

**County of Greene,
Pennsylvania**

Single Audit

December 31, 2011

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2011

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Independent Auditor's Report

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Greene, Pennsylvania (County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2011, and the respective changes in financial position and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages i through xvii and 40 through 42 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the financial statements of the County. Similarly, the accompanying schedule of DPW expenditures is presented for purposes of additional analysis as required by the Commonwealth of Pennsylvania Department of Public Welfare and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the DPW expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Mahe Duessel

Pittsburgh, Pennsylvania
September 24, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The County is presenting its financial statements as required by Governmental Accounting Standards Board Statement No. 34 (GASB #34), "Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments." This discussion and analysis of Greene County's (County) financial performance presents a narrative overview for the fiscal year ended December 31, 2011. It should be read in conjunction with the accompanying basic financial statements and the notes to those statements.

Financial Highlights

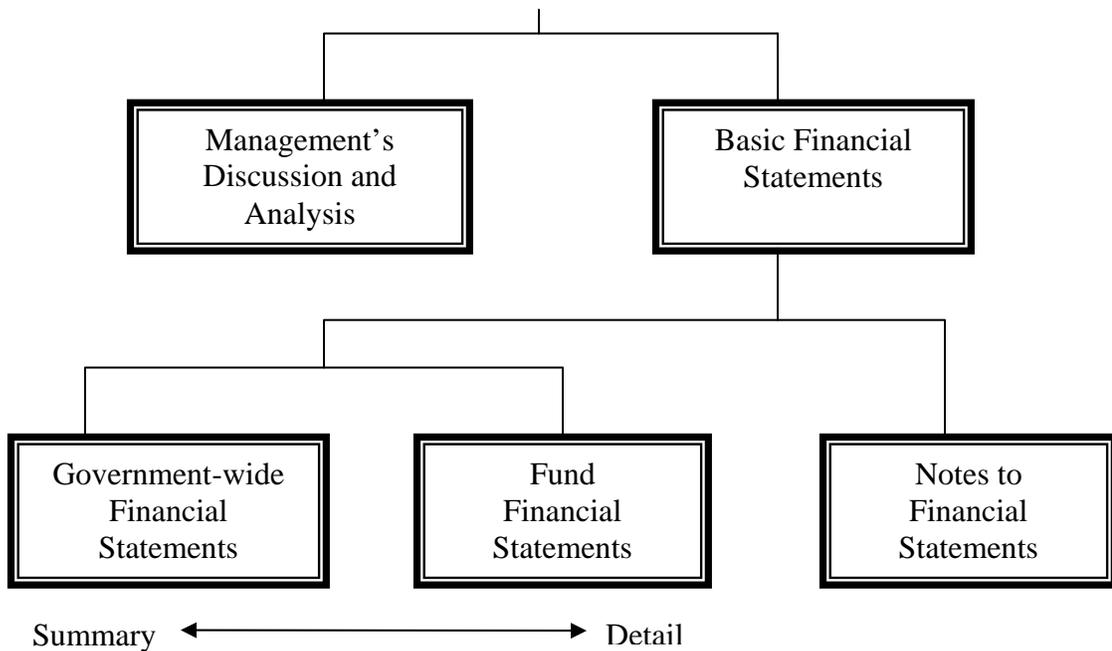
- The County refinanced the 2006 Bonds in September of 2011. The refinancing resulted in savings of \$241,655 which was added to the Capital Projects Fund.
- The County was again reviewed by Standard & Poor's and received an A rating with a *stable* outlook. The Bond issue, with insurance, was rated AA+.
- The County called and paid off the remaining GCIDA bonds in the amount of \$230,000. This second and final call released the county of its contingent liability per the plan implemented in 2010.
- In late 2011 the County, in conjunction with the 2012 budget process, decided to replace all existing leased copiers. Our vendor agreed to buy-out the current lease and there was no out-of-pocket expense by the County for this new lease. This shows in the financials as a loss, because the old copiers were not fully depreciated but were returned to the vendor, and the new lease was put on the books.
- The County General Fund revenues exceeded expenditures and the fund balance increased by \$431,319. Royalties from county-owned Marcellus Shale natural gas assets and increased charges for service in the County Jail and the Recorder of Deeds Office contributed to this increase.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole (government-wide statements) and present a long-term view of the County's finances. Fund Financial Statements follow and show how services were financed in the short-term and report the County's Operations in more detail than the government-wide statements. The remaining statements provide financial information about activities which the County acts solely as a trustee or agent for the benefit of those outside of the government. The following diagram shows the relationship of these statements:

REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT



The first two statements are government-wide financial statements that provide information about the County's overall financial status, as well as the financial status of the County's component unit. The remaining statements are fund financial statements that focus on individual parts of County government, reporting the County's operations in more detail than the government-wide statements. The fund financial statements include:

- ➔ *Governmental funds statements* which explain how services were financed in the short term, as well as what remains for future spending. A general fund budgetary comparison statement is provided to demonstrate compliance.
- ➔ *Fiduciary Funds statements* which reflect activities involving resources that are held by the County as a trustee or agent for individuals, private organizations, or other governmental units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

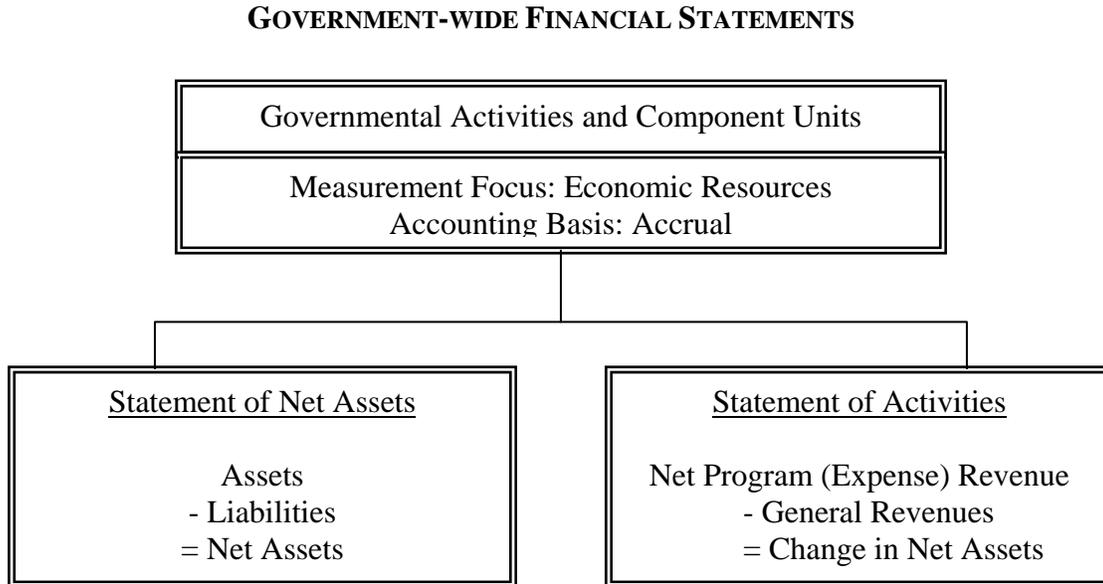
MANAGEMENT'S DISCUSSION AND ANALYSIS

The financial statements also include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements as well as required supplementary information regarding the County's budget. In addition to these required elements, a section is included with detailed individual statements about non-major funds.

