489
Restricted	347,967	2,831,375	1,016,263	4,195,605
Committed	9,287,632	-	-	9,287,632
Assigned	8,857,851	-	1,990,264	10,848,115
Unassigned	12,476,739	-	-	12,476,739
Total Fund Balances	<u>35,356,355</u>	<u>2,831,923</u>	<u>3,147,302</u>	<u>41,335,580</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 81,714,897</u>	<u>\$ 8,616,719</u>	<u>\$ 3,461,133</u>	<u>\$ 93,792,749</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, 2015

Fund Balances - Total Governmental Funds \$ 41,335,580

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 101,393,081

Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.

Deferred amounts on refunding bonds 2,631,658
Deferred amounts on net pension assets (liabilities) 7,163,839

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. 1,421,826

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Real property taxes 15,824,705

Long-term liabilities that are not due and payable in the current period and are not reported in the funds.

Accrued interest payable (671,159)
Bonds payable (63,629,516)
Compensated absences (3,920,359)
Net pension liability (6,877,010)
Retirement incentives and other pension obligations (6,763,582)
Other post employment benefit obligations payable (109,125,352)
Postclosure care costs (1,101,187)

Net Position of Governmental Activities \$ (22,317,476)

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, 2015

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes	\$ 26,228,189	\$ -	\$ 12,543,513	\$ 38,771,702
Other tax items	5,035,733	-	-	5,035,733
Non-property taxes	55,080,624	-	-	55,080,624
Departmental income	10,659,855	-	304,010	10,963,865
Intergovernmental charges	-	-	1,308,496	1,308,496
Use of money and property	291,784	-	293,066	584,850
Licenses and permits	775,203	-	-	775,203
Fines and forfeitures	224,407	-	-	224,407
Sale of property and compensation for loss	55,389	-	-	55,389
Interfund revenues	-	-	428,071	428,071
State aid	15,680,037	1,745,820	749,867	18,175,724
Federal aid	9,155,388	1,289,702	80,000	10,525,090
Miscellaneous	1,417,181	1,921,751	61,305	3,400,237
Total Revenues	124,603,790	4,957,273	15,768,328	145,329,391
EXPENDITURES				
Current				
General government support	24,043,863	-	-	24,043,863
Education	9,408,513	-	-	9,408,513
Public safety	35,198,063	-	-	35,198,063
Health	11,445,246	-	77,031	11,522,277
Transportation	1,296,521	-	10,511,537	11,808,058
Economic opportunity and development	32,420,370	-	-	32,420,370
Culture and recreation	3,601,424	-	-	3,601,424
Home and community services	1,721,015	-	-	1,721,015
Employee benefits Undistributed	4,202,823	-	-	4,202,823
Debt service				
Principal	-	-	3,848,000	3,848,000
Interest	138,750	-	2,182,164	2,320,914
Refunding bond issuance costs	-	-	108,412	108,412
Capital outlay	-	6,828,945	-	6,828,945
Total Expenditures	123,476,588	6,828,945	16,727,144	147,032,677
Excess (Deficiency) of Revenues Over Expenditures	1,127,202	(1,871,672)	(958,816)	(1,703,286)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	11,060,000	11,060,000
Issuance premium	-	-	1,544,523	1,544,523
Payment to refunded bond escrow agent	-	-	(12,496,111)	(12,496,111)
Transfers in	80,111	58,454	797,191	935,756
Transfers out	(729,930)	(125,715)	(55,111)	(910,756)
Total Other Financing Sources (Uses)	(649,819)	(67,261)	850,492	133,412
Net Change in Fund Balances	477,383	(1,938,933)	(108,324)	(1,569,874)
FUND BALANCES				
Beginning of Year	34,878,972	4,770,856	3,255,626	42,905,454
End of Year	<u>\$ 35,356,355</u>	<u>\$ 2,831,923</u>	<u>\$ 3,147,302</u>	<u>\$ 41,335,580</u>

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, 2015

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (1,569,874)</u>
<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.</p>	
Capital outlay expenditures	7,413,478
Depreciation expense	<u>(9,255,865)</u>
	<u>(1,842,387)</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>2,311,314</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>	
Refunding bonds issued	(11,060,000)
Principal paid on bonds	3,848,000
Issuance premium	(1,544,523)
Payment to refunded bond escrow agent	12,496,111
Amortization of loss on refunding bonds and issuance premium	<u>113,678</u>
	<u>3,853,266</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	54,262
Pension assets (obligations)	1,913,127
Retirement incentives and other pension obligations	892,822
Compensated absences	(152,059)
Other post employment benefit obligations	(14,688,010)
Postclosure care costs	<u>29,358</u>
	<u>(11,950,500)</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>2,131</u>
Change in Net Position of Governmental Activities	<u>\$ (9,196,050)</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, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 28,048,855	\$ 28,048,855	\$ 26,228,189	\$ (1,820,666)
Other tax items	5,490,500	5,040,088	5,035,733	(4,355)
Non-property taxes	55,804,000	55,074,214	55,080,624	6,410
Departmental income	11,011,852	10,870,142	10,659,855	(210,287)
Use of money and property	332,618	295,400	291,784	(3,616)
Licenses and permits	637,000	637,000	775,203	138,203
Fines and forfeitures	191,000	226,683	224,407	(2,276)
Sale of property and compensation for loss	8,500	54,716	55,389	673
State aid	15,462,560	15,860,826	15,680,037	(180,789)
Federal aid	9,059,843	9,636,474	9,155,388	(481,086)
Miscellaneous	560,573	923,624	1,417,181	493,557
Total Revenues	126,607,301	126,668,022	124,603,790	(2,064,232)
EXPENDITURES				
Current				
General government support	26,573,448	26,535,099	24,043,863	2,491,236
Education	9,518,063	9,831,270	9,408,513	422,757
Public safety	34,805,534	37,317,961	35,198,063	2,119,898
Health	12,214,669	12,317,486	11,445,246	872,240
Transportation	1,339,276	1,339,276	1,296,521	42,755
Economic opportunity and development	35,406,089	35,785,544	32,420,370	3,365,174
Culture and recreation	3,953,404	3,856,764	3,601,424	255,340
Home and community services	2,168,213	2,138,935	1,721,015	447,220
Employee benefits Undistributed	4,324,264	4,324,264	4,202,823	121,441
Debt service Interest	175,000	175,000	138,750	36,250
Total Expenditures	130,477,960	133,621,599	123,476,588	10,145,011
Excess (Deficiency) of Revenues Over Expenditures	(3,870,659)	(6,953,577)	1,127,202	8,080,779
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	80,111	80,111	-
Transfers out	(40,000)	(729,930)	(729,930)	-
Total Other Financing Uses	(15,000)	(649,819)	(649,819)	-
Net Change in Fund Balance	(3,885,659)	(7,603,396)	477,383	8,080,779
FUND BALANCE				
Beginning of Year	3,885,659	7,603,396	34,878,972	27,275,576
End of Year	\$ -	\$ -	\$ 35,356,355	\$ 35,356,355

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, 2015

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
ASSETS		
Current assets		
Cash and equivalents	\$ 45,150	\$ 5,643,295
Accounts receivable	1,937,407	-
Prepaid expenses	7,871	-
Total Current Assets	1,990,428	5,643,295
Non-current assets		
Restricted investments	1,209,194	-
Total Assets	3,199,622	5,643,295
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding bonds	1,236,971	-
LIABILITIES		
Current liabilities		
Accrued liabilities	76,325	-
Due to other funds	-	22,923
Current portion of claims payable	-	420,000
Current maturities of bonds payable	175,000	-
Total Current Liabilities	251,325	442,923
Non-current Liabilities		
Claims payable, less current portion	-	3,778,546
Bonds payable, less current maturities	19,966,437	-
Total Noncurrent Liabilities	19,966,437	3,778,546
Total Liabilities	20,217,762	4,221,469
NET POSITION		
Restricted	-	1,421,826
Unrestricted	(15,781,169)	-
Total Net Position	\$ (15,781,169)	\$ 1,421,826

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, 2015

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
OPERATING REVENUES		
Tobacco settlement revenues	\$ 1,856,566	\$ -
Charges for services	-	1,252,695
Miscellaneous	-	4,005
Total Operating Revenues	1,856,566	1,256,700
OPERATING EXPENSES		
Administration	-	346,289
Professional fees	14,070	-
Insurance	8,586	-
Employee benefits	-	917,674
Total Operating Expenses	22,656	1,263,963
Income (Loss) from Operations	1,833,910	(7,263)
NON-OPERATING REVENUES (EXPENSES)		
Earnings on investments	2	9,394
Interest expense	(1,226,204)	-
Total Non-Operating Revenues (Expenses)	(1,226,202)	9,394
Income Before Transfers	607,708	2,131
Transfers out	(25,000)	-
Change in Net Position	582,708	2,131
NET POSITION		
Beginning of Year	(16,363,877)	1,419,695
End of Year	<u>\$ (15,781,169)</u>	<u>\$ 1,421,826</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, 2015

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ -	\$ 1,520,654
Cash received from miscellaneous	-	4,005
Cash received from tobacco settlement revenues	1,032,104	-
Cash payments to insurance carriers and claimants	-	(1,139,306)
Cash payments to vendors	(22,656)	(346,289)
Net Cash From Operating Activities	1,009,448	39,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted investments	(2)	-
Earnings on investments	2	9,394
Net Cash From Investing Activities	-	9,394
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Repayment of bonds	(70,000)	-
Transfer to County	(25,000)	-
Interest paid	(918,000)	-
Net Cash From Non-Capital Financing Activities	(1,013,000)	-
Net Change in Cash and Equivalents	(3,552)	48,458
CASH AND EQUIVALENTS		
Beginning of Year	48,702	5,594,837
End of Year	<u>\$ 45,150</u>	<u>\$ 5,643,295</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 1,833,910	\$ (7,263)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(824,462)	-
Due from other funds	-	245,036
Claims payable	-	(221,632)
Due to other funds	-	22,923
Net Cash From Operating Activities	<u>\$ 1,009,448</u>	<u>\$ 39,064</u>
NONCASH INVESTING ACTIVITIES		
Increase in bonds payable from amortization of original issue and underwriters discounts	\$ 25,564	\$ -
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	192,333	-
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, 2015

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 1,444,243
Accounts receivable	<u>47,951</u>
 Total Assets	 <u>\$ 1,492,194</u>
 LIABILITIES	
Employee payroll deductions	\$ 155,270
Due to other governments	396,162
Deposits	<u>940,762</u>
 Total Liabilities	 <u>\$ 1,492,194</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. Based on the guidance provided by Governmental Accounting Standards Board ("GASB") Technical Bulletin No. 2004-1, *"Tobacco Settlement Recognition and Financial Reporting Entity Issues"*, as amended and/or superseded by GASB Statement No. 48, *"Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues"*, the PTASC is reported as a blended component unit of the County in its financial statements. The guidance provided for prospective, rather than retrospective treatment, of the intra-entity sale of future revenues. The original sale of the PTASC's future revenue stream was consummated several years prior to the effective date of GASB Statement No. 48, and no additional sale of future revenues has occurred since that time. The revenue from the sale was recognized at that time based on existing guidance. Therefore, there is no deferred inflow of resources to be reported for this purpose on the County's financial statements or a deferred outflow of resources to be reported on the PTASC financial statements.

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.
- 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 most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, net pension liability, post closure 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. The County's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2015.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2015, 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2015 is \$1,209,194.

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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 \$1,371,375 for State aid and other items received in advance in the General Fund. The County has also reported unearned revenues of \$3,483,828 for water shed aid received in advance in the Capital Projects. 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 \$15,824,705 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 \$2,631,658 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.

The County also deferred outflows and inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3G.

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 expensed 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.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB

Note 1 - Summary of Significant Accounting Policies (Continued)

Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

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, health, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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, Transportation and Road Machinery 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 23, 2016.

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.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

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 2015 was \$204,523,687, which exceeded the actual levy by \$163,931,319.

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. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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 expenditures for retirement system contributions and tort judgments payable by the County. The

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

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, 2015 of \$15,781,169. This deficit will be reduced annually with the receipt of tobacco revenues.

D. Excess of Actual Expenditures Over Budget

The functional expenditure of the County Road fund for Transportation exceed its budgetary authorization by \$696,686.

E. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Town implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. As a result of adopting these standards, the district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$1,626,298.

Note 3 - Detailed Notes on All Funds

A. Restricted Investments

Restricted investments at December 31, 2015 consisted of the following:

US Treasury Money Market	<u>\$ 1,209,194</u>
--------------------------	---------------------

These investments are not subject to risk categorization.

B. Taxes Receivable

Taxes receivable at December 31, 2015 consisted of the following:

Returned school and village taxes	\$ 26,055,855
Tax liens	18,094,804
Taxes receivable - Pending	2,027,447
Property acquired for taxes	<u>3,969,829</u>
	50,147,935
Allowance for uncollectible taxes	<u>(6,515,604)</u>
	<u>\$ 43,632,331</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Returned school and village taxes have been relieved in the subsequent year as County taxes. Taxes receivable are also partially offset by deferred tax revenues of \$15,824,705, which represents an estimate of the receivable which will not be collected within the first sixty days of the subsequent year.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2015 were as follows:

Fund	Due From	Due To
General	\$ 1,532,352	\$ 1,423,205
Capital Projects	-	1,635,144
Non-Major Governmental	1,548,920	-
Internal Service	-	22,923
	<u>\$ 3,081,272</u>	<u>\$ 3,081,272</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:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Capital Assets, not being depreciated				
Land	\$ 6,617,653	\$ -	\$ -	\$ 6,617,653
Construction-in-Progress	70,046	614,170	-	684,216
Total Capital Assets, not being depreciated	<u>\$ 6,687,699</u>	<u>\$ 614,170</u>	<u>\$ -</u>	<u>\$ 7,301,869</u>
Capital Assets, being depreciated				
Buildings and Improvements	\$ 103,778,101	\$ 100,515	\$ -	\$ 103,878,616
Machinery and Equipment	24,604,813	2,723,464	733,929	26,594,348
Infrastructure	67,106,343	3,975,329	-	71,081,672
Total Capital Assets, being depreciated	<u>195,489,257</u>	<u>6,799,308</u>	<u>733,929</u>	<u>201,554,636</u>
Less Accumulated Depreciation for				
Buildings and Improvements	50,185,756	3,186,629	-	53,372,385
Machinery and Equipment	18,713,916	2,219,287	733,929	20,199,274
Infrastructure	30,041,816	3,849,949	-	33,891,765
Total Accumulated Depreciation	<u>98,941,488</u>	<u>9,255,865</u>	<u>733,929</u>	<u>107,463,424</u>
Capital Assets, being depreciated, net	<u>\$ 96,547,769</u>	<u>\$ (2,456,557)</u>	<u>\$ -</u>	<u>\$ 94,091,212</u>
Capital Assets, net	<u>\$ 103,235,468</u>	<u>\$ (1,842,387)</u>	<u>\$ -</u>	<u>\$ 101,393,081</u>

County of Putnam, New York

Notes to Financial Statements (Continued)

December 31, 2015

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	\$ 1,202,087
Public Safety	1,590,951
Health	184,079
Transportation	4,063,114
Economic Opportunity and Development	553,176
Culture and Recreation	1,660,585
Home and Community Services	<u>1,873</u>
Total Depreciation Expense	<u>\$ 9,255,865</u>

E. Accrued Liabilities

Accrued Liabilities at December 31, 2015 were as follows:

	Governmental Activities	Business - Type Activities	Total
Payroll and employee benefits	\$ 1,558,806	\$ -	\$ 1,558,806
Other	<u>726,318</u>	<u>76,325</u>	<u>802,643</u>
Total Accrued Liabilities	<u>\$ 2,285,124</u>	<u>\$ 76,325</u>	<u>\$ 2,361,449</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, 2015	New Issues	Redemptions	Balance December 31, 2015
Tax Anticipation Note - A	\$ 15,000,000	\$ -	\$ 15,000,000	\$ -
Tax Anticipation Note - B	<u>-</u>	<u>8,000,000</u>	<u>-</u>	<u>8,000,000</u>
	<u>\$ 15,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 8,000,000</u>

The tax anticipation note - A, was issued on November 20, 2014 and matured on October 23, 2015, with interest at 1.00%. Interest expenditures of \$138,750 were recorded in the General Fund and interest expense of \$122,083 was recorded in the government-wide financial statements for governmental activities.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The tax anticipation note B, was issued on November 24, 2015 and will mature on November 24, 2016 with interest at .74%. Interest expense of \$5,920 was recorded in the government-wide financial statements for governmental activities.

