

# County of Putnam, New York



## Comprehensive Annual Financial Report



Year Ended:  
December 31, 2018



# The Comprehensive Annual Financial Report

**FINANCIAL YEAR ENDED**

**DECEMBER 31, 2018**

**MARYELLEN ODELL, County Executive**

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



# County of Putnam, New York

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

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

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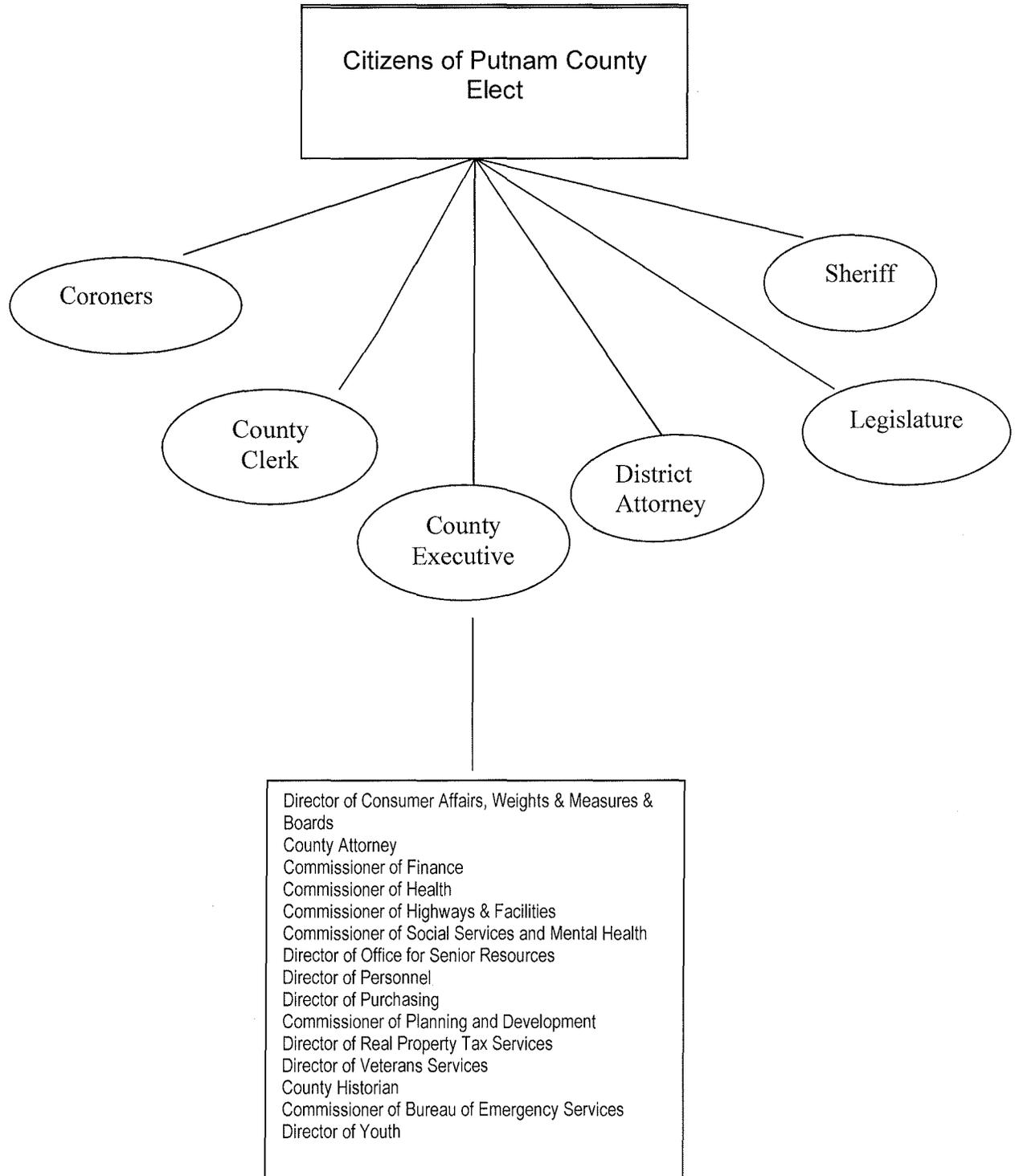
**INTRODUCTORY  
SECTION**

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

<b><u>OFFICE</u></b>	<b><u>OFFICE HOLDER</u></b>	<b><u>TERM EXPIRES</u></b>
<b>County Executive</b>	MaryEllen Odell	12/31/18
<b>County Legislators</b>		
District #1	Barbara Scuccimarra	12/31/18
District #2	William Gouldman.	12/31/20
District #3	Toni Addonizio	12/31/20
District #4	Ginny Nacerino (Chairperson)	12/31/18
District #5	Carl Albano	12/31/19
District #6	Paul Jonke	12/31/19
District #7	Joseph Castellano	12/31/18
District #8	Amy Sayegh	12/31/20
District #9	Neal Sullivan	12/31/19
<b>County Clerk</b>	Michael Bartolotti	12/31/18
<b>District Attorney</b>	Robert Tendy	12/31/19
<b>Sheriff</b>	Robert L. Langley, Jr.	12/31/21
<b>County Attorney</b>	Jennifer Bumgarner	12/31/18
<b>Commissioner of Finance</b>	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 27, 2019

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, 2018 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 PKF 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, 2018 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, 2018 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 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 hour intervals to Grand Central Station. The County is also located conveniently to several airports – 25 miles to Stewart Airport; 25 miles to Westchester County Airport and 45 miles to LaGuardia Airport.

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

The County Executive, elected from the County at large in an even numbered year for a term of four years, not to exceed 2 four year terms, is the Chief Executive Officer responsible for the administration of all County affairs and also acts as the County's Budget Officer.

The County Legislature is the legislative, appropriating and policy determining body of the County. 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, the Putnam Tobacco Asset Securitization Corporation (“PTASC”) is included in the financial statements as a blended component unit.

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 15<sup>th</sup> 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 1<sup>st</sup> of each year. Such budget includes an estimate of the expenditures needed to provide County services as well as the sources of revenue expected to fund these expenditures.

Within five days of submitting the tentative budget, the County Executive and Commissioner of Finance review the budget with the Budget and Finance Committee (“Committee”) of the County Legislature. The Committee subsequently holds a public hearing on the tentative budget to obtain comments from the public. The Committee files a report, which includes its recommendations, to the full Legislature on or before October 20<sup>th</sup>.

A second public hearing before all members of the County Legislature is held no later than October 25<sup>th</sup>. Taxpayers are given the opportunity to express their views on the proposed budget; however, the County is not required to submit the budget to the taxpayers for their approval. After this hearing and prior to October 28<sup>th</sup>, the Legislature as a whole meets to consider and adopt the budget. According to the County Charter, the County Executive may veto all line items changed by the Legislature with the exception of those items pertaining to the Legislature’s own budget. An override of an Executive veto requires 2/3 majority vote of the County Legislature. The budget process is completed and the final budget adopted by November 15<sup>th</sup>.

Beginning with the fiscal year ending December 31, 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.

For the fiscal year ended December 31, 2016, the County implemented the provisions of GASB Statement No. 77, *“Tax Abatement Disclosures.”* These financial statements are issued in full compliance with these standards.

For fiscal year ending December 31, 2018, the County implemented GASB Statement No. 75 *“Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”* (“OPEB”). This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflow/inflows of resources and expenses/expenditure. This statement supersedes the provisions of GASB Statement No. 45 *“Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions.”* As a result, the net position on the government-wide financial statement for the primary government reflects a cumulative effect of change in the accounting principle in the amount of (\$54,005,595). Additional information can be found in Note 3F, in the notes of the financial statements.

## **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 2018, the County's sales tax increased by \$4,458,480. This represented a 7.57% increase in collections over 2017. This increase was due to general conditions as seen in the state and national economies.

The County's annual average unemployment rate (3.2%) continues to remain one of the lowest of all the counties. Single family home sales rose 9.26% from 918 sales in 2017 to 1,003 sales in 2018. The median sale price of a single-family home increased from \$355,000 to \$365,000 a 2.82% increase. Home foreclosure filings initiated in Putnam County decreased from 276 in 2017 to 244 in 2018. The actual foreclosure judgments issued were 183 in 2017 and 197 in 2018.

The County's Net Taxable Assessments increased from \$10,404,388,588 in 2017 to \$12,511,996,857 in 2018 an increase of 20.3%.

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 2018 the County adopted a budget increasing the tax levy by 2.47%, based on the tax cap calculation.

According to Federal statistics Putnam County has a per capita personal income (PCPI) of \$63,469 (2017). This PCPI ranked 6<sup>th</sup> in the state and was 98% of the state average of \$64,540.00, and 123% of the national average of \$51,640.

Putnam County has a median household income of \$99,608 (2017) which is more than the national median household income of \$60,336. This is an increase of 2.05% from 2016 which was \$97,608.

The Census 2010 population count was 99,795. Between 2016 and 2017 the population of Putnam County grew from 98,900 to 99,323, a 0.4277% increase.

The following major initiatives were commenced or were in progress during calendar year 2018 by the various departments and agencies of the Putnam County government:

**Tax Cap:** For the seventh consecutive year, the County adopted the 2018 budget that was within the tax cap, resulting in property tax rebate checks for Putnam County Homeowners issued by the NYS Department of Taxation and Finance over the past few months.

**Short Term Borrowing:** For the third year in a row the County did not issue a Tax Anticipation Note for cash flow purposes.

**Butterfield Senior Center** opened its door in December of 2018 to provide Senior Services to people on the western side of the County. These services include nutrition programs, wellness and exercise classes, adult education, socialization and referral assistance.

**Tobacco 21:** In October and December 2018, the Legislature presented 2 resolutions to create new local laws that among other things ***restricts the sale of tobacco & E-Cigarettes products to anyone under the age of 21.***

**Shared Services:** The County currently deploys 9 School Resource Officers which are specially trained Sheriff's Deputies and 13 Special Patrol Officers to our schools. They not only help keep the school secure but provide the students with information and education.

### **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.

**Sewer Feasibility Study:** The County has commissioned a sewer feasibility study in the towns of Southeast and Carmel that will allow for responsible commercial expansion / development while improving jobs and improving our commercial tax base.

**Capital Improvements:** The County maintains a Charter-required six-year Capital Improvement Schedule that serves as a planning document to ensure that its facilities, equipment and infrastructure are well maintained and operating in peak condition. Under the guidance of the Capital Projects Committee, this process gives the County the ability to plan for its capital needs and allocate short and long-term resources accordingly.

### **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 and is reviewed annually and amended as needed or desired. Total investment earnings for the fiscal year ending December 31, 2018 was \$681,319 up from \$429,827 in 2017 due mainly to rising interest rates.

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, 2017. The County has received this prestigious award twenty-seven of the last twenty-eight 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 PKF 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



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, 2017**

*Christopher P. Morill*

Executive Director/CEO

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**FINANCIAL  
SECTION**

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## **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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

We draw attention to Notes 2D and 3F in the notes to financial statements which disclose the effects of the County's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018 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 for the year ended December 31, 2018.

We also previously audited, 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, the basic financial statements of the County as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated June 27, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended December 31, 2017.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2018 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 27, 2019 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 effectiveness of the County's 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 27, 2019

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# County of Putnam, New York

Management's Discussion and Analysis  
December 31, 2018

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## Introduction

As management of the County of Putnam, New York ("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, 2018. 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 2018

Key financial highlights for fiscal year 2018 are as follows:

- The County's total net position, governmental activities and business-type activities, (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) for fiscal year 2018 was a deficit of \$103,205,347. The net position of the governmental activities was a deficit of \$86,840,496 (including an unrestricted net position deficit of \$138,584,471), and the net position of business-type activities was a deficit of \$16,364,851.
- For fiscal year ending December 31, 2018, the County implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" ("OPEB"). This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement supersedes the provisions of GASB Statement No. 45 "Accounting and Financial Reporting By Employers for Postemployment Benefits Other Than Pensions." As a result, the net position on the government-wide financial statement for the primary government reflects a cumulative effect of change in the accounting principle in the amount of (\$54,005,595). Additional information can be found in Notes 2D and 3F, in the notes of the financial statements.
- However, the total General Fund revenues and other financing sources exceeded general fund expenditures and other financing uses by \$3,745,094.
- Government Activities expenses of \$158,398,666 reported for fiscal year ended December 31, 2018 had a decrease of \$1,376,840 (.87%) from government expenses of \$159,775,506 reported for the year ended December 31, 2017.
- Net program expenses of \$108.5 million were reported for the governmental activities for the fiscal year ended December 31, 2018. This compares with \$113.7 million of net program expenses reported for fiscal year ended December 31, 2017.
- The General Fund reported an ending total fund balance of \$43,526,628, which represents an increase of \$3,745,094 from fiscal year 2017. The Capital Projects Fund reported an ending fund balance of \$6,025,349 an increase of \$1,272,465 from fiscal year 2017.
- The County continues to maintain a AA2 bond rating from Moody's Investors Services.

- The County's total outstanding bonds payable, exclusive of the business-type activities, at December 31, 2018 were \$57,936,475. During fiscal year 2018, the County retired \$4,609,575 of general obligation debt. The County issued \$2,033,125 in Public Improvement Bonds. For the third time in over 20 years the County did not issue a Tax Anticipation Note for cash flow purposes.
- For the year ending 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, 2018, the County reported in its Statement of Net Positions a liability of \$6,982,464 for its proportionate share of the ERS net pension liabilities. The net pension liability was measured as of March 31, 2018, 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 March 31, 2018, the County's proportion was 0.2163465%, which was an increase of 0.0082474% from its proportion measured as of March 31, 2017.

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. As a result of the implementation of the GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"), the overall financial condition of the County deteriorated in fiscal year 2018.

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 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 maintains 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 non-major funds can be found on the combining statements elsewhere in this report.

The County adopts annual 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 funds and an enterprise 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 County maintains one fiduciary fund: the Agency Fund. The resources of the Agency Fund are held by the County in a custodial capacity for individuals, private organizations and other governments.

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 non-major governmental funds, schedules of budget to actual comparisons and the statistical tables.

### **Government-Wide Financial Analysis**

As indicated previously, net position and changes to 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, 2018, the County's assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equaled (\$103,205,347).

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 \$46,926,061. 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.

A summary of the County's governmental net position at December 31, 2018 and 2017 is as follows:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 102,494,998	\$ 92,682,945	\$ 2,299,718	\$ 2,334,301	\$ 104,794,716	\$ 95,017,246
Capital Assets	99,078,836	100,865,808	-	-	99,078,836	100,865,808
<b>Total Assets</b>	<b>201,573,834</b>	<b>193,548,753</b>	<b>2,299,718</b>	<b>2,334,301</b>	<b>203,873,552</b>	<b>195,883,054</b>
Deferred Outflows of Resources	32,321,538	19,660,013	965,000	1,055,657	33,286,538	20,715,670
Current Liabilities	29,086,296	27,327,275	69,775	70,425	29,156,071	27,397,700
Long-term Liabilities	265,273,218	219,795,465	19,559,794	19,433,722	284,833,012	239,229,187
<b>Total Liabilities</b>	<b>294,359,514</b>	<b>247,122,740</b>	<b>19,629,569</b>	<b>19,504,147</b>	<b>313,989,083</b>	<b>266,626,887</b>
Deferred inflows of Resources	26,376,354	4,070,103	-	-	26,376,354	4,070,103
<b>NET POSITION</b>						
Net investment in capital assets	46,926,061	44,759,518	-	-	46,926,061	44,759,518
Restricted	4,817,914	5,546,032	-	-	4,817,914	5,546,032
Unrestricted	(138,584,471)	(88,289,627)	(16,364,851)	(16,114,189)	(154,949,322)	(104,403,816)
<b>Total Net Position</b>	<b>\$ (86,840,496)</b>	<b>\$ (37,984,077)</b>	<b>\$ (16,364,851)</b>	<b>\$ (16,114,189)</b>	<b>\$ (103,205,347)</b>	<b>\$ (54,098,266)</b>

A portion of the County's net position is restricted net position totaling \$4,817,914 at December 31, 2018. This amount represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

The restrictions are as follows:

Casualty Reserve Benefits	\$ 1,431,504
Workers' Compensation Benefits	650,459
Law Enforcement	406,107
Health	17,583
Driving While Intoxicated Program	52,563
Grants and Obligations	1,427,547
Debt Service	242,467
Special Revenue Funds	<u>589,684</u>
<b>Total Restricted Net Position</b>	<b><u>\$ 4,817,914</u></b>

There was a net decrease of \$728,118 in restricted net position reported in connection with the County's governmental activities compared to prior years.

The Special Revenue amount decreased by \$666,654 mainly due to the exclusion of the Transportation Fund which totaled \$864,838 and is no longer considered restricted. Trust increased by \$4,039 from departmental income. Workers' Compensation Benefits Fund decreased by \$84,988 mainly due to an increase in claims payables. Debt Service decreased by \$38,520 due to the planned use of fund balance. 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 \$154,949,322 with a deficit of \$138,548,471 reported in governmental activities and a deficit of \$16,364,851 reported in business-type activities. The governmental activities 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 claims payable (\$4,088,999); compensated absences (\$4,178,025), and OPEB (\$188,548,245). Additional information on all of these long-term liabilities can be found in Note 3F, in the notes to the financial statements.

The activities of the Putnam Tobacco Asset Securitization ("PTASC") are reflected as a business-type blended component unit. The County has no obligation for the debt of PTASC. The business-type activity reflected a deficit balance of \$16,364,851. This represents an increase in the deficit of \$250,662.

## Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 14,849,191	\$ 14,484,531	\$ 969,450	\$ 815,054	\$ 15,818,641	\$ 15,299,585
Operating Grants and Contributions	28,459,366	26,756,792	-	-	28,459,366	26,756,792
Capital Grants and Contributions	5,357,376	3,670,446	-	-	5,357,376	3,670,446
General Revenues						
Real Property Taxes	43,134,059	41,792,992	-	-	43,134,059	41,792,992
Other Tax Items	4,877,949	4,692,425	-	-	4,877,949	4,692,425
Non-Property Taxes	64,525,488	60,000,569	-	-	64,525,488	60,000,569
Unrestricted Use of Money and Property	465,110	215,857	27,001	12,401	492,111	228,258
Sale of Property and Compensation for loss	111,591	57,812	-	-	111,591	57,812
Miscellaneous	520,599	925,680	-	-	520,599	925,680
<b>Total Revenues</b>	<b>162,300,729</b>	<b>152,597,104</b>	<b>996,451</b>	<b>827,455</b>	<b>163,297,180</b>	<b>153,424,559</b>
<b>PROGRAM EXPENSES</b>						
General Government Support	27,004,646	27,992,898	-	-	27,004,646	27,992,898
Education	11,030,390	10,423,919	-	-	11,030,390	10,423,919
Public Safety	40,565,332	42,110,925	-	-	40,565,332	42,110,925
Health	13,991,655	14,694,859	-	-	13,991,655	14,694,859
Transportation	17,785,751	16,749,862	-	-	17,785,751	16,749,862
Economic Opportunity	35,563,347	36,666,894	-	-	35,563,347	36,666,894
Culture and Recreation	7,683,154	6,049,103	-	-	7,683,154	6,049,103
Home and Community Services	1,673,642	1,893,965	-	-	1,673,642	1,893,965
Interest	1,853,636	1,993,587	-	-	1,853,636	1,993,587
Putnam Tobacco Asset Securitization Corp.	-	-	1,247,113	1,199,494	1,247,113	1,199,494
<b>Total Expenses</b>	<b>157,151,553</b>	<b>158,576,012</b>	<b>1,247,113</b>	<b>1,199,494</b>	<b>158,398,666</b>	<b>159,775,506</b>
Excess (Deficiency) Before Transfers	5,149,176	(5,978,908)	(250,662)	(372,039)	4,898,514	(6,350,947)
Transfers	-	30,000	-	(30,000)	-	-
Net Position - Beginning, as reported	(37,984,077)	(32,035,169)	(16,114,189)	(15,712,150)	(54,098,266)	(47,747,319)
Cumulative Effect of Change in Accounting Principle	(54,005,595)	-	-	-	(54,005,595)	-
Net Position - Beginning as restated	(91,989,672)	(32,005,169)	(16,114,189)	(15,742,150)	(108,103,861)	(47,747,319)
Ending	<b>\$ (86,840,496)</b>	<b>\$ (37,984,077)</b>	<b>\$ (16,364,851)</b>	<b>\$ (16,114,189)</b>	<b>\$ (103,205,347)</b>	<b>\$ (54,098,266)</b>

## **Governmental activities**

For the fiscal year ended December 31, 2018, revenues from governmental activities totaled \$162,300,729. Tax revenues of \$112,537,496, comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (69%). Program Revenues totaled \$48,665,933 (30%) and other general revenues totaled \$1,097,300 (1.0%). The \$9,703,625 increase in total governmental activities revenues from the prior year is the result of a combination of the following factors:

- Non-property taxes which includes Sales Tax, Automobile Use Tax and E911 Surcharge increased by \$4,524,919 mainly due to an increase in sales tax of \$4.6 million dollars as a trend of the state and national economy.
- Real property taxes had an increase of \$1.3 million due to an increase in the levy and better collections in 2017.
- Operating Grants and Contributions increased \$1,702,574 mainly due to settlements in Social Services programs for 2018.
- Capital Grants and Contributions increased by \$1,686,930. \$1,181,946 was due to reimbursement of expenses for the Statewide Interoperable Communications Grant for public safety. The balance was due to revenues received for reimbursement of expenses in the Consolidated Highway Infrastructure Program and other transportation capital project expenses.

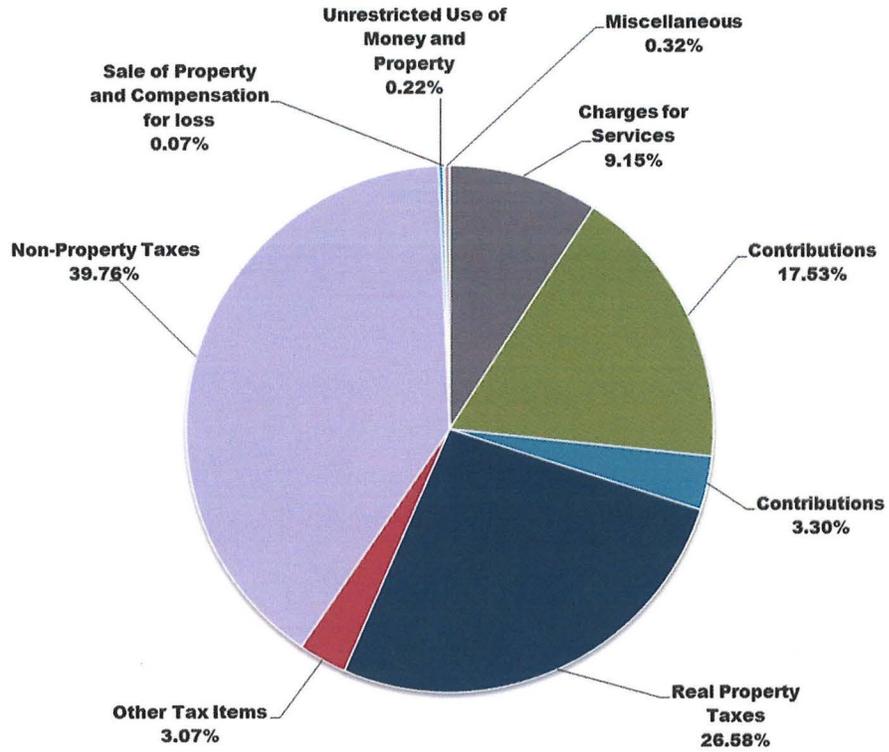
For the fiscal year ended December 31, 2018, expenses from governmental activities totaled \$157,151,553 a decrease of \$1,424,459 over 2017. The largest components of governmental activities included Public Safety \$40,565,332 (25.81%); Economic Opportunity \$35,563,347 (22.63%); and General Government Support \$27,004,646 (17.18%). Expenses decreased from the prior year by \$1,424,459 or 0.91%, primarily as a result of a combination of the following factors:

- Public Safety decreased by \$1,545,593 of which \$900,000 was due to a decrease in capital outlay adjustments from 2017 and the balance was due to the closing out of several Homeland Security Grants in the Bureau of Emergency Services in 2017.
- Economic Opportunity and Development decreased by \$1,103,547 due to GASB adjustments in employee benefits, depreciation and OPEB expenses.
- Home and Community Services decreased by \$220,323 mainly due to the reallocation of certain expenses from Planning to the Transportation function.
- Transportation increased by \$1,035,889 due to adjusting journal entries in accordance with GASB Statement No. 34 which was offset by an increase of \$220k due to the reallocation of certain expense from Planning to Transportation.
- Interest Expenses decreased by \$139,951 due to a GASB Statement No. 34 entry to record the adjustment for accrued interest on bonds
- Culture and Recreation increased by \$1.6 million mainly due to the first full year of operations for Tilly's Table at Tilly Foster and an increase in recording the 2018 depreciation expense.