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The primary features are reflected in the following diagram.



The statement of net assets includes all of the County's assets and liabilities, except fiduciary funds, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance of a private-sector business. The statement of activities focuses on how the County's net assets changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not generated by a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net assets are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net assets are one way to measure the County's financial position. Over time, increases or decreases in the County's net assets are one indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors must be considered to assess the overall position of the County.

The County's government-wide financial statements are divided into two categories:

- *Governmental activities* – include the County's basic services, segregated by type. General government activity is comprised of both administrative and judicial functions. This differs from the fund statements presentation which presents administrative government as general government, and judicial government is presented separately.
- *Component unit* – reflecting the activity of the Greene County Industrial Development Authority (IDA), a legally separate entity for which the County provides financial support and appoints board members.

- Statement of Net Assets

| | Governmental Activities | | | |
|--|-------------------------|---------------------|---------------------|---------------------|
| | 2011 | 2010 | 2009 | 2008 |
| Assets: | | | | |
| Current and other Assets | \$ 14,167,220 | \$ 14,003,169 | \$ 14,958,605 | \$ 12,833,668 |
| Capital Assets | 36,200,780 | 36,637,176 | 36,774,931 | 36,800,933 |
| Total Assets | 50,368,000 | 50,640,345 | 51,733,536 | 49,634,601 |
| Liabilities: | | | | |
| Current Liabilities | 5,400,153 | 5,664,401 | 8,928,003 | \$7,097,632 |
| Other Liabilities | 12,393,328 | 12,375,389 | 12,375,378 | 13,579,220 |
| Total Liabilities | 17,793,481 | 18,039,790 | 21,303,381 | 20,676,852 |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | 25,069,375 | 25,759,579 | 25,839,161 | 25,808,781 |
| Restricted | 2,687,426 | 2,796,805 | 2,895,778 | 3,186,794 |
| Unrestricted | 4,817,718 | 4,044,171 | 1,695,216 | (37,826) |
| | 32,574,519 | 32,600,555 | 30,430,155 | 28,957,749 |
| Total Liabilities and Net Assets | \$50,368,000 | \$50,640,345 | \$51,733,536 | \$49,634,601 |

As the component unit (The IDA) is only indirectly managed by the County, it has been removed from this condensed statement. However, the financial information for the IDA is available in the accompanying basic financial statements and the notes to those statements. Four years are shown for comparative purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

| | 2011 | 2010 | 2009 | 2008 |
|----------------------------|------|------|------|------|
| Asset-to-Liability Ratio's | 283% | 281% | 243% | 240% |

The County owns approximately 36.2 million dollars in assets and the County debt directly related to these assets is just over 11 million. The difference of 25 million is the equity the County has in those assets. The chart below shows that for every dollar of debt the county has, we have 3.25 dollars of assets to match it. While the county's asset-to-debt ratio has been trending up since 2004, it fell slightly in 2011 mainly due to a new copier lease (which is shown as debt and not a liability). With just over a year remaining on the old lease, the County entered a new lease for copiers and the vendor absorbed the old lease in the process. While this shows on the financials as a loss on a "sale of assets", there was no actual cash lost in this transaction.

| | 2011 | 2010 | 2009 | 2008 |
|-----------------------|------|------|------|------|
| Asset-to-Debt Ratio's | 325% | 337% | 336% | 335% |

The County's liabilities fall into two categories; long-term and short-term. Our long-term liabilities are the 2008, and 2011 bonds and this increased slightly when the 2006 Bonds were refinanced in 2011. A specified portion of the collected taxes are paid into funds each year to make the payments on these bonds and the full schedule of bonds can be seen in the notes accompanying the financial statements.

The short-term liabilities, generally speaking, can be divided into two categories: money the county has received for a specific purpose, but not yet spent; and money the county owes, but has not yet paid out. This first category, *Deferred Revenues*, decreased \$277 thousand in 2011. The second category primarily consists of *Accounts Receivable*. From 2008 to 2010 the County cut its accounts payable considerably, in part due to a slowdown in capital projects; but also due to several large pass-thru grants that had increased the 2009 numbers. The chart below reflects the accounts payable levels over the past 4 years. The County has refined its payment terms to Net 28 and makes timely payments on all Accounts Payable.

| | 2011 | 2010 | 2009 | 2008 |
|------------------|-----------|-----------|-----------|-----------|
| Accounts Payable | 1,828,055 | 1,780,389 | 3,448,466 | 2,957,380 |

While the County's equity in capital assets has been discussed above in relation to assets, the Net Assets portion of the statement also contains restricted and unrestricted net assets. The County's restricted net assets are twofold: Capital projects, which is the remaining bond money; and Debt Service, which is the money dedicated to paying off the County bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

To put all the sections and numbers of the Statement of Net Assets in perspective, consider the following:

1. In the simplest terms, the Statement of Net Assets shows what the County has in cash and the value of the properties it owns, what the County owes, and the difference between those two numbers. As an analogy, a person has their cash in the bank, their car and the house, but they also have bills, a car loan, and a mortgage to pay. If the County was a person, he would have almost 3 times more money in the bank than bills and loans to pay, and his house would be worth over three times what was left to pay on the mortgage.
2. A local lending institution in Waynesburg, when making a home loan, requires that a person's debt payments be less than 35% of what they make. The County has to allocate only 8% of its revenue for debt.
3. Greene County's asset-to-liability ratio is 2.83:1. This means for every \$1 we owe, we hold \$2.83 in cash or assets. The County asset-to-debt ratio is 3.25:1, which again means that for every \$1 of debt we have, we hold \$3.25 in assets. These ratios are exceptional and the chart below compares Greene County numbers to some other counties in southwestern PA.

| | <u>Greene</u> | <u>Allegheny</u> | <u>Westmoreland</u> | <u>Beaver</u> |
|--|---------------|------------------|---------------------|---------------|
| Asset to Liability Ratio's | 2.83 : 1 | 0.87 : 1 | .95: 1 | 1:01 |
| Asset to Debt Ratio's | 3.25 : 1 | 0.99 : 1 | 0.73 : 1 | 1.1 : 1 |
| <i>based on 2011 CAFR's, Governmental Activities</i> | | | | |

- Statement of Activities

When the benefit of a service provided by the County goes to an individual or a corporation, the County charges a fee to the individual (fines are also in this same line item) and this is known as program revenue. The Statement of Activities requires program revenue, and any operating or capital grants and contributions to be associated with the major department that generated the revenue and also shows separately stated general revenues. Expenses for the departments are shown as well and this statement therefore shows what parts of county government are being funded with tax dollars and what parts are funded by user fees and grants.