G. Long-Term Liabilities

The changes in the County's long-term indebtedness for the year ended December 31, 2015 is as follows:

	Balance as Reported January 1, 2015	Cumulative Effect of Change in Accounting Principle	Balance as Restated January 1, 2015	New Issues and/or Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Governmental Activities							
Bonds Payable	\$ 64,841,274	\$ -	\$ 64,841,274	\$ 11,060,000	\$ 15,463,000	\$ 60,438,274	\$ 4,063,274
Plus							
Unamortized premium on bonds	1,873,740	-	1,873,740	1,544,523	227,021	3,191,242	255,623
	<u>66,715,014</u>	<u>-</u>	<u>66,715,014</u>	<u>12,604,523</u>	<u>15,690,021</u>	<u>63,629,516</u>	<u>4,318,897</u>
Other Non-current Liabilities							
Compensated Absences	3,768,300	-	3,768,300	529,059	377,000	3,920,359	392,000
Net Pension Liability	-	9,198,933	9,198,933	-	2,321,923	6,877,010	-
Retirement Incentives and Other Pension Obligations	7,656,404	-	7,656,404	-	892,822	6,763,582	928,718
Claims Payable	4,420,178	-	4,420,178	917,674	1,139,306	4,198,546	420,000
Other Post Employment Benefit Obligations Payable	94,437,342	-	94,437,342	18,733,749	4,045,739	109,125,352	-
Postclosure Care Costs	1,130,545	-	1,130,545	-	29,358	1,101,187	30,000
Total Other Non - Current Liabilities	<u>111,412,769</u>	<u>9,198,933</u>	<u>120,611,702</u>	<u>20,180,482</u>	<u>8,806,148</u>	<u>131,986,036</u>	<u>1,770,718</u>
Governmental Activities Long-Term Liabilities	<u>\$ 178,127,783</u>	<u>\$ 9,198,933</u>	<u>\$ 187,326,716</u>	<u>\$ 32,785,005</u>	<u>\$ 24,496,169</u>	<u>\$ 195,615,552</u>	<u>\$ 6,089,615</u>
Business - Type Activities							
Bonds Payable	\$ 23,905,423	\$ -	\$ 23,905,423	\$ -	\$ 70,000	\$ 23,835,423	\$ 175,000

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, net pension liability, retirement incentives and other pension obligations, claims payable, other post employment benefit obligations and post closure care costs are liquidated by the General, County Road, Road Machinery, and Worker Compensation funds.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at December 31, 2015 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2015</u>
Public improvement	2006	\$ 18,000,000	January, 2016	4.375 %	\$ 440,000
Public improvement	2007	16,208,000	January, 2031	4.250	1,175,000
Public improvement	2007	1,384,900	November, 2018	4.000	475,000
Public improvement	2008	4,180,000	November, 2021	4.125 - 4.500	2,375,000
Public improvement	2009	2,595,401	November, 2025	2.625 - 4.000	1,850,000
Public improvement	2010	4,740,000	November, 2028	5.000 - 7.213	3,880,000
Public improvement	2011	3,680,181	November, 2023	2.000 - 2.750	2,760,000
Refunding	2012	6,446,535	November, 2026	2.000 - 2.375	5,565,000
Public improvement	2012	5,905,000	December, 2023	2.000 - 4.000	4,870,000
Public improvement	2013	3,113,000	November, 2024	2.000 - 3.000	2,860,000
Refunding	2013	19,965,000	January, 2036	3.000 - 5.000	19,730,000
Public improvement	2014	3,478,274	November, 2031	2.125 - 3.000	3,478,274
Refunding	2015	11,060,000	January, 2031	2.000 - 5.000	10,980,000
					<u>\$ 60,438,274</u>

Interest expenditures of \$2,182,164 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$2,024,971 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, 2015 including interest payments of \$17,352,772 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,063,274	\$ 2,149,558	\$ 6,212,832
2017	4,210,000	2,008,885	6,218,885
2018	4,310,000	1,865,285	6,175,285
2019	4,280,000	1,717,467	5,997,467
2020	4,435,000	1,565,451	6,000,451
2021-2025	20,500,000	5,331,247	25,831,247
2026-2030	11,465,000	2,118,389	13,583,389
2031-2035	6,110,000	579,184	6,689,184
2036	1,065,000	17,306	1,082,306
	<u>\$ 60,438,274</u>	<u>\$ 17,352,772</u>	<u>\$ 77,791,046</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

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.

Advance Refunding

During the 2015 fiscal year, the County issued \$11,060,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$11,615,000 of outstanding 2007 public improvement serial bonds bearing interest at 4.25%. The net proceeds of \$12,496,111 (including \$1,544,523 of issuance premium and after \$108,412 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2007 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$881,111. This amount and the premium are being amortized over the remaining life of the refunded debt. The County advance refunded the 2007 serial bonds to reduce its total debt service payments over 16 years by \$1,183,097 and to obtain a net present value economic gain of \$972,402.

As of December 31, 2015, \$11,615,000 of bonds outstanding are considered defeased.

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, 2015, the defeased 2005 bonds have been called and are no longer outstanding and \$14,660,000 of 2006 bonds outstanding are considered defeased.

	Balance January 1, 2015	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Blended Component Unit Bonds Payable	\$ 23,905,423	\$ (70,000)	\$ 23,835,423	\$ 175,000
Less:				
Unamortized Original Issue Discount on Term Bonds	(374,375)	25,564	(348,811)	-
Unaccreted amounts on Turbo Capital Appreciation Bonds	<u>(3,537,508)</u>	<u>192,333</u>	<u>(3,345,175)</u>	<u>-</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 19,993,540</u>	<u>\$ 147,897</u>	<u>\$ 20,141,437</u>	<u>\$ 175,000</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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, 2016.* Balance due at December 31, 2015 is \$1,315,000.

\$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, 2015 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, 2015 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, 2015 is \$3,325,000.

\$1,671,691 (net of unaccreted amounts of \$1,439,304) 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.*

\$1,613,557 (net of unaccreted amounts of \$1,905,871) 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
2016	\$ 4,115,000	* \$ 788,950	\$ 4,903,950
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	1,265,000	491,250	1,756,250
2021 and thereafter	15,190,423	1,707,875	16,898,298
	<u>23,835,423</u>	<u>\$ 4,721,950</u>	<u>\$ 28,557,373</u>
Unamortized Original Issue Discount on Term Bonds	(348,811)		
Unaccreted amounts on Capital Appreciation Bonds	<u>(3,345,175)</u>		
	<u>\$ 20,141,437</u>		

* Principal payment assumes "catch up" payment is made June 1, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

The required plan structured principal payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2016	\$ 175,000
2017	175,000
2018	285,000
2019	295,000
2020	315,000
2021 and thereafter	<u>22,590,423</u>
	<u>\$ 23,835,423</u>

Compensated Absences

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

Pension Plans

The County participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The County also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	25.2 %
2 75I	23.1
3 553	28.7
3 A14	18.8
4 553	28.7
4 89PBE	20.0
4 A15	18.8
5 553	26.3
5 89PBE	17.7
5 A15	15.5
6 553	20.2
6 89PBE	12.0
6 A15	10.5

At December 31, 2015, the County reported a liability of \$6,877,010 for its proportionate share of the net pension liability of ERS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2015, the County's proportion was .2035676% for ERS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended December 31, 2015, the County recognized pension expense in the government-wide financial statements of \$8,193,331 for ERS. Pension expenditures of \$10,106,458 for ERS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 9,521,548
County Road	461,454
Capital	2,666
Road Machinery	<u>120,790</u>
	<u>\$ 10,106,458</u>

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 220,141	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,194,449	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	816,877
County contributions subsequent to the measurement date	<u>6,566,126</u>	<u>-</u>
	<u>\$ 7,980,716</u>	<u>\$ 816,877</u>

\$6,566,126 reported as deferred outflows of resources related to ERS, resulting from the County's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2016	\$ 149,428
2017	149,428
2018	149,428
2019	149,429

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

County of Putnam, New York

Notes to Financial Statements (Continued)

December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Annuitant mortality rates are based on the April 1, 2005 – March 31, 2010 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the County’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

County of Putnam, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 45,838,248</u>	<u>\$ 6,877,010</u>	<u>\$ (26,015,935)</u>

The components of the collective net pension liability as of the March 31, 2015 measurement date were as follows:

Total pension liability	\$ 164,591,504,000
Fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
Fiduciary net position as a percentage of total pension liability	<u>97.9%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2015 represent the employer contribution for the period of April 1, 2015 through December 31, 2015 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2015 were \$6,566,126.

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 \$130,055 and were charged to the General Fund. The balance due at December 31, 2014 was \$140,459.

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 \$762,767 and were included in note 3G above. The County has elected to amortize the maximum amount allowable for 2013 and 2014, which aggregated \$8,475,843. In 2013 the total amount amortized under this option was \$4,728,535 which included interest of \$694,999. In 2014 the total amount amortized under this option was \$5,387,359 which included interest of \$945,052. The balance due at December 31, 2015 was \$6,623,123.

Note 3 - Detailed Notes on All Funds (Continued)

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.

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

	<u>2015</u>	<u>2014</u>
Balance - Beginning of Year	\$ 4,420,178	\$ 4,241,833
Provision for Claims and Claims Adjustment Expenses	917,674	1,077,922
Claims and Claims Adjustment Expenses Paid	<u>(1,139,306)</u>	<u>(899,577)</u>
Balance - End of Year	<u>\$ 4,198,546</u>	<u>\$ 4,420,178</u>
Due Within One Year	<u>\$ 420,000</u>	<u>\$ 442,000</u>

Other Post-Employment Benefit Obligations

In addition to providing pension benefits, the County provides certain health care benefits for retired employees through a single employer defined benefit plan. 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.

County of Putnam, New York

Notes to Financial Statements (Continued)
 December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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.

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 Healthcare Cost Trend Rates	Post-65 Premium Healthcare Cost 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 23 years remaining in the amortization period. The actuarial assumptions include a 4% 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, 2015 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2015	\$ 193,585,483
Assets at Market Value	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 193,585,483</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 45,587,824</u>
UAAL as a Percentage of Covered Payroll	<u>424.64%</u>
Annual Required Contribution	\$ 21,068,263
Interest on Net OPEB Obligation	3,777,494
Adjustment to Annual Required Contribution	<u>(6,112,008)</u>
Annual OPEB Cost	18,733,749
Contributions Made	<u>(4,045,739)</u>
Increase in Net OPEB Obligation	14,688,010
Net OPEB Obligation - Beginning of Year	<u>94,437,342</u>
Net OPEB Obligation - End of Year	<u>\$ 109,125,352</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:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 18,733,749	21.6 %	\$ 109,125,352
2014	16,262,695	24.6	94,437,342
2013	18,402,250	20.9	82,172,153

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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

the landfill and capping it. In 2012 the landfill was capped. The remaining liability of \$1,101,187 at December 31, 2015 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.

H. Significant Commitments - Encumbrances

As discussed in Note 1F, 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, 2015, 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	\$ 1,097,851
County Road	121,653
Road Machinery	<u>36,946</u>
Total	<u>\$ 1,256,450</u>

I. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers 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>	
General Fund	\$ -	\$ 58,454	\$ 671,476	\$ 729,930
Capital Projects Fund	-	-	125,715	125,715
Non-Major Governmental Funds	55,111	-	-	55,111
Proprietary Funds - Putnam Tobacco Asset Securitization Corporation	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>\$ 80,111</u>	<u>\$ 58,454</u>	<u>\$ 797,191</u>	<u>\$ 935,756</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 Health - Adolescent Tobacco Use Prevention Act - the component of net position restricted by state regulations representing 50% of collections of tobacco related infractions to be used to support health education related 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, 2015

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2015				2014			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
Nonspendable								
Prepaid expenditures	\$ 2,386,166	\$ 548	\$ 140,775	\$ 2,527,489	\$ 3,733	\$ -	\$ -	\$ 3,733
Long-term receivables	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000
Total Nonspendable	4,386,166	548	140,775	4,527,489	2,003,733	-	-	2,003,733
Restricted								
Law enforcement	279,859	-	-	279,859	287,917	-	-	287,917
Health	20,383	-	-	20,383	19,633	-	-	19,633
Driving while intoxicated program	47,725	-	-	47,725	74,369	-	-	74,369
Retirement	3,568,196	-	-	3,568,196	3,400,000	-	-	3,400,000
Capital projects	-	2,831,375	-	2,831,375	-	4,770,856	-	4,770,856
Debt service	-	-	437,144	437,144	-	-	522,020	522,020
Trusts	-	-	579,119	579,119	-	-	650,122	650,122
Total Restricted	3,916,163	2,831,375	1,016,263	7,763,801	3,781,919	4,770,856	1,172,142	9,724,917
Committed								
Grants and obligations	1,494,287	-	-	1,494,287	-	-	-	-
Capital projects	687,466	-	-	687,466	-	-	-	-
Tax stabilization	3,537,683	-	-	3,537,683	-	-	-	-
	5,719,436	-	-	5,719,436	-	-	-	-
Assigned								
Purchases on order								
General government support								
Building maintenance	52,257	-	-	52,257	133,241	-	-	133,241
Computer hardware and software	227,391	-	-	227,391	151,317	-	-	151,317
Miscellaneous	24,701	-	-	24,701	35,983	-	-	35,983
Printing and office supplies	169,473	-	-	169,473	70,649	-	-	70,649
Special services	93,291	-	-	93,291	51,935	-	-	51,935
Public safety								
Clothing	48,377	-	-	48,377	53,057	-	-	53,057
Computer hardware	40,674	-	-	40,674	68,048	-	-	68,048
Equipment	75,833	-	-	75,833	154,075	-	-	154,075
Miscellaneous	23,299	-	-	23,299	11,110	-	-	11,110
Vehicles	59,116	-	-	59,116	124,140	-	-	124,140
Health	11,783	-	-	11,783	52,915	-	-	52,915
Transportation	-	-	158,599	158,599	-	-	437,757	437,757
Economic opportunity	67,961	-	-	67,961	55,021	-	-	55,021
Culture and recreation	57,610	-	-	57,610	88,300	-	-	88,300
Home and community services								
Fuel and oil	118,877	-	-	118,877	-	-	-	-
Miscellaneous	27,208	-	-	27,208	28,350	-	-	28,350
	1,097,851	-	158,599	1,256,450	1,078,141	-	437,757	1,515,898
For subsequent year's expenditures								
General Fund	7,760,000	-	-	7,760,000	2,807,518	-	-	2,807,518
County Road Fund	-	-	250,000	250,000	-	-	200,000	200,000
Road Machinery Fund	-	-	50,000	50,000	-	-	-	-
Transportation Fund	-	-	240,000	240,000	-	-	240,000	240,000
Grants and obligations	-	-	-	-	898,099	-	-	898,099
Capital projects	-	-	-	-	642,122	-	-	642,122
Tax stabilization	-	-	-	-	3,537,683	-	-	3,537,683
County Road Fund	-	-	717,606	717,606	-	-	627,625	627,625
Road Machinery Fund	-	-	224,366	224,366	-	-	109,548	109,548
Transportation Fund	-	-	349,693	349,693	-	-	468,554	468,554
Total Assigned	8,857,851	-	1,990,264	10,848,115	8,963,563	-	2,083,484	11,047,047
Unassigned	12,476,739	-	-	12,476,739	20,129,757	-	-	20,129,757
Total Fund Balances	\$ 35,356,355	\$ 2,831,923	\$ 3,147,302	\$ 41,335,580	\$ 34,878,972	\$ 4,770,856	\$ 3,255,626	\$ 42,905,454

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 have 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.

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.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

NYMIR is 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.