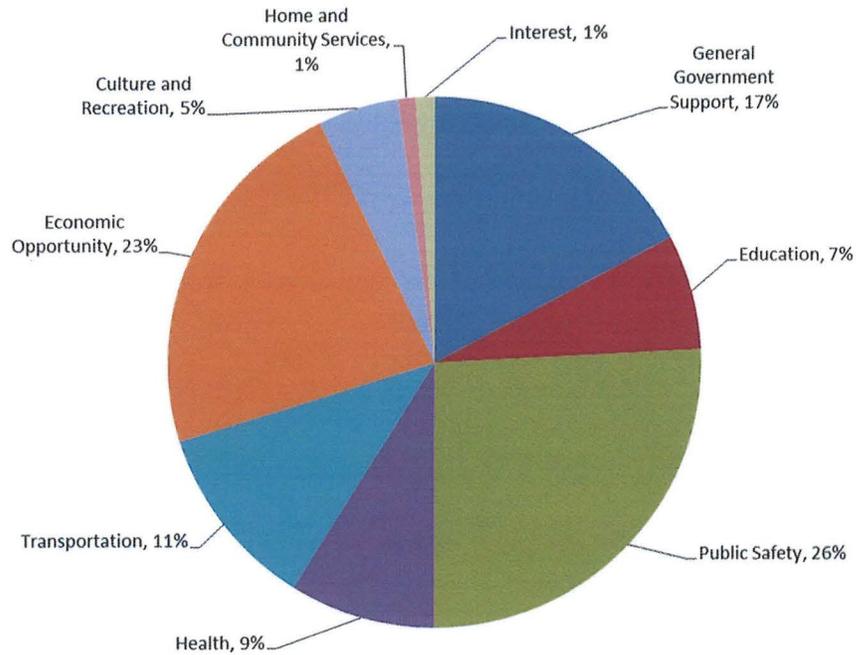
## **Business-type activities**

Business-type activities net position decreased the County's total net position by \$205,662 mainly due to a decrease in Tobacco Settlement revenues.

## Revenues Governmental Activities



## Expenditures Governmental Activities



## Financial Analysis of the Government's Funds

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

### Fund Balance Reporting

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

**Nonspendable** - consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and the principal of endowments.

**Restricted** - consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation, such as the reserve for employee benefit accrued liability.

**Committed** - consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint, such as the designation for tax certioraris or debt stabilization.

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

**Unassigned** - represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use, as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or an individual that has been delegated the authority to assign resources for use for particular purposes by the County Legislature.

At the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$52.7 million, an increase of \$4.7 million in comparison with the prior year. Of this amount, \$4 million is in nonspendable form (prepaid items and long-term receivables). The remaining \$48.7 million of fund balance is in spendable form as follows: \$8.8 million is restricted to specific uses by laws or regulations, debt covenants, grantors, contributors and/or enabling legislation; \$18 million has been assigned by the Legislature or Finance for purchases on orders, subsequent year's expenditures, retirement future capital projects, tax stabilization, 6N insurance, leaving \$22 million unassigned fund balance, which is available for spending at the County's discretion.

The **General Fund** is the County's primary operating fund and the majority of the County's programs and activities are supported by this fund.

At the end of the current fiscal year, total fund balance of the General Fund was \$43.5 million, an increase of \$3.7 million (9.5%) from the prior fiscal year. Of the \$43.5 million total fund balance, \$3.9 million is in nonspendable form (prepaid items and long term receivables). The remaining \$39.6 million of fund balance is allocated as follows: \$1.9 million is restricted and includes reserves for DWI, Public Safety, Health and grants and obligations. \$15.7 million has been assigned and includes \$2.7 million assigned by the Legislature for subsequent year's expenditures as part of the 2019 adopted budget; \$4 million assigned for Insurance; \$3.6 for retirement; \$3.5 for tax stabilization; \$1.3 for capital projects and \$576 thousand for encumbrances. The remaining \$22 million represents unassigned fund balance.

The general fund's unassigned fund balance of \$21,977,572 represents 50.5% of the total General Fund balance of \$43,526,628. Two useful measures of liquidity are the percentage of unassigned fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a healthy 16.35% unassigned fund balance as compared to total expenditures and other financing uses, while total fund balance represents 32.4% of that same amount.

When the fiscal 2018 budget was adopted, it anticipated the use of \$4.7 million of general fund balance. However, actual results of operations resulted in an increase of \$3,745,094 to fund balance. After accounting for specific reserves and \$2.7 million of fund balance appropriated to balance the 2019 budget, the unassigned general fund balance increased from \$15.8 million in 2017 to \$22 million in 2018.

The **County Road Fund's** total fund balance at the end of the current fiscal year was \$1,156,243 a decrease of \$424,948 from the previous year. This decrease in fund balance was mainly due to a decrease in the Real Property Tax Levy of \$311,223 and the remaining difference due to an increase in retirement expenses.

The **Road Machinery Fund's** total fund balance at the end of the current fiscal year was \$324,827 a slight decrease of \$2,722 from 2018.

The **Capital Projects Fund** is used to account for capital project activity throughout the County. The Capital Projects Fund ending fund balance was \$6,025,349 for fiscal year 2018. This represents an increase of \$1,272,465 due to the timing of reimbursements for long term projects offset by a decrease in the capital outlay for ongoing projects.

The **Transportation Fund** reflects a fund balance of \$864,838 an increase of \$194,145 over 2017. This was to an increase in the tax levy of \$183,842.

The **Debt Service Fund** reported a fund balance of \$242,467 at December 31, 2018, a decrease of \$38,520 resulting from a planned use of fund balance.

The **Causality Reserve Benefits Fund** reported a fund balance of \$1,431,504 an increase of \$5,413. This increase is due to interest earned for 2018.

## General Fund Budgetary Highlights

The General Fund had an original budget for revenues and other financing sources of \$133,652,883 and a final budget of \$141,093,498 a difference of \$7,440,615 primarily as a result of the following factors:

- Sales Tax increased by \$4.6 million due to overall economic conditions (\$3m) and prior period adjustments (\$1.6m)
- State Aid accounted for \$1,434,131 of the difference with variances found in the Children With Special Needs 3-5 Program of \$295,000 due to an increase in the number of children being served; Veteran's Program due to receipt of \$240,377 for the Peer to Peer Program; \$193,395 received as additional funding as a pass through to various Mental Health housing program; a grant for \$135,295 for Local Government Records Management; and \$101,000 for the juvenile delinquents program which were offset by an increase in expenditures.
- \$996,341 was attributed to an increase in Federal Aid. Of this amount, \$498,484 was due to the 2018 Homeland Security Grant and \$295,856 various Social Services programs.
- Culture and Recreation increased by \$380,000 to reflect the results of operations to date for Tilly's Table. This was offset by an increase in expenditures.
- Use of Money and Property increased by \$323,059 due to an increase in interest rates.

The difference between the original budget (\$139,257,725) for expenditures and other financing uses and the final budget (\$146,677,061) was \$7,319,336.

- Increased Other Financing Uses totaling \$2,708,102 for the Capital Projects and Transportation funds.
- Public Safety increased by \$1,708,714. Of this amount, \$841,984 was due to salary accruals; \$325,938 for encumbrance rollovers; \$274,920 for the 2017 State Homeland Security Grant; and \$225,900 from 2017 grant rollovers.
- The increase for Economic Opportunity and Development was \$1,087,502. This increase is attributed to increases in the Veteran's Peer to Peer Program, Mental Health Housing programs and various Social Services programs. These increase were offset by increases in revenue.
- Education - The Program for Children with Special Needs (3-5) increased by \$645,626 due to an increase of children in the Center-based programs, an increase in itinerant services due to increased usage and more complex diagnosis, and 6 children being transported individually down to programs in Westchester County, going as far as Yonkers on a daily basis, two round trips per day and 2 children receiving nursing services for eight hours a day.
- Culture and Recreation increased by \$637,722. Of this amount \$364,500 was to account for the first full year of operation of Tilly's Table; \$177,000 was for a contract obligation, and the balance was in the Parks and Recreation.

The actual total revenues and other financing sources for December 31, 2018 was \$138,130,976 which was \$2,962,522 less than the final budget due to the following:

- \$2,133,650 negative variance in Real Property Taxes due to an audit adjustment to deferred property taxes.
- \$860,489 negative variance in Federal Aid was seen in various Social Services Programs including \$497,891 Administration; \$285,374 in Flexible Funding for Family Services and \$68,405 in Child Care services all of which were offset by decrease in expenditures.
- State Aid had a negative variance of \$586,216. Of this amount, \$259,882 was in Health. This includes a \$232,102 decrease in Mental Health Services. \$176,413 was in various Social Services programs
- Various other programs had decreases as well. These programs included \$49,477 in Homeland Security grants; \$46,842 in Indigent Legal Services; and \$39,323 in Records Management for unspent grant monies;

This was offset by positive variances in the following areas:

- \$369,841 was for Refund of Prior Year's Expenditures
- \$201,088 was a result as sales tax collection

Overall, actual General Fund expenditures and Other Financing Uses was \$134,385,882, which was \$12,291,179 less than the final budget.

The major areas where spending was less than final budget were (1) Economic Opportunity and Development (\$4 million); (2) General Government Support (\$3.9 million); (3) Public Safety (\$2.3 million); (4) Health (\$844 thousand); (5) Home and Community Services (\$368 thousand); (6) Culture and Recreation (\$348 thousand); (7) Education (\$323 thousand); and (8) Employee Benefits – undistributed (\$112 thousand).

The County typically realizes various expenditure savings throughout the year due to its very conservative budgeting practices and its use of a vacancy control account to monitor and control personnel costs.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

The County's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$99,078,836 (net of accumulated depreciation), a decrease of \$1,786,972. 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.

	<b>Capital Assets</b>	
	<b>(Net of Depreciation)</b>	
	<b>(in thousands)</b>	
	Governmental Activities	
	2018	2017
Land	\$ 6,618	\$ 6,618
Buildings and Improvements	45,005	47,828
Machinery and Equipment	5,967	6,069
Infrastructure	34,541	37,599
Construction-in-Progress	6,948	2,752
<b>Total (Net of Depreciation)</b>	<b>\$ 99,079</b>	<b>\$ 100,866</b>

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

- The purchase of various vehicles and equipment totaling \$2,314,961.
- Various Construction In Progress works totaling \$4,195,705
- Numerous projects for infrastructure including bikeways were completed this year for a total cost of \$2,192,738.
- Improvement of several County facilities at a cost of \$645,239.
- Depreciation expense of \$5,250,647 charged against infrastructure
- Depreciation expense of \$3,498,835 charged against buildings and improvements
- Depreciation expense of \$2,192,738 charged against machinery and equipment

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

**Long-Term debt**

At the end of the current fiscal year, the County had total debt outstanding of \$57,936,475 exclusive of the Tobacco Securitization Corporation. As required by New York State Law, all bonds issued by the County are general obligation bonds backed by the full faith and credit of the County.

**Outstanding Debt  
General Obligations Bonds  
(in thousands)**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Total general obligation bonds	<u>\$ 57,936</u>	<u>\$ 60,513</u>

Through sound financial management and manageable debt levels, the County has been successful in maintaining its high-grade rating for its general obligation bonds. The County had enjoyed a very favorable bond rating of AA<sup>2</sup> for over ten years. In 2007 the County was downgraded to AA<sup>3</sup> by Moody's "based upon deterioration of the County's cash position and fund balance following two consecutive years of operating deficits". However, in April 2010, the County was upgraded to AA<sup>2</sup> as a result of Moody's recalibration of all municipal ratings.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the County may incur. The State Constitution provides that the County may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the County for the most recent five years. Certain indebtedness is excluded in ascertaining the County's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt," may be issued without regard to the constitutional limits and without affecting the County's authority to issue debt subject to the limit. At December 31, 2018, the County of Putnam had used \$57,936,475 or 5.91% of the constitutional debt limit leaving \$890,511,259 remaining to be used.

Additional information on the County's long-term debt can be found in Note 3F 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 April 2019 was 3.2%, down from 4.0% in April 2018. The County's unemployment rate compared favorably to the State-wide rate of 3.6%.

Labor Department data also indicated that the number of people employed in the County increased by 0.09% from 48,900 to 49,900 between April 2018 and April 2019.

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 2017 was \$99,608 an increase of 2.05% from \$97,606 in 2016. New York State's median household income was \$60,741. The median income for the nation as a whole was \$64,894.

The net taxable assessed value of real property in Putnam County increased from \$10,404,388,588 in 2017 to \$12,511,996,857 in 2018, an increase of 20.3%.

The median sales price of a single-family home increased from \$355,000 in 2017 to \$365,000 in 2018 a 2.82% increase. The number of Single-family houses sold in 2018 increased from 918 in 2017 to 1,003 in 2018 an increase of 9.26%.

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.

The budget will adhere to the requirements of the Property Tax Levy Limit ("Tax Cap") law enacted in 2011.

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 2019 budget.

The County has appropriated \$2,742,651 of the fund balance of the general fund for spending in the 2019 fiscal year. The 2019 County budget increased the real property tax levy by \$1,044,457 for a total tax levy of \$43,409,948 or 2.47% keeping within the real property tax cap authorized by the State of New York.

Additional information on this law can be found in Note 2B 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](http://www.putnamcountyny.gov).

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**BASIC  
FINANCIAL STATEMENTS**

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County of Putnam, New York

Statement of Net Position  
December 31, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 36,896,044	\$ 36,626	\$ 36,932,670
Investments	921,294	-	921,294
Receivables			
Taxes, net	42,158,219	-	42,158,219
Accounts	8,455,522	1,045,520	9,501,042
State and Federal aid	11,464,046	-	11,464,046
Due from other governments	575,173	-	575,173
Prepaid expenses	2,024,700	8,586	2,033,286
Restricted cash and equivalents	-	1,208,986	1,208,986
Capital assets			
Not being depreciated	13,565,435	-	13,565,435
Being depreciated, net	85,513,401	-	85,513,401
<b>Total Assets</b>	<b>201,573,834</b>	<b>2,299,718</b>	<b>203,873,552</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>32,321,538</b>	<b>965,000</b>	<b>33,286,538</b>
<b>LIABILITIES</b>			
Accounts payable	6,082,723	-	6,082,723
Accrued liabilities	5,070,432	69,775	5,140,207
Unearned revenues	3,789,482	-	3,789,482
Due to other governments	13,564,266	-	13,564,266
Accrued interest payable	579,393	-	579,393
Non-current liabilities			
Due within one year	6,083,686	295,000	6,378,686
Due in more than one year	259,189,532	19,264,794	278,454,326
<b>Total Liabilities</b>	<b>294,359,514</b>	<b>19,629,569</b>	<b>313,989,083</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>26,376,354</b>	<b>-</b>	<b>26,376,354</b>
<b>NET POSITION</b>			
Net investment in capital assets	46,926,061	-	46,926,061
Restricted for			
Casualty reserve benefits	1,431,504	-	1,431,504
Workers' compensation benefits	650,459	-	650,459
Law enforcement	406,107	-	406,107
Health	17,583	-	17,583
Driving while intoxicated program	52,563	-	52,563
Grants and obligations	1,427,547	-	1,427,547
Debt service	242,467	-	242,467
Special Revenue Funds			
Trusts	589,684	-	589,684
Unrestricted	(138,584,471)	(16,364,851)	(154,949,322)
<b>Total Net Position</b>	<b>\$ (86,840,496)</b>	<b>\$ (16,364,851)</b>	<b>\$ (103,205,347)</b>

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government support	\$ 27,004,646	\$ 5,533,225	\$ 907,886	\$ -
Education	11,030,390	-	4,418,403	-
Public safety	40,565,332	2,540,504	1,299,676	1,431,796
Health	13,991,655	808,316	6,923,844	-
Transportation	17,785,751	1,510,055	1,486,012	2,622,232
Economic opportunity and development	35,563,347	1,464,989	12,786,304	-
Culture and recreation	7,683,154	2,966,723	255,334	902,090
Home and community services	1,673,642	25,379	381,907	101,363
Interest	1,853,636	-	-	299,895
<b>Total Governmental Activities</b>	<b>157,151,553</b>	<b>14,849,191</b>	<b>28,459,366</b>	<b>5,357,376</b>
<b>Business-type activities</b>				
Putnam Tobacco Asset Securitization Corporation	1,247,113	969,450	-	-
<b>Total</b>	<b>\$ 158,398,666</b>	<b>\$ 15,818,641</b>	<b>\$ 28,459,366</b>	<b>\$ 5,357,376</b>

General revenues

- Real property taxes
- Other tax items
  - Loss 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

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
\$ (20,563,535)	\$ -	\$ (20,563,535)
(6,611,987)	-	(6,611,987)
(35,293,356)	-	(35,293,356)
(6,259,495)	-	(6,259,495)
(12,167,452)	-	(12,167,452)
(21,312,054)	-	(21,312,054)
(3,559,007)	-	(3,559,007)
(1,164,993)	-	(1,164,993)
(1,553,741)	-	(1,553,741)
(108,485,620)	-	(108,485,620)
-	(277,663)	(277,663)
(108,485,620)	(277,663)	(108,763,283)
43,134,059	-	43,134,059
(4,765)	-	(4,765)
4,863,845	-	4,863,845
18,869	-	18,869
63,346,180	-	63,346,180
699,457	-	699,457
479,851	-	479,851
465,110	27,001	492,111
111,591	-	111,591
520,599	-	520,599
113,634,796	27,001	113,661,797
5,149,176	(250,662)	4,898,514
(37,984,077)	(16,114,189)	(54,098,266)
(54,005,595)	-	(54,005,595)
(91,989,672)	(16,114,189)	(108,103,861)
\$ (86,840,496)	\$ (16,364,851)	\$ (103,205,347)

County of Putnam, New York

Balance Sheet  
 Governmental Funds  
 December 31, 2018

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 25,483,432	\$ 5,849,314	\$ 589,984	\$ 31,922,730
Investments	921,294	-	-	921,294
Taxes receivable, net	42,158,219	-	-	42,158,219
Other receivables				
Accounts	8,444,507	-	11,015	8,455,522
State and Federal aid	7,803,229	2,944,750	716,067	11,464,046
Due from other governments	575,173	-	-	575,173
Due from other funds	-	845,820	2,848,656	3,694,476
	<u>16,822,909</u>	<u>3,790,570</u>	<u>3,575,738</u>	<u>24,189,217</u>
Prepaid expenditures	1,929,419	-	95,281	2,024,700
Total Assets	<u>\$ 87,315,273</u>	<u>\$ 9,639,884</u>	<u>\$ 4,261,003</u>	<u>\$ 101,216,160</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 4,782,259	\$ 788,252	\$ 512,212	\$ 6,082,723
Accrued liabilities	4,764,212	-	306,220	5,070,432
Unearned revenues	698,687	2,826,283	264,512	3,789,482
Due to other governments	13,564,266	-	-	13,564,266
Due to other funds	4,892,124	-	-	4,892,124
Total Liabilities	28,701,548	3,614,535	1,082,944	33,399,027
Deferred inflows of resources				
Deferred tax revenues	15,087,097	-	-	15,087,097
Total Liabilities and Deferred Inflows of Resources	<u>43,788,645</u>	<u>3,614,535</u>	<u>1,082,944</u>	<u>48,486,124</u>
Fund balances				
Nonspendable	3,929,419	-	95,281	4,024,700
Restricted	1,903,800	6,025,349	832,151	8,761,300
Assigned	15,715,837	-	2,250,627	17,966,464
Unassigned	21,977,572	-	-	21,977,572
Total Fund Balances	<u>43,526,628</u>	<u>6,025,349</u>	<u>3,178,059</u>	<u>52,730,036</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 87,315,273</u>	<u>\$ 9,639,884</u>	<u>\$ 4,261,003</u>	<u>\$ 101,216,160</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, 2018

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Fund Balances - Total Governmental Funds	\$ 52,730,036
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	<u>99,078,836</u>
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	2,242,678
Deferred amounts on net pension liabilities	450,635
Deferred amounts on other postemployment benefit obligations	<u>3,251,871</u>
	<u>5,945,184</u>
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.	<u>2,081,963</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Real property taxes	<u>15,087,097</u>
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	
Accrued interest payable	(579,393)
Bonds payable	(60,420,802)
Compensated absences	(4,178,025)
Net pension liability	(6,982,464)
Other post employment benefit obligations payable	(188,548,245)
Postclosure care costs	<u>(1,054,683)</u>
	<u>(261,763,612)</u>
Net Position of Governmental Activities	<u>\$ (86,840,496)</u>

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

County of Putnam, New York

Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Governmental Funds  
Year Ended December 31, 2018

	General	Capital Projects	Non-Major Governmental	Total Governmental Funds
<b>REVENUES</b>				
Real property taxes	\$ 27,217,677	\$ -	\$ 13,014,164	\$ 40,231,841
Other tax items	4,877,949	-	-	4,877,949
Non-property taxes	64,525,488	-	-	64,525,488
Departmental income	11,183,011	-	238,707	11,421,718
Intergovernmental charges	-	-	1,275,182	1,275,182
Use of money and property	726,960	-	299,895	1,026,855
Licenses and permits	924,395	-	-	924,395
Fines and forfeitures	218,697	-	-	218,697
Sale of property and compensation for loss	111,591	-	-	111,591
Interfund revenues	-	-	595,917	595,917
State aid	17,960,011	3,016,017	959,013	21,935,041
Federal aid	8,874,448	1,940,101	381,254	11,195,803
Miscellaneous	1,500,749	101,363	16,112	1,618,224
<b>Total Revenues</b>	<b>138,120,976</b>	<b>5,057,481</b>	<b>16,780,244</b>	<b>159,958,701</b>
<b>EXPENDITURES</b>				
Current				
General government support	23,863,181	-	-	23,863,181
Education	11,030,625	-	-	11,030,625
Public safety	36,368,645	-	-	36,368,645
Health	12,878,133	-	-	12,878,133
Transportation	1,360,871	-	10,309,282	11,670,153
Economic opportunity and development	33,492,969	-	-	33,492,969
Culture and recreation	5,916,734	-	-	5,916,734
Home and community services	1,593,484	-	-	1,593,484
Employee benefits Undistributed	5,053,139	-	-	5,053,139
Debt service				
Principal	-	-	4,609,575	4,609,575
Interest	-	-	2,058,557	2,058,557
Capital outlay	-	8,732,562	-	8,732,562
<b>Total Expenditures</b>	<b>131,557,781</b>	<b>8,732,562</b>	<b>16,977,414</b>	<b>157,267,757</b>
Excess (Deficiency) of Revenues Over Expenditures	6,563,195	(3,675,081)	(197,170)	2,690,944
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	2,033,125	-	2,033,125
Issuance premium	-	-	25,484	25,484
Transfers in	10,000	2,938,600	199,601	3,148,201
Transfers out	(2,828,101)	(24,179)	(295,921)	(3,148,201)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,818,101)</b>	<b>4,947,546</b>	<b>(70,836)</b>	<b>2,058,609</b>
<b>Net Change in Fund Balances</b>	<b>3,745,094</b>	<b>1,272,465</b>	<b>(268,006)</b>	<b>4,749,553</b>
<b>FUND BALANCES</b>				
Beginning of Year	39,781,534	4,752,884	3,446,065	47,980,483
End of Year	<u>\$ 43,526,628</u>	<u>\$ 6,025,349</u>	<u>\$ 3,178,059</u>	<u>\$ 52,730,036</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, 2018

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

Net Change in Fund Balances - Total Governmental Funds	\$ 4,749,553
<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	9,379,248
Depreciation expense	<u>(11,166,220)</u>
	<u>(1,786,972)</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>2,902,218</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
Bonds issued	(2,033,125)
Principal paid on bonds	4,609,575
Issuance premium	(25,484)
Amortization of loss on refunding bonds and issuance premium	<u>130,084</u>
	<u>2,681,050</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	74,837
Pension obligations	(195,943)
Compensated absences	76,483
Other post employment benefit obligations	(3,294,209)
Postclosure care costs	<u>21,734</u>
	<u>(3,317,098)</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>(79,575)</u>
Change in Net Position of Governmental Activities	<u>\$ 5,149,176</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 29,351,327	\$ 29,351,327	\$ 27,217,677	\$ (2,133,650)
Other tax items	5,229,200	4,882,889	4,877,949	(4,940)
Non-property taxes	59,633,608	64,294,550	64,525,488	230,938
Departmental income	11,234,707	11,433,158	11,183,011	(250,147)
Use of money and property	358,894	681,953	726,960	45,007
Licenses and permits	847,100	847,100	924,395	77,295
Fines and forfeitures	173,500	173,500	218,697	45,197
Sale of property and compensation for loss	10,130	84,745	111,591	26,846
State aid	17,112,106	18,546,227	17,960,011	(586,216)
Federal aid	8,738,596	9,734,937	8,874,448	(860,489)
Miscellaneous	963,715	1,053,112	1,500,749	447,637
<b>Total Revenues</b>	<b>133,652,883</b>	<b>141,083,498</b>	<b>138,120,976</b>	<b>(2,962,522)</b>
<b>EXPENDITURES</b>				
Current				
General government support	27,768,872	27,835,175	23,863,181	3,971,994
Education	10,708,306	11,353,932	11,030,625	323,307
Public safety	36,951,750	38,660,464	36,368,645	2,291,819
Health	13,317,585	13,722,613	12,878,133	844,480
Transportation	1,372,276	1,372,276	1,360,871	11,405
Economic opportunity and development	36,424,398	37,511,900	33,492,969	4,018,931
Culture and recreation	5,627,092	6,264,814	5,916,734	348,080
Home and community services	1,911,638	1,961,977	1,593,484	368,493
Employee benefits Undistributed	5,165,808	5,165,808	5,053,139	112,669
<b>Total Expenditures</b>	<b>139,247,725</b>	<b>143,848,959</b>	<b>131,557,781</b>	<b>12,291,178</b>
Excess (Deficiency) of Revenues Over Expenditures	(5,594,842)	(2,765,461)	6,563,195	9,328,656
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	10,000	10,000	-
Transfers out	(110,000)	(2,828,102)	(2,828,101)	1
<b>Total Other Financing Uses</b>	<b>(110,000)</b>	<b>(2,818,102)</b>	<b>(2,818,101)</b>	<b>1</b>
<b>Net Change in Fund Balance</b>	<b>(5,704,842)</b>	<b>(5,583,563)</b>	<b>3,745,094</b>	<b>9,328,657</b>
<b>FUND BALANCE</b>				
Beginning of Year	5,704,842	5,583,563	39,781,534	34,197,971
End of Year	\$ -	\$ -	\$ 43,526,628	\$ 43,526,628