The statement below is condensed to allow comparative year data to be shown. As with the Statement of Net Assets, the IDA portion of this statement has been removed but can be seen in the accompanying basic financial statements and the notes to those statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

| Primary Government: | 2011 | | | 2010 | | |
|---|-------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| | Expenses | Program Revenues | General revenue required (provided) | Expenses | Program Revenues | General revenue required (provided) |
| | General Gov. | 9,112,478 | 2,900,437 | (6,212,041) | 8,245,343 | 4,585,522 |
| Public safety | 4,050,305 | 957,221 | (3,093,084) | 3,814,865 | 1,358,822 | (2,456,044) |
| Public works | 950,383 | 403,336 | (547,047) | 898,021 | 469,445 | (428,577) |
| Human services | 8,588,904 | 8,310,657 | (278,247) | 9,177,790 | 8,993,591 | (184,199) |
| Culture & Rec | 2,291,545 | 1,093,511 | (1,198,034) | 2,056,656 | 1,314,268 | (742,388) |
| Community & Econ Dev | 4,457,091 | 3,535,603 | (921,488) | 3,464,808 | 676,837 | (2,787,971) |
| Unallocated Deprec. | 136,624 | - | (136,624) | 136,624 | - | (136,624) |
| Interest-Long-term debt | 444,081 | - | (444,081) | 474,602 | - | (474,602) |
| Total activities | 30,031,410 | 17,200,765 | (12,830,646) | 28,268,711 | 17,398,485 | (10,870,226) |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | | | 10,619,848 | | | 10,581,412 |
| Property taxes, levied for debt service | | | 1,047,986 | | | 1,172,220 |
| Property taxes, levied for library expenditures | | | 106,468 | | | 102,262 |
| Interest | | | 46,821 | | | 110,932 |
| Rental income | | | 489,241 | | | 820,782 |
| Special/Misc - transfers | | | 58,482 | | | 53,981 |
| Gain (loss) on sale of assets | | | (278,735) | | | 497 |
| Reimbursement of prior period expenditures | | | 714,498 | | | 198,539 |
| Total general revenues | | | 12,804,609 | | | 13,040,624 |
| Change in net assets | | | -26,036 | | | 2,170,400 |
| Net Assets: | | | | | | |
| Beginning of year | | | 32,600,555 | | | 30,430,155 |
| End of year | | | <u>32,574,519</u> | | | <u>32,600,555</u> |

The Statement of Activities shows that the County supported its operations with \$12.8 million in general revenues, of which \$10.6 million was general tax revenue. Operating grants decreased again while capital grants increased. It is important to note that these capital grants had been received by the county in prior years and were spent, in part, in 2011.

| <u>Program Revenue Source</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------------------------|---------------|---------------|---------------|
| Charges for Services | \$ 3,324,617 | \$ 3,333,590 | \$ 2,948,309 |
| Operating Grants and Contributions | \$ 10,527,125 | \$ 11,829,412 | \$ 14,382,249 |
| Capital Grants and Contributions | \$ 3,349,023 | \$ 2,235,483 | \$ 4,573,006 |
| General Revenues | \$ 12,804,609 | \$ 13,040,624 | \$ 11,420,293 |

These numbers indicate reduced support by the state for county programs, in some cases programs that the county is, by law, mandated to continue. In areas like Human Services or Public Safety, while the county may not be mandated to continue a program that the state stops funding, these programs are vital to the health and safety of the citizens of Greene County and the Board of Commissioners felt the need to fund them with county funds. Overall the County had a zero percent change in Net Assets.

| Changes in Net Assets | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|-----------------------|------|------|------|------|------|------|------|
| | | 0% | 7% | 5% | 5% | 44% | 25% |

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL STATEMENTS

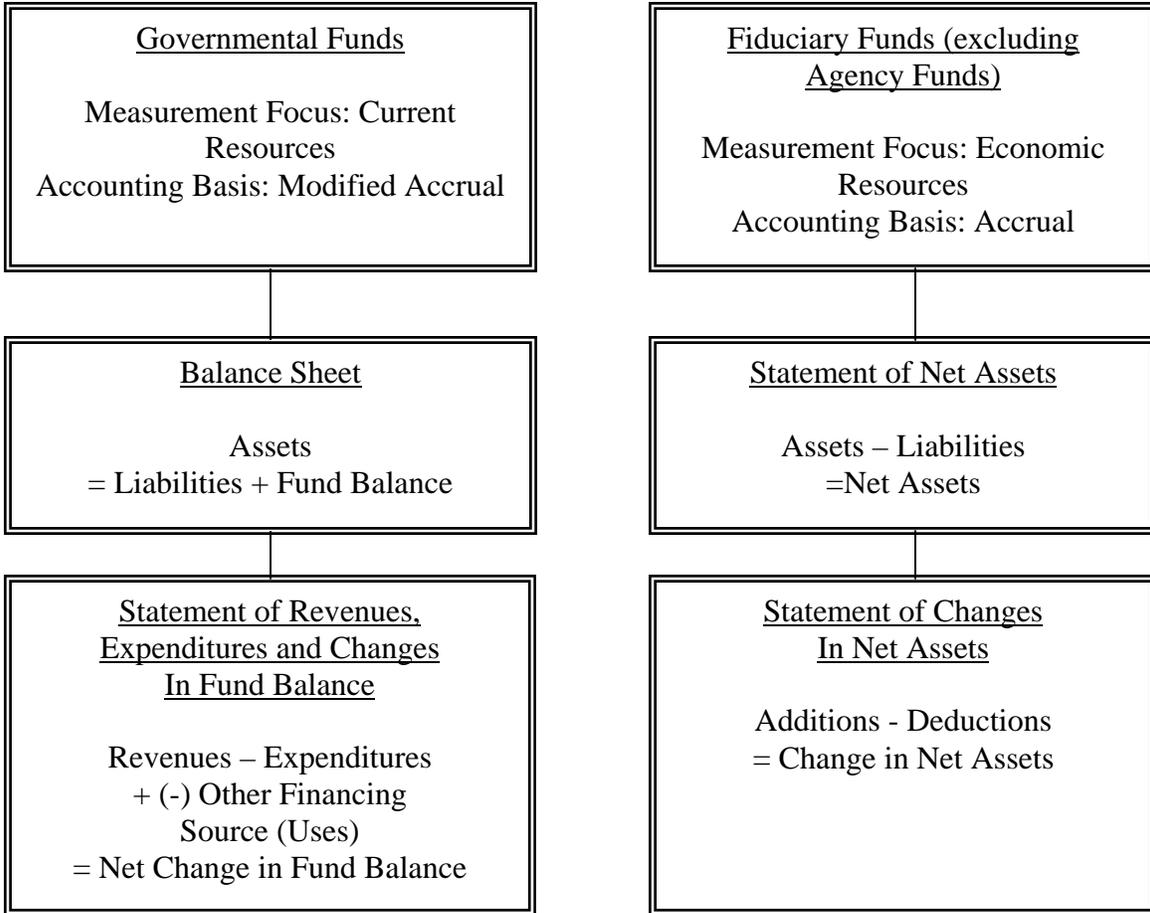
The fund financial statements provide more detailed information about the County's most significant funds (determined by GASB #34), not the County as a whole. Funds are accounting groups that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. The County has two kinds of funds:

- *Governmental funds* – The County's basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that is available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance County programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. The County adopts an annual budget for the General Fund and the Liquid Fuels Tax Fund. Because it is considered one of the County's major funds, a budgetary comparison schedule is presented for the General Fund, reflecting the following: (1) the original budget; (2) the final amended budget; (3) actual revenues and expenditures, and; (4) the variance between the final budget and actual revenues and expenditures. The other County major funds rely on the availability of federal and state support and, in certain cases, County support which is budgeted in the General Fund. For this reason no budget is incorporated for these other major funds.