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

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

(This page intentionally left blank)

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, 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
January 1, 2015	-	193,585,483	193,585,483	-	45,587,824	424.64

County of Putnam, New York

Required Supplementary Information - Schedule of the
County's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
County's proportion of the net pension liability (asset)	<u>0.2035676%</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 6,877,010</u>
County's covered employee payroll	<u>\$ 42,545,018</u>
County's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	<u>16.16%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

County of Putnam, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 8,952,292
Contributions in relation to the contractually required contribution	<u>(8,952,292)</u>
Contribution deficiency (excess)	<u>\$ -</u>
County's covered employee payroll	<u>\$ 43,768,828</u>
Contributions as a percentage of covered-employee payroll	<u>20.45%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(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,

	2015	2014
ASSETS		
Cash and equivalents	\$ 16,207,853	\$ 34,006,811
Investments	886,766	881,947
Taxes receivable		
Returned school and village taxes	26,055,855	26,458,554
Tax liens	18,094,804	16,086,862
Taxes receivable - Pending	2,027,447	2,418,915
Property acquired for taxes	3,969,829	3,535,706
	50,147,935	48,500,037
Allowance for uncollectible taxes	(6,515,604)	(6,823,349)
	43,632,331	41,676,688
Other receivables		
Accounts	7,886,810	9,151,636
State and Federal aid	7,854,464	7,717,685
Due from other governments	1,328,155	620,949
Due from other funds	1,532,352	1,215,386
	18,601,781	18,705,656
Prepaid expenditures	2,386,166	3,733
Total Assets	<u>\$ 81,714,897</u>	<u>\$ 95,274,835</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,389,422	\$ 5,074,265
Accrued liabilities	2,285,124	2,031,447
Unearned revenues	1,371,375	1,320,981
Due to other governments	13,064,711	13,340,226
Due to other funds	1,423,205	2,952,996
Due to retirement system	-	7,162,557
Tax anticipation notes payable	8,000,000	15,000,000
Total Liabilities	30,533,837	46,882,472
Deferred inflows of resources		
Deferred tax revenues	15,824,705	13,513,391
Total Liabilities and Deferred Inflows of Resources	46,358,542	60,395,863
Fund balance		
Nonspendable	4,386,166	2,003,733
Restricted	347,967	3,781,919
Committed	9,287,632	-
Assigned	8,857,851	8,963,563
Unassigned	12,476,739	20,129,757
Total Fund Balance	35,356,355	34,878,972
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 81,714,897</u>	<u>\$ 95,274,835</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,

2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 28,048,855	\$ 28,048,855	\$ 26,228,189	\$ (1,820,666)
Other tax items	5,490,500	5,040,088	5,035,733	(4,355)
Non-property taxes	55,804,000	55,074,214	55,080,624	6,410
Departmental income	11,011,852	10,870,142	10,659,855	(210,287)
Intergovernmental charges	-	-	-	-
Use of money and property	332,618	295,400	291,784	(3,616)
Licenses and permits	637,000	637,000	775,203	138,203
Fines and forfeitures	191,000	226,683	224,407	(2,276)
Sale of property and compensation for loss	8,500	54,716	55,389	673
State aid	15,462,560	15,860,826	15,680,037	(180,789)
Federal aid	9,059,843	9,636,474	9,155,388	(481,086)
Miscellaneous	560,573	923,624	1,417,181	493,557
Total Revenues	126,607,301	126,668,022	124,603,790	(2,064,232)
EXPENDITURES				
Current				
General government support	26,573,448	26,535,099	24,043,863	2,491,236
Education	9,518,063	9,831,270	9,408,513	422,757
Public safety	34,805,534	37,317,961	35,198,063	2,119,898
Health	12,214,669	12,317,486	11,445,246	872,240
Transportation	1,339,276	1,339,276	1,296,521	42,755
Economic opportunity and development	35,406,089	35,785,544	32,420,370	3,365,174
Culture and recreation	3,953,404	3,856,764	3,601,424	255,340
Home and community services	2,168,213	2,138,935	1,721,015	417,920
Employee benefits Undistributed	4,324,264	4,324,264	4,202,823	121,441
Debt service Interest	175,000	175,000	138,750	36,250
Total Expenditures	130,477,960	133,621,599	123,476,588	10,145,011
Excess (Deficiency) of Revenues Over Expenditures	(3,870,659)	(6,953,577)	1,127,202	8,080,779
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	80,111	80,111	-
Transfers out	(40,000)	(729,930)	(729,930)	-
Total Other Financing Sources (Uses)	(15,000)	(649,819)	(649,819)	-
Net Change in Fund Balance	(3,885,659)	(7,603,396)	477,383	8,080,779
FUND BALANCE				
Beginning of Year	3,885,659	7,603,396	34,878,972	27,275,576
End of Year	\$ -	\$ -	\$ 35,356,355	\$ 35,356,355

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 27,031,795	\$ 27,031,795	\$ 26,178,868	\$ (852,927)
5,398,200	5,046,693	5,041,598	(5,095)
52,695,824	55,955,996	56,105,827	149,831
13,014,282	11,948,709	11,384,426	(564,283)
-	30,868	30,869	1
332,417	318,917	315,099	(3,818)
732,300	748,763	741,059	(7,704)
179,550	198,245	195,607	(2,638)
10,750	101,974	111,315	9,341
15,181,763	15,754,156	14,468,118	(1,286,038)
8,560,360	9,747,240	9,520,714	(226,526)
363,004	500,269	1,221,645	721,376
<u>123,500,245</u>	<u>127,383,625</u>	<u>125,315,145</u>	<u>(2,068,480)</u>
26,716,667	30,481,655	27,219,313	3,262,342
10,435,314	10,197,731	9,379,106	818,625
33,354,962	36,714,145	34,541,586	2,172,559
11,465,170	11,936,883	11,382,894	553,989
1,335,276	1,315,660	1,315,660	-
34,583,685	34,926,360	32,481,284	2,445,076
3,746,731	3,974,925	3,429,702	545,223
2,039,576	1,935,712	1,768,927	166,785
4,302,438	4,302,438	4,045,623	256,815
360,000	113,000	113,000	-
<u>128,339,819</u>	<u>135,898,509</u>	<u>125,677,095</u>	<u>10,221,414</u>
<u>(4,839,574)</u>	<u>(8,514,884)</u>	<u>(361,950)</u>	<u>8,152,934</u>
20,000	186,266	186,266	-
-	(1,470,717)	(1,470,717)	-
20,000	(1,284,451)	(1,284,451)	-
(4,819,574)	(9,799,335)	(1,646,401)	8,152,934
<u>4,819,574</u>	<u>9,799,335</u>	<u>36,525,373</u>	<u>26,726,038</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,878,972</u>	<u>\$ 34,878,972</u>

County of Putnam, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	\$ 28,048,855	\$ 28,048,855	\$ 26,228,189	\$ (1,820,666)	\$ 26,178,868
OTHER TAX ITEMS					
Gain from sale of tax acquired property	424,000	34,635	34,535	(100)	2,596
Interest and penalties on real property taxes	4,980,000	4,923,753	4,923,753	-	4,962,294
Payments in lieu of taxes	86,500	81,700	77,445	(4,255)	76,708
Total Other Tax Items	5,490,500	5,040,088	5,035,733	(4,355)	5,041,598
NON-PROPERTY TAXES					
Sales taxes	54,739,000	53,953,400	53,956,385	2,985	56,035,001
Automobile use tax	630,000	670,879	670,879	-	647,073
Emergency telephone system surcharge	435,000	449,935	453,360	3,425	452,510
Total Non-Property Taxes	55,804,000	55,074,214	55,080,624	6,410	57,134,584
DEPARTMENTAL INCOME					
General					
Clerk fees	1,001,500	869,623	869,499	(124)	842,097
Board of elections	300	300	1,476	1,176	6,201
Planning Board Fees	100	100	65	(35)	35
District attorney fees	-	14,438	-	(14,438)	1
Motor vehicle fees	1,400,000	1,474,245	1,474,245	-	1,447,486
Vacancy factor	240,000	-	-	-	-
Real property tax services - Computer	44,000	44,000	43,810	(190)	44,394
Real property tax services - other governments	6,000	-	-	-	-
Commissioner of Finance fees	3,000	3,000	5,763	2,763	1,897
County share - Examination fees	10,000	10,000	18,185	8,185	9,210
Department fees - Other	87,500	83,524	112,586	29,062	19,692
Charges for tax advertising	80,000	71,900	71,900	-	80,680
Central services chargebacks	1,127,733	1,099,315	669,276	(430,039)	925,185
Mortgage tax fees	352,019	352,019	352,019	-	343,622
	4,352,152	4,022,464	3,618,824	(403,640)	3,720,500

Public safety					
Sheriff fees	95,000	76,348	76,348	-	87,881
Prisoner board	155,000	447,520	447,340	(180)	190,920
Restitution surcharge	37,300	37,300	29,487	(7,813)	32,055
SRO/SPO program	725,147	732,842	738,277	5,435	666,611
Deputy outside services	85,000	110,817	116,267	5,450	128,482
Court protection	10,860	16,133	16,854	721	16,283
CAC Grant	25,247	25,247	18,935	(6,312)	24,353
Stop DWI contributions	147,920	147,920	110,697	(37,223)	116,865
Other	160,500	154,300	154,191	(109)	163,337
	<u>1,441,974</u>	<u>1,748,427</u>	<u>1,708,396</u>	<u>(40,031)</u>	<u>1,426,787</u>
Health					
Public health fees	271,900	271,900	306,349	34,449	302,712
EI fees for service	90,100	90,100	82,826	(7,274)	88,066
Mental health fees	91,430	91,430	69,754	(21,676)	72,605
Home nursing charges	3,000	3,000	14,260	11,260	3,855
Stop DWI contributions	141,345	141,345	146,039	4,694	140,810
Local conservation grant	162,000	162,000	176,735	14,735	170,335
NYC DEP	150,000	150,000	154,427	4,427	131,333
Health - Other	37,980	39,180	30,972	(8,208)	43,722
	<u>947,755</u>	<u>948,955</u>	<u>981,362</u>	<u>32,407</u>	<u>953,438</u>
Economic Opportunity and Development					
Medical assistance	400,000	400,000	552,430	152,430	506,548
Aid to dependent children	-	-	1,997	1,997	4,813
Child support	40,608	40,608	79,913	39,305	77,024
Child care	10,000	10,000	33,399	23,399	49,517
Home relief	75,000	75,000	89,862	14,862	152,014
HEAP	13,740	13,740	48,057	34,317	59,570
Contribution from schools	847,104	847,104	801,644	(45,460)	806,320
Services for recipients	-	-	2,075	2,075	313
TANF	100,000	100,000	103,389	3,389	117,341
Inspection fees	29,000	29,000	30,570	1,570	22,110
Outreach	45,000	45,000	45,000	-	45,000
Nutrition	166,500	166,500	142,599	(23,901)	159,752
	<u>1,726,952</u>	<u>1,726,952</u>	<u>1,930,935</u>	<u>203,983</u>	<u>2,000,322</u>
Culture and Recreation					
Parks and recreation	26,000	34,325	35,575	1,250	21,065
Tree program	12,000	12,000	11,999	(1)	13,068
Golf reimbursements	248,000	-	-	-	-
Putnam National	2,231,319	2,351,319	2,347,322	(3,997)	2,081,909
	<u>2,517,319</u>	<u>2,397,644</u>	<u>2,394,896</u>	<u>(2,748)</u>	<u>2,116,042</u>

(Continued)

County of Putnam, New York

General Fund

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

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
Home and Community Services					
Waste haulers permit fees	\$ 25,000	\$ 25,000	\$ 25,200	\$ 200	\$ 25,650
Recycling	200	200	139	(61)	254
Other	500	500	103	(397)	180
	<u>25,700</u>	<u>25,700</u>	<u>25,442</u>	<u>(258)</u>	<u>26,084</u>
Total Departmental Income	<u>11,011,852</u>	<u>10,870,142</u>	<u>10,659,855</u>	<u>(210,287)</u>	<u>10,243,173</u>
INTERGOVERNMENTAL CHARGES					
Legal services	-	-	-	-	30,869
USE OF MONEY AND PROPERTY					
Earnings on investments	71,500	55,956	54,963	(993)	64,672
Rental income - Co-op extension	55,200	55,200	54,070	(1,130)	49,600
Rental income - County facilities	205,918	180,918	178,914	(2,004)	197,713
Commissions	-	3,326	3,837	511	3,114
	<u>332,618</u>	<u>295,400</u>	<u>291,784</u>	<u>(3,616)</u>	<u>315,099</u>
LICENSES AND PERMITS					
Business and occupational licenses	436,000	436,000	508,478	72,478	429,792
Home improvements and alteration permits	201,000	201,000	266,725	65,725	266,811
	<u>637,000</u>	<u>637,000</u>	<u>775,203</u>	<u>138,203</u>	<u>696,603</u>
FINES AND FORFEITURES					
Fines and forfeited bail	22,000	17,200	18,050	850	55,160
Fines and penalties - other	4,000	4,000	12,250	8,250	5,032
Forfeited of deposits	-	40,483	40,483	-	-
Stop DWI fines	165,000	165,000	153,624	(11,376)	153,037
	<u>191,000</u>	<u>226,683</u>	<u>224,407</u>	<u>(2,276)</u>	<u>213,229</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Minor sales	8,500	42,743	41,423	(1,320)	96,608
Insurance recoveries	-	11,973	13,966	1,993	5,374
	<u>8,500</u>	<u>54,716</u>	<u>55,389</u>	<u>673</u>	<u>101,982</u>

STATE AID

General

Records management	1,200	1,200	1,274	74	1,410
Court facilities	265,000	265,000	265,000	-	260,000
District attorney salary	77,934	77,934	77,934	-	68,959
Criminal justice grant	29,200	29,200	29,200	-	29,200
Miscellaneous	52,527	52,527	-	(52,527)	788
Indigent Legal Services	241,970	394,775	310,353	(84,422)	269,885
	<u>667,831</u>	<u>820,636</u>	<u>683,761</u>	<u>(136,875)</u>	<u>630,242</u>

Education

Education and transportation of handicapped children	<u>3,303,225</u>	<u>3,398,425</u>	<u>3,437,687</u>	<u>39,262</u>	<u>3,088,945</u>
--	------------------	------------------	------------------	---------------	------------------

Public safety

Probation services	206,462	206,462	206,462	-	206,462
Alternatives to incarceration	13,584	13,584	10,754	(2,830)	11,863
Grants	<u>174,486</u>	<u>233,406</u>	<u>253,212</u>	<u>19,806</u>	<u>176,783</u>
	<u>394,532</u>	<u>453,452</u>	<u>470,428</u>	<u>16,976</u>	<u>395,108</u>

Health

Public health	1,487,787	1,489,129	1,395,541	(93,588)	1,358,897
Civil defense	294,000	294,000	294,000	-	294,000
Early intervention	508,536	427,686	454,269	26,583	491,358
Mental Health OASIS	125,220	130,987	130,366	(621)	125,220
Mental health administration	151,620	182,870	138,946	(43,924)	113,600
Mental health LGU SPOA	135,276	135,276	111,154	(24,122)	70,236
Environmental conservation	35,383	35,383	20,600	(14,783)	21,454
Mental Health - PARC	313,844	313,844	182,238	(131,606)	313,844
Rabies	29,082	29,082	20,862	(8,220)	23,535
WIC	52,014	52,543	51,639	(904)	54,024
Communicable diseases	38,117	38,117	38,118	1	39,955
Mental health services	824,516	876,461	673,814	(202,647)	832,818
Mental health - LGU	119,832	119,832	119,832	-	119,832
Mental health - Commissioner's performance	1,155,181	1,180,275	1,131,238	(49,037)	1,112,721
Mental Health - CSS Int case management	495,336	499,395	499,395	-	495,336
Drinking supply	194,244	194,244	202,101	7,857	179,600
Other	-	20,900	20,900	-	29,000
	<u>5,959,988</u>	<u>6,020,024</u>	<u>5,485,013</u>	<u>(535,011)</u>	<u>5,675,430</u>

Transportation

Transportation grants	<u>5,500</u>	<u>5,500</u>	<u>4,646</u>	<u>(854)</u>	<u>6,074</u>
-----------------------	--------------	--------------	--------------	--------------	--------------

(Continued)

County of Putnam, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
 Year Ended December 31, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
Economic Opportunity and Development					
Social Services administration	\$ 2,816,822	\$ 2,696,248	\$ 2,691,950	\$ (4,298)	\$ 2,451,726
Child care	676,421	676,421	710,687	34,266	655,514
Child advocacy center	185,730	238,165	196,845	(41,320)	202,556
Day care	46,003	46,003	28,317	(17,686)	36,867
Juvenile delinquents	72,191	72,191	56,740	(15,451)	12,212
Emergency aid for adults	5,000	5,000	8,074	3,074	6,623
Petro Octane testing	1,700	1,700	2,207	507	1,819
Veterans' service agency	8,529	106,259	84,309	(21,950)	28,229
Caregiver's grants	19,611	19,611	61,463	41,852	19,319
Office for Senior resources	135,741	117,341	152,785	35,444	162,701
Youth programs	20,459	30,761	30,459	(302)	20,459
TANF	319,164	319,164	391,367	72,203	293,954
RSVP grant	5,972	5,972	7,268	1,296	6,278
Safety Net	162,750	162,750	172,975	10,225	186,473
Refund prior year's expenditures	-	-	2,000	2,000	-
Early Intervention	-	-	77,135	77,135	61,303
Medical assistance	(190,000)	(190,000)	(285,477)	(95,477)	(209,616)
Long term care	88,687	88,687	36,870	(51,817)	52,845
Expanded services	253,519	253,519	258,748	5,229	236,967
Services to the elderly	81,205	81,205	75,256	(5,949)	84,159
Services for recipients	-	-	379,027	379,027	-
	<u>4,709,504</u>	<u>4,730,997</u>	<u>5,139,005</u>	<u>408,008</u>	<u>4,310,388</u>
Culture and Recreation					
Programs for the aging	143,780	143,780	145,524	1,744	148,350
Youth programs	92,470	92,470	95,470	3,000	138,683
	<u>236,250</u>	<u>236,250</u>	<u>240,994</u>	<u>4,744</u>	<u>287,033</u>
Home and Community Services					
Soil and water	66,000	66,000	66,000	-	58,000
County planning	10,000	10,000	13,371	3,371	10,000
Waste water DEP grant	109,730	109,730	114,320	4,590	85,740
Environmental conservation	-	9,812	24,812	15,000	-
	<u>185,730</u>	<u>195,542</u>	<u>218,503</u>	<u>22,961</u>	<u>153,740</u>
Total State Aid	<u>15,462,560</u>	<u>15,860,826</u>	<u>15,680,037</u>	<u>(180,789)</u>	<u>14,546,960</u>