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, 2018

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 36,626	\$ 4,973,314
Accounts receivable	1,045,520	-
Prepaid expenses	8,586	-
Due from other funds	-	1,197,648
<b>Total Current Assets</b>	<b>1,090,732</b>	<b>6,170,962</b>
Noncurrent assets		
Restricted cash and equivalents	1,208,986	-
<b>Total Assets</b>	<b>2,299,718</b>	<b>6,170,962</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts on refunding bonds	965,000	-
<b>LIABILITIES</b>		
Current liabilities		
Accrued liabilities	69,775	-
Current portion of claims payable	-	409,000
Current maturities of bonds payable	295,000	-
<b>Total Current Liabilities</b>	<b>364,775</b>	<b>409,000</b>
Noncurrent liabilities		
Claims payable, less current portion	-	3,679,999
Bonds payable, less current maturities	19,264,794	-
<b>Total Noncurrent Liabilities</b>	<b>19,264,794</b>	<b>3,679,999</b>
<b>Total Liabilities</b>	<b>19,629,569</b>	<b>4,088,999</b>
<b>NET POSITION</b>		
Restricted	-	2,081,963
Unrestricted	(16,364,851)	-
<b>Total Net Position</b>	<b>\$ (16,364,851)</b>	<b>\$ 2,081,963</b>

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, 2018

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
<b>OPERATING REVENUES</b>		
Tobacco settlement revenues	\$ 969,450	\$ -
Charges for services	-	1,044,579
Miscellaneous	-	600
Total Operating Revenues	<u>969,450</u>	<u>1,045,179</u>
<b>OPERATING EXPENSES</b>		
Administration	-	310,990
Professional fees	16,247	-
Insurance	8,587	-
Administrative charges	35,000	-
Employee benefits	-	849,491
Total Operating Expenses	<u>59,834</u>	<u>1,160,481</u>
Income (Loss) from Operations	<u>909,616</u>	<u>(115,302)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	27,001	35,727
Interest expense	(1,187,279)	-
Total Non-Operating Revenues (Expenses)	<u>(1,160,278)</u>	<u>35,727</u>
Change in Net Position	(250,662)	(79,575)
<b>NET POSITION</b>		
Beginning of Year	<u>(16,114,189)</u>	<u>2,161,538</u>
End of Year	<u>\$ (16,364,851)</u>	<u>\$ 2,081,963</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, 2018

	Business -type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Putnam Tobacco Asset Securitization Corporation	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from interfund services provided	\$ -	\$ 63,587
Cash received from miscellaneous	-	600
Cash received from tobacco settlement revenues	988,467	-
Cash payments to insurance carriers and claimants	-	(443,492)
Cash payments to vendors	(59,834)	(310,990)
Net Cash From Operating Activities	<u>928,633</u>	<u>(690,295)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Earnings on investments	<u>27,001</u>	<u>35,727</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Repayment of bonds	(130,000)	-
Interest paid	(841,200)	-
Net Cash From Non-Capital Financing Activities	<u>(971,200)</u>	<u>-</u>
Net Change in Cash and Equivalents	(15,566)	(654,568)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>1,261,178</u>	<u>5,627,882</u>
End of Year	<u>\$ 1,245,612</u>	<u>\$ 4,973,314</u>
<b>RECONCILIATION OF CASH AND EQUIVALENTS TO THE COMPARATIVE STATEMENT OF NET POSITION</b>		
Cash and equivalents	\$ 36,626	\$ 4,973,314
Restricted cash and equivalents	1,208,986	-
	<u>\$ 1,245,612</u>	<u>\$ 4,973,314</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ 909,616	\$ (115,302)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	19,017	-
Due from other funds	-	(980,992)
Claims payable	-	405,999
Net Cash From Operating Activities	<u>\$ 928,633</u>	<u>\$ (690,295)</u>
<b>NONCASH INVESTING ACTIVITIES</b>		
Increase in bonds payable from amortization of original issue	\$ 25,564	\$ -
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	230,508	-
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, 2018

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 2,007,511</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 21,174
Employee payroll deductions	232,845
Due to other governments	488,218
Deposits	<u>1,265,274</u>
Total Liabilities	<u>\$ 2,007,511</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 ("County") was established pursuant to an act of the New York State Legislature on June 12, 1812. The County operates under a Legislature/County Executive form of government in accordance with its Charter approved by the voters on November 8, 1977. The County Legislature is the legislative body responsible for overall 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 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, 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 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 position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The County maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide

**Note 1 - Summary of Significant Accounting Policies** (Continued)

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

**Note 1 - Summary of Significant Accounting Policies** (Continued)

- 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 Funds (Not included in Government-Wide Financial Statements) - The Fiduciary Funds are 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. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. 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, certain pension costs and claims, other post employment benefit obligations and postclosure care 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.

**Note 1 - Summary of Significant Accounting Policies** (Continued)

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances**

**Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The County's deposits and 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.

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.

**Investments** - 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 County follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The County participates in a joint municipal cooperative investment pool established pursuant to New York State General Municipal Law Article 3-A that meets the definition of a 2a7-like pool as defined by GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*". The sponsoring agency of the pool is another governmental unit which, acting through its chief fiscal officer, is primarily responsible for executing the provisions of the cooperative agreement. This pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. The County's position in the cooperative is equal to the value of the pool 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 7<sup>th</sup> Street, P.O. Box 897, Des Moines, IA 50304.

**Note 1 - Summary of Significant Accounting Policies** (Continued)

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.

**Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the County does not invest in any long-term investment obligations.

**Custodial Credit Risk** - 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 exposed to custodial credit risk at December 31, 2018, in the amount of \$404,163.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The County does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The County's investment policy limits the amount on deposit at each of its banking institutions.

**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.

**Note 1 - Summary of Significant Accounting Policies** (Continued)

**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, 2018, 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 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 Cash and Equivalent**s - The terms of the bond indenture of the Putnam Tobacco Asset Securitization Corporation provide for the establishment of a liquidity reserve. The reserve has been established at the maximum annual debt service requirements in the current and any future fiscal year, assuming principal is paid in accordance with the requirements of the indenture.

The terms of the bond indenture also provide for the establishment of a trapping account. Following the occurrence of a trapping event, amounts that otherwise would have been paid on the residual certificate to the County will be deposited in the trapping account and will be restricted to pay interest, required planned structured principal payments and turbo redemption payments, in such order, to the extent collections or other available amounts are insufficient for such purposes.

**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 acquisition 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).

**Note 1 - Summary of Significant Accounting Policies** (Continued)

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.

**Unearned Revenues** - Unearned revenues arise, when assets are recognized before revenue recognition criteria has been satisfied. In the 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 \$698,687 for State aid and other items received in advance in the General Fund. The County has also reported unearned revenues of \$2,826,283 for water shed aid received in advance in the Capital Projects Fund and \$264,512 received in advance in the County Road Fund for intergovernmental charges. 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 \$15,087,097 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.

County of Putnam, New York

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 1 - Summary of Significant Accounting Policies** (Continued)

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Governmental Activities</b>		
New York State and Local Employees' Retirement System	\$ 23,593,517	\$ 23,142,882
Deferred Loss on Refunding bonds	2,242,678	-
Other postemployment benefit obligations	6,485,343	3,233,472
	<u>32,321,538</u>	<u>26,376,354</u>
<b>Business-type Activities</b>		
Deferred Loss on Refunding bonds	965,000	-
	<u>\$ 33,286,538</u>	<u>\$ 26,376,354</u>

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

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

**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 Position 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 Pension Liability** - The net pension liability represents the County'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 Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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, workers' compensation benefits, law

**Note 1 - Summary of Significant Accounting Policies** (Continued)

enforcement, health, driving while intoxicated program, grants and obligations, debt service and special revenue funds. The balance is classified as unrestricted.

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

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies** (Continued)

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 27, 2019.

**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.

## County of Putnam, New York

Notes to Financial Statements (Continued)  
December 31, 2018

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### **Note 2 - Stewardship, Compliance and Accountability** (Continued)

- d) A report of the Committee must be filed by October 20<sup>th</sup>, which includes the Committee's recommendations.
- e) On or before October 25<sup>th</sup>, the Legislature conducts a public hearing on the tentative budget.
- f) After the public hearing and prior to October 28<sup>th</sup>, 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 15<sup>th</sup>.
- 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.
  - (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 the 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.

**Note 2 - Stewardship, Compliance and Accountability** (Continued)

**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 2018 was \$200,126,468, which exceeded the actual levy by \$164,041,031.

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 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. Fund Deficit**

The Putnam Tobacco Asset Securitization Corporation Enterprise Fund reflects a deficit at December 31, 2018 of \$16,364,851. This deficit will be reduced annually with the receipt of tobacco revenues.

**D. Cumulative Effect of Change in Accounting Principle**

For the year ended December 31, 2018, the County implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("OPEB)". This statement addresses accounting and financial reporting for OPEB that is

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
 December 31, 2018

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**Note 2 - Stewardship, Compliance and Accountability** (Continued)

provided to the employees of state and local governments by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the 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 \$(54,005,595).

**Note 3 - Detailed Notes on All Funds**

**A. Restricted Cash and Equivalents**

Restricted cash and equivalents at December 31, 2018 consisted of the following -

US Treasury Money Market	<u>\$ 1,208,986</u>
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**B. Taxes Receivable**

Taxes receivable at December 31, 2018 consisted of the following:

Returned school and village taxes	\$ 25,305,135
Tax liens	19,425,202
Taxes receivable - Pending	2,157,849
Property acquired for taxes	<u>6,674,660</u>
	53,562,846
Allowance for uncollectible taxes	<u>(11,404,627)</u>
	<u>\$ 42,158,219</u>

Returned school and village taxes have been relieved in the subsequent year as County taxes. Taxes receivable are also partially offset by deferred tax revenues of \$15,087,097, 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, 2018 were as follows:

Fund	Due From	Due To
General	\$ -	\$ 4,892,124
Capital Projects	845,820	-
Non-Major Governmental	2,848,656	-
Internal Service	<u>1,197,648</u>	<u>-</u>
	<u>\$ 4,892,124</u>	<u>\$ 4,892,124</u>

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

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, 2018	Additions	Deletions	Balance December 31, 2018
Capital Assets, not being depreciated				
Land	\$ 6,617,653	\$ -	\$ -	\$ 6,617,653
Construction-in-Progress	2,752,077	4,195,705	-	6,947,782
<b>Total Capital Assets, not being depreciated</b>	<b>\$ 9,369,730</b>	<b>\$ 4,195,705</b>	<b>\$ -</b>	<b>\$ 13,565,435</b>
Capital Assets, being depreciated				
Buildings and Improvements	\$ 107,558,691	\$ 675,844	\$ -	\$ 108,234,535
Machinery and Equipment	29,222,756	2,314,961	1,194,948	30,342,769
Infrastructure	78,611,866	2,192,738	-	80,804,604
<b>Total Capital Assets, being depreciated</b>	<b>215,393,313</b>	<b>5,183,543</b>	<b>1,194,948</b>	<b>219,381,908</b>
Less Accumulated Depreciation for				
Buildings and Improvements	59,730,321	3,498,835	-	63,229,156
Machinery and Equipment	23,153,995	2,416,738	1,194,948	24,375,785
Infrastructure	41,012,919	5,250,647	-	46,263,566
<b>Total Accumulated Depreciation</b>	<b>123,897,235</b>	<b>11,166,220</b>	<b>1,194,948</b>	<b>133,868,507</b>
Capital Assets, being depreciated, net	<b>\$ 91,496,078</b>	<b>\$ (5,982,677)</b>	<b>\$ -</b>	<b>\$ 85,513,401</b>
Capital Assets, net	<b>\$ 100,865,808</b>	<b>\$ (1,786,972)</b>	<b>\$ -</b>	<b>\$ 99,078,836</b>

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

Governmental Activities	
General Government Support	\$ 1,388,037
Public Safety	2,062,243
Health	160,544
Transportation	5,583,954
Economic Opportunity and Development	558,786
Culture and Recreation	1,406,475
Home and Community Services	6,181
<b>Total Depreciation Expense</b>	<b>\$ 11,166,220</b>

County of Putnam, New York

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds** (Continued)

**E. Accrued Liabilities**

Accrued Liabilities at December 31, 2018 were as follows:

	Governmental Activities	Business - Type Activities	Total
Payroll and employee benefits	\$ 4,316,385	\$ -	\$ 4,316,385
Other	754,047	69,775	823,822
<b>Total Accrued Liabilities</b>	<b>\$ 5,070,432</b>	<b>\$ 69,775</b>	<b>\$ 5,140,207</b>

**F. Long-Term Liabilities**

The changes in the County's long-term indebtedness for the year ended December 31, 2018 is as follows:

	Balance as Reported January 1, 2018	Cumulative Effect of Change in Accounting Principle *	Balance as Restated January 1, 2018	New Issues and/or Additions	Maturities and/or Payments	Balance December 31, 2018	Due Within One Year
<b>Governmental Activities</b>							
Bonds Payable	\$ 60,512,925	\$ -	\$ 60,512,925	\$ 2,033,125	\$ 4,609,575	\$ 57,936,475	\$ 4,973,350
Plus							
Unamortized premium on bonds	2,718,587	-	2,718,587	25,484	259,744	2,484,327	261,336
	<u>63,231,512</u>	<u>-</u>	<u>63,231,512</u>	<u>2,058,609</u>	<u>4,869,319</u>	<u>60,420,802</u>	<u>5,234,686</u>
<b>Other Non-current Liabilities</b>							
Compensated Absences	4,254,508	-	4,254,508	348,517	425,000	4,178,025	418,000
Net Pension Liability	19,553,458	-	19,553,458	-	12,570,994	6,982,464	-
Claims Payable	3,683,000	-	3,683,000	849,491	443,492	4,088,999	409,000
Other Post Employment Benefit							
Obligations Payable	127,996,570	58,372,575	186,369,145	6,546,080	4,366,980	188,548,245	-
Postclosure Care Costs	1,076,417	-	1,076,417	-	21,734	1,054,683	22,000
<b>Total Other Non-Current Liabilities</b>	<u>156,563,953</u>	<u>58,372,575</u>	<u>214,936,528</u>	<u>7,744,088</u>	<u>17,828,200</u>	<u>204,852,416</u>	<u>849,000</u>
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$ 219,795,465</u>	<u>\$ 58,372,575</u>	<u>\$ 278,168,040</u>	<u>\$ 9,802,697</u>	<u>\$ 22,697,519</u>	<u>\$ 265,273,218</u>	<u>\$ 6,083,686</u>
<b>Business-Type Activities</b>							
Bonds Payable	<u>\$ 22,655,423</u>	<u>\$ -</u>	<u>\$ 22,655,423</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 22,525,423</u>	<u>\$ 295,000</u>

\*See Note 2D.

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, claims payable, other post employment benefit obligations and postclosure 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, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

**Bonds Payable**

Bonds payable at December 31, 2018 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2018
Public improvement	2008	\$ 4,180,000	November, 2021	4.500 %	1,275,000
Public improvement	2009	2,595,401	November, 2025	3.125 - 4.000	1,355,000
Public improvement	2010	4,740,000	November, 2028	5.236 - 7.213	3,150,000
Public improvement	2011	3,680,181	November, 2023	2.250 - 2.750	1,785,000
Refunding	2012	6,446,535	November, 2026	2.000 - 2.375	4,165,000
Public improvement	2012	5,905,000	December, 2023	2.000 - 4.000	3,210,000
Public improvement	2013	3,113,000	November, 2024	2.000 - 3.000	2,075,000
Refunding	2013	19,965,000	January, 2036	3.000 - 5.000	17,530,000
Public improvement	2014	3,478,274	November, 2031	2.125 - 3.000	2,925,000
Refunding	2015	11,060,000	January, 2031	2.750 - 5.000	10,385,000
Public improvement	2016	2,114,575	June, 2031	2.000 - 2.250	1,985,000
Public improvement	2016	2,100,000	June, 2028	2.000 - 2.500	1,930,000
Public improvement	2017	3,333,350	June, 2028	2.000	3,333,350
Public improvement	2017	800,000	June, 2027	2.500 - 2.875	800,000
Public improvement	2018	2,033,125	June, 2030	3.000	2,033,125
					\$ 57,936,475

Interest expenditures of \$2,058,557 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$1,853,636 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, 2018 including interest payments of \$12,713,947 are as follows:

Year Ended December 31,	Principal	Interest	Total
2019	\$ 4,973,350	\$ 1,952,089	\$ 6,925,439
2020	5,288,125	1,773,711	7,061,836
2021	5,485,000	1,587,054	7,072,054
2022	5,190,000	1,391,540	6,581,540
2023	5,380,000	1,205,079	6,585,079
2024-2028	19,365,000	3,606,864	22,971,864
2029-2033	9,155,000	1,046,938	10,201,938
2034-2036	3,100,000	150,672	3,250,672
	\$ 57,936,475	\$ 12,713,947	\$ 70,650,422

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**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.

Bonds payable of the Putnam Tobacco Asset Securitization Corporation ("PTASC") at December 31, 2018 are comprised of the following:

	Balance January 1, 2018	Maturities and/or Payments	Balance December 31, 2018	Due Within One Year
Blended Component Unit				
Bonds Payable	\$ 22,655,423	\$ (130,000)	\$ 22,525,423	\$ 295,000
Less:				
Unamortized Original Issue Discount on Term Bonds	(297,686)	25,564	(272,122)	-
Unaccreted amounts on Turbo Capital Appreciation Bonds	<u>(2,924,015)</u>	<u>230,508</u>	<u>(2,693,507)</u>	<u>-</u>
Business-Type Activities				
Long-Term Liabilities	<u>\$ 19,433,722</u>	<u>\$ 126,072</u>	<u>\$ 19,559,794</u>	<u>\$ 295,000</u>

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

\$2,915,000 of Turbo Term Bonds due June 1, 2027 with interest at 6.0% and a projected final Turbo Redemption date of June 1, 2019.\* Balance due at December 31, 2018 is \$5,000.

\$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, 2019.\* Balance due at December 31, 2018 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, 2018 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, 2018 is \$3,325,000.

\$1,988,971 (net of unaccreted amounts of \$1,122,020) 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.\*

\$1,947,945 (net of unaccreted amounts of \$1,571,487) 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.

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Year Ended December 31,	Principal	Interest	Total
2019	\$ 6,070,000	* \$ 664,275	\$ 6,734,275
2020	1,265,000	459,625	1,724,625
2021	1,355,000	394,125	1,749,125
2022	1,440,000	324,250	1,764,250
2023	1,530,000	250,000	1,780,000
2024 and thereafter	10,865,423	279,875	11,145,298
	<u>22,525,423</u>	<u>\$ 2,372,150</u>	<u>\$ 24,897,573</u>
Unamortized Original Issue Discount on Term Bonds	(272,122)		
Unaccreted amounts on Capital Appreciation Bonds	<u>(2,693,507)</u>		
	<u>\$ 19,559,794</u>		

\* Principal payment assumes "catch up" payment is made June 1, 2019.

The required plan structured principal payments are as follows:

Year Ending December 31,	Amount
2019	\$ 295,000
2020	315,000
2021	340,000
2022	355,000
2023	300,000
2024 and thereafter	<u>20,920,423</u>
	<u>\$ 22,525,423</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.

**Note 3 - Detailed Notes on All Funds** (Continued)

**Pension Plans**

*New York State and Local Retirement System*

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. The System provides retirement benefits as well as death and disability benefits. The net position of the System 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 System. 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 System, 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 System 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/about\\_us/financial\\_statements\\_/index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System 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 System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2018 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1 75I	21.6 %
2 75I	19.6
3 553	25.7
3 A14	15.8
4 553	26.0
4 89PBE	18.2
4 A15	16.0
5 553	23.8
5 89PBE	15.6
5 A15	13.1
6 553	19.1
6 89PBE	11.0
6 A15	9.3

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

At December 31, 2018, the County reported the following for its proportionate share of the net pension liability for ERS:

Measurement date	March 31, 2018
Net pension liability	\$ 6,982,464
County's proportion of the net pension liability	0.2163465%
Change in proportion since the prior measurement date	0.0082474%

The net pension liability was measured as of March 31, 2018 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 future value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2018, the County recognized pension expense in the government-wide financial statements of \$8,037,149 for ERS. Pension expenditures of \$7,841,206 for ERS were recorded in the fund financial statements and were charged to the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 7,445,910
County Road	307,523
Capital Projects	525
Transportation	1,236
Road Machinery	86,012
	<u>\$ 7,841,206</u>

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to ERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,490,418	\$ 2,057,988
Changes of assumptions	4,629,951	-
Net difference between projected and actual earnings on pension plan investments	10,141,476	20,018,256
Changes in proportion and differences between County contributions and proportionate share of contributions	449,261	1,066,638
County contributions subsequent to the measurement date	5,882,411	-
	<u>\$ 23,593,517</u>	<u>\$ 23,142,882</u>

County of Putnam, New York

Notes to Financial Statements (Continued)

December 31, 2018

**Note 3 - Detailed Notes on All Funds** (Continued)

\$5,882,411 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 plan's year ended March 31, 2019. 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</u> <u>March 31,</u>	
2019	\$	1,150,245
2020		978,617
2021		(5,213,042)
2022		(2,347,596)

The total pension liability for the ERS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liability to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

Measurement Date	March 31, 2018
Actuarial valuation date	April 1, 2017
Investment rate of return	7.0% *
Salary scale	3.8%
Inflation rate	2.5%
Cost of living adjustments	1.3%

\*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

County of Putnam, New York

Notes to Financial Statements (Continued)

December 31, 2018

**Note 3 - Detailed Notes on All Funds** (Continued)

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 7.0%. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
County's proportionate share of the net pension liability (asset)	<u>\$ 52,831,203</u>	<u>\$ 6,982,464</u>	<u>\$ (31,803,737)</u>

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

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**Note 3 - Detailed Notes on All Funds** (Continued)

The components of the collective net pension liability for ERS as of the March 31, 2018 measurement date were as follows:

Total pension liability	\$ 183,400,590,000
Fiduciary net position	<u>180,173,145,000</u>
Employers' net pension liability	<u>\$ 3,227,445,000</u>
Fiduciary net position as a percentage of total pension liability	<u>98.24%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2018 represent the employer contribution for the period of April 1, 2018 through December 31, 2018 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, 2018 were \$5,882,411.

*Voluntary Defined Contribution Plan*

The County can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the County will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**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.

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

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

	<u>2018</u>	<u>2017</u>
Balance - Beginning of Year	\$ 3,683,000	\$ 4,400,630
Provision for Claims and Claims Adjustment Expenses	849,491	735,369
Claims and Claims Adjustment Expenses Paid	<u>(443,492)</u>	<u>(1,452,999)</u>
Balance - End of Year	<u>\$ 4,088,999</u>	<u>\$ 3,683,000</u>
Due Within One Year	<u>\$ 409,000</u>	<u>\$ 368,000</u>

**Other Post Employment Benefit Obligations (“OPEB”)**

In addition to providing pension benefits, the County provides certain health care benefits for retired employees through a single employer defined benefit OPEB 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. The cost of providing post employment health care benefits is shared between the County and the retired employee as noted below. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	383
Active employees	<u>588</u>
	<u>971</u>

The County's total OPEB liability of \$188,548,245 was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.5%, average, including inflation
Discount rate	3.44%
Healthcare cost trend rates	7.0% for 2019, decreasing 0.5% per year to an ultimate rate of 4.8% for 2088 and later years
Retirees' share of benefit-related costs	Varies from 0% to 50%, depending on applicable retirement year and bargaining unit

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

**County of Putnam, New York**

Notes to Financial Statements (Continued)

December 31, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

Mortality rates were based on the RP-2014 Healthy Male and Female Tables for both pre and post retirement, projected with mortality improvements using scale MP-2014, and projected forward with scale MP-2018.