- *Fiduciary funds* – The County is the trustee, or fiduciary, for the Employee's Retirement System. In addition, the County is also responsible for certain agency funds, which are clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance operations.

The following diagram presents the major features of the fund financial statements, including the information contained therein.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Governmental Funds

Greene County has 4 funds this year that are considered *Major* funds for the purpose of GASB #34 reporting; the General fund, Capital Projects, Behavioral Health and the Children and Youth Services fund. There are 28 *other* funds that make up the “Other Governmental Funds” on the Governmental Funds Balance Sheet and Statement of Revenue and Expenditures.

- Major Funds Balance Sheet

The following statement is the major funds balance sheet in its entirety. The General Fund is the primary fund for the County as a whole; it is the fund where property taxes are reported and where most of the non-Human Services/Capital expenditures are recorded.

MANAGEMENT'S DISCUSSION AND ANALYSIS

| ASSETS | GENERAL | CAPITAL PROJECTS | BEHAVIORAL HEALTH | CHILDREN AND YOUTH | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---------------------------------------|---------------------|---------------------|----------------------|-----------------------|--------------------------------|--------------------------------|
| Cash | \$ 2,090,296 | \$ 1,180,585 | \$ 2,368,832 | \$ 186,433 | \$ 3,885,708 | \$ 9,711,854 |
| Investments | - | 1,221,157 | - | - | 17,723 | \$ 1,238,880 |
| Due From Other Funds | 2,538,682 | 200,000 | 87,571 | 305,157 | 60,160 | \$ 3,191,570 |
| Due From Other Governments | 140,597 | - | - | 617,077 | 519,302 | \$ 1,276,976 |
| Taxes Receivable | 1,349,877 | - | - | - | 45,545 | \$ 1,395,422 |
| Accounts Receivable | 155,468 | - | 735 | 4,158 | 50,076 | \$ 210,437 |
| Other Assets | - | - | - | - | 37 | \$ 37 |
| TOTAL ASSETS | \$ 6,274,920 | \$ 2,601,742 | \$ 2,457,138 | \$ 1,112,825 | \$ 4,578,551 | \$ 17,025,176 |
| LIABILITIES & FUND BALANCE | | | | | | |
| Accounts Payable | \$ 391,924 | \$ - | \$ 677,543 | \$ 329,899 | \$ 393,490 | \$ 1,792,856 |
| Accrued Liabilities & Withholdings | 271,253 | - | - | - | - | \$ 271,253 |
| Due To Other Funds | 655,633 | 66,097 | 273,455 | 779,237 | 1,353,955 | \$ 3,128,377 |
| Due To Other Governments | 260 | - | - | - | - | \$ 260 |
| Deferred Revenue | 1,619,025 | 169,212 | 1,506,140 | 3,689 | 828,334 | \$ 4,126,400 |
| Bonds/Notes Payable | - | - | - | - | - | \$ - |
| TOTAL LIABILITIES | \$ 2,938,095 | \$ 235,309 | \$ 2,457,138 | \$ 1,112,825 | \$ 2,575,779 | \$ 9,319,146 |
| Nonspendable | | | | | 37 | 37 |
| restricted Fund Balance | 2,021 | 2,366,433 | | | 1,793,801 | 4,162,255 |
| Committed Fund Balance | - | - | - | - | 210,285 | 210,285 |
| Assigned Fund Balance | 5,366 | | | | - | 5,366 |
| Unassigned Fund Balance | 3,329,438 | | | | (1,351) | 3,328,087 |
| TOTAL FUND BALANCE | 3,336,825 | 2,366,433 | - | - | 2,002,770 | 7,706,030 |
| BALANCE | \$ 6,274,920 | \$ 2,601,742 | \$ 2,457,138 | \$ 1,112,825 | \$ 4,578,551 | \$ 17,025,176 |

The General Fund balance sheet shows the cash available at the end of 2011 for operations in the unassigned fund balance of \$3.3 million dollars. This fund balance allows County operations, in conjunction with the TAN Loan, to continue at the beginning of the year (prior to tax collection) and allows the General Fund to assist the other funds of the County regulate cash flow. The fund balance is also used to cushion Accounts Receivable and *Due from* when the State or Federal Government is slow to reimburse the County for expenditures.

The Fund Balance increased in 2011 by \$431 thousand dollars. Royalties on the extraction of Marcellus Shale natural gas under county property and higher than expected charges for service, both at the county prison where inmates from other counties are taken for a fee, and at the Recorder of Deeds office which was also directly related to the Marcellus Shale gas extraction, are the main factors that contributed to this increase.

As was noted above, the General Fund fund balance is used in part to regulate cash flow and this can be seen in the *due from other funds* line for the General Fund which directly correlates to the *Due to other funds* for the 31 other County funds (3 major, 28 other).

As major funds can change from year to year, comparative figures are not shown; but the General Fund liabilities decreased and the fund balance increased for 2011 while assets remained stable. The liabilities decrease is mainly related to a decrease in *Deferred Revenue* indicating the expenditure of grant funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Projects fund remained on the major funds list for 2011. Bond spending slowed as grants were being utilized first but additionally major pass-thru grants, related largely to the Meadow Ridge Industrial Park, went thru this fund in 2011, and that activity can be seen in the following statement.

The Behavioral Health and Children and Youth funds show no fund balance as, by law, it cannot "carry" funds from one year to the next. However; unspent monies are not sent back to the issuing agency but are instead shown as deferred revenue.

- Revenue & Expenditures & Change in Fund Balance (R&E)

The statement below is a very condensed version of the Governmental Statement of Revenue, Expenditures, and Changes in Fund Balances for 2011. This statement shows the four major funds, what revenues they generated, what expenditures were incurred, any other activity, and then the change in fund balance from the previous year.

The General Fund

The revenue shown for the General fund is all normal revenue types that the County collects. Additional revenue, such as the money received from the sale of an asset, is shown under Other Financing Sources (Uses).

