

**County of Putnam, New York**  
**Report to the County Legislators**  
**December 31, 2021**

**KNOW  
GREATER  
VALUE**

**Nicholas DeSantis, Partner**  
**Alan Kassay, Partner**

July 25, 2022





## Audit Results – PKF O’Connor Davies Opinion on Financial Statements

- Fund Balance - General Fund Retrospective
- General Fund - Budget to Actual Summary
- General Fund - Budget to Actual - Revenues
- General Fund - Budget to Actual – Expenditures
- Other Governmental Funds



We have completed our audit of the 2021 financial statements of the County of Putnam in accordance with auditing standards generally accepted in the United States of America. The **objective of our audit was to obtain reasonable assurance about whether these financial statements are free of material misstatement.** As part of the scope of our work, we reviewed management's accounting estimates and the accounting treatment afforded to all significant accounting matters.

## ***Audit Scope***

Our audit approach was directed at the evaluation of all significant aspects of the County's operations to reduce audit risks to an acceptable level. Our primary focus was not on individual transactions and balances but on the financial statements we are opining on taken as a whole. **We are satisfied that the scope of our audit was sufficient to enable us to express our opinion on these financial statements.**

**We have issued an unmodified ("clean") opinion** relating to the County of Putnam as of December 31, 2021 and for the year then ended.

# Fund Balance – General Fund Retrospective

	Increase (Decrease) 2021 vs 2020	2021	2020	2019	2018
<i>Nonspendable:</i>					
Prepaid expenditures	\$ 513,823	\$ 2,409,653	\$ 1,895,830	\$ 1,881,182	\$ 1,929,419
Long term receivables	-	4,000,000	4,000,000	2,000,000	2,000,000
	<u>513,823</u>	<u>6,409,653</u>	<u>5,895,830</u>	<u>3,881,182</u>	<u>3,929,419</u>
<i>Restricted:</i>					
Law Enforcement	(80,622)	549,688	630,310	565,160	406,107
Health	3,875	20,308	16,433	17,583	17,583
Driving while intoxicated program	(24,834)	-	24,834	57,557	52,563
Grants and obligations	843,570	3,198,393	2,354,823	1,735,613	1,427,547
	<u>741,989</u>	<u>3,768,389</u>	<u>3,026,400</u>	<u>2,375,913</u>	<u>1,903,800</u>
<i>Assigned</i>					
Purchases on order	(513,844)	1,047,092	1,560,936	1,011,064	576,411
Subsequent year's expenditures	709,750	2,917,315	2,207,565	1,102,689	2,742,651
Retirement	(875,000)	2,693,196	3,568,196	3,568,196	3,568,196
Future Capital projects	-	738,086	738,086	1,290,896	1,290,896
Tax stabilization	-	3,537,683	3,537,683	3,537,683	3,537,683
Insurance	(200,000)	3,800,000	4,000,000	4,000,000	4,000,000
	<u>(879,094)</u>	<u>14,733,372</u>	<u>15,612,466</u>	<u>14,510,528</u>	<u>15,715,837</u>
Unassigned	<u>22,412,031</u>	<u>65,679,390</u> *	<u>43,267,359</u>	<u>29,864,516</u>	<u>21,977,572</u>
Total Fund Balance	<b>34%</b> \$ <u>22,788,749</u>	\$ <u>90,590,804</u>	\$ <u>67,802,055</u>	\$ <u>50,632,139</u>	\$ <u>43,526,628</u>

\* Represents approximately 44% of the 2022 Appropriations, prior year was 29%.