FEDERAL AID

General

Criminal justice grant
Miscellaneous

-	-	-	-	31,771
80,000	252,436	187,612	(64,824)	143,856
80,000	252,436	187,612	(64,824)	175,627

Education

Medicaid 3-5

50,000	50,000	47,681	(2,319)	34,900
--------	--------	--------	---------	--------

Public Safety

Homeland security grant
Public safety other
Grants

-	345,045	378,805	33,760	434,424
41,424	132,277	135,702	3,425	79,094
79,810	29,171	19,410	(9,761)	152,519
121,234	506,493	533,917	27,424	666,037

Health

Bio Terrorism grant
Council on Alcohol
Early intervention
WIC
Wellness grant
Early intervention
Mental Health - LGU
Other

149,423	153,628	145,348	(8,280)	147,087
408,004	408,598	396,439	(12,159)	397,356
75,000	75,000	96,933	21,933	72,164
388,786	392,815	393,127	312	414,003
3,329	3,329	3,286	(43)	3,374
53,998	91,998	61,185	(30,813)	54,043
-	-	16,125	16,125	15,627
9,329	13,116	11,512	(1,604)	17,803
1,087,869	1,138,484	1,123,955	(14,529)	1,121,457

Transportation

Transportation grants

102,000	102,000	110,034	8,034	104,294
---------	---------	---------	-------	---------

Economic Opportunity and Development

Social Services administration
Food stamp program administration
Services for recipients
Child care
Safety net
Day care
National Children Alliance
Nutrition
Fuel crisis - HEAP
Title IV D

Community service elderly

2,830,552	2,792,258	2,909,416	117,158	2,719,277
566,280	555,859	645,136	89,277	529,826
51,718	51,718	(88,971)	(140,689)	183,142
194,388	194,388	77,889	(116,499)	79,460
7,750	7,750	17,663	9,913	26,064
690,038	690,038	701,852	11,814	624,099
-	9,000	9,000	-	9,000
146,884	146,884	157,749	10,865	156,431
-	127,647	18,841	(108,806)	50,141
-	-	-	-	3
35,568	35,568	40,184	4,616	40,267

(Continued)

(This page intentionally left blank)

County of Putnam, New York

General Fund

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

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
Economic Opportunity and Development (Continued)					
Workforce Investment Act	\$ 495,174	\$ 505,174	\$ 383,458	\$ (121,716)	\$ 484,021
Incentive program	1,262,580	1,262,580	1,344,804	82,224	1,484,127
TANF	616,425	715,235	807,242	92,007	797,636
Caregiver grant	572,002	338,581	127,288	(211,293)	114,174
Grant	67,211	67,211	-	(67,211)	30,923
OSR - MIPPA	10,466	10,466	12,263	1,797	12,502
Medical assistance	(190,000)	(190,000)	(278,148)	(88,148)	(216,435)
Crime victims	108,039	110,039	117,041	7,002	90,983
SNAP	30,150	30,150	28,721	(1,429)	29,206
RSVP	43,515	46,515	45,765	(750)	41,390
	<u>7,538,740</u>	<u>7,507,061</u>	<u>7,077,193</u>	<u>(429,868)</u>	<u>7,286,237</u>
Home and Community Services					
Planning	<u>80,000</u>	<u>80,000</u>	<u>74,996</u>	<u>(5,004)</u>	<u>132,162</u>
Total Federal Aid	<u>9,059,843</u>	<u>9,636,474</u>	<u>9,155,388</u>	<u>(481,086)</u>	<u>9,520,714</u>
MISCELLANEOUS					
Refund of prior year's expenditures	-	181,577	774,095	592,518	502,206
Gift and donations	148,857	154,736	86,390	(68,346)	95,658
Other	4,245	107,564	107,766	202	233,111
OTB distributed earnings	85,000	63,042	63,042	-	70,826
Retiree health contribution	322,471	322,471	289,668	(32,803)	288,324
Proceeds of seized property	-	94,234	96,220	1,986	101,341
Total Miscellaneous	<u>560,573</u>	<u>923,624</u>	<u>1,417,181</u>	<u>493,557</u>	<u>1,291,466</u>
TOTAL REVENUES	<u>126,607,301</u>	<u>126,668,022</u>	<u>124,603,790</u>	<u>(2,064,232)</u>	<u>125,315,145</u>
OTHER FINANCING SOURCES					
Transfers in					
Capital Projects Fund	-	-	-	-	2,531
County Road Fund	-	43,665	43,665	-	133,735
County Road Machinery Fund	-	11,446	11,446	-	-
Transportation Fund	-	-	-	-	25,000
Putnam Tobacco Asset Securitization Corporation	25,000	25,000	25,000	-	25,000
TOTAL OTHER FINANCING SOURCES	<u>25,000</u>	<u>80,111</u>	<u>80,111</u>	<u>-</u>	<u>186,266</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 126,632,301</u>	<u>\$ 126,748,133</u>	<u>\$ 124,683,901</u>	<u>\$ (2,064,232)</u>	<u>\$ 125,501,411</u>

County of Putnam, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
County Legislature	\$ 967,190	\$ 1,004,020	\$ 922,882	\$ 81,138	\$ 927,336
Board of ethics	3,151	2,346	505	1,841	-
County share of judicial expenditures	336,096	345,296	285,130	60,166	284,639
District Attorney	2,001,532	2,133,127	1,952,490	180,637	2,061,234
Legal Aid Society	858,247	1,011,052	1,011,052	-	777,791
Audit	480,350	476,313	462,594	13,719	476,773
Court appointed legal defense of indigents	405,000	405,000	340,440	64,560	400,514
Justice of the Peace and Constables	4,250	4,250	3,750	500	3,840
Coroners	458,365	458,194	328,945	129,249	294,244
County Executive	725,972	730,869	688,175	42,694	669,637
Department of Finance	1,890,877	1,944,402	1,842,913	101,489	1,937,926
Division of Purchasing - Central services	393,814	405,586	392,008	13,578	381,769
Real property tax services	296,074	328,823	311,082	17,741	268,320
Tax advertising and expense	66,000	66,000	39,830	26,170	40,777
Expenditures on property acquired for taxes	195,000	198,828	198,827	1	133,957
County Clerk as Registrar	1,735,848	1,768,248	1,616,176	152,072	1,611,266
County Clerk as Motor Vehicles Commissioner	1,176,212	1,208,949	1,163,943	45,006	1,090,556
Department of Law	1,487,224	1,501,951	1,383,307	118,644	1,368,627
Personnel Department	1,015,031	1,043,014	983,290	59,724	949,980
Board of Elections	1,640,070	1,720,790	1,495,426	225,364	1,562,522
Records management	373,976	381,478	292,493	88,985	267,041
Department of Highway and Facilities	4,812,640	4,926,585	4,360,052	566,533	4,422,202
Central services administration	346,833	267,615	241,195	26,420	283,472
Insurance	625,750	626,274	620,773	5,501	596,986
Dues	27,530	27,530	27,305	225	26,876
Taxes on County property	315,000	315,000	288,795	26,205	311,048
Judgments and claims	250,000	400,000	325,758	74,242	3,725,050
Metropolitan Commuter Transportation Mobility Tax	218,333	218,975	192,559	26,416	189,913
Information Technology and GIS	1,306,788	1,503,424	1,248,736	254,688	1,079,525
Department of Highway Parks and Recreation	1,073,065	1,111,159	1,023,432	87,727	1,075,492
Contingency fund	1,087,230	1	-	1	-
Total General Government Support	26,573,448	26,535,099	24,043,863	2,491,236	27,219,313

EDUCATION

Community college tuition	3,100,000	3,100,000	2,718,485	381,515	2,955,874
Education of handicapped children	6,418,063	6,731,270	6,690,028	41,242	6,423,232
Total Education	9,518,063	9,831,270	9,408,513	422,757	9,379,106

PUBLIC SAFETY

Bureau of Emergency Services	5,072,538	5,597,238	5,091,041	506,197	5,397,184
Sheriff	17,176,533	18,689,206	17,615,057	1,074,149	16,829,036
Probation Department	2,198,324	2,265,064	2,191,837	73,227	2,065,628
Jail	10,101,050	10,479,054	10,043,009	436,045	9,967,992
Stop DWI	194,141	221,277	194,680	26,597	186,782
Homeland Security Grant	25,330	66,122	62,439	3,683	58,114
Probation Division -Domestic Violence Department	37,618	-	-	-	36,850
Total Public Safety	34,805,534	37,317,961	35,198,063	2,119,898	34,541,586

HEALTH

Public health	5,119,332	5,276,150	5,010,557	265,593	4,816,018
Early Intervention Program	1,919,878	1,736,289	1,698,437	37,852	1,813,862
Communicable disease treatment	26,893	20,519	14,546	5,973	18,915
Substance abuse	339,482	339,482	339,482	-	339,482
Alcoholism	269,035	270,908	236,959	33,949	225,084
WIC	475,774	493,532	482,531	11,001	479,293
Mental health administration	608,475	643,708	586,593	57,115	560,030
Mental health - Clinic	529,068	533,127	499,318	33,809	529,068
Mental health - Eliot House	824,516	876,461	673,814	202,647	818,074
Family Support Services	619,487	634,316	563,627	70,689	486,283
Mental health - PARC	376,344	376,344	244,738	131,606	376,344
Mental health - Reinvestment	662,905	673,170	651,164	22,006	717,361
Mental health - County Contribution	443,480	443,480	443,480	-	443,480
Total Health	12,214,669	12,317,486	11,445,246	872,240	11,623,294

TRANSPORTATION

MTA subsidy	380,276	380,276	380,276	-	380,276
MTA station maintenance	959,000	959,000	916,245	42,755	935,384
Total Transportation	1,339,276	1,339,276	1,296,521	42,755	1,315,660

(Continued)

County of Putnam, New York

General Fund

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

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Social services administration	\$ 8,963,788	\$ 8,880,726	\$ 8,379,362	\$ 501,364	\$ 8,086,327
Purchase of services	1,165,000	1,210,000	1,044,268	165,732	868,801
Medical assistance	20,000	20,000	122	19,878	6,053
Medical assistance - MMIS	9,862,496	9,862,496	9,317,680	544,816	9,718,400
Aid to dependent children	2,580,000	2,249,000	1,866,706	382,294	1,977,082
Child care	2,957,650	3,178,650	2,971,979	206,671	2,741,588
Juvenile delinquents	161,679	161,679	90,172	71,507	23,186
Safety net	850,000	900,000	792,885	107,115	1,007,823
State fuel assistance	-	127,647	56,568	71,079	92,161
Emergency aid for adults	25,000	25,000	21,410	3,590	21,681
Grants	15,000	185,406	66,338	119,068	43,510
Child advocacy center	145,737	198,643	162,560	36,083	170,022
Day care	875,000	890,000	883,398	6,602	911,118
Putnam Industrial Development Agency	75,000	-	-	-	-
Putnam workforce partnership	505,329	529,037	405,118	123,919	422,001
Putnam tourism promotional agency	389,984	389,984	382,032	7,952	368,222
SNAP program	747,089	756,753	650,865	105,888	510,333
Veterans' Service Agency	254,124	398,334	334,048	64,286	218,384
Veterans' Home	49,650	49,650	28,787	20,863	30,819
Consumer affairs and weights and measures	563,849	530,728	470,473	60,255	486,004
Office for Senior Resources - Title III	1,541,611	1,506,136	1,159,750	346,386	1,007,564
Office for Senior Resources - RSVP	497,139	522,353	474,257	48,096	470,087
Nutrition for the elderly	1,547,062	1,572,797	1,400,153	172,644	1,402,130
In-Home Service Program	319,303	322,222	228,739	93,483	276,792
Workforce Partnership	1,600	1,600	928	672	712
Community services for the elderly	1,111,437	1,118,388	1,046,890	71,498	1,113,672
Victim of crimes	126,529	130,966	129,165	1,801	101,884
Child fatality review	55,033	58,349	46,717	11,632	55,400
National Child Alliance	-	9,000	9,000	-	9,000
Total Economic Opportunity and Development	35,406,089	35,785,544	32,420,370	3,365,174	32,140,756

CULTURE AND RECREATION

Parks and recreation administration	2,521,437	2,395,592	2,241,988	153,604	2,052,743
Youth Bureau	581,293	601,770	554,964	46,806	632,719
Library board	424,613	424,613	424,613	-	407,003
County Historian	154,215	163,068	148,497	14,571	109,704
Arts Council	53,990	53,990	53,990	-	52,225
County Museum	53,040	53,040	53,040	-	52,000
Southeast Museum	32,640	32,640	32,640	-	30,000
Recreation for the elderly	132,176	132,051	91,692	40,359	93,308
Total Culture and Recreation	3,953,404	3,856,764	3,601,424	255,340	3,429,702

HOME AND COMMUNITY SERVICES

Planning	1,228,783	1,250,228	958,984	291,244	1,031,998
Soil and water	170,579	185,142	156,206	28,936	149,092
Recycling	280,801	215,515	121,979	93,536	224,766
Humane Society	143,738	143,738	143,738	-	140,920
Fish and game	22,347	22,347	18,143	4,204	16,431
Extension	321,965	321,965	321,965	-	305,848
Total Home and Community Services	2,168,213	2,138,935	1,721,015	417,920	1,869,055

**EMPLOYEE BENEFITS -
UNDISTRIBUTED**

Unemployment benefits	45,000	45,000	25,583	19,417	25,469
Disability, accident and health insurance	4,279,264	4,279,264	4,177,240	102,024	4,020,154
Total Employee Benefits - Undistributed	4,324,264	4,324,264	4,202,823	121,441	4,045,623

DEBT SERVICE

Interest					
Tax anticipation notes	175,000	175,000	138,750	36,250	113,000

TOTAL EXPENDITURES

	130,477,960	133,621,599	123,476,588	10,145,011	125,677,095
--	--------------------	--------------------	--------------------	-------------------	--------------------

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	40,000	58,454	58,454	-	134,625
County Road Fund	-	401,721	401,721	-	95,586
Road Machinery Fund	-	103,900	103,900	-	40,506
Transportation Fund	-	165,855	165,855	-	200,000
Casualty Reserve Fund	-	-	-	-	1,000,000
TOTAL OTHER FINANCING USES	40,000	729,930	729,930	-	1,470,717

**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

	\$ 130,517,960	\$ 134,351,529	\$ 124,206,518	\$ 10,145,011	\$ 127,147,812
--	-----------------------	-----------------------	-----------------------	----------------------	-----------------------

County of Putnam, New York

Capital Projects Fund
 Comparative Balance Sheet
 December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 6,313,374	\$ 8,508,732
State and Federal aid receivable	2,302,797	2,117,288
Prepaid expenditures	548	-
Total Assets	\$ 8,616,719	\$ 10,626,020
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 665,824	\$ 454,222
Retainage payable	-	20,000
Unearned revenues	3,483,828	3,948,378
Due to other funds	1,635,144	1,432,564
Total Liabilities	5,784,796	5,855,164
Fund balance		
Nonspendable	548	-
Restricted	2,831,375	4,770,856
Total Fund Balance	2,831,923	4,770,856
Total Liabilities and Fund Balance	\$ 8,616,719	\$ 10,626,020

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
State aid	\$ 1,745,820	\$ 1,247,413
Federal aid	1,289,702	369,187
Miscellaneous	<u>1,921,751</u>	<u>1,426,876</u>
Total Revenues	4,957,273	3,043,476
EXPENDITURES		
Capital outlay	<u>6,828,945</u>	<u>6,883,651</u>
Deficiency of Revenues Over Expenditures	<u>(1,871,672)</u>	<u>(3,840,175)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	3,478,274
Transfers in	58,454	134,625
Transfers out	<u>(125,715)</u>	<u>(219,709)</u>
Total Other Financing Sources (Uses)	<u>(67,261)</u>	<u>3,393,190</u>
Net Change in Fund Balance	(1,938,933)	(446,985)
FUND BALANCE		
Beginning of Year	<u>4,770,856</u>	<u>5,217,841</u>
End of Year	<u>\$ 2,831,923</u>	<u>\$ 4,770,856</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, 2015
 (With Comparative Totals for 2014)