The actuarial assumptions used in the January 1, 2018 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS. ERS tables were based on a version released in 2015.

The County's change in the total OPEB liability for the year ended December 31, 2018 is as follows:

Total OPEB Liability - Beginning of Year	\$ 186,369,145
Service cost	5,198,127
Interest	7,158,707
Changes of benefit terms	(4,628,868)
Differences between expected and actual experience	2,614,909
Changes in assumptions or other inputs	(3,796,795)
Benefit payments	<u>(4,366,980)</u>
 Total OPEB Liability - End of Year	 <u>\$ 188,548,245</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	1% Decrease (2.44%)	Current Assumption (3.44%)	1% Increase (4.44%)
Total OPEB Liability	<u>\$ 226,334,243</u>	<u>\$ 188,548,245</u>	<u>\$ 159,144,390</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.8%) or 1 percentage point higher (8.0% decreasing to 5.8%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 3.8%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.8%)	1% Increase (8.0% decreasing to 5.8%)
Total OPEB Liability	<u>\$ 156,612,762</u>	<u>\$ 188,548,245</u>	<u>\$ 230,736,603</u>

## County of Putnam, New York

Notes to Financial Statements (Continued)  
December 31, 2018

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### **Note 3 - Detailed Notes on All Funds** (Continued)

For the year ended December 31, 2018, the County recognized OPEB expense of \$7,552,612 in the district-wide financial statements. At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ -	\$ 3,233,472
Differences between expected and actual experience	2,226,940	-
County's contributions subsequent to the measurement date	4,258,403	-
	<u>\$ 6,485,343</u>	<u>\$ 3,233,472</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2019	\$ (175,354)
2020	(175,354)
2021	(175,354)
2022	(175,354)
2023 and Thereafter	(305,116)

### **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 the landfill and capping it. In 2012 the landfill was capped. The remaining liability of \$1,054,683 at December 31, 2018 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.

**County of Putnam, New York**

Notes to Financial Statements (Continued)  
December 31, 2018

**Note 3 - Detailed Notes on All Funds** (Continued)

**G. 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, 2018, 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	\$ 576,411
Non-Major Governmental	<u>107,238</u>
Total	<u>\$ 683,649</u>

**H. 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	\$ -	\$ 2,690,179	\$ 137,922	\$ 2,828,101
Capital Projects Fund	-	-	24,179	24,179
Non-Major Governmental Funds	10,000	248,421	37,500	295,921
Proprietary Funds - Putnam Tobacco Asset Securitization Corporation	35,000	-	-	35,000
	<u>\$ 45,000</u>	<u>\$ 2,938,600</u>	<u>\$ 199,601</u>	<u>\$ 3,183,201</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)

**I. 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 and Workers' Compensation 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 and 6J 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 Grants and Obligations* - the component of net position that represents a segregation of fund balance to fund shortfalls of outstanding grants and obligations.

*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, 2018

**Note 3 - Detailed Notes on All Funds (Continued)**

**J. Fund Balances**

	2018				2017			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
<b>Nonspendable</b>								
Prepaid expenditures	\$ 1,929,419	\$ -	\$ 95,281	\$ 2,024,700	\$ 1,986,893	\$ 525	\$ 108,576	\$ 2,095,994
Long-term receivables	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000
<b>Total Nonspendable</b>	<b>3,929,419</b>	<b>-</b>	<b>95,281</b>	<b>4,024,700</b>	<b>3,986,893</b>	<b>525</b>	<b>108,576</b>	<b>4,095,994</b>
<b>Restricted</b>								
Law enforcement	406,107	-	-	406,107	358,355	-	-	358,355
Health	17,583	-	-	17,583	18,808	-	-	18,808
Driving while intoxicated program	52,563	-	-	52,563	38,770	-	-	38,770
Grants and obligations	1,427,547	-	-	1,427,547	1,431,236	-	-	1,431,236
Capital projects	-	6,025,349	-	6,025,349	-	4,752,359	-	4,752,359
Debt service	-	-	158,467	158,467	-	-	167,987	167,987
Debt service for subsequent year's expenditures	-	-	84,000	84,000	-	-	113,000	113,000
Trusts	-	-	589,684	589,684	-	-	585,645	585,645
<b>Total Restricted</b>	<b>1,903,800</b>	<b>6,025,349</b>	<b>832,151</b>	<b>8,761,300</b>	<b>1,847,169</b>	<b>4,752,359</b>	<b>866,632</b>	<b>7,466,160</b>
<b>Assigned</b>								
Purchases on order								
General government support	145,772	-	-	145,772	509,610	-	-	509,610
Public safety	325,938	-	2,770	328,708	339,441	-	-	339,441
Health	5,747	-	-	5,747	5,009	-	-	5,009
Transportation	21,533	-	104,468	126,001	-	-	384,292	384,292
Economic opportunity	8,631	-	-	8,631	29,614	-	-	29,614
Culture and recreation	22,427	-	-	22,427	60,604	-	-	60,604
Home and community services	46,363	-	-	46,363	83,564	-	-	83,564
	576,411	-	107,238	683,649	1,027,842	-	384,292	1,412,134
For subsequent year's expenditures								
General Fund	2,742,651	-	-	2,742,651	4,677,000	-	-	4,677,000
County Road Fund	-	-	326,864	326,864	-	-	350,000	350,000
Road Machinery Fund	-	-	97,475	97,475	-	-	92,000	92,000
Transportation Fund	-	-	210,000	210,000	-	-	209,000	209,000
Retirement	3,568,196	-	-	3,568,196	3,568,196	-	-	3,568,196
Future Capital projects	1,290,896	-	-	1,290,896	1,290,896	-	-	1,290,896
Tax stabilization	3,537,683	-	-	3,537,683	3,537,683	-	-	3,537,683
Insurance	4,000,000	-	-	4,000,000	4,000,000	-	-	4,000,000
County Road Fund	-	-	698,413	698,413	-	-	820,035	820,035
Road Machinery Fund	-	-	156,130	156,130	-	-	154,079	154,079
Transportation Fund	-	-	654,507	654,507	-	-	461,451	461,451
<b>Total Assigned</b>	<b>15,715,837</b>	<b>-</b>	<b>2,250,627</b>	<b>17,966,464</b>	<b>18,101,617</b>	<b>-</b>	<b>2,470,857</b>	<b>20,572,474</b>
<b>Unassigned</b>	<b>21,977,572</b>	<b>-</b>	<b>-</b>	<b>21,977,572</b>	<b>15,845,855</b>	<b>-</b>	<b>-</b>	<b>15,845,855</b>
<b>Total Fund Balances</b>	<b>\$ 43,526,628</b>	<b>\$ 6,025,349</b>	<b>\$ 3,178,059</b>	<b>\$ 52,730,036</b>	<b>\$ 39,781,534</b>	<b>\$ 4,752,884</b>	<b>\$ 3,446,065</b>	<b>\$ 47,980,483</b>

**Note 3 - Detailed Notes on All Funds (Continued)**

**K. 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.

The amounts restricted for trusts have been established to set aside funds in accordance with the terms of the grants.

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, 2018, the County Legislature has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for Retirement represents funds set aside for the purpose of financing retirement contributions to the New York State and Local Employees' Retirement System.

Assigned for Future Capital Projects represents funds set aside for the purpose of financing future capital projects.

Assigned for Tax Stabilization represents funds set aside for an emergency to prevent a large tax increase.

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

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 personal injury, wrongful death, false arrest, negligence, bodily injury, breach of contract, defamation of character and invasion of privacy. The County currently carries both conventional general liability insurance to cover possible losses arising from these actions. In the opinion of the County Attorney, and apart from matters provided for by applicable insurance coverage, there are four (4) claims or actions pending which, if determined against the County, would have an adverse material effect on the financial condition of the County; (1) This is a claim alleging violations of various constitutional rights, including unlawful search and seizure, false arrest, defamation, denial of due process and malicious prosecution. The case was presented to the grand jury by the Putnam County District Attorney's Office twice, and twice the indictments were thrown out by a federal court judge. Given this fact, there is a moderate level of concern that the County will be subject to significant liability in this case. The Plaintiff is seeking compensatory damages in an estimated amount of \$10,000,000. Insurance coverage is afforded, with a reservation of rights, under the County's Municipal Public Official's Policy, which has a limit of \$1 million per occurrence with a \$250,000 deductible per claim. The County's insurer has set an indemnity reserve of \$100,000. (2) This is a claim for malicious prosecution and false imprisonment. The Plaintiff was found not guilty after a trial, however, he was detained pending trial for over a year. Given the fact that the average jury verdicts for false imprisonment range from \$1,000,000 to \$1,500,000 per year of incarceration, the County's maximum exposure could be \$1,500,000. The Plaintiff has sued for \$15,000,000 compensatory damages and \$30,000,000 in punitive damages. Insurance coverage is afforded, with a reservation of rights, under the County's Municipal Law Enforcement Policy, which has a limit of \$1 million per occurrence with a \$250,000 deductible per claim. The County's insurer has set an indemnity reserve of \$100,000. (3) This is a claim alleging a violation of constitutional rights which resulted in the wrongful conviction and 20 year incarceration of the Plaintiff. Given the fact that the average jury verdicts for false imprisonment range from \$1,000,000 to \$1,500,000 per year of incarceration, the County's maximum exposure could be upwards of \$30,000,000 if the Plaintiff were to prevail. Insurance coverage is afforded, with a reservation of rights, under the County's Municipal Law Enforcement Policy, which has a limit of \$1 million per occurrence with a \$250,000 deductible per claim. The County's insurer has set an indemnity reserve of \$100,000. (4) This is a claim by a general contractor overseeing a project for the construction of a portion of the County's bikeway. They are suing for breach of contract and claim that the County has caused damage to their business in the amount of \$5.3 million as the value of the work and services under the contract, \$214,034 for work already performed, \$2 million for false misrepresentations and \$2 million for interference with economic prospects. No insurance coverage is afforded for this claim.

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

**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 Uniform Guidance. 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.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Significant Contingencies - Putnam County Tobacco Asset Securitization Corporation**

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

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

**D. Risk Management**

The County and other villages, counties, towns, cities and district corporations within the State have formed a reciprocal insurance company to be owned by these municipalities. This reciprocal operates under an agreement effective September 1, 1993. The purpose of this reciprocal is to provide local governments with the opportunity to gain control over their insurance programs and bring stability to their insurance costs. The reciprocal provides general liability, automobile, property, umbrella and police and public officials' liability coverage. The reciprocal retains a management company, which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact. The Board of Governors is comprised of employees of the subscribers. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Attorney-in-fact derives all of its authority from the Board of Governors and New York State Insurance Laws, and is 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.

**County of Putnam, New York**

Notes to Financial Statements (Concluded)  
December 31, 2018

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**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

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. The policy is excess workers' compensation over the County's self- insurance subject to a \$1,000,000 Self-Insured Retention. The policy covers over the Self Insured Retention Part One, Workers Compensation for Statutory Limits and Part Two, Employers Liability of \$1,000,000 each accident & Each Employee. The Employer's Liability portion is "unlimited" in New York. The limit refers to any other state.

**Note 5 - Tax Abatements**

The County has real property tax abatement agreements exempt under Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. The total tax abatement for the year ended December 31, 2018 was determined not to be material as the total abatement was less than \$20,000.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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## County of Putnam, New York

### Required Supplementary Information - Schedule of Changes in the County's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1) (2)

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	<u>2018</u>
Total OPEB Liability:	
Service cost	\$ 5,198,127
Interest	7,158,707
Changes of benefit terms	(4,628,868)
Differences between expected and actual experience	2,614,909
Changes of assumptions or other inputs	(3,796,795)
Benefit payments	<u>(4,366,980)</u>
Net Change in Total OPEB Liability	2,179,100
Total OPEB Liability – Beginning of Year	<u>186,369,145</u> (3)
Total OPEB Liability – End of Year	<u>\$ 188,548,245</u>
County's covered-employee payroll	<u>\$ 47,001,125</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>401%</u>

#### Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

**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>2018</u>	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
County's proportion of the net pension liability	<u>0.2163465%</u>	<u>0.2080991%</u>	<u>0.2116106%</u>	<u>0.2035676%</u>
County's proportionate share of the net pension liability	<u>\$ 6,982,464</u>	<u>\$ 19,553,458</u>	<u>\$ 33,964,087</u>	<u>\$ 6,877,010</u>
County's covered payroll	<u>\$ 46,596,425</u>	<u>\$ 46,735,501</u>	<u>\$ 43,741,198</u>	<u>\$ 42,545,018</u>
County's proportionate share of the net pension liability as a percentage of its covered payroll	<u>14.98%</u>	<u>41.84%</u>	<u>77.65%</u>	<u>16.16%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.20%</u>	<u>94.70%</u>	<u>90.70%</u>	<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*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,841,062	\$ 8,573,018	\$ 7,689,383	\$ 8,952,292
Contributions in relation to the contractually required contribution	<u>(7,841,062)</u>	<u>(8,573,018)</u>	<u>(7,689,383)</u>	<u>(8,952,292)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 45,824,106</u>	<u>\$ 46,576,602</u>	<u>\$ 44,716,201</u>	<u>\$ 43,768,828</u>
Contributions as a percentage of covered payroll	<u>17.11%</u>	<u>18.41%</u>	<u>17.20%</u>	<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*.

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## **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.

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**County of Putnam, New York**

General Fund  
Comparative Balance Sheet  
December 31,

	2018	2017
<b>ASSETS</b>		
Cash and equivalents	\$ 25,483,432	\$ 17,541,522
Investments	921,294	1,547,310
Taxes receivable		
Returned school and village taxes	25,305,135	24,686,579
Tax liens	19,425,202	20,624,922
Taxes receivable - Pending	2,157,849	2,072,985
Property acquired for taxes	6,674,660	3,622,501
	53,562,846	51,006,987
Allowance for uncollectible taxes	(11,404,627)	(11,847,712)
	42,158,219	39,159,275
Other receivables		
Accounts	8,444,507	8,304,692
State and Federal aid	7,803,229	7,672,926
Due from other governments	575,173	1,186,845
	16,822,909	17,164,463
Prepaid expenditures	1,929,419	1,986,893
Total Assets	<u>\$ 87,315,273</u>	<u>\$ 77,399,463</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 4,782,259	\$ 4,436,894
Accrued liabilities	4,764,212	3,223,516
Unearned revenues	698,687	1,462,226
Due to other governments	13,564,266	12,599,952
Due to other funds	4,892,124	3,710,462
Total Liabilities	28,701,548	25,433,050
Deferred inflows of resources		
Deferred tax revenues	15,087,097	12,184,879
Total Liabilities and Deferred Inflows of Resources	43,788,645	37,617,929
Fund balance		
Nonspendable	3,929,419	3,986,893
Restricted	1,903,800	1,847,169
Assigned	15,715,837	18,101,617
Unassigned	21,977,572	15,845,855
Total Fund Balance	43,526,628	39,781,534
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 87,315,273</u>	<u>\$ 77,399,463</u>

See independent auditors' report.

County of Putnam, New York

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

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 29,351,327	\$ 29,351,327	\$ 27,217,677	\$ (2,133,650)
Other tax items	5,229,200	4,882,889	4,877,949	(4,940)
Non-property taxes	59,633,608	64,294,550	64,525,488	230,938
Departmental income	11,234,707	11,433,158	11,183,011	(250,147)
Use of money and property	358,894	681,953	726,960	45,007
Licenses and permits	847,100	847,100	924,395	77,295
Fines and forfeitures	173,500	173,500	218,697	45,197
Sale of property and compensation for loss	10,130	84,745	111,591	26,846
State aid	17,112,106	18,546,227	17,960,011	(586,216)
Federal aid	8,738,596	9,734,937	8,874,448	(860,489)
Miscellaneous	963,715	1,053,112	1,500,749	447,637
<b>Total Revenues</b>	<b>133,652,883</b>	<b>141,083,498</b>	<b>138,120,976</b>	<b>(2,962,522)</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government support	27,768,872	27,835,175	23,863,181	3,971,994
Education	10,708,306	11,353,932	11,030,625	323,307
Public safety	36,951,750	38,660,464	36,368,645	2,291,819
Health	13,317,585	13,722,613	12,878,133	844,480
Transportation	1,372,276	1,372,276	1,360,871	11,405
Economic opportunity and development	36,424,398	37,511,900	33,492,969	4,018,931
Culture and recreation	5,627,092	6,264,814	5,916,734	348,080
Home and community services	1,911,638	1,961,977	1,593,484	368,493
Employee benefits Undistributed	5,165,808	5,165,808	5,053,139	112,669
<b>Total Expenditures</b>	<b>139,247,725</b>	<b>143,848,959</b>	<b>131,557,781</b>	<b>12,291,178</b>
Excess (Deficiency) of Revenues Over Expenditures	(5,594,842)	(2,765,461)	6,563,195	9,328,656
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	10,000	10,000	-
Transfers out	(110,000)	(2,828,102)	(2,828,101)	1
<b>Total Other Financing Uses</b>	<b>(110,000)</b>	<b>(2,818,102)</b>	<b>(2,818,101)</b>	<b>1</b>
<b>Net Change in Fund Balance</b>	<b>(5,704,842)</b>	<b>(5,583,563)</b>	<b>3,745,094</b>	<b>9,328,657</b>
<b>FUND BALANCE</b>				
Beginning of Year	5,704,842	5,583,563	39,781,534	34,197,971
End of Year	\$ -	\$ -	\$ 43,526,628	\$ 43,526,628

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 28,683,619	\$ 28,683,619	\$ 29,041,240	\$ 357,621
5,052,450	4,510,820	4,692,425	181,605
58,456,282	59,977,699	60,000,569	22,870
11,322,496	11,027,251	11,076,828	49,577
308,059	552,059	575,709	23,650
732,100	732,100	805,881	73,781
170,000	170,000	201,658	31,658
9,200	26,878	57,812	30,934
16,091,894	17,003,349	16,915,084	(88,265)
8,810,294	9,442,849	8,519,388	(923,461)
914,392	1,059,247	1,624,040	564,793
<u>130,550,786</u>	<u>133,185,871</u>	<u>133,510,634</u>	<u>324,763</u>
28,066,294	26,758,318	23,754,954	3,003,364
9,955,424	10,538,111	10,423,919	114,192
37,257,984	39,087,491	36,767,396	2,320,095
13,506,751	13,681,889	12,933,339	748,550
1,335,276	1,346,592	1,346,592	-
35,730,136	36,477,459	33,639,289	2,838,170
5,171,561	5,343,966	4,983,259	360,707
2,001,580	1,935,922	1,742,315	193,607
4,817,404	4,817,404	4,750,314	67,090
<u>137,842,410</u>	<u>139,987,152</u>	<u>130,341,377</u>	<u>9,645,775</u>
<u>(7,291,624)</u>	<u>(6,801,281)</u>	<u>3,169,257</u>	<u>9,970,538</u>
30,000	337,334	337,334	-
<u>(110,000)</u>	<u>(1,371,130)</u>	<u>(1,371,129)</u>	<u>1</u>
<u>(80,000)</u>	<u>(1,033,796)</u>	<u>(1,033,795)</u>	<u>1</u>
(7,371,624)	(7,835,077)	2,135,462	9,970,539
<u>7,371,624</u>	<u>7,835,077</u>	<u>37,646,072</u>	<u>29,810,995</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,781,534</u>	<u>\$ 39,781,534</u>

**County of Putnam, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
<b>REAL PROPERTY TAXES</b>	\$ 29,351,327	\$ 29,351,327	\$ 27,217,677	\$ (2,133,650)	\$ 29,041,240
<b>OTHER TAX ITEMS</b>					
Loss from sale of tax acquired property	100,000	(5,000)	(4,765)	235	(441,629)
Interest and penalties on real property taxes	5,100,000	4,865,789	4,863,845	(1,944)	5,088,720
Payments in lieu of taxes	29,200	22,100	18,869	(3,231)	45,334
Total Other Tax Items	5,229,200	4,882,889	4,877,949	(4,940)	4,692,425
<b>NON-PROPERTY TAXES</b>					
Sales taxes	58,513,608	63,145,092	63,346,180	201,088	58,887,700
Automobile use tax	670,000	699,458	699,457	(1)	686,416
Emergency telephone system surcharge	450,000	450,000	479,851	29,851	426,453
Total Non-Property Taxes	59,633,608	64,294,550	64,525,488	230,938	60,000,569
<b>DEPARTMENTAL INCOME</b>					
General					
Clerk fees	1,001,500	850,883	850,887	4	933,556
Board of elections	300	300	266	(34)	931
Planning Board fees	100	100	15	(85)	60
District attorney fees	-	-	-	-	6,155
Motor vehicle fees	1,500,000	1,756,978	1,756,977	(1)	1,629,310
Vacancy factor	300,000	-	-	-	-
Real property tax services - Computer	43,000	43,000	43,649	649	43,548
Commissioner of Finance fees	3,000	3,000	2,405	(595)	6,174
County share - Examination fees	20,000	20,000	14,974	(5,026)	19,297
Department fees - Other	52,200	52,200	70,169	17,969	130,845
Charges for tax advertising	72,000	72,000	75,100	3,100	76,550
Central services chargebacks	504,013	504,013	433,170	(70,843)	606,092
Mortgage tax fees	352,019	352,019	352,019	-	352,019
	3,848,132	3,654,493	3,599,631	(54,862)	3,804,537

Public safety					
Sheriff fees	65,000	65,000	70,071	5,071	58,348
Prisoner board	525,000	525,000	553,820	28,820	673,850
Restitution surcharge	33,000	33,000	28,745	(4,255)	35,072
SRO/SPO program	887,308	1,013,270	1,037,872	24,602	856,807
Deputy outside services	80,000	105,251	143,206	37,955	130,995
Court protection	17,000	17,000	18,045	1,045	16,640
Child Advocacy Center Grant	25,247	25,247	25,247	-	25,247
Stop DWI contributions	263,055	263,055	255,559	(7,496)	260,556
Other	169,500	197,075	185,408	(11,667)	167,150
	<u>2,065,110</u>	<u>2,243,898</u>	<u>2,317,973</u>	<u>74,075</u>	<u>2,224,665</u>
Health					
Public health fees	295,810	295,810	281,962	(13,848)	285,230
Early Learning fees for service	90,400	90,400	64,914	(25,486)	90,034
Mental health fees	82,947	82,947	67,649	(15,298)	73,189
Home nursing charges	5,000	5,000	4,135	(865)	5,055
Local conservation grant	182,000	182,000	181,105	(895)	181,833
New York City Department of Environmental Protection	186,000	186,000	183,690	(2,310)	200,142
Health - Other	25,600	26,150	24,861	(1,289)	25,095
	<u>867,757</u>	<u>868,307</u>	<u>808,316</u>	<u>(59,991)</u>	<u>860,578</u>
Economic Opportunity and Development					
Medical assistance	400,000	400,000	158,226	(241,774)	315,338
Aid to dependent children	-	-	11,763	11,763	240
Child support	44,904	44,904	96,523	51,619	98,379
Child care	10,000	10,000	56,143	46,143	56,418
Home relief	75,000	75,000	108,502	33,502	111,342
Home Energy Assistance Program	9,778	9,778	25,779	16,001	42,583
Contribution from schools	847,104	847,104	701,436	(145,668)	786,733
Services for recipients	-	-	-	-	338
Temporary Assistance for Needy Families	100,000	100,000	95,624	(4,376)	48,608
Juvenile Delinquent Repayments	-	-	4,852	4,852	4,852
Inspection fees	25,000	25,000	25,770	770	25,780
Outreach	45,000	45,000	45,000	-	45,000
Nutrition	139,750	139,750	135,371	(4,379)	146,051
	<u>1,696,536</u>	<u>1,696,536</u>	<u>1,464,989</u>	<u>(231,547)</u>	<u>1,681,662</u>
Culture and Recreation					
Parks and recreation	280,000	690,000	709,900	19,900	21,095
Tree program	15,000	15,000	17,249	2,249	17,094
Putnam National	2,414,650	2,239,574	2,239,574	-	2,441,965
	<u>2,709,650</u>	<u>2,944,574</u>	<u>2,966,723</u>	<u>22,149</u>	<u>2,480,154</u>

(Continued)