The Other Financing Sources (Uses) section shows specifically *Transfers In*, *Other Sources*, and *Transfers Out* and *Other Uses*. *Transfers In* are made up of administrative fees paid to the General Fund by departments that have their own source of revenues and that are allowed to reimburse the County for specific expenses (i.e. Phone Service, Office Space, Payroll Services and Computer Services). These include all Human Services departments, Tourism, Domestic Relations, the 911 Center and a portion of Adult Probation.

Other Sources from the sale of assets and prior period reimbursements in 2011 in the general fund consists mainly of grant reimbursements from the state that came in too late to be accounted for in the proper year. The bulk of this was attributable to the District Attorney's salary reimbursement from the state, in the amount of \$163,585, for calendar years 2009 and 2010. Payments for Probation, the Rights and Services Act (Victim Services), Solid Waste, and a Workers Compensation audit refund accounted for another approximate \$60,000 in late reimbursements.

This line also shows about \$40,000 from sales of assets to include a gas pipeline right-of-way on the west side of the county, payments from Mather Recovery Services for coal recovered from the Crucible gob pile, older vehicle sales and the sale of two generators from the old 911 Center location.

MANAGEMENT'S DISCUSSION AND ANALYSIS

| | General Fund | Capital Projects | Behavioral Health | Children and Youth |
|--|-------------------------|-------------------------|------------------------|-------------------------|
| Revenues: | | | | |
| Taxes | \$10,616,838 | 0 | 0 | 0 |
| Intergovernmental | 1,497,161 | 2,335,037 | 2,184,715 | 1,860,551 |
| Charges for services, Fines, & Permits | 2,136,897 | 0 | 0 | 42,674 |
| Interest | 6,128 | 33,231 | 446 | 149 |
| Rental income | 489,241 | 0 | 0 | 0 |
| Donations | 76,436 | 0 | 0 | 0 |
| Total revenues | <u>14,822,701</u> | <u>2,368,268</u> | <u>2,185,161</u> | <u>1,903,374</u> |
| Expenditures: | | | | |
| Administration | 4,906,403 | 64,993 | 0 | 0 |
| Judicial | 3,178,829 | 0 | 0 | 0 |
| Public safety: | 3,464,765 | 4,568 | 0 | 0 |
| Public works: | 128,701 | 601,139 | 0 | 0 |
| Human services: | 0 | 0 | 2,272,732 | 2,196,849 |
| Culture and recreation: | 1,418,217 | 92,793 | 0 | 0 |
| Conservation & economic development: | 1,329,688 | 2,018,963 | 0 | 0 |
| Debt service: | 66,227 | 0 | 0 | 0 |
| Total expenditures | <u>14,492,829</u> | <u>2,782,456</u> | <u>2,272,732</u> | <u>2,196,849</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | <u>329,872</u> | <u>(414,188)</u> | <u>(87,571)</u> | <u>(293,475)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 622,576 | 241,656 | 87,571 | 391,188 |
| Other sources from sale of assets/ prior period reimbursement | 290,369 | 260,000 | 0 | 0 |
| Transfers out and Other | (807,698) | (118,403) | - | (97,713) |
| Other uses | (3,800) | 0 | 0 | 0 |
| Total other financing sources (uses) | <u>101,447</u> | <u>383,253</u> | <u>87,571.00</u> | <u>293,475.00</u> |
| Net Change in Fund Balance | <u>431,319</u> | <u>(30,935)</u> | <u>0</u> | <u>0</u> |
| Beginning of year | <u>2,905,506</u> | <u>2,397,368</u> | <u>0</u> | <u>0</u> |
| End of year | <u><u>3,336,825</u></u> | <u><u>2,366,433</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

The calculation of the fund balance increase is shown at the bottom of this statement and is then carried over to the Balance Sheet. For 2011, the fund balance increased \$431,319 for the General Fund and decreased \$30,935 for the Capital Projects fund. While the Balance Sheet tells us what the fund balance is at the end of a year, the Revenue and Expense Statement tells us how the money was spent, and who paid for it.

Behavioral Health and Children and Youth

These funds cover Mental Health, Mental Retardation and Children and Youth Services. The revenue section shows that the majority of the funding for these programs comes

MANAGEMENT'S DISCUSSION AND ANALYSIS

from State and Federal sources. Expenditures basically match revenue and as noted above in the Balance Sheet section, these funds are not allowed to show a fund balance, i.e. they have no "equity", only money that they are given to spend that they may have not spent in the current year. The *Other Financing Sources (Uses)* section of this statement shows the county contribution to these programs (*Transfers In*) and the reimbursement from the programs to the county for services (*Transfers Out*). The County contributes significantly more to the operation of CYS than it does to Behavioral Health.

The Capital Projects Fund

Kirby Development LLC was given a Redevelopment Assistance Capital Program grant in the amount of \$1,526,548 for 2011 that was utilized to build additional capacity at the Mt. Morris Meadow Ridge Industrial Park. An additional \$492,415 was passed through the Capitol Projects fund for the UMWA Career Center and \$316,073 in deferred revenue was recognized.

Pass-through grants are monies that flow through the County but which have a specific purpose not set by the County and where the actual expenditures are not administered by the County.

The proceeds (savings) of the 2011 Bond refinancing is shown as a *Transfer In* on this statement in the amount of \$241,656.

This statement clearly shows where the bond and capital grants are being spent within County government. The largest expenditure for 2011 is in *Economic Development* and is related to the pass-through grants mentioned above. Bond funds of \$601,139 were expended on the actual water and sewage projects under *Public Works*, which is the second area of focus for the county.

The *Culture and recreation* expenditure is related to an unbudgeted, emergency repair of at the county fairgrounds. The county had replaced waterlines at the fairgrounds earlier in 2011 and had discovered, and fixed, several leaks south of the grandstands. But these leaks had already done their damage and undermined and severely cracked the retaining wall to the north of the grandstands. The engineering and actual cost of this project is shown here.

Unlike the General Fund, the Capital Projects fund is a multi-year fund and does not "close out" at the end of the year. There are no deferred revenues with respect to the bond (though there are deferred revenues with respect to the grants) and the budget does not end until the bond money is spent or all the projects are complete. With this in mind, the *Fund Balance* for the Capital Projects Fund simply reflects the remaining bond funds at the end of the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Governmental Funds

The 28 funds that make up this group are not shown on the above statements and are too numerous to list and discuss. Activity for all these funds can be seen in the accompanying basic financial statements and the notes to those statements. It is worth noting here, and of concern to management, that the Debt Service fund, ended 2009 with a negative change in fund balance of \$105,352 after a negative change in Fund Balance in 2008 of \$94,214 and for 2007 of \$376,000. The County increased debt millage in 2010 and this situation is beginning to improve and the fund balance of this fund increased to \$320,993 for 2011 though the County General Fund still had to contribute funds to regulate cash flow during the year for that fund.