# General Fund – Budget to Actual Summary

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues	\$ 142,388,854	\$ 150,860,306	\$ 157,383,612	\$ 6,523,306
Total Expenditures	<u>146,864,955</u>	<u>155,188,174</u>	<u>134,187,360</u>	<u>21,000,814</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,476,101)	(4,327,868)	23,196,252	27,524,120
Total Other Financing Sources (Uses)	<u>(167,400)</u>	<u>(407,503)</u>	<u>(407,503)</u>	<u>-</u>
Net Change in Fund Balance	(4,643,501)	(4,735,371)	22,788,749	27,524,120
Fund Balance - Beginning of Year	<u>4,643,501</u>	<u>4,735,371</u>	<u>67,802,055</u>	<u>63,066,684</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90,590,804</u></u>	<u><u>\$ 90,590,804</u></u>

# General Fund – Budget to Actual Revenues

REVENUES	Budget		Actual	Variance with Final Budget (Negative)	
	Original	Final			
Real Property Taxes	\$ 32,388,942	\$ 32,388,942	\$ 30,297,937	\$ (2,091,005)	1
Other Tax Items	5,263,800	4,636,887	4,628,143	(8,744)	
Non-Property Taxes	60,879,000	62,910,294	79,874,243	16,963,949	2
Departmental Income	13,330,047	13,934,342	13,737,802	(196,540)	
Use of Money and Property	502,665	439,353	520,321	80,968	
Licenses and Permits	856,990	856,990	951,118	94,128	
Fines and Forfeitures	168,500	196,300	173,583	(22,717)	
Sale of Property and Compensation for Loss	36,700	234,439	251,305	16,866	
State Aid	20,609,639	21,622,009	15,921,408	(5,700,601)	3
Federal Aid	7,498,731	11,535,437	8,891,485	(2,643,952)	4
Miscellaneous	853,840	2,105,313	2,136,267	30,954	
Transfers In	-	58,464	58,464	-	
<b>Total Revenues</b>	<b>\$ 142,388,854</b>	<b>\$ 150,918,770</b>	<b>\$ 157,442,076</b>	<b>\$ 6,523,306</b>	<b>5</b>

1 - Real Property Taxes - based on calculation of deferred taxes.

Tax Liens increased by \$2.1 million.

2 - Non-Property Taxes - Sales Tax, up \$12.1 million, 18%, compared to 2020.

3 - State Aid - Overall down \$3.8 million; Education/Transportation Handicapped Children down \$2.4 million,

4 - Federal Aid - Overall up \$100,000.

5 - Total Revenues up by \$9.9 million, Positive Budgetary Variance \$6.5 million.

# General Fund – Budget to Actual Expenditures

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Current:				
General Government Support	\$ 28,886,529	\$ 29,289,450	\$ 26,294,133	\$ 2,995,317 1
Education	11,776,593	11,918,517	11,214,715	703,802
Public Safety	39,013,802	41,358,474	38,530,921	2,827,553 2
Health	13,568,156	17,446,192	13,252,222	4,193,970 3
Transportation	1,400,726	1,416,877	1,397,413	19,464
Economic Opportunity and Development	37,913,906	38,787,848	29,800,621	8,987,227 4
Culture and Recreation	6,514,366	7,036,553	6,081,277	955,276
Home and Community Services	2,454,064	2,578,309	2,290,104	288,205
Employee Benefits Undistributed	5,336,813	5,355,954	5,325,954	30,000
Transfers Out	167,400	465,967	465,967	-
<b>Total Expenditures</b>	<b>147,032,355</b>	<b>155,654,141</b>	<b>134,653,327</b>	<b>21,000,814</b>
<b>Net Change in Fund Balance</b>	<b>(4,643,501)</b>	<b>(4,735,371)</b>	<b>22,788,749</b>	<b>27,524,120</b>
<b>FUND BALANCE</b>				
Beginning of Year	4,643,501	4,735,371	67,802,055	63,066,684
End of Year	\$ -	\$ -	\$ 90,590,804	\$ 90,590,804

1 - General Government Support -up from prior year by \$1.4 million, positive variance, spread throughout the functions.

2 - Public Safety - positive variance in Emergency Services (\$721,098), Sheriff (\$1,221,360), Jail (\$552,585).

3 - Health - positive variances in Public Health (\$2.5 million), Mental Health programs (\$1.3 million).

4 - Economic Opportunity and Development - total expenditures down from prior year (\$2.1 million), DSS programs , positive variance (\$6.6 million).