**County of Putnam, New York**

General Fund

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
Home and Community Services					
Waste haulers permit fees	\$ 25,000	\$ 25,000	\$ 24,501	\$ (499)	\$ 24,851
Recycling	250	250	28	(222)	26
Other	22,272	100	850	750	355
	<u>47,522</u>	<u>25,350</u>	<u>25,379</u>	<u>29</u>	<u>25,232</u>
Total Departmental Income	<u>11,234,707</u>	<u>11,433,158</u>	<u>11,183,011</u>	<u>(250,147)</u>	<u>11,076,828</u>
<b>USE OF MONEY AND PROPERTY</b>					
Earnings on investments	97,500	420,559	429,383	8,824	196,430
Rental income - Co-op extension	261,394	261,394	297,189	35,795	376,713
Commissions	-	-	388	388	2,566
Total Use of Money and Property	<u>358,894</u>	<u>681,953</u>	<u>726,960</u>	<u>45,007</u>	<u>575,709</u>
<b>LICENSES AND PERMITS</b>					
Business and occupational licenses	<u>847,100</u>	<u>847,100</u>	<u>924,395</u>	<u>77,295</u>	<u>805,881</u>
<b>FINES AND FORFEITURES</b>					
Fines and forfeited bail	20,500	20,500	47,514	27,014	23,100
Fines and penalties - other	3,000	3,000	14,850	11,850	10,850
Stop DWI fines	150,000	150,000	156,333	6,333	167,708
Total Fines and Forfeitures	<u>173,500</u>	<u>173,500</u>	<u>218,697</u>	<u>45,197</u>	<u>201,658</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>					
Minor sales	10,130	17,330	44,176	26,846	44,577
Insurance recoveries	-	67,415	67,415	-	13,235
Total Sale of Property and Compensation for Loss	<u>10,130</u>	<u>84,745</u>	<u>111,591</u>	<u>26,846</u>	<u>57,812</u>

**STATE AID**

## General

Records management	-	135,295	95,972	(39,323)	171,927
Court facilities	295,000	295,000	295,000	-	310,190
District attorney salary	77,934	77,934	77,934	-	77,934
Criminal justice grant	29,200	29,200	33,934	4,734	29,200
Indigent Legal Services	301,768	396,332	349,490	(46,842)	113,876
	<u>703,902</u>	<u>933,761</u>	<u>852,330</u>	<u>(81,431)</u>	<u>703,127</u>

## Education

Education and transportation of handicapped children	<u>3,901,085</u>	<u>4,196,835</u>	<u>4,220,554</u>	<u>23,719</u>	<u>3,416,570</u>
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## Public safety

Probation services	206,462	206,462	206,462	-	206,462
Alternatives to incarceration	12,811	12,811	11,794	(1,017)	10,495
Grants	200,061	280,136	230,659	(49,477)	363,627
Civil defense	294,000	294,000	294,000	-	294,000
	<u>713,334</u>	<u>793,409</u>	<u>742,915</u>	<u>(50,494)</u>	<u>874,584</u>

## Health

Public health	1,397,990	1,404,470	1,487,121	82,651	1,491,479
Early intervention	600,000	508,700	469,257	(39,443)	599,258
Mental Health OASIS	133,047	252,227	296,413	44,186	102,229
Mental health administration	186,151	246,613	166,929	(79,684)	128,019
Mental health Local Governmental Unit SPOA	126,884	126,884	127,843	959	126,884
Environmental conservation	26,431	26,431	44,132	17,701	31,510
Mental Health - PARC	190,562	190,562	190,562	-	183,511
Rabies	28,128	28,128	27,041	(1,087)	28,133
Women, Infants, Children	10,428	10,428	47,798	37,370	18,957
Communicable diseases	38,195	38,195	35,001	(3,194)	38,196
Mental health services	938,720	1,149,215	917,113	(232,102)	729,744
Mental health - Local Governmental Unit	120,074	120,074	120,074	-	120,074
Mental health - Commissioner's performance	1,189,933	1,192,481	1,157,886	(34,595)	1,174,363
Mental Health - CSS Int case management	501,716	501,716	478,195	(23,521)	478,307
Drinking supply	247,438	247,438	218,315	(29,123)	229,890
Other	-	55,500	55,500	-	-
	<u>5,735,697</u>	<u>6,099,062</u>	<u>5,839,180</u>	<u>(259,882)</u>	<u>5,480,554</u>

## Transportation

Transportation grants	<u>10,400</u>	<u>10,400</u>	<u>9,927</u>	<u>(473)</u>	<u>9,213</u>
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(Continued)

County of Putnam, New York

General Fund

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
Economic Opportunity and Development					
Social Services administration	\$ 2,987,872	\$ 3,012,872	\$ 2,585,496	\$ (427,376)	\$ 3,118,049
Child care	865,729	865,729	999,171	133,442	973,760
Child advocacy center	196,222	225,402	213,577	(11,825)	206,407
Day care	80,164	80,164	52,440	(27,724)	47,538
Juvenile delinquents	137,629	236,497	94,339	(142,158)	32,268
Emergency aid for adults	6,000	6,000	(2,270)	(8,270)	3,566
Petro Octane testing	2,000	2,000	3,397	1,397	2,788
Veterans' service agency	8,529	248,906	152,646	(96,260)	138,619
Caregiver's grants	19,611	19,611	17,586	(2,025)	22,522
Office for Senior resources	385,067	385,067	368,506	(16,561)	232,111
TANF	481,921	481,921	337,440	(144,481)	253,295
RSVP grant	6,561	6,561	6,575	14	6,188
Safety Net	209,250	209,250	120,235	(89,015)	154,569
Refund prior year's expenditures	-	-	(11,727)	(11,727)	-
Medical assistance	(190,000)	(190,000)	(80,149)	109,851	(157,938)
Long term care	11,171	11,171	11,171	-	43,345
Expanded services	254,046	314,946	232,030	(82,916)	302,978
Services to the elderly	81,205	81,205	80,228	(977)	82,682
Services for recipients	-	-	640,198	640,198	482,696
	<u>5,542,977</u>	<u>5,997,302</u>	<u>5,820,889</u>	<u>(176,413)</u>	<u>5,945,443</u>
Culture and Recreation					
Programs for the aging	144,612	144,612	128,658	(15,954)	139,179
Youth programs	115,929	126,676	126,676	-	124,729
	<u>260,541</u>	<u>271,288</u>	<u>255,334</u>	<u>(15,954)</u>	<u>263,908</u>
Home and Community Services					
Soil and water	66,000	66,000	66,000	-	60,000
County planning	56,400	56,400	10,000	(46,400)	14,238
Waste water DEP grant	61,770	61,770	55,000	(6,770)	55,000
Environmental conservation	60,000	60,000	87,882	27,882	92,447
	<u>244,170</u>	<u>244,170</u>	<u>218,882</u>	<u>(25,288)</u>	<u>221,685</u>
Total State Aid	<u>17,112,106</u>	<u>18,546,227</u>	<u>17,960,011</u>	<u>(586,216)</u>	<u>16,915,084</u>

**FEDERAL AID**

General

Criminal justice grant	-	80,224	37,979	(42,245)	-
Miscellaneous	-	17,577	17,577	-	-

	-	97,801	55,556	(42,245)	-
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Education

Medicaid 3-5	90,000	170,000	197,849	27,849	73,609
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Public Safety

Homeland security grant	-	498,484	296,698	(201,786)	265,029
Public safety other	81,850	104,513	102,278	(2,235)	112,145
Grants	20,300	21,837	17,811	(4,026)	-

	102,150	624,834	416,787	(208,047)	377,174
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Health

Bio Terrorism grant	149,423	149,423	139,661	(9,762)	143,172
Council on Alcohol	409,343	409,343	312,004	(97,339)	372,735
Early intervention	88,000	88,000	142,558	54,558	114,327
Women, Infants, Children	424,059	424,059	389,941	(34,118)	397,520
Wellness grant	3,094	3,094	3,451	357	3,112
Early intervention	63,580	63,580	62,839	(741)	62,443
Mental Health - Local Governmental Unit	-	-	34,210	34,210	18,209

	1,137,499	1,137,499	1,084,664	(52,835)	1,111,518
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Transportation

Transportation grants	121,600	121,600	119,706	(1,894)	116,854
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Economic Opportunity and Development

Social Services administration	2,955,567	2,953,110	2,455,219	(497,891)	2,762,862
Food stamp program administration	772,826	797,826	863,785	65,959	799,452
Services for recipients	45,115	45,115	88,225	43,110	(123,554)
Child care	143,750	143,750	75,345	(68,405)	67,674
Safety net	-	-	-	-	7,381
Day care	735,219	735,219	701,031	(34,188)	760,827
National Children Alliance	-	-	-	-	7,000
Nutrition	179,533	179,533	178,701	(832)	172,251
Fuel crisis - Home Energy Assistance Program	-	88,519	51,463	(37,056)	(3,777)
Community service elderly	32,677	32,677	32,677	-	33,031
Workforce Investment Act	134,906	143,701	203,399	59,698	172,504
Incentive program	1,309,847	1,309,847	1,309,324	(523)	957,978
Temporary Assistance for Needy Families	768,570	890,732	605,358	(285,374)	783,163
Caregiver grant	105,778	105,778	110,762	4,984	237,010

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County of Putnam, New York

General Fund

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
Economic Opportunity and Development (Continued)					
OSR - MIPPA	\$ 8,526	\$ 8,526	\$ 13,347	\$ 4,821	\$ 11,986
Medical assistance	(190,000)	(190,000)	(79,654)	110,346	(157,221)
Crime victims	134,978	185,315	150,696	(34,619)	131,478
Supplemental Nutrition Assistance Program	29,040	29,040	32,668	3,628	24,957
Retired Senior Volunteer Program	41,015	44,515	44,515	-	41,015
	<u>7,207,347</u>	<u>7,503,203</u>	<u>6,836,861</u>	<u>(666,342)</u>	<u>6,686,017</u>
Home and Community Services					
Planning	80,000	80,000	163,025	83,025	154,216
	<u>8,738,596</u>	<u>9,734,937</u>	<u>8,874,448</u>	<u>(860,489)</u>	<u>8,519,388</u>
<b>MISCELLANEOUS</b>					
Refund of prior year's expenditures	-	78,910	448,751	369,841	704,723
Gift and donations	54,438	113,238	128,554	15,316	60,815
Other	47,891	67,314	81,932	14,618	164,045
OTB distributed earnings	97,000	24,916	24,916	-	86,912
Retiree health contribution	714,886	676,621	676,622	1	624,350
Proceeds of seized property	49,500	92,113	139,974	47,861	13,195
	<u>963,715</u>	<u>1,053,112</u>	<u>1,500,749</u>	<u>447,637</u>	<u>1,654,040</u>
<b>TOTAL REVENUES</b>	<u>133,652,883</u>	<u>141,083,498</u>	<u>138,120,976</u>	<u>(2,962,522)</u>	<u>133,540,634</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in					
County Road Fund	-	10,000	10,000	-	303,458
Road Machinery Fund	-	-	-	-	3,876
	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>307,334</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 133,652,883</u>	<u>\$ 141,093,498</u>	<u>\$ 138,130,976</u>	<u>\$ (2,962,522)</u>	<u>\$ 133,847,968</u>

See independent auditors' report.

County of Putnam, New York

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended December 31, 2018  
 (With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
County Legislature	\$ 1,102,390	\$ 1,111,079	\$ 1,062,808	\$ 48,271	\$ 980,813
County share of judicial expenditures	347,567	347,657	275,131	72,526	296,980
District Attorney	2,286,810	2,317,449	2,178,610	138,839	2,249,900
Legal Aid Society	918,327	1,012,891	1,012,891	-	758,405
Audit	517,936	519,492	487,326	32,166	488,440
Court appointed legal defense of indigents	420,000	495,000	494,986	14	414,797
Justice of the Peace and Constables	4,000	4,000	3,290	710	3,880
Coroners	372,853	376,808	323,097	53,711	386,612
County Executive	604,946	650,244	612,008	38,236	724,854
Department of Finance	1,993,093	1,969,000	1,879,730	89,270	1,928,015
Division of Purchasing - Central services	353,644	386,361	287,851	98,510	364,594
Real property tax services	318,669	318,669	275,767	42,902	274,565
Tax advertising and expense	55,000	77,109	77,109	-	45,638
Expenditures on property acquired for taxes	200,000	350,838	350,837	1	198,269
County Clerk as Registrar	1,668,092	1,638,740	1,516,049	122,691	1,552,784
County Clerk as Motor Vehicles Commissioner	1,284,120	1,337,958	1,305,511	32,447	1,275,051
Department of Law	1,536,509	1,462,938	1,361,856	101,082	1,472,873
Personnel Department	1,138,721	1,141,221	1,065,829	75,392	1,043,960
Board of Elections	1,906,528	1,906,528	1,588,107	318,421	1,473,915
Records Management	370,619	506,440	419,112	87,328	481,333
Department of Highway and Facilities	5,152,754	4,999,882	4,432,433	567,449	4,539,897
Central services administration	270,279	270,279	199,447	70,832	184,022
Insurance	734,350	734,350	704,402	29,948	688,175
Dues	33,111	33,111	30,732	2,379	30,444
Taxes on County property	194,000	191,891	145,850	46,041	169,088
Judgments and claims	250,000	250,000	142,006	107,994	295,553
Metropolitan Commuter Transportation Mobility Tax	181,010	181,010	162,503	18,507	163,333
Information Technology and GIS	1,686,819	1,700,745	1,432,859	267,886	1,229,605
Office for Disabled	46,035	38,042	35,044	2,998	39,159
Contingency fund	1,820,690	1,505,443	-	1,505,443	-
<b>Total General Government Support</b>	<b>27,768,872</b>	<b>27,835,175</b>	<b>23,863,181</b>	<b>3,971,994</b>	<b>23,754,954</b>

**EDUCATION**

Community college tuition	3,150,000	3,150,000	2,829,682	320,318	3,046,115
Education of handicapped children	7,558,306	8,203,932	8,200,943	2,989	7,377,804
<b>Total Education</b>	<b>10,708,306</b>	<b>11,353,932</b>	<b>11,030,625</b>	<b>323,307</b>	<b>10,423,919</b>

**PUBLIC SAFETY**

Bureau of Emergency Services	4,656,718	5,033,536	4,343,223	690,313	4,798,657
Sheriff	19,140,134	20,072,684	19,114,149	958,535	19,160,834
Probation Department	2,379,871	2,452,479	2,391,691	60,788	2,368,747
Jail	10,575,174	10,741,493	10,288,599	452,894	10,242,837
Stop DWI	173,972	173,972	169,642	4,330	169,121
Homeland Security Grant	25,881	186,300	61,341	124,959	27,200
<b>Total Public Safety</b>	<b>36,951,750</b>	<b>38,660,464</b>	<b>36,368,645</b>	<b>2,291,819</b>	<b>36,767,396</b>

**HEALTH**

Public health	5,235,487	5,367,234	5,054,196	313,038	5,413,571
Early Intervention Program	2,060,155	1,885,250	1,842,224	43,026	2,000,713
Communicable disease treatment	20,000	20,000	17,448	2,552	16,939
Substance abuse	339,482	339,482	296,953	42,529	295,624
Alcoholism	268,609	268,609	242,692	25,917	241,028
WIC	548,543	555,378	539,861	15,517	528,518
Mental health administration	574,749	677,413	624,020	53,393	497,037
Mental health - Clinic	639,821	700,283	647,707	52,576	591,582
Mental health - Eliot House	938,720	1,149,215	917,113	232,102	744,488
Family Support Services	562,758	567,758	533,927	33,831	547,753
Mental health - PARC	253,062	253,062	253,062	-	253,062
Mental health - Reinvestment	687,175	689,723	678,631	11,092	665,565
Mental health - County Contribution	443,480	420,105	417,366	2,739	443,480
Mental health - LGU Services	409,579	532,252	528,293	3,959	378,839
Mental health - LGU SPOA	224,901	234,477	232,202	2,275	187,374
Litter program	111,064	62,372	52,438	9,934	97,400
<b>Total Health</b>	<b>13,317,585</b>	<b>13,722,613</b>	<b>12,878,133</b>	<b>844,480</b>	<b>12,902,973</b>

**TRANSPORTATION**

Metropolitan Transportation Authority subsidy	380,276	380,276	380,276	-	380,276
Metropolitan Transportation Authority station maintenance	992,000	992,000	980,595	11,405	966,316
<b>Total Transportation</b>	<b>1,372,276</b>	<b>1,372,276</b>	<b>1,360,871</b>	<b>11,405</b>	<b>1,346,592</b>

(Continued)

County of Putnam, New York

General Fund

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

Year Ended December 31, 2018

(With Comparative Actuals for 2017)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2017 Actual
<b>ECONOMIC OPPORTUNITY AND DEVELOPMENT</b>					
Social services administration	\$ 9,517,728	\$ 9,646,828	\$ 8,894,836	\$ 751,992	\$ 9,143,524
Purchase of services	1,490,000	1,490,000	1,153,606	336,394	1,268,069
Medical assistance	20,000	20,000	860	19,140	145
Medical assistance - MMIS	9,541,093	9,487,938	9,487,936	2	9,438,351
Aid to dependent children	2,330,000	2,340,761	1,585,649	755,112	1,473,546
Child care	3,448,300	3,453,612	3,186,769	266,843	3,394,561
Juvenile delinquents	257,224	356,092	96,944	259,148	54,489
Safety net	850,000	850,000	537,291	312,709	677,091
State fuel assistance	-	88,519	67,254	21,265	30,303
Emergency aid for adults	25,000	25,000	7,968	17,032	11,395
Grants	100,754	221,238	179,991	41,247	181,086
08 Child advocacy center	150,889	179,761	171,164	8,597	168,019
Day care	885,000	885,000	779,880	105,120	942,623
Putnam Industrial Development Agency	62,100	62,100	30,000	32,100	65,600
Putnam workforce partnership	173,919	213,179	208,893	4,286	175,208
Putnam tourism promotional agency	396,996	399,159	392,983	6,176	310,224
SNAP program	693,812	703,673	584,136	119,537	493,894
Veterans' Service Agency	192,104	437,673	316,803	120,870	302,333
Veterans' Home	50,768	50,768	31,915	18,853	31,887
Consumer affairs and weights and measures	488,026	501,107	470,129	30,978	475,195
Office for Senior Resources - Title III	1,625,106	1,656,301	1,590,691	65,610	1,255,090
Office for Senior Resources - RSVP	534,409	552,116	445,023	107,093	495,343
Nutrition for the elderly	2,173,004	2,161,958	1,781,374	380,584	1,595,363
In-Home Service Program	323,639	441,170	326,174	114,996	360,977
Workforce Partnership	700	700	570	130	641
Community services for the elderly	889,738	949,927	906,007	43,920	1,078,082
Victim of crimes	140,836	271,397	195,359	76,038	145,178
Child fatality review	51,253	53,923	50,764	3,159	52,072
National Child Alliance	-	-	-	-	7,000
Community Action Program Cap	12,000	12,000	12,000	-	12,000
Total Economic Opportunity and Development	36,424,398	37,511,900	33,492,969	4,018,931	33,639,289

**CULTURE AND RECREATION**

Parks and recreation administration	2,647,205	3,223,635	3,124,877	98,758	2,505,331
Youth Bureau	670,613	698,301	631,819	66,482	591,311
Library board	435,707	435,707	435,707	-	435,707
County Historian	202,226	190,131	146,582	43,549	146,560
Arts Council	61,000	61,000	61,000	-	53,990
County Museum	53,040	53,040	53,040	-	53,040
Southeast Museum	32,640	32,640	32,640	-	32,640
Recreation for the elderly	139,718	141,527	112,444	29,083	99,229
Department of Highway Parks and Recreation	1,384,943	1,428,833	1,318,625	110,208	1,065,451
<b>Total Culture and Recreation</b>	<b>5,627,092</b>	<b>6,264,814</b>	<b>5,916,734</b>	<b>348,080</b>	<b>4,983,259</b>

**HOME AND COMMUNITY SERVICES**

Planning	1,104,995	1,102,495	818,683	283,812	1,046,831
Soil and water	164,575	168,722	160,246	8,476	163,520
Recycling	109,073	157,765	97,732	60,033	82,933
Humane Society	143,738	143,738	143,738	-	143,738
Fish and game	24,072	24,072	7,900	16,172	7,474
Extension	325,185	325,185	325,185	-	325,185
SPCA	40,000	40,000	40,000	-	3,000
<b>Total Home and Community Services</b>	<b>1,911,638</b>	<b>1,961,977</b>	<b>1,593,484</b>	<b>368,493</b>	<b>1,772,681</b>

**EMPLOYEE BENEFITS -  
UNDISTRIBUTED**

Unemployment benefits	30,000	30,000	17,177	12,823	18,944
Disability, accident and health insurance	5,135,808	5,135,808	5,035,962	99,846	4,731,370
<b>Total Employee Benefits - Undistributed</b>	<b>5,165,808</b>	<b>5,165,808</b>	<b>5,053,139</b>	<b>112,669</b>	<b>4,750,314</b>

**TOTAL EXPENDITURES**

<b>139,247,725</b>	<b>143,848,959</b>	<b>131,557,781</b>	<b>12,291,178</b>	<b>130,341,377</b>
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**OTHER FINANCING USES**

Transfers out					
Capital Projects Fund	110,000	2,690,180	2,690,179	1	1,361,129
County Road Fund	-	87,157	87,157	-	-
Road Machinery Fund	-	40,000	40,000	-	-
Transportation Fund	-	10,765	10,765	-	10,000
<b>TOTAL OTHER FINANCING USES</b>	<b>110,000</b>	<b>2,828,102</b>	<b>2,828,101</b>	<b>1</b>	<b>1,371,129</b>

**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

<b>\$ 139,357,725</b>	<b>\$ 146,677,061</b>	<b>\$ 134,385,882</b>	<b>\$ 12,291,179</b>	<b>\$ 131,712,506</b>
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See independent auditors' report.

**County of Putnam, New York**

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

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	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 5,849,314	\$ 6,684,616
State and Federal aid receivable	2,944,750	1,746,577
Due from other funds	845,820	563,809
Prepaid expenditures	-	525
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 9,639,884</u>	<u>\$ 8,995,527</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 788,252	\$ 1,412,337
Unearned revenues	2,826,283	2,830,306
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>3,614,535</u>	<u>4,242,643</u>
 Fund balance		
Nonspendable	-	525
Restricted	6,025,349	4,752,359
	<u>                    </u>	<u>                    </u>
Total Fund Balance	<u>6,025,349</u>	<u>4,752,884</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 9,639,884</u>	<u>\$ 8,995,527</u>

**County of Putnam, New York**

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

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
State aid	\$ 3,016,017	\$ 1,895,982
Federal aid	1,940,101	1,153,631
Miscellaneous	<u>101,363</u>	<u>324,374</u>
Total Revenues	5,057,481	3,373,987
<b>EXPENDITURES</b>		
Capital outlay	<u>8,732,562</u>	<u>8,628,997</u>
Deficiency of Revenues Over Expenditures	<u>(3,675,081)</u>	<u>(5,255,010)</u>
<b>OTHER FINANCING SOURCES</b>		
Bonds issued	2,033,125	4,133,350
Transfers in	2,938,600	1,804,482
Transfers out	<u>(24,179)</u>	<u>(443,353)</u>
Total Other Financing Sources	<u>4,947,546</u>	<u>5,494,479</u>
Net Change in Fund Balance	1,272,465	239,469
<b>FUND BALANCE</b>		
Beginning of Year	<u>4,752,884</u>	<u>4,513,415</u>
End of Year	<u>\$ 6,025,349</u>	<u>\$ 4,752,884</u>

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## 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, 2018  
 (With Comparative Totals for 2017)

	<u>County Road</u>	<u>Road Machinery</u>	<u>Transportation</u>	<u>Special Purpose</u>
<b>ASSETS</b>				
Cash and equivalents	\$ 300	\$ -	\$ -	\$ 589,684
Receivables				
Accounts	9,320	1,695	-	-
State and Federal aid	257,433	-	458,634	-
Due from other funds	1,370,748	453,015	782,426	-
	<u>1,637,501</u>	<u>454,710</u>	<u>1,241,060</u>	<u>-</u>
Prepaid expenditures	<u>73,945</u>	<u>21,005</u>	<u>331</u>	<u>-</u>
Total Assets	<u>\$ 1,711,746</u>	<u>\$ 475,715</u>	<u>\$ 1,241,391</u>	<u>\$ 589,684</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 47,575	\$ 89,101	\$ 375,536	\$ -
Accrued liabilities	243,416	61,787	1,017	-
Unearned revenues	264,512	-	-	-
Total Liabilities	<u>555,503</u>	<u>150,888</u>	<u>376,553</u>	<u>-</u>
Fund balances				
Nonspendable	73,945	21,005	331	-
Restricted	-	-	-	589,684
Assigned	1,082,298	303,822	864,507	-
Total Fund Balances	<u>1,156,243</u>	<u>324,827</u>	<u>864,838</u>	<u>589,684</u>
Total Liabilities and Fund Balances	<u>\$ 1,711,746</u>	<u>\$ 475,715</u>	<u>\$ 1,241,391</u>	<u>\$ 589,684</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2018	2017
\$ -	\$ 589,984	\$ 585,945
-	11,015	5,423
-	716,067	523,938
242,467	2,848,656	2,929,997
242,467	3,575,738	3,459,358
-	95,281	108,576
\$ 242,467	\$ 4,261,003	\$ 4,153,879
\$ -	\$ 512,212	\$ 266,447
-	306,220	180,034
-	264,512	261,333
-	1,082,944	707,814
-	95,281	108,576
242,467	832,151	753,632
-	2,250,627	2,583,857
242,467	3,178,059	3,446,065
\$ 242,467	\$ 4,261,003	\$ 4,153,879

**County of Putnam, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2018  
(With Comparative Totals for 2017)

	County Road	Road Machinery	Transportation	Special Purpose
<b>REVENUES</b>				
Real property taxes	\$ 4,263,327	\$ 1,497,652	\$ 973,131	\$ -
Departmental income	-	-	234,668	4,039
Intergovernmental charges	1,275,182	-	-	-
Use of money and property	-	-	-	-
Interfund revenues	-	487,306	108,611	-
State aid	-	-	959,013	-
Federal aid	-	-	381,254	-
Miscellaneous	15,767	345	-	-
<b>Total Revenues</b>	<b>5,554,276</b>	<b>1,985,303</b>	<b>2,656,677</b>	<b>4,039</b>
<b>EXPENDITURES</b>				
Current				
Health	-	-	-	-
Transportation	5,770,460	2,065,525	2,473,297	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>5,770,460</b>	<b>2,065,525</b>	<b>2,473,297</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures	(216,184)	(80,222)	183,380	4,039
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance premium	-	-	-	-
Transfers in	87,157	77,500	10,765	-
Transfers out	(295,921)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(208,764)</b>	<b>77,500</b>	<b>10,765</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(424,948)</b>	<b>(2,722)</b>	<b>194,145</b>	<b>4,039</b>
<b>FUND BALANCES</b>				
Beginning of Year	1,581,191	327,549	670,693	585,645
End of Year	<u>\$ 1,156,243</u>	<u>\$ 324,827</u>	<u>\$ 864,838</u>	<u>\$ 589,684</u>

See independent auditors' report.