	County Road Fund	Road Machinery Fund	Transportation Fund	Special Purpose Fund
ASSETS				
Cash and equivalents	\$ 300	\$ -	\$ -	\$ 579,119
Receivables				
Accounts	23,584	422	-	-
State and Federal aid	1,085,150	-	82,863	-
Due from other funds	76,472	356,534	678,770	-
	<u>1,185,206</u>	<u>356,956</u>	<u>761,633</u>	<u>-</u>
Prepaid expenditures	<u>111,217</u>	<u>29,558</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,296,723</u>	<u>\$ 386,514</u>	<u>\$ 761,633</u>	<u>\$ 579,119</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 96,247	\$ 45,644	\$ 171,940	\$ -
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Due to retirement system	-	-	-	-
Total Liabilities	<u>96,247</u>	<u>45,644</u>	<u>171,940</u>	<u>-</u>
Fund balances				
Nonspendable	111,217	29,558	-	-
Restricted	-	-	-	579,119
Assigned	<u>1,089,259</u>	<u>311,312</u>	<u>589,693</u>	<u>-</u>
Total Fund Balances	<u>1,200,476</u>	<u>340,870</u>	<u>589,693</u>	<u>579,119</u>
Total Liabilities and Fund Balances	<u>\$ 1,296,723</u>	<u>\$ 386,514</u>	<u>\$ 761,633</u>	<u>\$ 579,119</u>

Debt Service Fund	Total Non-Major Governmental Funds	
	2015	2014
\$ -	\$ 579,419	\$ 650,422
-	24,006	20,506
-	1,168,013	805,150
437,144	1,548,920	3,078,151
437,144	2,740,939	3,903,807
-	140,775	-
\$ 437,144	\$ 3,461,133	\$ 4,554,229
\$ -	\$ 313,831	\$ 513,940
-	-	223,347
-	-	153,013
-	-	408,303
-	313,831	1,298,603
-	140,775	-
437,144	1,016,263	1,172,142
-	1,990,264	2,083,484
437,144	3,147,302	3,255,626
\$ 437,144	\$ 3,461,133	\$ 4,554,229

County of Putnam, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	County Road	Road Machinery	Transportation	Special Purpose
REVENUES				
Real property taxes	\$ 4,762,146	\$ 1,539,381	\$ 715,479	\$ -
Departmental income	-	-	297,982	6,028
Intergovernmental charges	1,308,496	-	-	-
Use of money and property	-	-	-	-
Interfund revenues	-	428,071	-	-
Sale of property and compensation for loss	-	-	-	-
State aid	-	-	749,867	-
Federal aid	-	-	80,000	-
Miscellaneous	56,512	4,793	-	-
Total Revenues	6,127,154	1,972,245	1,843,328	6,028
EXPENDITURES				
Current				
Health	-	-	-	77,031
Transportation	6,499,302	1,873,971	2,138,264	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	6,499,302	1,873,971	2,138,264	77,031
Excess (Deficiency) of Revenues Over Expenditures	(372,148)	98,274	(294,936)	(71,003)
OTHER FINANCING SOURCES				
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	401,721	103,900	165,855	-
Transfers out	(43,665)	(11,446)	-	-
Total Other Financing Sources (Uses)	358,056	92,454	165,855	-
Net Change in Fund Balances	(14,092)	190,728	(129,081)	(71,003)
FUND BALANCES				
Beginning of Year	1,214,568	150,142	718,774	650,122
End of Year	<u>\$ 1,200,476</u>	<u>\$ 340,870</u>	<u>\$ 589,693</u>	<u>\$ 579,119</u>

Debt Service	Total Non-Major Governmental Funds	
	2015	2014
\$ 5,526,507	\$ 12,543,513	\$ 12,221,639
-	304,010	331,026
-	1,308,496	1,144,053
293,066	293,066	310,588
-	428,071	411,117
-	-	213
-	749,867	758,656
-	80,000	72,700
-	61,305	140,227
<u>5,819,573</u>	<u>15,768,328</u>	<u>15,390,219</u>
-	77,031	81,684
-	10,511,537	10,142,224
3,848,000	3,848,000	3,396,535
2,182,164	2,182,164	2,343,043
108,412	108,412	-
<u>6,138,576</u>	<u>16,727,144</u>	<u>15,963,486</u>
<u>(319,003)</u>	<u>(958,816)</u>	<u>(573,267)</u>
11,060,000	11,060,000	-
1,544,523	1,544,523	-
(12,496,111)	(12,496,111)	-
125,715	797,191	603,270
-	(55,111)	(208,735)
<u>234,127</u>	<u>850,492</u>	<u>394,535</u>
(84,876)	(108,324)	(178,732)
<u>522,020</u>	<u>3,255,626</u>	<u>3,434,358</u>
<u>\$ 437,144</u>	<u>\$ 3,147,302</u>	<u>\$ 3,255,626</u>

(This page intentionally left blank)

County of Putnam, New York

County Road Fund
 Comparative Balance Sheet
 December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 300	\$ 300
Receivables		
Accounts	23,584	19,748
State and Federal aid	1,085,150	479,784
Due from other funds	76,472	1,482,016
	<u>1,185,206</u>	<u>1,981,548</u>
Prepaid expenditures	<u>111,217</u>	<u>-</u>
Total Assets	<u>\$ 1,296,723</u>	<u>\$ 1,981,848</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 96,247	\$ 57,026
Unearned revenues	-	223,347
Due to other funds	-	153,013
Due to retirement system	-	333,894
Total Liabilities	<u>96,247</u>	<u>767,280</u>
Fund balance		
Nonspendable	111,217	-
Assigned	<u>1,089,259</u>	<u>1,214,568</u>
Total Fund Balance	<u>1,200,476</u>	<u>1,214,568</u>
Total Liabilities and Fund Balance	<u>\$ 1,296,723</u>	<u>\$ 1,981,848</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 4,762,146	\$ 4,762,146	\$ 4,762,146	\$ -
Intergovernmental charges	-	-	1,308,496	1,308,496
Miscellaneous	74,350	95,471	56,512	(38,959)
Total Revenues	4,836,496	4,857,617	6,127,154	1,269,537
EXPENDITURES				
Current				
Transportation	5,423,439	5,802,616	6,499,302	(696,686)
Deficiency of Revenues Over Expenditures	(586,943)	(944,999)	(372,148)	572,851
OTHER FINANCING SOURCES (USES)				
Transfers in	-	401,721	401,721	-
Transfers out	-	(43,665)	(43,665)	-
Total Other Financing Sources (Uses)	-	358,056	358,056	-
Net Change in Fund Balance	(586,943)	(586,943)	(14,092)	572,851
FUND BALANCE				
Beginning of Year	586,943	586,943	1,214,568	627,625
End of Year	\$ -	\$ -	\$ 1,200,476	\$ 1,200,476

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,517,615	\$ 4,517,615	\$ 4,517,615	\$ -
663,550	1,143,334	1,144,053	719
79,350	111,388	113,908	2,520
5,260,515	5,772,337	5,775,576	3,239
6,256,000	6,647,635	5,882,496	765,139
(995,485)	(875,298)	(106,920)	768,378
-	95,586	95,586	-
-	(183,735)	(183,735)	-
-	(88,149)	(88,149)	-
(995,485)	(963,447)	(195,069)	768,378
995,485	963,447	1,409,637	446,190
\$ -	\$ -	\$ 1,214,568	\$ 1,214,568

(This page intentionally left blank)

County of Putnam, New York

Road Machinery Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
Accounts	\$ 422	\$ 758
Due from other funds	<u>356,534</u>	<u>262,257</u>
	356,956	263,015
Prepaid expenditures	<u>29,558</u>	<u>-</u>
Total Assets	<u>\$ 386,514</u>	<u>\$ 263,015</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 45,644	\$ 38,464
Due to retirement system	<u>-</u>	<u>74,409</u>
Total Liabilities	<u>45,644</u>	<u>112,873</u>
Fund balance		
Nonspendable	29,558	-
Assigned	<u>311,312</u>	<u>150,142</u>
Total Fund Balance	<u>340,870</u>	<u>150,142</u>
Total Liabilities and Fund Balance	<u>\$ 386,514</u>	<u>\$ 263,015</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,

2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,539,381	\$ 1,539,381	\$ 1,539,381	\$ -
Interfund revenues	450,600	450,600	428,071	(22,529)
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	-	-	4,793	4,793
Total Revenues	1,989,981	1,989,981	1,972,245	(17,736)
EXPENDITURES				
Current				
Transportation	2,030,575	2,123,029	1,873,971	249,058
Excess (Deficiency) of Revenues Over Expenditures	(40,594)	(133,048)	98,274	231,322
OTHER FINANCING SOURCES (USES)				
Transfers in	-	103,900	103,900	-
Transfers out	-	(11,446)	(11,446)	-
Total Other Financing Sources	-	92,454	92,454	-
Net Change in Fund Balance	(40,594)	(40,594)	190,728	231,322
FUND BALANCE				
Beginning of Year	40,594	40,594	150,142	109,548
End of Year	\$ -	\$ -	\$ 340,870	\$ 340,870

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,406,557	\$ 1,406,557	\$ 1,406,557	\$ -
434,600	434,600	411,117	(23,483)
-	-	213	213
-	-	18,228	18,228
1,841,157	1,841,157	1,836,115	(5,042)
1,905,586	1,996,092	1,859,521	136,571
(64,429)	(154,935)	(23,406)	131,529
-	90,506	90,506	-
-	-	-	-
-	90,506	90,506	-
(64,429)	(64,429)	67,100	131,529
64,429	64,429	83,042	18,613
\$ -	\$ -	\$ 150,142	\$ 150,142

(This page intentionally left blank)

County of Putnam, New York

Transportation Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
State and Federal aid	\$ 82,863	\$ 325,366
Due from other funds	<u>678,770</u>	<u>811,858</u>
Total Assets	<u><u>\$ 761,633</u></u>	<u><u>\$ 1,137,224</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 171,940	\$ 418,450
Fund balance		
Assigned	<u>589,693</u>	<u>718,774</u>
Total Liabilities and Fund Balance	<u><u>\$ 761,633</u></u>	<u><u>\$ 1,137,224</u></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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 715,479	\$ 715,479	\$ 715,479	\$ -
Departmental income	453,000	453,000	297,982	(155,018)
State aid	705,000	705,000	749,867	44,867
Federal aid	80,000	80,000	80,000	-
Miscellaneous	-	-	-	-
Total Revenues	1,953,479	1,953,479	1,843,328	(110,151)
EXPENDITURES				
Current				
Transportation	2,203,699	2,369,554	2,138,264	231,290
Deficiency of Revenues Over Expenditures	(250,220)	(416,075)	(294,936)	121,139
OTHER FINANCING SOURCES (USES)				
Transfers in	-	165,855	165,855	-
Transfers out	-	-	-	-
Total Other Financing Sources	-	165,855	165,855	-
Net Change in Fund Balance	(250,220)	(250,220)	(129,081)	121,139
FUND BALANCE				
Beginning of Year	250,220	250,220	718,774	468,554
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,693</u>	<u>\$ 589,693</u>

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 998,341	\$ 998,341	\$ 998,341	\$ -
353,000	327,325	327,325	-
675,000	753,731	758,656	4,925
72,700	72,700	72,700	-
-	-	4,208	4,208
2,099,041	2,152,097	2,161,230	9,133
2,398,151	2,598,151	2,400,207	197,944
(299,110)	(446,054)	(238,977)	207,077
-	200,000	200,000	-
-	(25,000)	(25,000)	-
-	175,000	175,000	-
(299,110)	(271,054)	(63,977)	207,077
299,110	271,054	782,751	511,697
\$ -	\$ -	\$ 718,774	\$ 718,774

County of Putnam, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 579,119</u>	<u>\$ 650,122</u>
FUND BALANCE		
Restricted	<u>\$ 579,119</u>	<u>\$ 650,122</u>

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Departmental income	\$ 6,028	\$ 3,701
EXPENDITURES		
Current		
Health	<u>77,031</u>	<u>81,684</u>
Deficiency of Revenues Over Expenditures	(71,003)	(77,983)
FUND BALANCE		
Beginning of Year	<u>650,122</u>	<u>728,105</u>
End of Year	<u>\$ 579,119</u>	<u>\$ 650,122</u>

(This page intentionally left blank)

County of Putnam, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Due from other funds	<u>\$ 437,144</u>	<u>\$ 522,020</u>
FUND BALANCE		
Restricted	<u>\$ 437,144</u>	<u>\$ 522,020</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,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,526,507	\$ 5,526,507	\$ 5,526,507	\$ -
Use of money and property	562,310	383,885	293,066	(90,819)
Miscellaneous	-	-	-	-
Total Revenues	6,088,817	5,910,392	5,819,573	(90,819)
EXPENDITURES				
Debt service				
Serial bonds				
Principal	3,768,000	3,848,000	3,848,000	-
Interest	2,320,817	2,188,107	2,182,164	5,943
Refunding bond issuance costs	-	108,412	108,412	-
Total Expenditures	6,088,817	6,144,519	6,138,576	5,943
Deficiency of Revenues Over Expenditures	-	(234,127)	(319,003)	(84,876)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	11,060,000	11,060,000	-
Issuance premium	-	1,544,523	1,544,523	-
Payment to refunded bond escrow agent	-	(12,496,111)	(12,496,111)	-
Transfers in	-	125,715	125,715	-
Total Other Financing Sources	-	234,127	234,127	-
Net Change in Fund Balance	-	-	(84,876)	(84,876)
FUND BALANCE				
Beginning of Year	-	-	522,020	522,020
End of Year	\$ -	\$ -	\$ 437,144	\$ 437,144

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,299,126	\$ 5,299,126	\$ 5,299,126	\$ -
505,158	285,097	310,588	25,491
-	2,883	3,883	1,000
<u>5,804,284</u>	<u>5,587,106</u>	<u>5,613,597</u>	<u>26,491</u>
3,396,535	3,396,535	3,396,535	-
2,407,749	2,407,749	2,343,043	64,706
-	-	-	-
<u>5,804,284</u>	<u>5,804,284</u>	<u>5,739,578</u>	<u>64,706</u>
-	(217,178)	(125,981)	91,197
-	-	-	-
-	-	-	-
-	217,178	217,178	-
-	217,178	217,178	-
-	-	91,197	91,197
-	-	430,823	430,823
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 522,020</u>	<u>\$ 522,020</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>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash and equivalents	\$ 45,150	\$ 48,702
Accounts receivable	1,937,407	1,112,945
Prepaid expenses	<u>7,871</u>	<u>7,871</u>
Total Current Assets	1,990,428	1,169,518
Non-current assets		
Restricted investments	<u>1,209,194</u>	<u>1,209,192</u>
Total Assets	<u>3,199,622</u>	<u>2,378,710</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding bonds	<u>1,236,971</u>	<u>1,327,628</u>
LIABILITIES		
Current liabilities		
Accrued liabilities	76,325	76,675
Current maturities of bonds payable	<u>175,000</u>	<u>165,000</u>
Total Current Liabilities	251,325	241,675
Non-current liabilities		
Bonds payable, less current maturities	<u>19,966,437</u>	<u>19,828,540</u>
Total Liabilities	<u>20,217,762</u>	<u>20,070,215</u>
NET POSITION		
Unrestricted	<u>\$ (15,781,169)</u>	<u>\$ (16,363,877)</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>2015</u>	<u>2014</u>
OPERATING REVENUES		
Tobacco settlement revenues	\$ 1,856,566	\$ 1,259,418
OPERATING EXPENSES		
Professional fees	14,070	13,571
Insurance	<u>8,586</u>	<u>8,003</u>
Total Operating Expenses	<u>22,656</u>	<u>21,574</u>
Income from Operations	<u>1,833,910</u>	<u>1,237,844</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	2	10
Interest expense	<u>(1,226,204)</u>	<u>(1,223,154)</u>
Total Non-Operating Expenses	<u>(1,226,202)</u>	<u>(1,223,144)</u>
Income Before Transfers	607,708	14,700
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>
Change in Net Position	582,708	(10,300)
NET POSITION		
Beginning of Year	<u>(16,363,877)</u>	<u>(16,353,577)</u>
End of Year	<u>\$ (15,781,169)</u>	<u>\$ (16,363,877)</u>

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tobacco settlement revenues	\$ 1,032,104	\$ 1,206,061
Cash payments to vendors	<u>(22,656)</u>	<u>(22,157)</u>
Net Cash From Operating Activities	<u>1,009,448</u>	<u>1,183,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in restricted investments	(2)	(8)
Interest income	<u>2</u>	<u>10</u>
Net Cash From Investing Activities	<u>-</u>	<u>2</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Repayment of bonds	(70,000)	(230,000)
Transfer to County	(25,000)	(25,000)
Interest paid	<u>(918,000)</u>	<u>(927,000)</u>
Net Cash From Non-Capital Financing Activities	<u>(1,013,000)</u>	<u>(1,182,000)</u>
Net Change in Cash and Equivalents	(3,552)	1,906
CASH AND EQUIVALENTS		
Beginning of Year	<u>48,702</u>	<u>46,796</u>
End of Year	<u>\$ 45,150</u>	<u>\$ 48,702</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 1,833,910	\$ 1,237,844
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	(824,462)	(53,357)
Prepaid expenses	<u>-</u>	<u>(583)</u>
Net Cash From Operating Activities	<u>\$ 1,009,448</u>	<u>\$ 1,183,904</u>
NONCASH INVESTING ACTIVITIES		
Increase in bonds payable from amortization of original issue and underwriters discounts	\$ 25,564	\$ 25,565
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	192,333	181,082
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	90,657	90,657