# Other Governmental Funds

	Capital Projects Fund	County Road Fund	Road Machinery Funds	Transportation Fund	Special Purpose Fund	Debt Service Funds
<b>Revenues</b>	\$ 14,969,273	\$ 5,203,746	\$ 2,277,748	\$ 2,781,997	\$ 3,232	\$ 7,292,703
<b>Expenditures</b>	<u>(19,635,121)</u>	<u>(4,869,030)</u>	<u>(2,168,124)</u>	<u>(2,536,148)</u>	<u>(24,006)</u>	<u>(7,454,687)</u>
Other financing sources(uses)	<u>3,510,767</u>	<u>(45,264)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,433 *</u>
Net Change in Fund Balance	(1,155,081)	289,452	109,624	245,849	(20,774)	(45,551)
Fund Balance - Beginning	<u>11,133,656</u>	<u>1,686,092</u>	<u>496,436</u>	<u>2,048,647</u>	<u>542,155</u>	<u>233,470</u>
Fund Balance - Ending	<u><u>\$ 9,978,575</u></u>	<u><u>\$ 1,975,544</u></u>	<u><u>\$ 606,060</u></u>	<u><u>\$ 2,294,496</u></u>	<u><u>\$ 521,381</u></u>	<u><u>\$ 187,919</u></u>

All Funds, have positive fund balances at year-end.

\* Issued Refunding Bonds, \$2,485,000,



# Summary – Closing Points

Issued an **UNMODIFIED OPINION (CLEAN)**

*Received the **Certificate of Achievement in Financial Reporting**  
- 30 of the last 31 years*

**On September 2019, Moody's Upgraded the County's  
Bond Rating from Aa2 to Aa1.**

*"Obligations judged to be of high quality and  
subject to very low credit risk".*

### ***Tax Anticipation Notes***

*Last issued Tax Anticipation Notes in December 2015,  
Reduced need to borrow from \$17 million in 2013, to \$0 in 2015  
Saving annual interest expense by as much as \$157,000 per year,*

### ***Issued Report to Those Charged With Governance -***

*"Management Letter", No Material weaknesses  
noted.*

### **New GASB Pronouncements:**

GASB Statement No. 87 - Leases 2022



**www.pkfod.com**

*Nicholas DeSantis, Partner*

[ndesantis@pkfod.com](mailto:ndesantis@pkfod.com)

*Alan Kassay, Partner*

[akassay@pkfod.com](mailto:akassay@pkfod.com)

2 Bethesda Metro Center  
Suite 420  
Bethesda, MD 20814  
T: 301.652.3464

155 Federal Street  
Suite 200  
Boston, MA 02110  
T: 781.937.5300

20 Commerce Drive  
Suite 301  
Cranford, NJ 07016  
T: 908.272.6200

**500 Mamaroneck Avenue  
Harrison, NY 10528  
T: 914.381.8900**

**25 Suffolk Court  
Hauppauge, NY 11788  
T: 631.434.9500**

293 Eisenhower Pkwy  
Suite 170  
Livingston, NJ 07039  
T: 973.535.2880

11 Balmville Road  
Newburgh, NY 12550  
T: 845.565.5400

32 Fostertown Rd  
Newburgh, NY 12550  
T: 845.565.5400

245 Park Avenue  
New York, NY 10167  
T: 212.267.8000

3801 PGA Blvd  
Suite 600  
Palm Beach Gardens, FL 33410  
T: 561-337-5324

40 Westminster Street  
Suite 600  
Providence, RI 02903  
T: 401.621.6200

Four Corporate Drive  
Suite 488  
Shelton, CT 06484  
T: 203.929.3535

3001 Summer Street  
5<sup>th</sup> Floor East  
Stamford, CT 06905  
T: 203.323.2400

100 Great Meadow Road  
Wethersfield, CT 06109  
T: 860.257.1870

150 Presidential Way  
Suite 510  
Woburn, MA 01801  
T: 781.937.5300

300 Tice Boulevard  
Suite 315  
Woodcliff Lake, NJ 07677  
T: 201.712.9800