Debt Service	Total Non-Major Governmental Funds	
	2018	2017
\$ 6,280,054	\$ 13,014,164	\$ 12,751,783
-	238,707	271,616
-	1,275,182	1,124,919
299,895	299,895	296,459
-	595,917	385,281
-	959,013	927,183
-	381,254	264,769
-	16,112	56,358
<u>6,579,949</u>	<u>16,780,244</u>	<u>16,078,368</u>
-	-	92,767
-	10,309,282	9,543,780
4,609,575	4,609,575	4,210,000
<u>2,058,557</u>	<u>2,058,557</u>	<u>2,134,655</u>
<u>6,668,132</u>	<u>16,977,414</u>	<u>15,981,202</u>
<u>(88,183)</u>	<u>(197,170)</u>	<u>97,166</u>
25,484	25,484	39,488
24,179	199,601	10,000
-	(295,921)	(307,334)
<u>49,663</u>	<u>(70,836)</u>	<u>(257,846)</u>
(38,520)	(268,006)	(160,680)
<u>280,987</u>	<u>3,446,065</u>	<u>3,606,745</u>
<u>\$ 242,467</u>	<u>\$ 3,178,059</u>	<u>\$ 3,446,065</u>

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**County of Putnam, New York**

County Road Fund  
Comparative Balance Sheet  
December 31,

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 300	\$ 300
Receivables		
Accounts	9,320	360
State and Federal aid	257,433	303,458
Due from other funds	<u>1,370,748</u>	<u>1,648,752</u>
	<u>1,637,501</u>	<u>1,952,570</u>
Prepaid expenditures	<u>73,945</u>	<u>85,414</u>
Total Assets	<u>\$ 1,711,746</u>	<u>\$ 2,038,284</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 47,575	\$ 53,332
Accrued liabilities	243,416	142,428
Unearned revenues	<u>264,512</u>	<u>261,333</u>
Total Liabilities	<u>555,503</u>	<u>457,093</u>
Fund balance		
Nonspendable	73,945	85,414
Assigned	<u>1,082,298</u>	<u>1,495,777</u>
Total Fund Balance	<u>1,156,243</u>	<u>1,581,191</u>
Total Liabilities and Fund Balance	<u>\$ 1,711,746</u>	<u>\$ 2,038,284</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 4,263,327	\$ 4,263,327	\$ 4,263,327	\$ -
Intergovernmental charges	780,000	1,271,904	1,275,182	3,278
Miscellaneous	18,450	18,450	15,767	(2,683)
<b>Total Revenues</b>	<b>5,061,777</b>	<b>5,553,681</b>	<b>5,554,276</b>	<b>595</b>
<b>EXPENDITURES</b>				
Current				
Transportation	5,737,519	6,374,424	5,770,460	603,964
Excess (Deficiency) of Revenues Over Expenditures	(675,742)	(820,743)	(216,184)	604,559
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	87,157	87,157	-
Transfers out	-	(295,921)	(295,921)	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>(208,764)</b>	<b>(208,764)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(675,742)</b>	<b>(1,029,507)</b>	<b>(424,948)</b>	<b>604,559</b>
<b>FUND BALANCE</b>				
Beginning of Year	675,742	1,029,507	1,581,191	551,684
End of Year	\$ -	\$ -	\$ 1,156,243	\$ 1,156,243

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,574,550	\$ 4,574,550	\$ 4,574,550	\$ -
780,000	1,083,458	1,124,919	41,461
34,350	34,350	54,190	19,840
5,388,900	5,692,358	5,753,659	61,301
5,975,397	6,151,617	5,403,009	748,608
(586,497)	(459,259)	350,650	809,909
-	-	-	-
-	(303,458)	(303,458)	-
-	(303,458)	(303,458)	-
(586,497)	(762,717)	47,192	809,909
586,497	762,717	1,533,999	771,282
\$ -	\$ -	\$ 1,581,191	\$ 1,581,191

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County of Putnam, New York

Road Machinery Fund  
Comparative Balance Sheet  
December 31,

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Receivables		
Accounts	\$ 1,695	\$ 4,242
Due from other funds	<u>453,015</u>	<u>387,077</u>
	454,710	391,319
Prepaid expenditures	<u>21,005</u>	<u>22,920</u>
Total Assets	<u><u>\$ 475,715</u></u>	<u><u>\$ 414,239</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 89,101	\$ 49,980
Accrued liabilities	<u>61,787</u>	<u>36,710</u>
Total Liabilities	<u>150,888</u>	<u>86,690</u>
Fund balance		
Nonspendable	21,005	22,920
Assigned	<u>303,822</u>	<u>304,629</u>
Total Fund Balance	<u>324,827</u>	<u>327,549</u>
Total Liabilities and Fund Balance	<u><u>\$ 475,715</u></u>	<u><u>\$ 414,239</u></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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 1,497,652	\$ 1,497,652	\$ 1,497,652	\$ -
Interfund revenues	455,250	455,250	487,306	32,056
Miscellaneous	-	-	345	345
Total Revenues	1,952,902	1,952,902	1,985,303	32,401
<b>EXPENDITURES</b>				
Current				
Transportation	2,103,452	2,180,952	2,065,525	115,427
Deficiency of Revenues Over Expenditures	(150,550)	(228,050)	(80,222)	147,828
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	77,500	77,500	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	77,500	77,500	-
Net Change in Fund Balance	(150,550)	(150,550)	(2,722)	147,828
<b>FUND BALANCE</b>				
Beginning of Year	150,550	150,550	327,549	176,999
End of Year	\$ -	\$ -	\$ 324,827	\$ 324,827

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,412,497	\$ 1,412,497	\$ 1,412,497	\$ -
450,850	450,850	385,281	(65,569)
-	-	2,168	2,168
1,863,347	1,863,347	1,799,946	(63,401)
2,079,822	2,075,946	1,894,609	181,337
(216,475)	(212,599)	(94,663)	117,936
-	-	-	-
-	(3,876)	(3,876)	-
-	(3,876)	(3,876)	-
(216,475)	(216,475)	(98,539)	117,936
216,475	216,475	426,088	209,613
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,549</u>	<u>\$ 327,549</u>

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County of Putnam, New York

Transportation Fund  
Comparative Balance Sheet  
December 31,

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Receivables		
Accounts	\$ -	\$ 821
State and Federal aid	458,634	220,480
Due from other funds	<u>782,426</u>	<u>613,181</u>
	1,241,060	834,482
Prepaid expenditures	<u>331</u>	<u>242</u>
Total Assets	<u>\$ 1,241,391</u>	<u>\$ 834,724</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 375,536	\$ 163,135
Accrued liabilities	<u>1,017</u>	<u>896</u>
Total Liabilities	<u>376,553</u>	<u>164,031</u>
Fund balance		
Nonspendable	331	242
Assigned	<u>864,507</u>	<u>670,451</u>
Total Fund Balance	<u>864,838</u>	<u>670,693</u>
Total Liabilities and Fund Balance	<u>\$ 1,241,391</u>	<u>\$ 834,724</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 973,131	\$ 973,131	\$ 973,131	\$ -
Departmental income	330,000	330,000	234,668	(95,332)
Interfund revenues	103,300	103,300	108,611	5,311
State aid	1,257,000	1,257,000	959,013	(297,987)
Federal aid	25,000	25,000	381,254	356,254
<b>Total Revenues</b>	<b>2,688,431</b>	<b>2,688,431</b>	<b>2,656,677</b>	<b>(31,754)</b>
<b>EXPENDITURES</b>				
Current				
Transportation	2,897,431	2,909,787	2,473,297	436,490
Excess (Deficiency) of Revenues Over Expenditures	(209,000)	(221,356)	183,380	404,736
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	10,765	10,765	-
<b>Net Change in Fund Balance</b>	<b>(209,000)</b>	<b>(210,591)</b>	<b>194,145</b>	<b>404,736</b>
<b>FUND BALANCE</b>				
Beginning of Year	209,000	210,591	670,693	460,102
End of Year	\$ -	\$ -	\$ 864,838	\$ 864,838

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 789,289	\$ 789,289	\$ 789,289	\$ -
380,000	380,000	266,579	(113,421)
-	-	-	-
1,020,000	1,020,000	927,183	(92,817)
25,000	91,000	264,769	173,769
2,214,289	2,280,289	2,247,820	(32,469)
2,454,289	2,530,289	2,246,162	284,127
(240,000)	(250,000)	1,658	251,658
-	10,000	10,000	-
(240,000)	(240,000)	11,658	251,658
240,000	240,000	659,035	419,035
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,693</u>	<u>\$ 670,693</u>

**County of Putnam, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 589,684</u>	<u>\$ 585,645</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 589,684</u>	<u>\$ 585,645</u>

**County of Putnam, New York**

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

---

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Departmental income	<u>\$ 4,039</u>	<u>\$ 5,037</u>
<b>EXPENDITURES</b>		
Current		
Health	<u>-</u>	<u>92,767</u>
Excess (Deficiency) of Revenues Over Expenditures	4,039	(87,730)
<b>FUND BALANCE</b>		
Beginning of Year	<u>585,645</u>	<u>673,375</u>
End of Year	<u><u>\$ 589,684</u></u>	<u><u>\$ 585,645</u></u>

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**County of Putnam, New York**

Debt Service Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Due from other funds	<u>\$ 242,467</u>	<u>\$ 280,987</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 242,467</u>	<u>\$ 280,987</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,

	2018			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 6,280,054	\$ 6,280,054	\$ 6,280,054	\$ -
Use of money and property	275,081	295,081	299,895	4,814
Total Revenues	6,555,135	6,575,135	6,579,949	4,814
<b>EXPENDITURES</b>				
Debt service				
Serial bonds				
Principal	4,609,575	4,609,575	4,609,575	-
Interest	2,058,560	2,058,560	2,058,557	3
Total Expenditures	6,668,135	6,668,135	6,668,132	3
Deficiency of Revenues Over Expenditures	(113,000)	(93,000)	(88,183)	4,817
<b>OTHER FINANCING SOURCES</b>				
Issuance premium	-	25,484	25,484	-
Transfers in	-	24,179	24,179	-
Total Other Financing Sources	-	49,663	49,663	-
Net Change in Fund Balance	(113,000)	(43,337)	(38,520)	4,817
<b>FUND BALANCE</b>				
Beginning of Year	113,000	43,337	280,987	237,650
End of Year	\$ -	\$ -	\$ 242,467	\$ 242,467

See independent auditors' report.

2017

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,975,447	\$ 5,975,447	\$ 5,975,447	\$ -
281,138	281,138	296,459	15,321
<u>6,256,585</u>	<u>6,256,585</u>	<u>6,271,906</u>	<u>15,321</u>
4,210,000	4,210,000	4,210,000	-
2,134,657	2,134,657	2,134,655	2
<u>6,344,657</u>	<u>6,344,657</u>	<u>6,344,655</u>	<u>2</u>
(88,072)	(88,072)	(72,749)	15,323
-	39,488	39,488	-
-	-	-	-
-	39,488	39,488	-
(88,072)	(48,584)	(33,261)	15,323
88,072	48,584	314,248	265,664
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 280,987</u>	<u>\$ 280,987</u>

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## **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.

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**County of Putnam, New York**

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

---

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 36,626	\$ 52,328
Accounts receivable	1,045,520	1,064,537
Prepaid expenses	<u>8,586</u>	<u>8,586</u>
Total Current Assets	1,090,732	1,125,451
Noncurrent assets		
Restricted cash and equivalents	<u>1,208,986</u>	<u>1,208,850</u>
Total Assets	<u>2,299,718</u>	<u>2,334,301</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding bonds	<u>965,000</u>	<u>1,055,657</u>
<b>LIABILITIES</b>		
Current liabilities		
Accrued liabilities	69,775	70,425
Current maturities of bonds payable	<u>295,000</u>	<u>285,000</u>
Total Current Liabilities	364,775	355,425
Noncurrent liabilities		
Bonds payable, less current maturities	<u>19,264,794</u>	<u>19,148,722</u>
Total Liabilities	<u>19,629,569</u>	<u>19,504,147</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ (16,364,851)</u>	<u>\$ (16,114,189)</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>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
Tobacco settlement revenues	<u>\$ 969,450</u>	<u>\$ 815,054</u>
<b>OPERATING EXPENSES</b>		
Professional fees	16,247	10,821
Insurance	8,587	7,871
Equipment and supplies	-	1,140
Administrative charges	<u>35,000</u>	<u>30,000</u>
Total Operating Expenses	<u>59,834</u>	<u>49,832</u>
Income from Operations	<u>909,616</u>	<u>765,222</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	27,001	12,401
Interest expense	<u>(1,187,279)</u>	<u>(1,179,662)</u>
Total Non-Operating Expenses	<u>(1,160,278)</u>	<u>(1,167,261)</u>
Change in Net Position	(250,662)	(402,039)
<b>NET POSITION</b>		
Beginning of Year	<u>(16,114,189)</u>	<u>(15,712,150)</u>
End of Year	<u><u>\$ (16,364,851)</u></u>	<u><u>\$ (16,114,189)</u></u>

County of Putnam, New York

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

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from tobacco settlement revenues	\$ 988,467	\$ 912,806
Cash payments to vendors	(59,834)	(50,547)
Net Cash From Operating Activities	<u>928,633</u>	<u>862,259</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>27,001</u>	<u>12,401</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Repayment of bonds	(130,000)	(55,000)
Interest paid	<u>(841,200)</u>	<u>(846,750)</u>
Net Cash From Non-Capital Financing Activities	<u>(971,200)</u>	<u>(901,750)</u>
Net Change in Cash and Equivalents	(15,566)	(27,090)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>1,261,178</u>	<u>1,288,268</u>
End of Year	<u>\$ 1,245,612</u>	<u>\$ 1,261,178</u>
<b>RECONCILIATION OF CASH AND EQUIVALENTS TO THE COMPARATIVE STATEMENT OF NET POSITION</b>		
Cash and Equivalents	\$ 36,626	\$ 52,328
Restricted Cash and Equivalents	<u>1,208,986</u>	<u>1,208,850</u>
	<u>\$ 1,245,612</u>	<u>\$ 1,261,178</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 909,616	\$ 765,222
Adjustments to reconcile income from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	19,017	97,752
Prepaid expenses	-	(715)
Net Cash From Operating Activities	<u>\$ 928,633</u>	<u>\$ 862,259</u>
<b>NONCASH INVESTING ACTIVITIES</b>		
Increase in bonds payable from amortization of original issue discount	\$ 25,564	\$ 25,564
Increase in bonds payable from accreted interest on Series 2005 capital appreciation bonds	230,508	216,966
Decrease in deferred outflows of resources from amortization of loss on refunding bonds	90,657	90,657

See independent auditors' report.

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## **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, 2018  
 (With Comparative Totals for 2017)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2018	2017
<b>ASSETS</b>				
Cash and equivalents	\$ 3,541,810	\$ 1,431,504	\$ 4,973,314	\$ 5,627,882
Due from other funds	1,197,648	-	1,197,648	216,656
<b>Total Assets</b>	<b>4,739,458</b>	<b>1,431,504</b>	<b>6,170,962</b>	<b>5,844,538</b>
<b>LIABILITIES</b>				
Current liabilities				
Current portion of claims payable	409,000	-	409,000	368,000
Noncurrent liabilities				
Claims payable, less current portion	3,679,999	-	3,679,999	3,315,000
<b>Total Liabilities</b>	<b>4,088,999</b>	<b>-</b>	<b>4,088,999</b>	<b>3,683,000</b>
<b>NET POSITION</b>				
Restricted	\$ 650,459	\$ 1,431,504	\$ 2,081,963	\$ 2,161,538

**County of Putnam, New York**

Internal Service Funds  
 Combining Statement of Revenues, Expenses and  
 Changes in Net Position  
 Year Ended December 31, 2018  
 (With Comparative Totals for 2017)

	Workers' Compensation Benefits	Casualty Reserve Benefits	Totals	
			2018	2017
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,044,579	\$ -	\$ 1,044,579	\$ 1,091,935
Miscellaneous	600	-	600	708,086
Total Operating Revenues	<u>1,045,179</u>	<u>-</u>	<u>1,045,179</u>	<u>1,800,021</u>
<b>OPERATING EXPENSES</b>				
Administration	310,990	-	310,990	346,501
Employee benefits	<u>849,491</u>	<u>-</u>	<u>849,491</u>	<u>735,369</u>
Total Operating Expenses	<u>1,160,481</u>	<u>-</u>	<u>1,160,481</u>	<u>1,081,870</u>
Income (Loss) from Operations	(115,302)	-	(115,302)	718,151
<b>NON-OPERATING REVENUES</b>				
Interest income	<u>30,314</u>	<u>5,413</u>	<u>35,727</u>	<u>19,427</u>
Change in Net Position	(84,988)	5,413	(79,575)	737,578
<b>NET POSITION</b>				
Beginning of Year	<u>735,447</u>	<u>1,426,091</u>	<u>2,161,538</u>	<u>1,423,960</u>
End of Year	<u>\$ 650,459</u>	<u>\$ 1,431,504</u>	<u>\$ 2,081,963</u>	<u>\$ 2,161,538</u>

**County of Putnam, New York**

Internal Service Funds  
 Combining Statement of Cash Flows  
 Year Ended December 31, 2018  
 (With Comparative Totals for 2017)

	Workers' Compensation Benefits	Casualty Reserve Benefits
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from interfund services provided	\$ 63,587	\$ -
Cash received from miscellaneous	600	-
Cash payments to insurance carriers and claimants	(443,492)	-
Cash payments to vendors	(310,990)	-
	<u>(690,295)</u>	<u>-</u>
Net Cash From Operating Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>30,314</u>	<u>5,413</u>
Net Change in Cash and Equivalents	(659,981)	5,413
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>4,201,791</u>	<u>1,426,091</u>
End of Year	<u>\$ 3,541,810</u>	<u>\$ 1,431,504</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ (115,302)	\$ -
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	(980,992)	-
Claims payable	405,999	-
	<u>(574,993)</u>	<u>-</u>
Net Cash From Operating Activities	<u>\$ (690,295)</u>	<u>\$ -</u>

See independent auditors' report.

Totals	
2018	2017
\$ 63,587	\$ 1,055,144
600	708,086
(443,492)	(1,452,999)
<u>(310,990)</u>	<u>(346,501)</u>
<u>(690,295)</u>	<u>(36,270)</u>
<u>35,727</u>	<u>19,427</u>
(654,568)	(16,843)
<u>5,627,882</u>	<u>5,644,725</u>
<u>\$ 4,973,314</u>	<u>\$ 5,627,882</u>
\$ (115,302)	\$ 718,151
(980,992)	(36,791)
<u>405,999</u>	<u>(717,630)</u>
<u>\$ (690,295)</u>	<u>\$ (36,270)</u>

**County of Putnam, New York**

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

---

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,541,810	\$ 4,201,791
Due from other funds	<u>1,197,648</u>	<u>216,656</u>
Total Assets	<u>4,739,458</u>	<u>4,418,447</u>
<b>LIABILITIES</b>		
Current liabilities		
Current portion of claims payable	409,000	368,000
Noncurrent liabilities		
Claims payable, less current portion	<u>3,679,999</u>	<u>3,315,000</u>
Total Liabilities	<u>4,088,999</u>	<u>3,683,000</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 650,459</u>	<u>\$ 735,447</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>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,044,579	\$ 1,091,935
Miscellaneous	<u>600</u>	<u>708,086</u>
Total Operating Revenues	<u>1,045,179</u>	<u>1,800,021</u>
<b>OPERATING EXPENSES</b>		
Administration	310,990	346,501
Employee benefits	<u>849,491</u>	<u>735,369</u>
Total Operating Expenses	<u>1,160,481</u>	<u>1,081,870</u>
Income (Loss) from Operations	(115,302)	718,151
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>30,314</u>	<u>17,296</u>
Change in Net Position	(84,988)	735,447
<b>NET POSITION</b>		
Beginning of Year	<u>735,447</u>	<u>-</u>
End of Year	<u>\$ 650,459</u>	<u>\$ 735,447</u>

**County of Putnam, New York**

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

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from interfund services provided	\$ 63,587	\$ 1,055,144
Cash received from miscellaneous	600	708,086
Cash payments to insurance carriers and claimants	(443,492)	(1,452,999)
Cash payments to vendors	(310,990)	(346,501)
Net Cash From Operating Activities	(690,295)	(36,270)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	30,314	17,296
Net Change in Cash and Equivalents	(659,981)	(18,974)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	4,201,791	4,220,765
End of Year	\$ 3,541,810	\$ 4,201,791
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (loss) from operations	\$ (115,302)	\$ 718,151
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in operating assets and liabilities		
Due from other funds	(980,992)	(36,791)
Claims payable	405,999	(717,630)
Net Cash From Operating Activities	\$ (690,295)	\$ (36,270)

**County of Putnam, New York**

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

---

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 1,431,504</u>	<u>\$ 1,426,091</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 1,431,504</u>	<u>\$ 1,426,091</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>2018</u>	<u>2017</u>
<b>OPERATING REVENUES</b>	\$ -	\$ -
<b>OPERATING EXPENSES</b>	<u>-</u>	<u>-</u>
Income from Operations	-	-
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>5,413</u>	<u>2,131</u>
Change in Net Position	5,413	2,131
<b>NET POSITION</b>		
Beginning of Year	<u>1,426,091</u>	<u>1,423,960</u>
End of Year	<u>\$ 1,431,504</u>	<u>\$ 1,426,091</u>

**County of Putnam, New York**

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

---

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	\$ 5,413	\$ 2,131
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>1,426,091</u>	<u>1,423,960</u>
End of Year	<u>\$ 1,431,504</u>	<u>\$ 1,426,091</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	<u>\$ -</u>	<u>\$ -</u>

**County of Putnam, New York**

Fiduciary Fund - Agency Fund  
Statement of Changes in Assets and Liabilities  
Year Ended December 31, 2018

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	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018
<b>ASSETS</b>				
Cash and equivalents	<u>\$ 1,529,933</u>	<u>\$ 26,195,465</u>	<u>\$ 25,717,887</u>	<u>\$ 2,007,511</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,043	\$ 4,614,570	\$ 4,609,439	\$ 21,174
Employee payroll deductions	174,615	19,371,669	19,313,439	232,845
Due to other governments	560,838	2,706,434	2,779,054	488,218
Deposits	<u>778,437</u>	<u>1,017,472</u>	<u>530,635</u>	<u>1,265,274</u>
Total Liabilities	<u>\$ 1,529,933</u>	<u>\$ 27,710,145</u>	<u>\$ 27,232,567</u>	<u>\$ 2,007,511</u>

**STATISTICAL  
SECTION**

(Unaudited)

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## Financial Trends

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

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

County of Putnam, New York

Net Position By Component  
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 45,623,536	\$ 45,318,653	\$ 45,649,962	\$ 42,242,348
Restricted	7,243,267	5,842,999	5,983,772	8,980,231
Unrestricted	<u>2,094,586</u>	<u>(4,630,592)</u>	<u>(17,271,167)</u>	<u>(29,477,604)</u>
Total Governmental Activities				
Net Position	<u>\$ 54,961,389</u>	<u>\$ 46,531,060</u>	<u>\$ 34,362,567</u>	<u>\$ 21,744,975</u>
Business - Type Activities (1) -				
Unrestricted	<u>\$ (15,214,715)</u>	<u>\$ (15,414,319)</u>	<u>\$ (15,740,614)</u>	<u>\$ (16,151,171)</u>
Primary Government:				
Invested in Capital Assets,				
Net of Related Debt	\$ 45,623,536	\$ 45,318,653	\$ 45,649,962	\$ 42,242,348
Restricted	7,243,267	5,842,999	5,983,772	8,980,231
Unrestricted	<u>(13,120,129)</u>	<u>(20,044,911)</u>	<u>(33,011,781)</u>	<u>(45,628,775)</u>
Total Primary Government				
Net Position	<u>\$ 39,746,674</u>	<u>\$ 31,116,741</u>	<u>\$ 18,621,953</u>	<u>\$ 5,593,804</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.