Fiduciary Funds

The County reports 3 funds under the Statement of Net Assets – Fiduciary Funds. Of these, 2 are *Agency* funds (the Tax Claim Bureau, and Other Escrow Accounts) and, at the end of the year, the assets will equal the liabilities.

The 3rd fund in this group is a *Trust* fund; the County Pension Plan. The chart below shows the growth and decline of the Pension Net Assets in relation to the S&P 500 Index as well as showing the County contribution to the fund over the past several years.

| County Pension Plan | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| S&P Index growth (decline) | 0.00% | 12.78% | 23.00% | -35.61% | 2.16% |
| Pension Net Assests growth (decline) | 5.85% | 18.36% | 24.31% | -15.68% | 6.13% |
| County Contribution | \$736,803 | \$755,000 | \$528,000 | \$413,000 | \$451,000 |

The County of Greene regularly contributes to the Pension fund when, as in the past few years, the investment performance is not sufficient to provide excess interest. This contribution is based on an actuarial valuation and is partially reimbursed by state programs such as Children & Youth Services and Human Services. Expected contributions for 2012 are budgeted at \$799,125.

The Plan is, and will continue to be, a significant financial consideration for the County.

GENERAL FUND BUDGETARY HIGHLIGHTS And MANAGEMENT DISCUSSION & ANALYSIS SUMMARY

The County budget process for any given year starts 5 months before the year begins and continues throughout the 12 months of that year. For 2011, when the preliminary budget was passed in 2010, the County did not yet have many of the benefit rates for the upcoming year, various assessment issues had not been finalized, and several grants for various departments were not yet guaranteed.

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the course of the year, as these issues were resolved and the budget was amended to reflect these changes accurately. Additionally, unanticipated revenues and reductions in revenue were incorporated along with additions or reductions in spending in accordance with the County Code.

Budget & Actual – General Fund

| | Original | Final | <u>Actual</u> | Variance With Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| Taxes | 10,463,140 | 10,463,140 | 10,616,838 | 153,697 |
| License and Permits | 20,100 | 20,100 | 22,144 | 2,044 |
| Fines & Forfeits | 200,000 | 200,000 | 190,231 | (9,769) |
| Federal | 95,573 | 95,573 | 255,293 | 159,720 |
| State | 1,279,080 | 1,279,080 | 945,580 | (333,500) |
| local | 419,445 | 447,768 | 296,287 | (151,481) |
| Charges for Services | 1,596,685 | 1,596,685 | 1,924,522 | 327,837 |
| Interest | 18,500 | 18,500 | 6,128 | (12,372) |
| Rental Income | 283,465 | 283,465 | 489,241 | 205,777 |
| Donations | 67,162 | 67,162 | 67,162 | - |
| Misc. | 3,500 | 3,500 | 9,274 | 5,774 |
| TOTAL REVENUES | <u>14,446,650</u> | <u>14,474,973</u> | <u>14,822,701</u> | <u>347,728</u> |
| Expenditures | | | | |
| General Government-Administration | 5,886,933 | 4,755,503 | 4,906,403 | 150,900 |
| General Government- Judicial | 2,441,259 | 2,863,078 | 3,178,829 | 315,751 |
| Public Safety: | | | | |
| Public Safety- Corrections | 2,407,496 | 2,878,963 | 3,066,756 | 187,793 |
| Public Safety- EMA/ 911 | 364,145 | 409,366 | 398,009 | (11,357) |
| Public Works: | | | | |
| Public Works- Solid Waste | - | - | - | - |
| Public Works- Airport | 478,494 | 494,226 | 128,701 | (365,526) |
| Conservation And Economic Development: | | | | |
| Community & Economic Dev. | 1,361,078 | 1,417,282 | 1,139,123 | (278,159) |
| Conservation | 95,003 | 99,125 | 95,324 | (3,800) |
| Community Development /Housing | 84,999 | 90,992 | 82,621 | (8,371) |
| Culture and Recreation: | | | | |
| Parks & Recreation | 1,071,821 | 1,225,022 | 1,418,217 | 193,195 |
| Tourism | 11,090 | 14,786 | 12,619 | (2,167) |
| Debt Service: | | | | |
| Debt Interest | | | | - |
| Debt Principal Payment | 66,227 | 66,227 | 66,227 | - |
| Total Expenditures | <u>14,268,546</u> | <u>14,314,570</u> | <u>14,492,829</u> | <u>178,259</u> |
| Excess(Deficiency) of Revenues over Expenditures | | | | |
| Transfers in | 411,746 | 411,746 | 622,576 | 210,830 |
| Debt Proceeds | | | | |
| Other Sources from Assets/PrPd Reimb | 158,425 | 176,125 | 290,369 | 114,244 |
| Transfers out | (744,474) | (744,474) | (807,698) | (63,224) |
| Other Uses | (3,800) | (3,800) | (3,800) | - |
| Total Other Financing Sources (Uses) | <u>(178,103)</u> | <u>(160,403)</u> | <u>101,447</u> | <u>261,850</u> |
| Fund Balance: | | | | |
| Fund Balance Beginning Of Year | <u>2,905,506</u> | <u>2,905,506</u> | <u>2,905,506</u> | |
| Fund Balance End Of Year | <u>2,905,506</u> | <u>2,905,506</u> | <u>3,336,825</u> | <u>431,319</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS

The above chart is a condensed version of the Budget & Actual Statement that is contained in the accompanying basic financial statements. In the Revenue section of this statement, it can be seen that very few revenue additions/subtractions were made in 2011.

Federal grants came in over-budget mainly due to the STOP (Domestic Violence) grant being unbudgeted for 2011. This grant had been in the Human Services fund but a personnel change resulted in it being moved (with the person who did the accounting for it) to the General Fund. This situation will be resolved for 2012.

State operating grants were under-budget mainly because the state is late in paying them to the county. The DA salary grant, Probation, and Elections all had reimbursements that remained to be paid when the books were closed in April of 2012. A state court reimbursement was cut because the money was not there to pay it and in some cases we expected a grant and just did not receive it – or received it and did not spend it. State Capital grants however covered a good portion of the loss from operating grants as the airport and economic development grants were received and spent. The pools, fairgrounds, and prison also showed unbudgeted state capital grants.

The uncollected Local revenue, for the most part, is due to the 911 Center. The County expected approximately 181 thousand from the wireless fund for reimbursements but 81 thousand of that came in as a transfer. The additional difference was not paid due to a shortfall in the wireline/wireless funds. This entire situation is dependent on the state distributing funds back to the county that they collect from the wireless service providers operating in the county.

Unbudgeted revenue was also up significantly for the Register and Records office, where gas leases are researched, and the Jail, which rents out excess capacity to other Pennsylvania Counties.

Despite the state and local grants, the county made up revenues from royalties and charges for service as well as slightly higher than anticipated real estate taxes and ended the year over budget for revenues.

As benefit rates were finalized, budget moves to allocate the funds to the departments and out of the “holding lines” in general administration account for the reduction in the budget of administration and some of the increases in the other sections.