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, 2015
 (With Comparative Totals for 2014)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2015	2014
ASSETS				
Cash and equivalents	\$ 4,221,469	\$ 1,421,826	\$ 5,643,295	\$ 5,594,837
Due from other funds	-	-	-	245,036
Total Assets	4,221,469	1,421,826	5,643,295	5,839,873
LIABILITIES				
Current liabilities				
Due to other funds	22,923	-	22,923	-
Current portion of claims payable	420,000	-	420,000	442,000
Total Current Liabilities	442,923	-	442,923	442,000
Non-current liabilities				
Claims payable, less current portion	3,778,546	-	3,778,546	3,978,178
Total Liabilities	4,221,469	-	4,221,469	4,420,178
NET POSITION				
Restricted	\$ -	\$ 1,421,826	\$ 1,421,826	\$ 1,419,695

County of Putnam, New York

Internal Service Funds
 Combining Statement of Revenues, Expenses and
 Changes in Net Position
 Year Ended December 31, 2015
 (With Comparative Totals for 2014)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2015	2014
OPERATING REVENUES				
Charges for services	\$ 1,252,695	\$ -	\$ 1,252,695	\$ 1,437,208
Miscellaneous	4,005	-	4,005	12,140
Total Operating Revenues	1,256,700	-	1,256,700	1,449,348
OPERATING EXPENSES				
Administration	346,289	-	346,289	340,653
Employee benefits	917,674	-	917,674	1,300,564
Total Operating Expenses	1,263,963	-	1,263,963	1,641,217
Income (loss) from Operations	(7,263)	-	(7,263)	(191,869)
NON-OPERATING REVENUES				
Interest income	7,263	2,131	9,394	8,822
Income (Loss) Before Transfers	-	2,131	2,131	(183,047)
Transfers in	-	-	-	1,000,000
Change in Net Position	-	2,131	2,131	816,953
NET POSITION				
Beginning of Year	-	1,419,695	1,419,695	602,742
End of Year	\$ -	\$ 1,421,826	\$ 1,421,826	\$ 1,419,695

County of Putnam, New York

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2015
 (With Comparative Totals for 2014)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 1,520,654	\$ -	\$ 1,520,654	\$ 1,246,472
Cash received from miscellaneous	4,005	-	4,005	12,140
Cash payments to insurance carriers and claimants	(1,139,306)	-	(1,139,306)	(1,122,219)
Cash payments to vendors	(346,289)	-	(346,289)	(340,653)
Net Cash From Operating Activities	<u>39,064</u>	<u>-</u>	<u>39,064</u>	<u>(204,260)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	1,000,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>7,263</u>	<u>2,131</u>	<u>9,394</u>	<u>8,822</u>
Net Change in Cash and Equivalents	46,327	2,131	48,458	804,562
CASH AND EQUIVALENTS				
Beginning of Year	<u>4,175,142</u>	<u>1,419,695</u>	<u>5,594,837</u>	<u>4,790,275</u>
End of Year	<u>\$ 4,221,469</u>	<u>\$ 1,421,826</u>	<u>\$ 5,643,295</u>	<u>\$ 5,594,837</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES				
Income (loss) from operations	\$ (7,263)	\$ -	\$ (7,263)	\$ (191,869)
Adjustments to reconcile income (loss) from operations to net cash from operating activities				
Changes in operating assets and liabilities				
Due from other funds	245,036	-	245,036	(190,736)
Due to other funds	22,923	-	22,923	-
Claims payable	(221,632)	-	(221,632)	178,345
Net Cash From Operating Activities	<u>\$ 39,064</u>	<u>\$ -</u>	<u>\$ 39,064</u>	<u>\$ (204,260)</u>

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 4,221,469	\$ 4,175,142
Due from other funds	-	245,036
	<u>4,221,469</u>	<u>4,420,178</u>
LIABILITIES		
Current liabilities		
Due to other funds	22,923	-
Current portion of claims payable	<u>420,000</u>	<u>442,000</u>
	442,923	442,000
Non-current liabilities		
Claims payable, less current portion	<u>3,778,546</u>	<u>3,978,178</u>
	<u>\$ 4,221,469</u>	<u>\$ 4,420,178</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>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services	\$ 1,252,695	\$ 1,399,515
Miscellaneous	<u>4,005</u>	<u>12,140</u>
Total Operating Revenues	<u>1,256,700</u>	<u>1,411,655</u>
OPERATING EXPENSES		
Administration	346,289	340,653
Employee benefits	<u>917,674</u>	<u>1,077,922</u>
Total Operating Expenses	<u>1,263,963</u>	<u>1,418,575</u>
Loss from Operations	(7,263)	(6,920)
NON-OPERATING REVENUES		
Interest income	<u>7,263</u>	<u>6,920</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,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ 1,520,654	\$ 1,208,779
Cash received from miscellaneous	4,005	12,140
Cash payments to insurance carriers and claimants	(1,139,306)	(899,577)
Cash payments to vendors	<u>(346,289)</u>	<u>(340,653)</u>
Net Cash From Operating Activities	<u>39,064</u>	<u>(19,311)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>7,263</u>	<u>6,920</u>
Net Change in Cash and Equivalents	46,327	(12,391)
CASH AND EQUIVALENTS		
Beginning of Year	<u>4,175,142</u>	<u>4,187,533</u>
End of Year	<u>\$ 4,221,469</u>	<u>\$ 4,175,142</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (7,263)	\$ (6,920)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	245,036	(190,736)
Due to other funds	22,923	-
Claims payable	<u>(221,632)</u>	<u>178,345</u>
Net Cash From Operating Activities	<u>\$ 39,064</u>	<u>\$ (19,311)</u>

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 1,421,826</u>	<u>\$ 1,419,695</u>
NET POSITION		
Restricted	<u>\$ 1,421,826</u>	<u>\$ 1,419,695</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>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services	\$ -	\$ 37,693
OPERATING EXPENSES		
Judgments and claims	<u>-</u>	<u>222,642</u>
Income (Loss) from Operations	-	(184,949)
NON-OPERATING REVENUES		
Interest income	<u>2,131</u>	<u>1,902</u>
Income (Loss) Before Transfers	2,131	(183,047)
Transfers in	<u>-</u>	<u>1,000,000</u>
Change in Net Position	2,131	816,953
NET POSITION		
Beginning of Year	<u>1,419,695</u>	<u>602,742</u>
End of Year	<u>\$ 1,421,826</u>	<u>\$ 1,419,695</u>

County of Putnam, New York

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

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from interfund services provided	\$ -	\$ 37,693
Cash payments to insurance carriers and claimants	-	(222,642)
Net Cash from Operating Activities	<u>-</u>	<u>(184,949)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	<u>-</u>	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>2,131</u>	<u>1,902</u>
Net Change in Cash and Equivalents	2,131	816,953
CASH AND EQUIVALENTS		
Beginning of Year	<u>1,419,695</u>	<u>602,742</u>
End of Year	<u>\$ 1,421,826</u>	<u>\$ 1,419,695</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations/Net cash from operating activities	<u>\$ -</u>	<u>\$ (184,949)</u>

County of Putnam, New York

Fiduciary Fund - Agency Fund
 Statement of Changes in Assets and Liabilities
 Year Ended December 31, 2015

	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015
ASSETS				
Cash and equivalents	\$ 1,384,964	\$ 28,198,472	\$ 28,139,193	\$ 1,444,243
Accounts receivable	-	183,914	135,963	47,951
Total Assets	\$ 1,384,964	\$ 28,382,386	\$ 28,275,156	\$ 1,492,194
LIABILITIES				
Accounts payable	\$ 359,063	\$ 5,126,322	\$ 5,485,385	\$ -
Employee payroll deductions	115,129	19,974,200	19,934,059	155,270
Due to other governments	347,006	2,560,586	2,511,430	396,162
Deposits	563,766	2,035,649	1,658,653	940,762
Total Liabilities	\$ 1,384,964	\$ 29,696,757	\$ 29,589,527	\$ 1,492,194

(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

	2006	2007	2008	2009
Governmental Activities:				
Net Investment in Capital Assets	\$ 56,667,290	\$ 44,537,072	\$ 41,371,988	\$ 45,623,536
Restricted	7,472,431	6,376,060	9,726,336	7,243,267
Unrestricted	7,088,685	14,239,453	8,005,971	2,094,586
Total Governmental Activities				
Net Position	<u>\$ 71,228,406</u>	<u>\$ 65,152,585</u>	<u>\$ 59,104,295</u>	<u>\$ 54,961,389</u>
Business - Type Activities (1) -				
Unrestricted	<u>\$ (15,271,420)</u>	<u>\$ (15,290,728)</u>	<u>\$ (15,280,355)</u>	<u>\$ (15,214,715)</u>
Primary Government:				
Invested in Capital Assets,				
Net of Related Debt	\$ 56,667,290	\$ 44,537,072	\$ 41,371,988	\$ 45,623,536
Restricted	7,472,431	6,376,060	9,726,336	7,243,267
Unrestricted	(8,182,735)	(1,051,275)	(7,274,384)	(13,120,129)
Total Primary Government				
Net Position	<u>\$ 55,956,986</u>	<u>\$ 49,861,857</u>	<u>\$ 43,823,940</u>	<u>\$ 39,746,674</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.

2010	2011	2012	2013	2014	2015
\$ 45,318,653	\$ 45,649,962	\$ 42,242,348	\$ 45,072,133	\$ 43,155,200	\$ 43,227,146
5,842,999	5,983,772	8,980,231	6,463,642	7,092,530	3,997,935
<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>(69,542,557)</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>\$ (22,317,476)</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>	<u>\$ (15,781,169)</u>
\$ 45,318,653	\$ 45,649,962	\$ 42,242,348	\$ 45,072,133	\$ 43,155,200	\$ 43,227,146
5,842,999	5,983,772	8,980,231	6,463,642	7,092,530	3,997,935
<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>(85,323,726)</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>	<u>\$ (38,098,645)</u>

COUNTY OF PUTNAM, NEW YORK

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Expenses				
Governmental Activities:				
General government support	\$ 23,348,782	\$ 21,463,035	\$ 26,366,289	\$ 24,707,516
Education	8,824,844	9,484,352	10,470,440	10,815,692
Public safety	23,755,131	28,165,423	32,610,889	33,668,710
Health	13,319,283	13,507,594	15,824,780	16,453,864
Transportation	10,986,929	11,953,018	12,819,268	18,475,978
Economic opportunity and development	27,402,622	29,346,867	32,694,544	32,066,078
Culture and recreation	5,029,753	3,331,009	4,688,132	4,961,376
Home and community services	6,292,290	5,752,136	6,392,376	4,430,107
Interest	2,475,859	2,929,762	2,829,152	2,698,843
Total Governmental Activities Expenses	121,435,493	125,933,196	144,695,870	148,278,164
Business-type Activities (1) -				
Putnam Tobacco Asset Securitization Corporation	1,363,546	1,285,037	1,277,269	1,281,678
Total Primary Government Expenses	\$ 122,799,039	\$ 127,218,233	\$ 145,973,139	\$ 149,559,842
Program Revenues				
Governmental Activities:				
Charges for Services:				
General government support	\$ 5,089,336	\$ 5,318,679	\$ 5,011,170	\$ 5,234,956
Public safety	2,437,405	2,285,005	1,618,561	1,333,540
Health	3,324,752	3,243,851	3,493,263	3,859,706
Transportation	482,885	744,668	998,509	937,715
Economic opportunity and development	970,490	1,221,629	2,004,446	2,229,395
Culture and recreation	2,645,291	225,679	1,648,896	1,892,674
Home and community services	44,413	54,879	30,931	35,416
Operating Grants and Contributions	23,199,649	24,967,256	24,371,292	27,530,302
Capital Grants and Contributions	11,142,431	6,554,265	7,093,634	12,249,007
Total Governmental Activities Program Revenues	49,336,652	44,615,911	46,270,702	55,302,711
Business-type Activities -				
Charges for Services - Putnam Tobacco Asset Securitization Corporation	1,114,648	1,176,355	1,214,243	1,346,981
Total Primary Government Program Revenues	\$ 50,451,300	\$ 45,792,266	\$ 47,484,945	\$ 56,649,692

2010	2011	2012	2013	2014	2015
\$ 24,927,519	\$ 25,997,916	\$ 26,453,722	\$ 29,010,140	\$ 32,353,661	\$ 29,090,717
10,054,837	9,849,831	10,172,476	10,201,595	9,378,964	9,406,579
35,366,964	38,692,325	42,845,562	39,752,916	39,778,386	40,422,619
15,919,935	14,142,348	14,217,985	13,394,756	13,669,801	13,424,309
13,714,854	15,408,159	14,786,291	17,916,455	17,636,756	18,177,587
32,980,631	34,918,860	35,270,894	37,271,454	35,934,835	36,112,568
4,631,669	3,508,682	3,759,514	4,275,442	5,085,712	5,622,633
6,126,995	3,317,020	10,533,633	4,352,084	2,671,019	2,031,015
2,528,179	2,751,683	3,249,964	2,703,395	1,963,765	2,152,974
146,251,583	148,586,824	161,290,041	158,878,237	158,472,899	156,441,001
1,276,358	1,259,421	1,262,446	1,247,211	1,244,728	1,248,860
<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>	<u>\$ 157,689,861</u>
\$ 4,955,678	\$ 5,827,297	\$ 5,417,539	\$ 6,228,521	\$ 5,707,939	\$ 4,920,516
1,161,519	1,294,538	1,256,026	1,886,017	1,927,751	1,938,396
3,032,359	1,137,899	1,210,768	1,059,363	883,497	981,362
948,089	1,052,542	931,674	1,160,914	1,471,585	1,606,913
2,973,886	2,606,592	2,720,570	1,866,177	2,066,278	1,930,935
1,646,192	1,341,600	1,584,626	1,767,649	2,116,042	2,394,896
34,635	44,377	44,148	168,781	192,699	25,442
24,656,770	25,396,717	24,420,622	25,608,248	25,153,744	25,909,207
6,323,613	5,455,881	12,630,473	3,284,480	3,357,947	5,248,262
45,732,741	44,157,443	50,216,446	43,030,150	42,877,482	44,955,929
1,076,594	932,963	1,047,718	1,069,644	1,259,418	1,856,566
<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>	<u>\$ 46,812,495</u>

(Continued)

COUNTY OF PUTNAM, NEW YORK

CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Net Expense/Revenue:				
Governmental Activities	\$ (72,098,841)	\$ (81,317,285)	\$ (98,425,168)	\$ (92,975,453)
Business-type Activities	(248,898)	(108,682)	(63,026)	65,303
Total Primary Government Net Expense	<u>\$ (72,347,739)</u>	<u>\$ (81,425,967)</u>	<u>\$ (98,488,194)</u>	<u>\$ (92,910,150)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Real Property Taxes	\$ 25,897,639	\$ 26,556,914	\$ 34,272,168	\$ 35,975,679
Other Tax Items	3,651,296	3,774,610	4,258,338	4,565,134
Non-property Taxes	43,309,401	46,902,545	51,718,375	45,986,045
Unrestricted Use of Money and Property	1,106,767	895,198	914,840	775,381
Sale of Property and				
Compensation for Loss	165,620	141,936	346,344	136,717
Miscellaneous	898,171	2,027,397	856,816	1,393,591
Transfers	10,000	10,000	10,000	-
Total Governmental Activities	<u>75,038,894</u>	<u>80,308,600</u>	<u>92,376,881</u>	<u>88,832,547</u>
Business-type Activities:				
Unrestricted Use of Money and Property	102,596	99,374	83,399	337
Transfers	(10,000)	(10,000)	(10,000)	-
Total Business-type Activities	<u>92,596</u>	<u>89,374</u>	<u>73,399</u>	<u>337</u>
Total Primary Government				
General Revenues	<u>\$ 75,131,490</u>	<u>\$ 80,397,974</u>	<u>\$ 92,450,280</u>	<u>\$ 88,832,884</u>
Prior period adjustment-effect of overstated/ understated capital assets	-	(5,067,136)	-	-
Change in Net Position				
Governmental Activities	\$ 2,940,053	\$ (6,075,821)	\$ (6,048,287)	\$ (4,142,906)
Business-type Activities	(156,302)	(19,308)	10,373	65,640
Total Primary Government	<u>\$ 2,783,751</u>	<u>\$ (6,095,129)</u>	<u>\$ (6,037,914)</u>	<u>\$ (4,077,266)</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.