2013	2014	2015	2016	2017	2018
\$ 45,072,133	\$ 43,155,200	\$ 43,227,146	\$ 43,366,761	\$ 44,759,518	\$ 46,926,061
6,463,642	7,092,530	3,997,935	4,941,107	5,546,032	4,817,914
<u>(47,364,903)</u>	<u>(61,742,858)</u>	<u>(69,542,557)</u>	<u>(80,343,037)</u>	<u>(88,289,627)</u>	<u>(138,584,471)</u>
<u>\$ 4,170,872</u>	<u>\$ (11,495,128)</u>	<u>\$ (22,317,476)</u>	<u>\$ (32,035,169)</u>	<u>\$ (37,984,077)</u>	<u>\$ (86,840,496)</u>
<u>\$ (16,353,577)</u>	<u>\$ (16,363,877)</u>	<u>\$ (15,781,169)</u>	<u>\$ (15,712,150)</u>	<u>\$ (16,114,189)</u>	<u>\$ (16,364,851)</u>
\$ 45,072,133	\$ 43,155,200	\$ 43,227,146	\$ 43,366,761	\$ 44,759,518	\$ 46,926,061
6,463,642	7,092,530	3,997,935	4,941,107	5,546,032	4,817,914
<u>(63,718,480)</u>	<u>(78,106,735)</u>	<u>(85,323,726)</u>	<u>(96,055,187)</u>	<u>(104,403,816)</u>	<u>(154,949,322)</u>
<u>\$ (12,182,705)</u>	<u>\$ (27,859,005)</u>	<u>\$ (38,098,645)</u>	<u>\$ (47,747,319)</u>	<u>\$ (54,098,266)</u>	<u>\$ (103,205,347)</u>

County of Putnam, New York

Changes In Net Position  
Last Ten Fiscal Years

	2009	2010	2011	2012
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General government support	\$ 24,707,516	\$ 24,927,519	\$ 25,997,916	\$ 26,453,722
Education	10,815,692	10,054,837	9,849,831	10,172,476
Public safety	33,668,710	35,366,964	38,692,325	42,845,562
Health	16,453,864	15,919,935	14,142,348	14,217,985
Transportation	18,475,978	13,714,854	15,408,159	14,786,291
Economic opportunity and development	32,066,078	32,980,631	34,918,860	35,270,894
Culture and recreation	4,961,376	4,631,669	3,508,682	3,759,514
Home and community services	4,430,107	6,126,995	3,317,020	10,533,633
Interest	2,698,843	2,528,179	2,751,683	3,249,964
<b>Total Governmental Activities Expenses</b>	<b>148,278,164</b>	<b>146,251,583</b>	<b>148,586,824</b>	<b>161,290,041</b>
<b>Business-type Activities (1) - Putnam Tobacco Asset Securitization Corporation</b>				
	1,281,678	1,276,358	1,259,421	1,262,446
<b>Total Primary Government Expenses</b>	<b>\$ 149,559,842</b>	<b>\$ 147,527,941</b>	<b>\$ 149,846,245</b>	<b>\$ 162,552,487</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General government support	\$ 5,234,956	\$ 4,955,678	\$ 5,827,297	\$ 5,417,539
Public safety	1,333,540	1,161,519	1,294,538	1,256,026
Health	3,859,706	3,032,359	1,137,899	1,210,768
Transportation	937,715	948,089	1,052,542	931,674
Economic opportunity and development	2,229,395	2,973,886	2,606,592	2,720,570
Culture and recreation	1,892,674	1,646,192	1,341,600	1,584,626
Home and community services	35,416	34,635	44,377	44,148
Operating Grants and Contributions	27,530,302	24,656,770	25,396,717	24,420,622
Capital Grants and Contributions	12,249,007	6,323,613	5,455,881	12,630,473
<b>Total Governmental Activities Program Revenues</b>	<b>55,302,711</b>	<b>45,732,741</b>	<b>44,157,443</b>	<b>50,216,446</b>
<b>Business-type Activities - Charges for Services - Putnam Tobacco Asset Securitization Corporation</b>				
	1,346,981	1,076,594	932,963	1,047,718
<b>Total Primary Government Program Revenues</b>	<b>\$ 56,649,692</b>	<b>\$ 46,809,335</b>	<b>\$ 45,090,406</b>	<b>\$ 51,264,164</b>

2013	2014	2015	2016	2017	2018
\$ 29,010,140	\$ 32,353,661	\$ 29,090,717	\$ 28,652,223	\$ 27,992,898	\$ 27,004,646
10,201,595	9,378,964	9,406,579	9,617,363	10,423,919	11,030,390
39,752,916	39,778,386	40,422,619	40,992,057	42,110,925	40,565,332
13,394,756	13,669,801	13,424,309	15,173,052	14,694,859	13,991,655
17,916,455	17,636,756	18,177,587	17,657,346	16,749,862	17,785,751
37,271,454	35,934,835	36,112,568	36,955,938	36,666,894	35,563,347
4,275,442	5,085,712	5,622,633	5,619,737	6,049,103	7,683,154
4,352,084	2,671,019	2,031,015	1,706,362	1,893,965	1,673,642
2,703,395	1,963,765	2,152,974	2,074,647	1,993,587	1,853,636
158,878,237	158,472,899	156,441,001	158,448,725	158,576,012	157,151,553
1,247,211	1,244,728	1,248,860	1,219,183	1,199,494	1,247,113
<u>\$ 160,125,448</u>	<u>\$ 159,717,627</u>	<u>\$ 157,689,861</u>	<u>\$ 159,667,908</u>	<u>\$ 159,775,506</u>	<u>\$ 158,398,666</u>
\$ 6,228,521	\$ 5,707,939	\$ 4,920,516	\$ 5,205,591	\$ 5,614,047	\$ 5,533,225
1,886,017	1,927,751	1,938,396	2,329,177	2,431,110	2,540,504
1,059,363	883,497	981,362	889,807	860,578	808,316
1,160,914	1,471,585	1,606,913	1,053,074	1,391,748	1,510,055
1,866,177	2,066,278	1,930,935	1,695,010	1,681,662	1,464,989
1,767,649	2,116,042	2,394,896	2,493,753	2,480,154	2,966,723
168,781	192,699	25,442	26,205	25,232	25,379
25,608,248	25,153,744	25,909,207	27,796,595	26,756,792	28,459,366
3,284,480	3,357,947	5,248,262	5,205,333	3,670,446	5,357,376
43,030,150	42,877,482	44,955,929	46,694,545	44,911,769	48,665,933
1,069,644	1,259,418	1,856,566	1,309,584	815,054	969,450
<u>\$ 44,099,794</u>	<u>\$ 44,136,900</u>	<u>\$ 46,812,495</u>	<u>\$ 48,004,129</u>	<u>\$ 45,726,823</u>	<u>\$ 49,635,383</u>

(Continued)

CHANGES IN NET POSITION (Continued)  
LAST TEN FISCAL YEARS

	2009	2010	2011	2012
Net Expense/Revenue:				
Governmental Activities	\$ (92,975,453)	\$ (100,518,842)	\$ (104,429,381)	\$ (111,073,595)
Business-type Activities	65,303	(199,764)	(326,458)	(214,728)
Total Primary Government Net Expense	<u>\$ (92,910,150)</u>	<u>\$ (100,718,606)</u>	<u>\$ (104,755,839)</u>	<u>\$ (111,288,323)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Real Property Taxes	\$ 35,975,679	\$ 37,416,775	\$ 37,248,786	\$ 38,084,798
Other Tax Items	4,565,134	4,073,276	4,696,118	5,148,031
Non-property Taxes	45,986,045	47,943,822	50,048,010	51,907,116
Unrestricted Use of Money and Property	775,381	1,283,155	681,908	956,416
Sale of Property and				
Compensation for Loss	136,717	170,354	243,328	204,612
Miscellaneous	1,393,591	1,201,131	(657,262)	-
Transfers	-	-	-	2,155,030
Total Governmental Activities	<u>88,832,547</u>	<u>92,088,513</u>	<u>92,260,888</u>	<u>98,456,003</u>
Business-type Activities:				
Unrestricted Use of Money and Property	337	160	163	185
Transfers	-	-	-	-
Total Business-type Activities	<u>337</u>	<u>160</u>	<u>163</u>	<u>185</u>
Total Primary Government				
General Revenues	<u>\$ 88,832,884</u>	<u>\$ 92,088,673</u>	<u>\$ 92,261,051</u>	<u>\$ 98,456,188</u>
Change in Net Position				
Governmental Activities	\$ (4,142,906)	\$ (8,430,329)	\$ (12,168,493)	\$ (12,617,592)
Business-type Activities	65,640	(199,604)	(326,295)	(214,543)
Total Primary Government	<u>\$ (4,077,266)</u>	<u>\$ (8,629,933)</u>	<u>\$ (12,494,788)</u>	<u>\$ (12,832,135)</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.

2013	2014	2015	2016	2017	2018
\$ (115,848,087) (177,567)	\$ (115,595,417) 14,690	\$ (111,485,072) 607,706	\$ (111,754,180) 90,401	\$ (113,664,243) (384,440)	\$ (108,485,620) (277,663)
<u>\$ (116,025,654)</u>	<u>\$ (115,580,727)</u>	<u>\$ (110,877,366)</u>	<u>\$ (111,663,779)</u>	<u>\$ (114,048,683)</u>	<u>\$ (108,763,283)</u>
\$ 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	\$ 35,664,434 5,479,429 60,120,626 103,012	\$ 41,792,992 4,692,425 60,000,569 215,857	\$ 43,134,059 4,877,949 64,525,488 465,110
129,251 315,148 25,000	111,315 736,322 25,000	55,389 944,903 25,000	107,346 536,640 25,000	57,812 925,680 30,000	111,591 520,599 -
<u>93,917,325</u>	<u>99,929,417</u>	<u>102,289,022</u>	<u>102,036,487</u>	<u>107,715,335</u>	<u>113,634,796</u>
161 (25,000)	10 (25,000)	2 (25,000)	3,618 (25,000)	12,401 (30,000)	27,001 -
<u>(24,839)</u>	<u>(24,990)</u>	<u>(24,998)</u>	<u>(21,382)</u>	<u>(17,599)</u>	<u>27,001</u>
<u>\$ 93,892,486</u>	<u>\$ 99,904,427</u>	<u>\$ 102,264,024</u>	<u>\$ 102,015,105</u>	<u>\$ 107,697,736</u>	<u>\$ 113,661,797</u>
\$ (21,930,762) (202,406)	\$ (15,666,000) (10,300)	\$ (9,196,050) 582,708	\$ (9,717,693) 69,019	\$ (5,948,908) (402,039)	\$ 5,149,176 (250,662)
<u>\$ (22,133,168)</u>	<u>\$ (15,676,300)</u>	<u>\$ (8,613,342)</u>	<u>\$ (9,648,674)</u>	<u>\$ (6,350,947)</u>	<u>\$ 4,898,514</u>

County of Putnam, New York

Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	2009	2010 (1)	2011	2012
General Fund				
Nonspendable	\$ N/A	\$ 1,000,000	\$ 692,737	\$ 696,805
Restricted	N/A	302,889	433,291	2,657,689
Committed	N/A	-	-	-
Assigned	N/A	8,824,856	7,575,615	6,936,148
Unassigned	N/A	18,260,773	18,142,836	18,762,962
Reserved	2,859,777	N/A	N/A	N/A
Unreserved	19,770,446	N/A	N/A	N/A
<b>Total General Fund</b>	<b><u>\$ 22,630,223</u></b>	<b><u>\$ 28,388,518</u></b>	<b><u>\$ 26,844,479</u></b>	<b><u>\$ 29,053,604</u></b>
All Other Governmental Funds				
Nonspendable	\$ N/A	\$ -	\$ 48,045	\$ -
Restricted	N/A	3,658,402	4,227,992	6,935,275
Assigned	N/A	2,483,663	1,898,412	2,155,565
Unassigned	N/A	(601,955)	(284,293)	(110,609)
Reserved	1,388,263	N/A	N/A	N/A
Unreserved, Reported In:				
Special Revenue Funds	2,314,265	N/A	N/A	N/A
Capital Projects Fund	3,112,523	N/A	N/A	N/A
<b>Total All Other Governmental Funds</b>	<b><u>\$ 6,815,051</u></b>	<b><u>\$ 5,540,110</u></b>	<b><u>\$ 5,890,156</u></b>	<b><u>\$ 8,980,231</u></b>
<b>Total Governmental Funds</b>	<b><u>\$ 29,445,274</u></b>	<b><u>\$ 33,928,628</u></b>	<b><u>\$ 32,734,635</u></b>	<b><u>\$ 38,033,835</u></b>

(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.

2013	2014	2015	2016	2017	2018
\$ 2,415,521	\$ 2,003,733	\$ 4,386,166	\$ 3,848,189	\$ 3,986,893	\$ 3,929,419
3,919,221	3,781,919	3,916,163	1,870,489	1,847,169	1,903,800
-	-	5,719,436	-	-	-
11,365,343	8,963,563	8,857,851	18,057,991	18,101,617	15,715,837
18,825,288	20,129,757	12,476,739	13,869,403	15,845,855	21,977,572
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>\$ 36,525,373</u>	<u>\$ 34,878,972</u>	<u>\$ 35,356,355</u>	<u>\$ 37,646,072</u>	<u>\$ 39,781,534</u>	<u>\$ 43,526,628</u>
\$ -	\$ -	\$ 141,323	\$ 127,105	\$ 109,101	\$ 95,281
6,376,769	5,942,998	3,847,638	5,412,111	5,505,991	6,857,500
2,275,430	2,083,484	1,990,264	2,580,944	2,583,857	2,250,627
-	-	-	-	-	-
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>\$ 8,652,199</u>	<u>\$ 8,026,482</u>	<u>\$ 5,979,225</u>	<u>\$ 8,120,160</u>	<u>\$ 8,198,949</u>	<u>\$ 9,203,408</u>
<u>\$ 45,177,572</u>	<u>\$ 42,905,454</u>	<u>\$ 41,335,580</u>	<u>\$ 45,766,232</u>	<u>\$ 47,980,483</u>	<u>\$ 52,730,036</u>

County of Putnam, New York

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	2009	2010	2011	2012
<b>Revenues</b>				
Real property taxes	\$ 32,492,279	\$ 36,457,275	\$ 33,980,375	\$ 36,415,549
Other tax items	4,565,134	4,073,276	4,528,129	5,148,031
Non-property taxes	45,986,045	47,943,822	50,048,010	51,907,116
Departmental income	13,574,941	13,205,278	11,165,142	11,359,962
Intergovernmental charges	664,099	656,761	753,406	666,366
Use of money and property	1,037,311	985,088	1,063,093	953,008
Licenses and permits	706,307	896,933	697,290	883,673
Fines and forfeitures	286,165	254,399	258,400	255,350
Sale of property and compensation for loss	136,717	170,354	243,328	204,612
Interfund revenues	410,367	405,648	376,795	310,045
State aid	19,393,736	13,807,903	16,549,878	16,207,528
Federal aid	18,432,884	13,958,530	11,896,430	11,323,669
Miscellaneous	3,364,622	4,441,206	1,794,109	11,674,928
<b>Total Revenues</b>	<b>141,050,607</b>	<b>137,256,473</b>	<b>133,354,385</b>	<b>147,309,837</b>
<b>Expenditures</b>				
<b>Current</b>				
General government support	20,161,510	20,124,332	21,123,199	21,377,731
Education	10,322,400	10,037,084	9,829,285	10,152,873
Public safety	27,126,749	28,771,601	30,928,919	32,032,454
Health	14,126,793	13,711,581	12,027,580	12,304,232
Transportation	10,271,963	9,638,870	10,708,266	10,037,138
Economic opportunity and development	29,335,234	29,611,726	31,087,737	31,649,422
Culture and recreation	4,006,699	3,689,492	2,526,283	2,755,808
Home and community services	3,989,111	1,774,721	1,894,014	1,704,197
Employee benefits	3,132,538	3,369,554	3,784,913	3,766,453
<b>Debt Service:</b>				
Principal	3,042,900	2,950,000	3,015,401	3,320,000
Interest	2,712,610	2,529,126	2,754,671	2,646,049
Refunding bond issuance costs	-	-	-	-
<b>Capital Outlay</b>	<b>14,966,938</b>	<b>11,453,142</b>	<b>8,549,167</b>	<b>16,710,815</b>
<b>Total Expenditures</b>	<b>143,195,445</b>	<b>137,661,229</b>	<b>138,229,435</b>	<b>148,457,172</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,144,838)</b>	<b>(404,756)</b>	<b>(4,875,050)</b>	<b>(1,147,335)</b>
<b>Other Financing Sources (Uses)</b>				
Bonds issued	2,595,401	4,888,110	3,680,181	12,351,535
Refunding bonds issued	-	-	-	730,127
Issuance premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(6,635,127)
Transfers in	3,175,214	605,889	200,975	903,577
Transfers out	(3,175,214)	(605,889)	(200,099)	(903,577)
<b>Total Other Financing Sources</b>	<b>2,595,401</b>	<b>4,888,110</b>	<b>3,681,057</b>	<b>6,446,535</b>
<b>Net Change in Fund Balances</b>	<b>\$ 450,563</b>	<b>\$ 4,483,354</b>	<b>\$ (1,193,993)</b>	<b>\$ 5,299,200</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.7%</b>	<b>4.7%</b>

	2013	2014	2015	2016	2017	2018
\$	38,627,329	\$ 38,400,507	\$ 38,771,702	\$ 39,304,229	\$ 41,793,023	\$ 40,231,841
	4,940,649	5,041,598	5,035,733	5,479,429	4,692,425	4,877,949
	53,330,206	56,105,827	55,080,624	60,120,626	60,000,569	64,525,488
	11,762,688	11,715,452	10,963,865	11,111,171	11,348,444	11,421,718
	816,455	1,174,922	1,308,496	753,928	1,124,919	1,275,182
	624,530	625,687	584,850	638,292	872,168	1,026,855
	845,309	741,059	775,203	861,486	805,881	924,395
	218,880	195,607	224,407	249,508	201,658	218,697
	129,251	111,528	55,389	107,346	57,812	111,591
	306,735	411,117	428,071	372,217	385,281	595,917
	16,441,729	16,474,187	18,175,724	19,323,125	19,738,249	21,935,041
	9,576,958	9,962,601	10,525,090	12,418,266	9,937,788	11,195,803
	3,127,022	2,788,748	3,400,237	1,970,646	2,004,772	1,618,224
	<u>140,747,741</u>	<u>143,748,840</u>	<u>145,329,391</u>	<u>152,710,269</u>	<u>152,962,989</u>	<u>159,958,701</u>
	22,480,066	27,219,313	24,043,863	24,070,985	23,754,954	23,863,181
	10,196,769	9,379,106	9,408,513	9,618,908	10,423,919	11,030,625
	32,804,565	34,541,586	35,198,063	36,303,280	36,767,396	36,368,645
	10,538,785	11,464,578	11,522,277	12,945,287	13,026,106	12,878,133
	10,471,149	11,457,884	11,808,058	10,642,584	10,890,372	11,670,153
	32,665,550	32,481,284	32,420,370	34,241,746	33,639,289	33,492,969
	3,140,717	3,429,702	3,601,424	4,686,558	4,983,259	5,916,734
	1,753,532	1,768,927	1,721,015	1,640,432	1,742,315	1,593,484
	3,855,901	4,045,623	4,202,823	4,578,254	4,750,314	5,053,139
	2,910,181	3,396,535	3,848,000	4,063,274	4,210,000	4,609,575
	2,462,757	2,456,043	2,320,914	2,203,331	2,134,655	2,058,557
	145,747	-	108,412	-	-	-
	7,266,229	6,883,651	6,828,945	7,524,553	8,628,997	8,732,562
	<u>140,691,948</u>	<u>148,524,232</u>	<u>147,032,677</u>	<u>152,519,192</u>	<u>154,951,576</u>	<u>157,267,757</u>
	<u>55,793</u>	<u>(4,775,392)</u>	<u>(1,703,286)</u>	<u>191,077</u>	<u>(1,988,587)</u>	<u>2,690,944</u>
	3,113,000	3,478,274	-	4,214,575	4,133,350	2,033,125
	19,965,000	-	11,060,000	-	-	-
	1,419,607	-	1,544,523	-	39,488	25,484
	(21,191,322)	-	(12,496,111)	-	-	-
	487,280	924,161	935,756	936,561	2,151,816	3,148,201
	(462,280)	(1,899,161)	(910,756)	(911,561)	(2,121,816)	(3,148,201)
	<u>3,331,285</u>	<u>2,503,274</u>	<u>133,412</u>	<u>4,239,575</u>	<u>4,202,838</u>	<u>2,058,609</u>
\$	<u>3,387,078</u>	<u>(2,272,118)</u>	<u>(1,569,874)</u>	<u>4,430,652</u>	<u>2,214,251</u>	<u>4,749,553</u>
	4.0%	4.1%	4.4%	4.3%	4.4%	4.5%

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# 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

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New York State *	4.000 %	4.000 %	4.000 %	4.000 %
MTA (1) **	0.375	0.375	0.375	0.375
County ***	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>	<u>4.000</u>
Total	<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%.

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<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
4.000 %	4.000 %	4.000 %	4.000 %	4.000 %	4.000 %
0.375	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>4.000</u>
<u>8.375 %</u>					

**County of Putnam, New York**

Taxable Sales By Industry  
Ten Years Stated

Industry	March 2008 to February 2009	March 2009 to February 2010	March 2010 to February 2011	March 2011 to February 2012
Utilities (excluding residential energy)	\$ 32,216	\$ 19,872	\$ 30,561	\$ 26,889
Construction	27,844	20,430	21,294	23,181
Manufacturing	38,231	22,320	21,773	33,092
Wholesale Trade	80,319	68,786	76,608	57,342
Retail Trade:				
Motor Vehicles and Parts	168,060	166,081	176,025	169,533
Furniture and Home Furnishings	24,842	16,394	16,060	17,292
Electronics and Appliances	9,072	8,655	10,068	10,532
Building Materials and Garden Equipment	90,587	80,603	86,213	83,211
Food and Beverage	73,553	78,290	95,298	80,189
Health and Personal Care	16,659	16,570	17,121	16,544
Gasoline Stations	16,214	17,334	17,607	22,294
Clothing	6,055	6,348	10,250	13,934
Sporting Goods, Hobby, Book and Music Stores	10,941	10,345	11,411	7,853
General Merchandise	20,165	32,643	35,361	22,416
Miscellaneous Retail	23,309	22,746	22,505	56,324
Nonstore Retail	25,716	29,344	31,302	34,287
Information	80,406	77,014	76,244	71,003
Professional, Scientific, and Technical	8,570	7,666	13,479	10,873
Administrative/Support Services	33,202	32,522	33,468	34,483
Health Care	1,303	1,207	1,151	1,842
Arts, Entertainment, and Recreation	14,330	13,221	14,465	13,488
Accommodation and Food Services:	N/A			
Food Services	73,829	74,464	78,893	86,198
Accommodation	1,414	1,414	1,456	1,527
Other Services:	N/A	N/A		
Repair and Maintenance	40,378	39,879	37,774	46,189
Personal and Laundry Services	6,810	7,123	6,156	7,160
All Other Services	661	670	589	531
Ag., Mining, Trans., Fire, Educ., Govt.	48,064	39,238	44,647	42,512
Unclassified by Industry	9,861	9,800	4,394	940
<b>Grand Total</b>	<b>\$ 982,611</b>	<b>\$ 920,979</b>	<b>\$ 992,173</b>	<b>\$ 991,659</b>

Source: New York State Department of Taxation and Finance

\* Preliminary

\*\* Revised

<u>March 2012 to February 2013</u>	<u>March 2013 to February 2014</u>	<u>March 2014 to February 2015</u>	<u>March 2015 to February 2016</u>	<u>March 2016 to February 2017**</u>	<u>March 2017 to February 2018*</u>
\$ 27,067	\$ 30,784	\$ 28,496	\$ 24,298	\$ 24,815	\$ 28,617
22,260	25,570	28,290	29,108	34,852	36,778
32,495	35,798	35,585	41,628	65,696	48,569
55,205	82,481	81,939	81,830	90,728	92,698
167,642	190,250	208,174	226,475	228,186	235,810
16,966	17,545	18,364	19,851	23,857	25,632
11,101	11,209	11,191	12,084	12,703	14,413
86,182	90,845	91,508	98,053	100,704	105,527
81,987	87,256	89,562	89,625	87,001	88,439
16,444	16,826	16,115	16,646	17,097	17,459
22,697	170,905	157,072	122,539	118,981	127,627
11,577	22,176	25,869	27,384	29,570	32,428
7,758	9,455	14,268	16,118	15,878	15,388
20,847	38,215	38,609	39,383	37,506	37,647
57,917	46,035	44,409	40,740	44,646	43,690
35,914	49,966	52,268	54,252	59,051	65,730
69,350	72,960	74,899	76,778	74,351	71,161
11,240	10,752	11,540	11,934	14,045	13,234
34,738	32,244	34,574	37,402	40,776	40,981
1,410	1,804	1,194	1,468	2,231	2,021
14,586	15,448	17,718	18,834	18,337	19,175
88,872	97,678	101,091	110,632	115,983	118,446
1,526	1,729	1,691	1,923	1,753	1,590
45,356	44,991	46,604	49,562	52,362	53,814
5,590	5,602	5,985	6,577	6,097	7,842
524	705	578	615	646	618
40,602	42,496	42,836	52,024	128,661	126,003
1,730	5,302	3,812	287	500	505
<u>\$ 989,583</u>	<u>\$ 1,257,027</u>	<u>\$ 1,284,241</u>	<u>\$ 1,308,050</u>	<u>\$ 1,447,013</u>	<u>\$ 1,471,842</u>

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**County of Putnam, New York**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

<u>Year</u>	<u>Commercial Property (3)</u>	<u>Residential Property (3)</u>	<u>Total Net Taxable Assessed Value (1)</u>	<u>State Special Equalization Rate (2)</u>	<u>Estimated Actual Taxable Value</u>	<u>Total Direct Tax Rate</u>
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	79.56	13,167,787,728	3.75
2015	2,088,710,755	8,256,117,153	10,344,827,908	78.61	13,159,684,401	3.91
2016	1,824,882,385	8,577,549,147	10,402,431,532	77.89	13,355,285,058	3.88
2017	1,904,362,639	8,500,005,949	10,404,368,588	77.55	13,416,336,026	3.08
2018	2,297,915,761	10,214,081,096	12,511,996,857	91.48	13,677,303,079	3.09

(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.