Other Sources from Assets/Prior Period Reimbursements was up significantly due to payments from the state on previous years District Attorneys salary. This is detailed above in Governmental Statement of Revenue, Expenditures, and Changes in Fund Balances for 2011 Section.

Actual expenditures at the county airport were significantly under budget as budgeted grant funds were not fully expended. The same situation applied to *Community and Economic Development*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The difference between the original and final amended General Fund budget was insignificant. The actual General Fund revenue came in over the budget figure by \$347,728.58 while expenditures (and other items) were under budget by \$83,590.

Summary

The many favorable financial ratios, reduction of debt, and the completion of major development projects indicate that Greene County continues to be well-managed with respect to budget, policy, investment, control and audit.

In many respects Greene County has been insulated from the global economic crisis. Our unemployment rates remain lower than the state and national averages, we have no variable rate debt and have been decreasing debt at every opportunity, and our borrowing is limited mainly to the TAN and that has decreased, as our cash reserves have increased, over the past couple years.

In point of fact, the county residents and county government have prospered over the last several years due to the Marcellus Shale gas deposits both in the form of royalties from the gas extracted and from the companies and employee's that have moved into Greene County to drill the wells, extract the gas, and pipe it out of the county.

Decreases in interest rates, less-than-ideal performance on pension investments, sharp reductions in state and federal grants, and slow reimbursements are however all causes for concern and warrant increased watchfulness on the part of Greene County financial personnel and elected officials

This report is designed to provide citizens, taxpayers, investors, customers and creditors with a general overview of Greene County Finances and to demonstrate accountability for the funds it receives. Questions concerning this report, the financial management policies of the county, or requests for additional information should be directed to:

Jeff Marshall, Chief Clerk
93 East High Street
Waynesburg, PA 15370

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

| | Governmental Activities | Industrial Development Authority |
|---|----------------------------|--|
| Assets | | |
| Cash and cash equivalents | \$ 9,711,854 | \$ 55,696 |
| Restricted cash and cash equivalents | - | 347,794 |
| Investments | 1,238,880 | - |
| Receivables: | | |
| Taxes receivable, net of allowance | 1,395,422 | - |
| Due from other governments | 1,276,976 | 260,828 |
| Accounts receivable | 308,829 | - |
| Notes receivable, current | - | 15,330 |
| Prepaid expenses/other assets | 37 | - |
| Deferred bond issue costs | 235,222 | - |
| Long-term notes receivable, net of allowance of \$123,896 | - | 79,192 |
| Capital assets not being depreciated | 3,604,598 | - |
| Capital assets, net of accumulated depreciation | 14,013,681 | - |
| Infrastructure assets, net of accumulated depreciation | 18,582,501 | - |
| Total Assets | 50,368,000 | 758,840 |
| Liabilities | | |
| Accounts payable | 1,828,055 | 15,265 |
| Accrued liabilities and withholdings | 271,253 | - |
| Accrued interest payable | 148,781 | - |
| Due to other governments | 260 | - |
| Unearned revenue | 2,748,018 | 65,252 |
| Line of credit | - | 162,836 |
| Net pension obligation | 41,136 | - |
| Accrued compensated absences | 362,650 | - |
| Revolving loan fund: | | |
| Amount due within one year | - | 363,124 |
| Amount due in more than one year | - | 79,200 |
| Bonds and lease payable: | | |
| Amount due within one year | 701,083 | - |
| Amount due in more than one year | 11,838,743 | - |
| Bond discount | (146,498) | - |
| Total Liabilities | 17,793,481 | 685,677 |
| Net Assets | | |
| Invested in capital assets, net of related debt | 25,069,375 | - |
| Restricted for: | | |
| Capital projects | 2,366,433 | - |
| Debt service | 320,993 | - |
| Unrestricted | 4,817,718 | 73,163 |
| Total Net Assets | \$ 32,574,519 | \$ 73,163 |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | |
|---|----------------------|-------------------------|---------------------------------------|-------------------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Industrial Development Authority |
| Primary government: | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 9,112,478 | \$ 1,514,737 | \$ 1,385,700 | \$ - | \$ (6,212,041) | \$ - |
| Public safety | 4,050,305 | 750,662 | 194,739 | 11,820 | (3,093,084) | - |
| Public works | 950,383 | - | 82,962 | 320,374 | (547,047) | - |
| Human services | 8,588,904 | 176,278 | 8,134,379 | - | (278,247) | - |
| Culture and recreation | 2,291,545 | 720,796 | 356,987 | 15,728 | (1,198,034) | - |
| Community and economic development | 4,457,091 | 162,144 | 372,358 | 3,001,101 | (921,488) | - |
| Unallocated depreciation | 136,624 | - | - | - | (136,624) | - |
| Interest on long-term debt | 444,080 | - | - | - | (444,080) | - |
| Total governmental activities | <u>\$ 30,031,410</u> | <u>\$ 3,324,617</u> | <u>\$ 10,527,125</u> | <u>\$ 3,349,023</u> | <u>(12,830,645)</u> | <u>-</u> |
| Component unit: | | | | | | |
| Industrial Development Authority | <u>\$ 647,993</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 571,815</u> | <u>-</u> | <u>(76,178)</u> |
| General revenues: | | | | | | |
| Property taxes, levied for general purposes | | | | | 10,619,848 | - |
| Property taxes, levied for debt service | | | | | 1,047,986 | - |
| Property taxes, levied for library expenditures | | | | | 106,468 | - |
| Interest | | | | | 46,821 | 5,173 |
| Rental income | | | | | 489,241 | - |
| Miscellaneous revenues | | | | | 58,482 | 231,019 |
| Gain (loss) on sale of assets | | | | | (278,735) | - |
| Reimbursement of prior period expenditures | | | | | 714,498 | - |
| Total general revenues | | | | | <u>12,804,609</u> | <u>236,192</u> |
| Change in Net Assets | | | | | (26,036) | 160,014 |
| Net Assets: | | | | | | |
| Beginning of year | | | | | <u>32,600,555</u> | <u>(86,851)</u> |
| End of year | | | | | <u>\$ 32,574,519</u> | <u>\$ 73,163</u> |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2011