2010	2011	2012	2013	2014	2015
\$ (100,518,842) (199,764)	\$ (104,429,381) (326,458)	\$ (111,073,595) (214,728)	\$ (115,848,087) (177,567)	\$ (115,595,417) 14,690	\$ (111,485,072) 607,706
<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>	<u>\$ (110,877,366)</u>
\$ 37,416,775 4,073,276 47,943,822 1,283,155	\$ 37,248,786 4,696,118 50,048,010 681,908	\$ 38,084,798 5,148,031 51,907,116 956,416	\$ 35,107,514 4,940,649 53,330,206 69,557	\$ 37,835,861 5,041,598 56,105,827 73,494	\$ 41,083,016 5,035,733 55,080,624 64,357
170,354 1,201,131 -	243,328 (657,262) -	204,612 - 2,155,030	129,251 315,148 25,000	111,315 736,322 25,000	55,389 944,903 25,000
<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>	<u>102,289,022</u>
160 -	163 -	185 -	161 (25,000)	10 (25,000)	2 (25,000)
<u>160</u>	<u>163</u>	<u>185</u>	<u>(24,839)</u>	<u>(24,990)</u>	<u>(24,998)</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>	<u>\$ 102,264,024</u>
-	-	-	-	-	-
\$ (8,430,329) (199,604)	\$ (12,168,493) (326,295)	\$ (12,617,592) (214,543)	\$ (21,930,762) (202,406)	\$ (15,666,000) (10,300)	\$ (9,196,050) 582,708
<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>	<u>\$ (8,613,342)</u>

COUNTY OF PUTNAM, NEW YORK

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Restricted	N/A	N/A	N/A	N/A
Committed	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	2,281,753	2,048,439	2,309,207	2,859,777
Unreserved	<u>12,377,007</u>	<u>13,783,498</u>	<u>17,227,752</u>	<u>19,770,446</u>
Total General Fund	<u>\$ 14,658,760</u>	<u>\$ 15,831,937</u>	<u>\$ 19,536,959</u>	<u>\$ 22,630,223</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	1,563,762	1,632,460	1,125,162	1,388,263
Unreserved, Reported In:				
Special Revenue Funds	2,281,259	1,553,696	1,969,854	2,314,265
Capital Projects Fund	<u>(2,673,369)</u>	<u>4,410,862</u>	<u>6,362,736</u>	<u>3,112,523</u>
Total All Other Governmental Funds	<u>\$ 1,171,652</u>	<u>\$ 7,597,018</u>	<u>\$ 9,457,752</u>	<u>\$ 6,815,051</u>
Total Governmental Funds	<u>\$ 15,830,412</u>	<u>\$ 23,428,955</u>	<u>\$ 28,994,711</u>	<u>\$ 29,445,274</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.

2010 (1)	2011	2012	2013	2014	2015
\$ 1,000,000	\$ 692,737	\$ 696,805	\$ 2,415,521	\$ 2,003,733	\$ 4,386,166
302,889	433,291	2,657,689	3,919,221	3,781,919	347,967
-	-	-	-	-	9,287,632
8,824,856	7,575,615	6,936,148	11,365,343	8,963,563	8,857,851
18,260,773	18,142,836	18,762,962	18,825,288	20,129,757	12,476,739
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
<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>	<u>\$ 35,356,355</u>
\$ -	\$ 48,045	\$ -	\$ -	\$ -	\$ 141,323
3,658,402	4,227,992	6,935,275	6,376,769	5,942,998	3,847,638
2,483,663	1,898,412	2,155,565	2,275,430	2,083,484	1,990,264
(601,955)	(284,293)	(110,609)	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
<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>\$ 5,979,225</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>	<u>\$ 41,335,580</u>

COUNTY OF PUTNAM, NEW YORK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Revenues				
Real property taxes	\$ 23,499,901	\$ 26,340,950	\$ 30,806,868	\$ 32,492,279
Other tax items	3,651,296	3,774,610	4,258,338	4,565,134
Non-property taxes	43,309,401	46,902,545	51,718,375	45,986,045
Departmental income	13,431,250	11,400,447	12,541,459	13,574,941
Intergovernmental charges	244,705	502,836	737,133	664,099
Use of money and property	1,996,140	1,988,720	1,185,454	1,037,311
Licenses and permits	680,651	562,565	844,411	706,307
Fines and forfeitures	224,970	197,144	297,607	286,165
Sale of property and compensation for loss	165,620	141,936	346,344	136,717
Interfund revenues	292,355	211,309	240,594	410,367
State aid	17,277,677	17,996,389	18,769,376	19,393,736
Federal aid	12,334,694	9,504,887	9,213,455	18,432,884
Miscellaneous	5,055,268	5,282,055	4,081,081	3,364,622
Total Revenues	122,163,928	124,806,393	135,040,495	141,050,607
Expenditures				
Current				
General government support	20,005,355	20,017,538	20,484,027	20,161,510
Education	8,824,338	9,483,564	10,453,744	10,322,400
Public safety	22,707,370	26,429,020	25,517,994	27,126,749
Health	13,099,520	13,100,806	13,565,255	14,126,793
Transportation	9,383,936	9,903,015	9,996,637	10,271,963
Economic opportunity and development	26,770,835	28,113,635	29,264,080	29,335,234
Culture and recreation	4,956,780	2,509,804	3,716,383	4,006,699
Home and community services	2,323,035	1,946,374	4,941,156	3,989,111
Employee benefits	2,268,474	2,719,530	3,024,159	3,132,538
Debt Service:				
Principal	2,105,000	2,123,000	2,480,000	3,042,900
Interest	1,084,710	3,287,865	3,232,086	2,712,610
Refunding bond issuance costs	-	-	-	-
Capital Outlay	25,731,861	15,176,599	6,989,218	14,966,938
Total Expenditures	139,261,214	134,810,750	133,664,739	143,195,445
Excess (Deficiency) of Revenues Over Expenditures	(17,097,286)	(10,004,357)	1,375,756	(2,144,838)
Other Financing Sources (Uses)				
Bonds issued	18,000,000	17,592,900	4,180,000	2,595,401
Refunding bonds issued	-	-	-	-
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	992,920	2,258,168	226,348	3,175,214
Transfers out	(982,920)	(2,248,168)	(216,348)	(3,175,214)
Total Other Financing Sources	18,010,000	17,602,900	4,190,000	2,595,401
Net Change in Fund Balances	\$ 912,714	\$ 7,598,543	\$ 5,565,756	\$ 450,563
Debt Service as a Percentage of Non-Capital Expenditures	2.7%	4.4%	4.7%	4.7%

	2010	2011	2012	2013	2014	2015
\$	36,457,275	\$ 33,980,375	\$ 36,415,549	\$ 38,627,329	\$ 38,400,507	\$ 38,771,702
	4,073,276	4,528,129	5,148,031	4,940,649	5,041,598	5,035,733
	47,943,822	50,048,010	51,907,116	53,330,206	56,105,827	55,080,624
	13,205,278	11,165,142	11,359,962	11,762,688	11,715,452	10,963,865
	656,761	753,406	666,366	816,455	1,174,922	1,308,496
	985,088	1,063,093	953,008	624,530	625,687	584,850
	896,933	697,290	883,673	845,309	741,059	775,203
	254,399	258,400	255,350	218,880	195,607	224,407
	170,354	243,328	204,612	129,251	111,528	55,389
	405,648	376,795	310,045	306,735	411,117	428,071
	13,807,903	16,549,878	16,207,528	16,441,729	16,474,187	18,175,724
	13,958,530	11,896,430	11,323,669	9,576,958	9,962,601	10,525,090
	4,441,206	1,794,109	11,674,928	3,127,022	2,788,748	3,400,237
	<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>	<u>145,329,391</u>
	20,124,332	21,123,199	21,377,731	22,480,066	27,219,313	24,043,863
	10,037,084	9,829,285	10,152,873	10,196,769	9,379,106	9,408,513
	28,771,601	30,928,919	32,032,454	32,804,565	34,541,586	35,198,063
	13,711,581	12,027,580	12,304,232	10,538,785	11,464,578	11,522,277
	9,638,870	10,708,266	10,037,138	10,471,149	11,457,884	11,808,058
	29,611,726	31,087,737	31,649,422	32,665,550	32,481,284	32,420,370
	3,689,492	2,526,283	2,755,808	3,140,717	3,429,702	3,601,424
	1,774,721	1,894,014	1,704,197	1,753,532	1,768,927	1,721,015
	3,369,554	3,784,913	3,766,453	3,855,901	4,045,623	4,202,823
	2,950,000	3,015,401	3,320,000	2,910,181	3,396,535	3,848,000
	2,529,126	2,754,671	2,646,049	2,462,757	2,456,043	2,320,914
	-	-	-	145,747	-	108,412
	11,453,142	8,549,167	16,710,815	7,266,229	6,883,651	6,828,945
	<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>147,032,677</u>
	<u>(404,756)</u>	<u>(4,875,050)</u>	<u>(1,147,335)</u>	<u>55,793</u>	<u>(4,775,392)</u>	<u>(1,703,286)</u>
	4,888,110	3,680,181	12,351,535	3,113,000	3,478,274	-
	-	-	730,127	19,965,000	-	11,060,000
	-	-	-	1,419,607	-	1,544,523
	-	-	(6,635,127)	(21,191,322)	-	(12,496,111)
	605,889	200,975	903,577	487,280	924,161	935,756
	<u>(605,889)</u>	<u>(200,099)</u>	<u>(903,577)</u>	<u>(462,280)</u>	<u>(1,899,161)</u>	<u>(910,756)</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>133,412</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>	<u>\$ (1,569,874)</u>
	4.5%	4.7%	4.7%	4.0%	4.1%	4.4%

(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

SALES TAX RATES
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</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>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
Total	<u>7.875 %</u>	<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>	<u>8.375 %</u>

(1) Metropolitan Transit Authority

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

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

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

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

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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 2005 to February 2006	March 2006 to February 2007	March 2007 to February 2008	March 2008 to February 2009
Utilities (excluding residential energy)	\$ 26,769	\$ 30,197	\$ 30,267	\$ 32,216
Construction	29,794	31,035	26,758	27,844
Manufacturing	29,902	27,527	28,445	38,231
Wholesale Trade	108,228	88,433	92,221	80,319
Retail Trade:				
Motor Vehicles and Parts	210,389	184,397	186,812	168,060
Furniture and Home Furnishings	30,427	30,787	29,311	24,842
Electronics and Appliances	12,259	10,371	10,017	9,072
Building Materials and Garden Equipment	120,540	111,558	99,800	90,587
Food and Beverage	71,565	69,349	73,232	73,553
Health and Personal Care	14,774	15,163	16,317	16,659
Gasoline Stations	76,371	34,537	14,948	16,214
Clothing	30,331	13,400	7,894	6,055
Sporting Goods, Hobby, Book and Music Stores	10,988	10,401	12,028	10,941
General Merchandise	29,467	22,144	20,763	20,165
Miscellaneous Retail	20,418	21,820	24,653	23,309
Nonstore Retail	22,729	22,440	22,906	25,716
Information	80,241	78,576	80,233	80,406
Professional, Scientific, and Technical	9,621	9,370	10,795	8,570
Administrative/Support Services	28,937	30,413	32,536	33,202
Health Care	1,594	1,528	1,497	1,303
Arts, Entertainment, and Recreation	16,582	14,159	14,841	14,330
Accommodation and Food Services:	N/A	N/A	N/A	N/A
Food Services	64,789	68,370	71,074	73,829
Accommodation	2,176	2,156	2,162	1,414
Other Services:	N/A	N/A	N/A	N/A
Repair and Maintenance	41,628	38,642	42,016	40,378
Personal and Laundry Services	6,589	5,979	6,471	6,810
All Other Services	1,134	1,162	1,020	661
Ag., Mining, Trans., Fire, Educ., Govt.	42,362	41,242	50,035	48,064
Unclassified by Industry	16,770	14,461	13,122	9,861
Grand Total	\$ 1,157,374	\$ 1,029,617	\$ 1,022,174	\$ 982,611

Source: New York State Department of Taxation and Finance

* Preliminary

** Revised

March 2009 to February 2010	March 2010 to February 2011	March 2011 to February 2012	March 2012 to February 2013	March 2013 to February 2014**	March 2014 to February 2015*
\$ 19,872	\$ 30,561	\$ 26,889	\$ 27,067	\$ 30,784	28,222
20,430	21,294	23,181	22,260	25,570	28,193
22,320	21,773	33,092	32,495	35,798	35,084
68,786	76,608	57,342	55,205	82,481	82,344
166,081	176,025	169,533	167,642	190,250	208,085
16,394	16,060	17,292	16,966	17,545	18,340
8,655	10,068	10,532	11,101	11,209	11,216
80,603	86,213	83,211	86,182	90,845	91,888
78,290	95,298	80,189	81,987	87,256	89,577
16,570	17,121	16,544	16,444	16,826	16,018
17,334	17,607	22,294	22,697	170,905	157,072
6,348	10,250	13,934	11,577	22,176	25,881
10,345	11,411	7,853	7,758	9,455	10,260
32,643	35,361	22,416	20,847	38,215	38,609
22,746	22,505	56,324	57,917	46,035	48,430
29,344	31,302	34,287	35,914	49,966	52,431
77,014	76,244	71,003	69,350	72,960	74,853
7,666	13,479	10,873	11,240	10,752	11,796
32,522	33,468	34,483	34,738	32,244	34,539
1,207	1,151	1,842	1,410	1,804	1,408
13,221	14,465	13,488	14,586	15,448	17,702
74,464	78,893	86,198	88,872	97,678	99,646
1,414	1,456	1,527	1,526	1,729	1,692
N/A					
39,879	37,774	46,189	45,356	44,991	46,393
7,123	6,156	7,160	5,590	5,602	5,989
670	589	531	524	705	723
39,238	44,647	42,512	40,602	42,496	42,428
9,800	4,394	940	1,730	5,302	5,091
<u>\$ 920,979</u>	<u>\$ 992,173</u>	<u>\$ 991,659</u>	<u>\$ 989,583</u>	<u>\$ 1,257,027</u>	<u>1,283,910</u>

(This page intentionally left blank)

COUNTY OF PUTNAM, NEW YORK

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

Year	Commercial Property	Residential Property	Total Net Taxable Assessed Value (1)	State Special Equalization Rate (2)	Estimated Actual Taxable Value	Total Direct Tax Rate
2006	N/A	N/A	\$ 11,058,405,063	77.03 %	\$ 14,355,971,781	\$ 2.03
2007	N/A	N/A	11,760,206,076	74.63	15,758,014,305	2.03
2008	N/A	N/A	12,569,993,091	73.89	17,011,764,909	2.01
2009	N/A	N/A	12,275,535,937	75.71	16,213,889,760	2.93
2010	N/A	N/A	11,693,214,268	75.89	15,408,109,458	3.20
2011	N/A	N/A	11,133,206,698	78.31	14,216,839,098	3.30
2012	\$ 2,324,509,404	\$ 8,668,102,251	10,992,611,655	78.28	14,042,682,237	3.46
2013	2,104,054,697	8,591,649,861	10,695,704,558	79.11	13,520,041,155	3.62
2014	2,024,797,218	8,451,494,698	10,476,291,916	79.16	13,234,325,311	3.75
2015	2,088,710,755	8,256,117,153	10,344,827,908	78.66	13,151,319,486	3.91

(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.