(3) Real Property Department

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

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	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
County Direct Rates	\$ 2.93	\$ 3.20	\$ 3.30	\$ 3.46	\$ 3.62
Town Rates	1.80-5.63	.92-6.05	1.36-6.29	1.70-6.87	1.32-7.41
Village Rates	3.46-9.56	3.43-9.55	3.56-7.68	4.04-10.11	4.37-10.37
School Districts	7.89-41.43	7.66-45.54	8.98-52.65	9.33-53.09	9.54-54.58

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

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2014	2015	2016	2017	2018
\$ 3.75	\$ 3.91	\$ 3.88	\$ 3.08	\$ 3.09
1.34 - 7.83	1.41-8.03	1.42 - 8.20	1.42 - 8.34	1.46 - 8.08
4.60 - 10.68	4.73-10.81	4.69 - 10.97	4.76 - 11.03	4.76 - 12.04
9.16 - 58.47	9.46-52.29	9.45 - 57.31	9.64 - 67.50	9.85 - 53.95

**County of Putnam, New York**

Principal Taxpayers  
Current Year and Nine Years Ago

2018				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	City of New York	Government	\$ 696,051,762.40	5.56 %
2	State of New York	Government	167,521,026.88	1.34
3	NYS Elec & Gas Corp.	Public Utility	144,962,541.00	1.16
4	Algonquin Gas Transmission Co.	Public Utility	108,365,125.00	0.87
5	Verizon New York, Inc.	Public Utility	34,119,214.90	0.27
6	Consolidated Edison	Public Utility	25,972,707.23	0.21
7	Central Hudson	Public Utility	23,132,682.73	0.18
8	Lakeview Plaza, LLC.	Private Corp.	21,734,400.00	0.17
9	Highlands Center	Private Corp.	21,638,800.00	0.17
10	Putnam Ridge Real Estate	Private Corp.	20,604,000.00	0.16
	Total		<u>\$ 1,264,102,260</u>	<u>10.10 %</u>

2009				
Rank	Taxpayer	Type of Business	Taxable Assessed Valuation	Percent of Taxable Assessed Valuation
1	NYC D.E.P	Government	\$ 635,061,123	5.05 %
2	State of New York	Government	172,428,610	1.37
3	New York State Electric & Gas	Public Utility	101,741,067	0.81
4	Verizon	Public Utility	54,607,339	0.43
5	Algonquin Gas	Public Utility	40,676,357	0.32
6	Consolidated Edison	Public Utility	36,992,945	0.29
7	The Retreat at Carmel	Private Corp.	27,985,075	0.22
8	Plaza, LLC (Lakeview Plaza)	Private Corp.	26,177,900	0.21
9	Central Hudson	Private Corp.	21,210,804	0.17
10	Triple C Associates	Private Corp.	20,520,700	0.16
	Total		<u>\$ 1,137,401,920</u>	<u>9.03 %</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
2009	\$ 119,761,511	\$ 112,515,940	93.95 %	\$ 7,245,571	\$ 119,761,511	100.00 %
2010	123,196,494	116,593,162	94.64	6,422,523	123,015,685	99.85
2011	124,070,276	118,983,395	95.90	4,459,061	123,442,456	99.49
2012	128,752,271	122,971,294	95.51	5,622,250	128,593,544	99.88
2013	134,431,543	128,261,135	95.41	5,956,812	134,217,947	99.84
2014	137,606,543	131,015,190	95.21	4,902,857	135,918,047	98.77
2015	141,461,972	134,459,604	95.05	4,545,134	139,004,738	98.26
2016	141,120,725	134,230,717	95.12	3,322,651	137,553,368	97.47
2017	142,130,612	135,232,547	95.15	2,277,461	137,510,008	96.75
2018	145,037,281	138,975,993	95.82	-	138,975,993	95.82

(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.

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.

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## 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	Business-type Activities
	General Obligation Bonds	Less Debt Service Funds Available	Net		Tobacco Securitization Bonds (2)
2009	\$ 58,190,401	\$ 1,300,344	\$ 56,890,057	0.36 %	\$ 17,846,135
2010	60,128,511	162,942	59,965,569	0.39	17,993,677
2011	60,774,777	415,400	60,359,377	0.43	18,200,859
2012	64,362,498	630,433	63,732,065	0.46	18,396,974
2013	66,790,833	430,823	66,360,010	0.49	20,016,893
2014	66,715,014	522,020	66,192,994	0.51	19,993,540
2015	63,629,516	437,144	63,192,372	0.48	20,141,437
2016	63,525,194	226,176	63,299,018	0.48	19,246,192
2017	63,231,512	167,987	63,063,525	0.47	19,433,722
2018	60,420,802	158,467	60,262,335	0.44	19,559,794

(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.

(3) - Personal income and population divided by gross general obligations and tobacco securitization bonds.

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

\*Data not available

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<u>Total Primary Government, Net</u>	<u>Gross Percentage of Personal Income (1)(3)</u>	<u>Gross Per Capita (1)(3)</u>	<u>Gross Percentage of Personal Income (1)(3)</u>	<u>Gross Per Capita (1)(3)</u>
\$ 74,736,192	1.44 %	\$ 766.00	1.44 %	\$ 766.00
77,959,246	1.56	782.83	1.56	781.19
78,560,236	1.50	790.49	1.50	786.33
82,129,039	1.35	830.89	1.34	824.56
86,376,903	1.59	871.60	1.58	867.27
86,186,534	1.53	873.62	1.52	868.36
83,333,809	1.44	843.91	1.43	839.51
82,545,210	1.40	836.92	1.40	834.63
82,497,247	1.31	832.29	1.31	830.60
79,822,129	*	808.77	*	807.16

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**County of Putnam, New York**

Direct and Underlying Governmental Activities Debt  
As of December 31, 2018

UNDERLYING DEBT

<u>Municipality or School District</u>	<u>Gross Long-Term Debt (1)</u>	<u>Exclusions (2)</u>	<u>Amount Applicable To County (3)</u>
Towns: (as of December 31, 2018)			
Carmel	\$ 29,611,000	\$ 8,313,915	\$ 21,297,085
Kent	1,368,796	189,534	1,179,262
Patterson	5,115,000	85,000	5,030,000
Philipstown	145,000	69,106	75,894
Putnam Valley	-	-	-
Southeast	7,875,000	2,638,795	5,236,205
Villages: (as of May 31, 2018)			
Brewster	10,340,000	10,340,000	-
Cold Spring	287,539	255,000	32,539
Nelsonville	-	-	-
Schools: (as of June 30, 2018)			
Brewster	27,410,000	5,794,811	21,615,189
Carmel	25,300,993	2,800,610	22,500,383
Garrison	4,426,357	905,136	3,521,221
Haldane	9,747,473	556,232	9,191,241
Mahopac	5,936,599	-	5,936,599
Putnam Valley	12,661,020	-	12,661,020
Total Underlying Debt			108,276,638
Direct Bonded Debt of the County			<u>60,420,802</u>
Direct and Underlying Debt			<u>\$ 168,697,440</u>

(1) Excludes proprietary funds.

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

(3) 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

	2009	2010	2011	2012
Debt Limit	\$ 1,023,861,556	\$ 1,019,431,927	\$ 1,022,630,297	\$ 1,014,337,290
Total Net Debt Applicable to Limit	55,240,401	58,545,401	57,340,181	61,732,317
Legal Debt Margin	<u>\$ 968,621,155</u>	<u>\$ 960,886,526</u>	<u>\$ 965,290,116</u>	<u>\$ 952,604,973</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.40%	5.74%	5.61%	6.09%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessment Roll			State Special Equalization Ratio		Full Valuation
Year	Budget Year	Assessed Valuation		%	\$
2014	2014	\$ 10,476,291,916	79.56	%	\$ 13,167,787,728
2015	2015	10,344,827,908	78.61		13,159,684,401
2016	2016	10,402,431,532	77.89		13,355,285,058
2017	2017	10,404,368,588	77.55		13,416,336,026
2018	2018	12,511,996,857	91.48		<u>13,677,303,079</u>
Total Five Year Full Valuation					<u>\$ 66,776,396,292</u>
Five Year Average Full Valuation of Taxable Real Property					<u>\$ 13,355,279,258</u>
Debt Limit - 7% of Five Year Average Full Valuation					<u>934,869,548</u>
Outstanding County Debt:					
Serial Bonds			57,936,475		
Bond Anticipation Notes			-		57,936,475
Less:					
Exclusion for Water and Sewer Districts Appropriations in 2018 Budget, Exclusive of Water and Sewer Districts					<u>6,280,054</u>
Net Indebtedness Subject to Debt Limit					<u>51,656,421</u>
Net Debt Contracting Margin					<u>\$ 883,213,127</u>

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

(2) Excludes enterprise fund bonds.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,027,867,561	\$ 985,907,962	\$ 954,312,902	\$ 941,949,445	\$ 933,741,066	\$ 934,869,548
<u>59,902,458</u>	<u>59,542,148</u>	<u>54,911,767</u>	<u>55,063,068</u>	<u>54,537,478</u>	<u>51,656,421</u>
<u>\$ 967,965,103</u>	<u>\$ 926,365,814</u>	<u>\$ 899,401,135</u>	<u>\$ 886,886,377</u>	<u>\$ 879,203,588</u>	<u>\$ 883,213,127</u>
5.83%	6.04%	5.75%	5.85%	5.84%	5.53%

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## **Demographic and Economic Information**

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

Demographic Statistics

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## County of Putnam, New York

### Demographic Statistics Last Ten Fiscal Years

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<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Income (1)</u>	<u>Annual Ave Unemployment Rate (2)</u>
2009	99,265	\$ 5,264,243,000	\$ 52,819	6.7 %
2010	99,795	5,009,577,000	50,199	7.2
2011	99,907	5,247,819,000	52,527	7.0
2012	99,604	6,128,224,000	61,501	7.2
2013	99,596	5,467,134,000	54,893	6.1
2014	99,252	5,655,367,000	56,980	4.9
2015	99,265	5,822,347,000	58,655	4.3
2016	98,900	5,903,623,000	59,693	4.0
2017	99,323	6,303,935,000	63,469	4.2
2018	98,892	*	*	3.7

Sources:

- (1) U.S. Bureau of Economic Analysis
- (2) New York State Department of Labor

\*Data not available

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## Operating Information

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

Construction Permit Data

Principal Employers

Full-Time Equivalent Town Government Employees by Function

Operating Indicators by Function/Program

Capital Asset Statistics by Function

## County of Putnam, New York

### Construction Permit Data Last Ten Fiscal Years

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<u>Year</u>	<u>Value of Residential Construction (1)</u>	<u>Number of Building Permits (1)</u>
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	50
2016	12,369,758	41
2017	12,859,223	36
2018	11,725,068	45

Sources:

(1) U.S Census Bureau

**County of Putnam, New York**

Principal Employers  
 Current Year and Nine Years Ago

<u>EMPLOYER</u>	2018	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	900	2.13 %
Putnam County	794	1.88
Mahopac Central School District	773	1.83
Carmel Central School District	712	1.68
Brewster Central School District	600	1.42
Green Chimneys	502	1.19
Putnam Associated Resource Center	375	0.89
Putnam Valley Central School District	290	0.69
Hudson Valley Cerebral Palsy Assoc (HVCPA)	264	0.62
Big V Shoprite Supermarkets, Inc.	250	0.59
	<u>5,460</u>	<u>12.91 %</u>

<u>EMPLOYER</u>	2009	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL EMPLOYMENT</u>
Putnam Hospital Center	1,095	2.77 %
Carmel Central School District	808	2.05
Putnam County	600	1.52
Mahopac Central School District	703	1.78
Brewster Central School District	620	1.57
Watson Pharmaceutical	529	1.34
A&P	485	1.23
Guidepost Associates, Inc	120	0.30
Putnam Associated Resource Center	375	0.95
Green Chimneys	355	0.90
	<u>5,690</u>	<u>14.42 %</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,			
	2009	2010	2011	2012
General Government	159	143	144	153
Education	1	1	1	1
Public Safety	202	200	200	206
Health	80	71	71	58
Transportation	41	39	39	34
Economic Opportunity and Development	158	161	160	161
Culture and Recreation	18	17	17	19
Home and Community Services	10	9	9	7
Total	<u>669</u>	<u>641</u>	<u>641</u>	<u>639</u>

Source: Putnam County Finance Department

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
155	156	141	153	144	152
1	1	1	1	1	1
198	200	195	196	203	206
56	52	54	54	49	50
33	35	34	38	36	37
158	156	143	157	153	156
20	21	11	14	13	17
<u>7</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>
<u>628</u>	<u>629</u>	<u>586</u>	<u>620</u>	<u>606</u>	<u>627</u>

## County of Putnam, New York

### Operating Indicators by Function/Program Last Ten Fiscal Years

Function:	2009	2010	2011	2012
<b>General Government:</b>				
Motor Vehicles				
Number of drivers' licenses issued	N/A	N/A	23,609	16,197
County Clerk				
Number of mortgages recorded	3,294	3,101	3,154	3,402
Number of foreclosures initiated	542	480	285	331
Finance				
Number of certificates of residence issued	2,412	2,490	2,523	2,153
Highway:				
Number of permits issued	20	12	14	13
<b>Public Safety:</b>				
Emergency Services				
Number of calls at 911 center	39,725	35,601	36,742	41,782
Corrections				
Total Inmate admissions	868	930	936	894
Probation				
Average Monthly # Criminal Court Supervision Cases	599	609	600	600
<b>Health:</b>				
Number of Home Health Aid Visits	1,928	1,470	*	*
Number of Vaccines (Immunization & flu)	10,621	5,977	4,829	5,801
<b>Culture and Recreation:</b>				
Number of rounds of golf played	29,739	32,898	25,462	31,335
<b>Home and Community Services:</b>				
Transportation				
Ridership on public buses	177,246	186,867	172,781	168,331
<b>Economic Assistance and Opportunity</b>				
OFA				
Meals				
Homebound	22,362	22,713	26,606	33,095
Senior Centers	61,588	60,324	62,321	66,462

\* Home Health agency was sold in 2010.

N/A - Information not available

Source: Various County Departments

2013	2014	2015	2016	2017	2018
10,660	11,458	11,521	11,861	21,250	30,190
3,595	2,391	2,601	2,808	2,655	2,414
551	477	410	303	276	244
2,106	1,666	1,488	1,786	1,816	1,720
25	26	24	16	22	13
42,795	33,060	34,625	35,173	36,688	36,599
746	720	662	680	628	608
600	600	575	517	453	431
*	*	*	*	*	*
5,657	5,041	4,522	4,375	4,153	4,635
30,088	30,221	32,428	32,917	30,515	26,815
160,464	144,151	134,381	143,681	132,931	120,711
30,247	32,240	33,928	33,298	34,608	36,589
59,440	52,787	52,943	53,078	56,747	52,034

## County of Putnam, New York

### Capital Asset Statistics By Function Last Ten Fiscal Years

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Function	2009	2010	2011	2012
General Government - Buildings	6	7	7	8
Public Safety - Buildings	3	3	3	3
Health - Buildings	3	3	3	3
Transportation - Buildings	1	1	1	1
Culture and Recreation - Parks acreage	2,966	2,698	2,698	2,698
Buildings	8	8	8	8
Economic Opportunity - Buildings	5	5	5	5
Home & Community Services - Buildings	1	1	1	1

Source - Various County departments

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2013	2014	2015	2016	2017	2018
8	8	8	8	8	8
4	4	4	5	5	5
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

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**FEDERAL AWARDS**

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**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, 2018, 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 27, 2019.

**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 27, 2019



**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 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, 2018. 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, 2018.

### **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 27, 2019

County of Putnam, New York

Schedule of Expenditures of Federal Awards  
Year Ending December 31, 2018

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number (1)	Pass-Through Entity Identifying Number	Passed Through to Sub- Recipients	Federal Program Expenditure
<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	C30467GG	\$ -	\$ 389,941
Issued through NYS WIC State Information System	10.557	WICSIS	-	651,113
Indirect Program - Passed Through Department of Temporary and Disability				
Assistance State Admin Matching Grants for Supplemental Nutrition				
Assistance Program	10.561		-	863,785
Total U.S. Department of Agriculture			-	1,904,839
<u>U.S. Department of Justice</u>				
Indirect Programs - Passed through NYS Office of Victim Services				
Crime Victim Assistance	16.575	C100064/OVS01- C20002GG-1080200	-	183,165
<u>Department of Labor</u>				
Indirect Programs - through Westchester County				
WIA Cluster				
WIA Adult Programs	17.258		-	105,957
WIA Dislocated Worker	17.278		-	97,442
Total Department of Labor			-	203,399
<u>U.S. Department of Transportation</u>				
Direct Programs				
New Freedom Program	20.521	PIN 8823.44 NY-57- X030	-	422,102
Federal Transit Formula Grants	20.507	PIN 8761.92 NY-95- 0001/PIN8761.05 NY-95-X020/PIN 8759.05 NY-90- X636/ 8TM.082 NY- 95-X068/ 8TRM61 NY-90- 0097/PIN8761.05 NY-95-0040	-	1,167,973
			-	1,590,075
Indirect Programs - Passed through Governor's Traffic Safety Committee - Highway Safety Cluster				
Occupant Protection Incentive Grant	20.602	CPS-2018-00344- SHERIFF	-	2,981
State and Community Highway Safety	20.600	PTS-2018-00080- SHERIFF PTS-2018- 00252-SHERIFF	-	4,602
Indirect Programs - Passed through NYS Department of Criminal Justice				
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		-	5,934

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ending December 31, 2018

<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</u> (Continued)				
Indirect Programs - Passed through NYS Stop DWI Foundation Inc.				
National Priority Safety Program	20.616	HS1-2018-NYS STOP FOUND- 00173-(088) ; HS- 2019-NYS STOP DWI FOUND-00181- (088)	\$ 7,773	\$ 30,445
Subtotal Highway Safety Cluster			<u>7,773</u>	<u>43,962</u>
Indirect Programs - Passed through NYS Department of Transportation				
Highway Planning & Construction	20.205	PIN 8757.48 D035017 / D035345/ PIN 8780.53 D034883 / PIN 8756.09 D035980	-	396,244
Formula Grants for Rural Areas	20.509	PIN 8797.38.404 FED GR #NY-18- X036	-	94,000
Bus & Bus Facilities Formula Grant	20.526	PIN 8761.92 NY-24- 0060	-	9,516
Metropolitan Transportation Planning	20.505	NYMTC-C033470	-	248,153
Indirect Program - Passed through NYS Department of Homeland Security Interagency Hazardous Materials Public Sector Training and			-	<u>747,913</u>
Planning Grants	20.703	T972776 WM17972776	-	5,172
Total U.S. Department of Transportation			<u>7,773</u>	<u>2,387,122</u>
<u>U.S. Elections Assistance Commission</u>				
Indirect Program - Passed through NYS Board of Elections Help Americans Vote Act Requirements Payments	90.401	C003239	-	17,577
<u>Corporation for National and Community Service</u>				
Direct Program Retired and Senior Volunteer Program	94.002	18SRANY008	-	44,515
<u>US Department of Homeland Security</u>				
Indirect Program - Passed through NYS Office of Homeland Security and Emergency Management				
i s a	97.036	4020 DR NY MEMO#882 PW#5346 T836385 WM18836385; T972775	-	148,011
Emergency Management Performance Grants	97.042	WM17972775		84,134
Homeland Security Grant Program	97.067	C972770 / C972760 / WM15-836359	-	296,698
Total US Department of Homeland Security			-	<u>528,843</u>
<u>U.S. Department of Education</u>				
Indirect Program - Passed through the NYS Department of Health Special Education - Grants for Infants & Families	84.181	C-31654GG	-	39,845

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ending December 31, 2018

Federal Grantor Program Title	Federal CFDA Number (1)	Pass-Through Entity Identifying Number	Passed Through to Sub- Recipients	Federal Program Expenditure
<u>U.S. Department of Health and Human Services</u>				
Indirect Programs - Passed through NYS Office of Aging				
Special Programs for the Aging-Title III, Part D-Disease Prevention & Health Promotion Services	93.043		\$ -	\$ 3,451
Aging Cluster				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services & Senior Centers	93.044		-	72,035
Special Programs for the Aging-Title III, Part C - Nutrition Services	93.045		-	148,868
Nutrition Services Incentive Program	93.053		-	62,501
Subtotal Aging Cluster			-	283,404
National Family Caregiver Support, Title III, Part E	93.052		-	38,727
Medicare Enrollment Assistance Program	93.071		-	13,347
			-	338,929
Indirect Programs - Passed through NYS Office of Temporary and Disability Assistance				
Guardianship Assistance	93.090		-	2,777
Promoting Safe and Stable Families	93.556		-	66,112
Temporary Assistance of Needy Families (TANF)	93.558	17-OCFS-LCM17 / 18-LCM-11	86,510	1,679,873
Child Support Enforcement	93.563		-	336,193
Low Income Home Energy Assistance	93.568		-	51,463
HEAP Benefits issued through OSC	93.568	NYS WMS PYMT SYSTEM	-	810,730
CCDF Cluster				
Child Care Development Block Grant	93.575	MOU #2303	76,003	137,834
Child Care Mandatory & Matching Funds of the Child Care & Development Fund	93.596		-	766,227
Subtotal CCDF Cluster			76,003	904,061
Child Welfare Services	93.645		-	33,633
Foster Care Title IV E	93.658		-	309,921
Adoption Assistance	93.659		-	63,928
Social Services Block Grant - Title XX	93.667		-	415,226
Chafee Foster Care Independence Program	93.674		-	466
			162,513	4,674,383
Substance Abuse and Mental Health Services Administration				
Indirect Programs - Passed through NYS Office of Alcoholism and Substance Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	ST FUNDING AUTHORIZATION 4/27/18	356,190	312,004
Indirect Programs - Passed through NYS Department of Health				
Immunization Cooperative Agreements	93.268	C 32536GG	-	14,449
Medical Assistance Program	93.778		-	1,529,854
Federal Share of all MA Expenditures via eMedNY	93.778	eMED NY	-	78,059,317
Maternal and Child Health Services BG to the States	93.994	C30912GG	-	8,545
			-	79,612,165

(Continued)

County of Putnam, New York

Schedule of Expenditures of Federal Awards (Continued)  
 Year Ending December 31, 2018

<u>Federal Grantor</u> <u>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 Health and Human Services (Continued)</u>				
Indirect Programs - Passed through NYS Office for Aging Centers for Medicare & Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		\$ -	\$ 32,677
Indirect Program - Passed through Health Resources & Services Administration Hospital Preparedness Program (HPP) and Public Health Emergency preparedness (PHEP) Aligned Cooperative Agreements	93.074	HRI-C-1592-12/ HRI-C-1592-13	-	139,661
Total U.S. Dep't of Health & Human Services			<u>518,703</u>	<u>85,109,819</u>
Total Expenditures of Federal Awards			<u>\$ 526,476.00</u>	<u>\$ 90,419,124.00</u>

(1) Catalog of Federal Domestic Assistance Number

## County of Putnam, New York

Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the County of Putnam, New York ("County") under programs of the federal government for the year ended December 31, 2018. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

**County of Putnam, New York**

Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2018

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None

**County of Putnam, New York**

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

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**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  No  
 Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs

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

Yes  No  
 Yes  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  No

Identification of major federal programs

CFDA Number(s)

Name of Federal Program or Cluster

93.778

Medical Assistance Program (Medicaid; Title XIX)

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

\$2,712,574  
 Yes  No

**County of Putnam, New York**

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2018

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None