COUNTY OF PUTNAM, NEW YORK

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
County Direct Rates	\$ 2.03	\$ 2.03	\$ 2.01	\$ 2.93	\$ 3.20
Town Rates	.81-5.19	.82-5.58	.79-5.33	1.80-5.63	.92-6.05
Village Rates	4.51-7.88	3.55-8.21	3.6-8.7	3.46-9.56	3.43-9.55
School Districts	9.07-41.38	8.44-41.90	7.48-40.10	7.89-41.43	7.66-45.54

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 3.30	\$ 3.46	\$ 3.62	\$ 3.75	\$ 3.91
1.36-6.29	1.70-6.87	1.32-7.41	1.34 - 7.83	1.41-8.03
3.56-7.68	4.04-10.11	4.37-10.37	4.60 - 10.68	4.73-10.81
8.98-52.65	9.33-53.09	9.54-54.58	9.16 - 58.47	9.46-52.29

COUNTY OF PUTNAM, NEW YORK

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2015				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	City of New York	Government	\$ 668,046,387	6.46 %
2	State of New York	Government	162,579,303	1.57
3	NYSEG	Public Utility	123,720,255	1.20
4	Algonquin Gas	Public Utility	73,391,999	0.71
5	Verizon	Public Utility	53,339,930	0.52
6	Consolidated Edison	Public Utility	28,875,346	0.28
7	Highlands Center	Private Corp	22,038,000	0.21
8	Lakeview Plaza	Private Corp	21,670,200	0.21
9	Central Hudson	Public Utility	21,481,252	0.21
10	Putnam Ridge Estates	Private Corp	20,000,000	0.19
	Total		<u>\$ 1,195,142,672</u>	<u>11.55 %</u>

2006				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	NYCDEP	Government	\$ 564,264,625	5.10 %
2	New York State Electric & Gas	Public Utility	95,443,092	0.86
3	Verizon	Public Utility	64,978,110	0.59
4	Consolidated Edison	Public Utility	46,469,115	0.42
5	Emgee Highlands	Private Corp	37,579,159	0.34
6	Algonquin Gas	Public Utility	42,687,006	0.39
7	Plaza LLC (Lakeview Plaza)	Private Corp	25,295,204	0.23
8	Triple C Associates	Private Corp	19,784,544	0.18
9	Mahopac Improvements	Private Corp	19,240,628	0.17
10	Gandol Realty Co.	Private Corp	18,742,827	0.17
	Total		<u>\$ 934,484,310</u>	<u>8.45 %</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
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	112,515,940	93.95	3,149,728	115,665,667	96.58
2010	123,196,494	116,593,162	94.64	2,168,258	118,761,420	96.40
2011	124,070,276	118,983,395	95.90	3,349,897	122,333,292	98.60
2012	128,752,271	122,971,294	95.51	5,780,977	128,752,271	100.00
2013	134,431,543	128,261,135	95.41	4,046,389	132,307,525	98.42
2014	137,606,543	131,015,190	95.21	3,068,626	134,083,815	97.44
2015	141,461,972	134,459,604	95.05	-	134,459,604	95.05

(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 County 's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Direct and Underlying Governmental Activities Debt

Legal Debt Margin Information

COUNTY OF PUTNAM, NEW YORK

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Less Debt Service Funds Available	Net	
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	66,715,014	522,020	66,192,994	0.50
2015	63,629,516	437,144	63,192,372	0.48

(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

		Business- type Activities			
Per Capita (1)	Tobacco Securitization Bonds (2)	Total Primary Government	Percentage of Personal Income (1)		Per Capita (1)
\$ 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	86,186,534	1.53		866.31
635.18	20,141,437	83,333,809	*		837.64

(This page intentionally left blank)

COUNTY OF PUTNAM, NEW YORK

DIRECT AND UNDERLYING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015

UNDERLYING DEBT

<u>Municipality or School District</u>	<u>Gross Long-Term Debt (1)</u>	<u>Exclusions (2)</u>	<u>Amount Applicable To County ()</u>
Towns: (as of December 31, 2015)			
Carmel	\$ 23,155,885	\$ 1,010,123	\$ 22,145,762
Kent	2,113,722	188,401	1,925,321
Patterson	5,985,000	145,000	5,840,000
Philipstown (3)	293,675	70,158	223,517
Putnam Valley	345,000	-	345,000
Southeast	10,600,574	3,711,474	6,889,100
Villages: (as of May 31, 2015)			
Brewster	11,910,000	11,910,000	-
Cold Spring (4)	1,560,000	320,641	1,239,359
Nelsonville	17,500	-	17,500
Schools: (as of June 30, 2015)			
Brewster	11,295,000	4,438,746	6,856,254
Carmel	32,521,937	621,703	31,900,234
Garrison	4,373,132	1,009,384	3,363,748
Haldane	12,233,215	496,351	11,736,864
Mahopac	15,748,117	-	15,748,117
Putnam Valley	14,254,911	-	14,254,911
Total Underlying Debt			122,485,687
Direct Bonded Debt of the County			63,629,516
Direct and Underlying Debt			\$ 186,115,203

(1) Excludes proprietary funds.

(2) Exclusions reflect the amount available for repayment in the Debt Service Fund.
For School Districts, the State School building aid has also been excluded.

(3) As of December 31, 2014

(4) As of May 31, 2014

(5) County percentage is 100% since all of the above municipalities and School Districts fall within the boundaries of the County.

COUNTY OF PUTNAM, NEW YORK

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Debt Limit	\$ 763,677,150	\$ 940,914,909	\$ 942,037,291	\$ 1,023,861,556
Total Net Debt Applicable to Limit	39,345,000	54,457,900	58,637,900	55,240,401
Legal Debt Margin	\$ 724,332,150	\$ 886,457,009	\$ 883,399,391	\$ 968,621,155
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.15%	5.79%	6.22%	5.40%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessment Roll			State Special Equalization Ratio		Full Valuation
Year	Budget Year	Assessed Valuation			
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		13,234,325,311
2015	2015	10,344,827,908	78.66		13,151,319,486
Total Five Year Full Valuation					\$ 68,165,207,287
Five Year Average Full Valuation of Taxable Real Property					13,633,041,457.40
Debt Limit - 7% of Five Year Average Full Valuation					954,312,902
Outstanding County Debt:					
Serial Bonds			60,438,274		
Bond Anticipation Notes			-		60,438,274
Less:					
Exclusion for Water and Sewer Districts Appropriations in 2015 Budget, Exclusive of Water and Sewer Districts					5,526,507
Net Indebtedness Subject to Debt Limit					54,911,767
Net Debt Contracting Margin					\$ 899,401,135

(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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 1,019,431,927	\$ 1,022,630,297	\$ 1,014,337,290	\$ 1,027,867,561	\$ 985,907,962	\$ 954,312,902
<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>54,911,767</u>
<u>\$ 960,886,526</u>	<u>\$ 965,290,116</u>	<u>\$ 952,604,973</u>	<u>\$ 967,965,103</u>	<u>\$ 926,365,814</u>	<u>\$ 899,401,135</u>
5.74%	5.61%	6.09%	5.83%	6.04%	5.75%

(This page intentionally left blank)

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

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)
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	99,487 a	5,616,882,000	56,458	4.2
2015	99,487 a	*	*	3.9

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 2014-2015 as of March 2016 (BEA)

COUNTY OF PUTNAM, NEW YORK

CONSTRUCTION PERMIT DATA
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Value of Residential Construction (1)</u>	<u>Number of Building Permits (1)</u>
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	14,419,500	52
2014	13,233,825	58
2015	11,562,070	31

Sources:

(1) U.S Census Bureau

(This page intentionally left blank)

COUNTY OF PUTNAM, NEW YORK

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>EMPLOYER</u>	2015	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	1,041	2.54 %
Mahopac Central School District	773	1.88
Carmel Central School District	712	1.73
County of Putnam	700	1.70
Brewster Central School District	520	1.27
Green Chimneys Children's Services	375	0.91
Putnam Valley Central School District	290	0.71
Cerebral Palsy Assoc of Putnam & Southern Dutchess	264	0.64
Big V Shop Rite Supermarkets	250	0.61
Arms Acres	230	0.56
	<u>5,155</u>	<u>12.55 %</u>

<u>EMPLOYER</u>	2006	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	964	2.46 %
Carmel Central School District	757	1.93
Putnam County	712	1.81
Mahopac Central School District	703	1.79
Brewster Central School District	620	1.58
Watson Pharmaceuticals	529	1.35
A&P	485	1.24
Guideposts Associates, Inc.	449	1.14
Putnam Associated Resource Center	375	0.96
Green Chimneys	355	0.90
	<u>5,949</u>	<u>15.16 %</u>

Source: Putnam County Planning Department

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,			
	2006	2007	2008	2009
General Government	161	166	156	159
Education	1	1	1	1
Public Safety	204	204	211	202
Health	84	78	83	80
Transportation	56	55	44	41
Economic Opportunity and Development	163	169	173	158
Culture and Recreation	23	21	20	18
Home and Community Services	19	18	9	10
Total	<u>710</u>	<u>712</u>	<u>697</u>	<u>669</u>

Source: Putnam County Finance Department

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
143	144	153	155	156	152
1	1	1	1	1	1
200	200	206	198	200	203
71	71	58	56	52	56
39	39	34	33	35	34
161	160	161	158	156	158
17	17	19	20	21	16
<u>9</u>	<u>9</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>7</u>
<u>641</u>	<u>641</u>	<u>639</u>	<u>628</u>	<u>629</u>	<u>627</u>

COUNTY OF PUTNAM, NEW YORK

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function:	2006	2007	2008	2009
General Government:				
Motor Vehicles				
Number of drivers' licenses issued	16,197	15,961	16,778	N/A
County Clerk				
Number of mortgages issued	7,364	6,284	3,907	3,294
Finance				
Number of certificates of residence issued	N/A	2,027	2,099	2,412
Highway:				
Number of permits issued	37	23	23	20
Public Safety:				
Emergency Services				
Number of calls at 911 center	10,793	10,793	37,911	39,725
Corrections				
Total Inmate admissions	955	713	844	868
Probation				
Average Monthly # Criminal Court Supervision Cases	534	540	550	599
Health:				
Number of Home Health Aid Visits	2,152	2,072	1,740	1,928
Number of Vaccines (Immunization & flu)	4,297	4,172	5,221	10,621
Culture and Recreation:				
Number of rounds of golf played	36,926	39,116	22,951	29,739
Home and Community Services:				
Transportation				
Ridership on public buses	157,507	164,495	174,243	177,246
Economic Assistance and Opportunity				
OFA				
Meals				
Homebound	18,008	22,894	20,194	22,362
Senior Centers	51,144	55,944	57,190	61,588

* Home Health agency was sold in 2010.

N/A - Information not available

NA - not applicable

Source: Various County Departments

2010	2011	2012	2013	2014	2015
N/A	23,609	16,197	10,660	11,458	11,521
3,101	3,154	3,402	3,595	2,391	2,601
2,490	2,523	2,153	2,106	1,666	1,488
12	14	13	25	26	24
35,601	36,742	41,782	42,795	33,060	34,625
930	936	894	746	720	662
609	600	600	600	600	575
1,470	*	*	*	*	
5,977	4,829	5,801	5,657	5,041	4,522
32,898	24,739	31,335	30,088	30,221	32,428
186,867	172,781	168,331	160,464	144,151	134,381
22,713	26,606	33,095	30,247	32,240	33,928
60,324	62,321	66,462	59,440	52,787	53,078

COUNTY OF PUTNAM, NEW YORK

CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009
General Government - Buildings	5	6	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	2,966
Buildings	7	7	7	8
Economic Opportunity - Buildings	5	5	5	5
Home & Community Services - Buildings	1	1	1	1

Source - Various County departments

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
7	7	8	8	8	8
3	3	3	4	4	4
3	3	3	3	3	3
1	1	1	1	1	1
2,698	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, 2015, 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 23, 2016.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 23, 2016



**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by
the Uniform Guidance**

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, 2015. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

June 23, 2016

County of Putnam, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2015

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- Recipients</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	10.557	C025786	\$ -	\$ 393,127
Issued through NYS WIC State Information System	10.557		-	1,380,457
Indirect Program - Passed Through Dept of Temporary & Disability				
Assistance State Admin Matching Grants for Supplemental Nutrition Assistance Program	10.561		-	646,987
Total U.S. Department of Agriculture			-	2,420,571
<u>U.S. Department of Justice</u>				
Direct Program - Bureau of Justice Assistance				
		2012-AP- BX0627/2013 AP- BX-0376/2014 AP- BX-0883		
State Criminal Alien Assistance Program (SCAAP)	16.606		-	373
Indirect Programs - Passed through NYS Office of Victim Services				
Crime Victim Assistance	16.575	C100064	-	117,041
Indirect Programs - Passed through NYS Children's Alliance				
Improving the Investigation and Prosecution of Child Abuse & the Regional & Local Children's Advocacy Centers	16.758	5-BREW-NY-SA15 (2014-CI-FX-K0006)	9,000	9,000
			9,000	126,041
Total U.S. Department of Justice			9,000	126,414
<u>Department of Labor</u>				
Indirect Programs - through Westchester County:				
WIA Adult Programs	17.258		-	136,056
WIA Youth Activities	17.259		-	63,090
WIA Dislocated Worker	17.278		-	184,313
Total Department of Labor			-	383,459
<u>U.S. Department of Transportation</u>				
Direct Programs				
New Freedom Program	20.521	PIN 8823.44 NY-57- X030	-	13,954
Public Transportation Research	20.514		-	80,000
		PIN 8759.05 NY-90- X655 NY-95-X019 NY-90-X636 PIN 8761.05 NY-95- X040		
Federal Transit Formula Grants	20.507		-	1,088,893
			-	1,182,847
Indirect Programs - Passed through Governor's Traffic Safety Committee - DMV				
Occupant Protection Incentive Grant	20.602	CPS 2015	-	2,957
Indirect Programs - Passed through NYS Department of Criminal Justice				
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	C523686	-	12,555
Indirect Programs - Passed through NYS Stop DWI Foundation Inc.				
State and Community Highway Safety	20.600	T005913 / DMV01- C002145-3700393 (HS1-2015 NYS STOP DWI FDTN- 00169 (088)	-	30,487

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ending December 31, 2015

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub- Recipients</u>	<u>Federal Program Expenditure</u>
<u>U.S. Department of Transportation (Continued)</u>				
	20.616	DMV01-C002198- 3700393 (HS1-2016- NYS STOP DWI FOUND-00033- (088)	\$ -	\$ 832
			-	46,831
Indirect Programs - Passed through NYS Department of Transportation				
Highway Planning & Construction	20.205	PIN 8757.48.222 D035017 / PIN 8822.84- CO17679 / PIN 8780.53 D034883	-	216,889
Formula Grants for Rural Areas	20.509	PIN 8794.35.404 - C003923 NY-18-033 5311 OP ASSIST	-	80,000
Metropolitan Transportation Planning	20.505	D000645-C033470	-	74,996
			-	371,885
Indirect Program - Passed through NYS Department of Homeland Security				
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	T836346	-	2,121
Total U.S. Department of Transportation				
			-	1,603,684
<u>U.S. Elections Assistance Commission</u>				
Indirect Program - Passed through NYS Board of Elections				
Help Americans Vote Act Requirements Payments	90.401	C003239	-	187,612
<u>Corporation for National & Community Service</u>				
Direct Program				
Retired and Senior Volunteer Program	94.002	15SRANY003	-	45,765
<u>US Department of Homeland Security</u>				
Indirect Program - Passed through NYS Emergency Management				
Disaster Grant - Public Assistance	97.036	C000599	-	53,636
Emergency Management Performance Grants	97.042	T836355 T836325 T836335 T836345		167,305
Indirect Program - Passed through NYS Office of Homeland Security & Emergency Management				
Homeland Security Grant Program	97.067	C972749 C972732 C972742 C972710 C972720 C972730	-	383,780
Total US Department of Homeland Security				
			-	604,721
<u>U.S. Department of Education</u>				
Indirect Program - Passed through the NYS Department of Health:				
Special Education - Grants for Infants & Families	84.181	C027501	-	39,482

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ending December 31, 2015

Federal Grantor Program Title	Federal CFDA Number (1)	Pass-Through Entity Identifying Number	Passed Through to Sub- Recipients	Federal Program Expenditure
U.S. Department of Health and Human Services				
Indirect Programs - Passed through NYS Office of Aging:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive	93.044		\$ -	\$ 66,428
Special Programs for the Aging-Title VII, Chapter 2 - Long Term Care	93.042		-	7,944
Special Programs for the Aging-Title III, Part D-Disease Prevention &	93.043		-	3,286
Special Programs for the Aging-Title III, Part C - Nutrition Services	93.045		-	124,233
National Family Caregiver Support, Title III, Part E	93.052		-	27,845
Nutrition Services Incentive Program	93.053		-	62,238
Medicare Enrollment Assistance Program	93.071		-	12,263
			<u>-</u>	<u>304,237</u>
Indirect Programs - Passed through NYS Office of Temporary & Disability Assistance:				
Promoting Safe and Stable Families	93.556		-	146,455
		14-OCFS-LCM-14		
Temporary Assistance of Needy Families (TANF)	93.558	15-LCM-07	61,872	1,859,317
Child Support Enforcement	93.563		-	410,378
Low Income Home Energy Assistance	93.568		-	18,841
HEAP Benefits issued through OSC	93.568		-	701,251
Child Care Development Block Grant	93.575	MOU #2303	76,003	1,006,681
Child Welfare Services	93.645		-	111,253
Adoption Assistance	93.659		-	77,152
Social Services Block Grant - Title XX	93.667		-	256,147
Chafee Foster Care Independence Program	93.674		-	4,759
			<u>137,875</u>	<u>4,592,234</u>
Indirect Programs - Passed through NYS Office of Alcoholism and Substance Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959		397,656	396,439
Indirect Programs - Passed through NYS Department of Health:				
Medical Reserve Corp Small Grant Program	93.008	MRC 14-0222	-	209
Immunization Cooperative Agreements	93.268	C028312	-	15,735
Foster Care Title IV E	93.658		-	443,136
Medical Assistance Program	93.778		-	1,360,667
Federal Share of all MA Expenditures via eMedNY	93.778	MR-0-54	-	63,291,521
Maternal & Child Health Services BG to the States	93.994	C026529	-	11,303
			<u>-</u>	<u>65,122,571</u>
Indirect Programs - Passed through NYS Office for Aging:				
Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations & Evaluations	93.779		-	40,184
Indirect Program - Passed through Health Resources & Services Administration				
Cooperative Agreements 001592-11	93.074	001592-11 HRI C#5007-01	-	151,316
Total U.S. Dep't of Health & Human Services			<u>535,531</u>	<u>70,606,981</u>
Total Expenditures of Federal Awards			<u>\$ 544,531</u>	<u>\$ 76,018,689</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

County of Putnam, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2015

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, 2015. 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, 2015**

None

County of Putnam, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

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 federal 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 federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

___ Yes X No

Identification of major federal 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, 2015

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None