| | General Fund | Behavioral Health | Capital Projects | Children and Youth | Other Governmental Funds | Total Governmental Funds |
|---|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 2,090,296 | \$ 2,368,832 | \$ 1,180,585 | \$ 186,433 | \$ 3,885,708 | \$ 9,711,854 |
| Investments | - | - | 1,221,157 | - | 17,723 | 1,238,880 |
| Due from other funds | 2,538,682 | 87,571 | 200,000 | 305,157 | 60,160 | 3,191,570 |
| Due from other governments | 140,597 | - | - | 617,077 | 519,302 | 1,276,976 |
| Taxes receivable | 1,349,877 | - | - | - | 45,545 | 1,395,422 |
| Accounts receivable | 155,468 | 735 | - | 4,158 | 50,076 | 210,437 |
| Other assets | - | - | - | - | 37 | 37 |
| Total Assets | <u>\$ 6,274,920</u> | <u>\$ 2,457,138</u> | <u>\$ 2,601,742</u> | <u>\$ 1,112,825</u> | <u>\$ 4,578,551</u> | <u>\$ 17,025,176</u> |
| Liabilities and Fund Balance | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 391,924 | \$ 677,543 | \$ - | \$ 329,899 | \$ 393,490 | \$ 1,792,856 |
| Accrued liabilities and withholdings | 271,253 | - | - | - | - | 271,253 |
| Due to other funds | 655,633 | 273,455 | 66,097 | 779,237 | 1,353,955 | 3,128,377 |
| Due to other governments | 260 | - | - | - | - | 260 |
| Deferred revenue | 1,619,025 | 1,506,140 | 169,212 | 3,689 | 828,334 | 4,126,400 |
| Total Liabilities | <u>2,938,095</u> | <u>2,457,138</u> | <u>235,309</u> | <u>1,112,825</u> | <u>2,575,779</u> | <u>9,319,146</u> |
| Fund Balance: | | | | | | |
| Non-spendable | - | - | - | - | 37 | 37 |
| Restricted | 2,021 | - | 2,366,433 | - | 1,793,801 | 4,162,255 |
| Committed | - | - | - | - | 210,285 | 210,285 |
| Assigned - General Fund - HRA | 5,366 | - | - | - | - | 5,366 |
| Unassigned | 3,329,438 | - | - | - | (1,351) | 3,328,087 |
| Total Fund Balance | <u>3,336,825</u> | <u>-</u> | <u>2,366,433</u> | <u>-</u> | <u>2,002,772</u> | <u>7,706,030</u> |
| Total Liabilities and Fund Balance | <u>\$ 6,274,920</u> | <u>\$ 2,457,138</u> | <u>\$ 2,601,742</u> | <u>\$ 1,112,825</u> | <u>\$ 4,578,551</u> | <u>\$ 17,025,176</u> |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

YEAR ENDED DECEMBER 31, 2011

| | | | | | |
|--|---------------------------|----|------------------|--|----------------------|
| Total Fund Balance - Governmental Funds | | | | | \$ 7,706,030 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | |
| Capital assets, including infrastructure and construction in progress used in governmental activities, are not current financial resources and, therefore, are not reported as assets in governmental funds. | | | | | 36,200,780 |
| Property taxes receivable will be collected next year but are not considered available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. | | | | | 1,378,382 |
| Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these accounts are deferred and amortized in the statement of activities. | | | | | 381,720 |
| Net pension obligation is reflected in the statement of net assets but is not considered a use of available resources in the fund financial statements. | | | | | (41,136) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | | | | | |
| | Compensated absences | \$ | (362,650) | | |
| | GO bonds/leases | | (12,539,826) | | |
| | Accrued interest on bonds | | <u>(148,781)</u> | | |
| | | | | | <u>(13,051,257)</u> |
| Total Net Assets - Governmental Activities | | | | | <u>\$ 32,574,519</u> |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2011

| | General Fund | Behavioral Health | Capital Projects | Children and Youth | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|----------------------|---------------------|-----------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 10,616,838 | \$ - | \$ - | \$ - | \$ 1,302,633 | \$ 11,919,471 |
| Licenses and permits | 22,144 | - | - | - | - | 22,144 |
| Fines and forfeits | 190,231 | - | - | - | - | 190,231 |
| Intergovernmental | 1,497,161 | 2,184,715 | 2,335,037 | 1,860,551 | 5,903,973 | 13,781,437 |
| Charges for services | 1,924,522 | - | - | 42,674 | 997,334 | 2,964,530 |
| Interest | 6,128 | 446 | 33,231 | 149 | 6,867 | 46,821 |
| Rental income | 489,241 | - | - | - | - | 489,241 |
| Donations | 76,436 | - | - | - | 18,276 | 94,712 |
| Total revenues | 14,822,701 | 2,185,161 | 2,368,268 | 1,903,374 | 8,229,083 | 29,508,587 |
| Expenditures: | | | | | | |
| General government - administration | 4,906,403 | - | 64,993 | - | 76,983 | 5,048,379 |
| General government - judicial | 3,178,829 | - | - | - | 760,153 | 3,938,982 |
| Public safety: | | | | | | |
| Corrections | 3,066,756 | - | 4,568 | - | - | 3,071,324 |
| EMA/911 | 398,009 | - | - | - | 462,675 | 860,684 |
| Public works: | | | | | | |
| Highways and bridges | - | - | - | - | 299,332 | 299,332 |
| Sanitation/solid waste | - | - | 561,147 | - | - | 561,147 |
| Airport | 128,701 | - | 39,992 | - | - | 168,693 |
| Human services: | | | | | | |
| Child/youth services | - | - | - | 2,196,849 | - | 2,196,849 |
| Drug and alcohol | - | - | - | - | 630,287 | 630,287 |
| Mental health/retardation | - | 2,272,732 | - | - | - | 2,272,732 |
| Other human services | - | - | - | - | 3,384,886 | 3,384,886 |
| Culture and recreation: | | | | | | |
| Parks and recreation | 1,418,217 | - | 92,793 | - | 344,642 | 1,855,652 |
| Libraries | - | - | - | - | 275,281 | 275,281 |
| Conservation and economic development: | | | | | | |
| Conservation/development | 95,324 | - | - | - | 283,739 | 379,063 |
| Housing/community development | 82,621 | - | - | - | 430,472 | 513,093 |
| Economic development | 1,139,123 | - | 2,018,963 | - | - | 3,158,086 |
| Tourist promotion | 12,619 | - | - | - | 164,230 | 176,849 |
| Debt service: | | | | | | |
| Debt interest | - | - | - | - | 468,531 | 468,531 |
| Debt principal payments | 66,227 | - | - | - | 567,363 | 633,590 |
| Bond issuance costs | - | - | - | - | 94,490 | 94,490 |
| Total expenditures | 14,492,829 | 2,272,732 | 2,782,456 | 2,196,849 | 8,243,064 | 29,987,930 |
| Excess (Deficiency) of Revenues Over Expenditures | 329,872 | (87,571) | (414,188) | (293,475) | (13,981) | (479,343) |
| Other Financing Sources (Uses): | | | | | | |
| Transfers in | 622,576 | 87,571 | 241,656 | 391,188 | 447,342 | 1,790,333 |
| Proceeds of refunding bonds | - | - | - | - | 5,710,000 | 5,710,000 |
| Payment to refunding bond escrow agent | - | - | - | - | (5,240,000) | (5,240,000) |
| Bond discount | - | - | - | - | (120,195) | (120,195) |
| Other sources from sale of assets/ prior period reimbursement | 290,369 | - | 260,000 | - | 224,926 | 775,295 |
| Transfers out | (807,698) | - | (118,403) | (97,713) | (766,519) | (1,790,333) |
| Payment on guaranteed debt | - | - | - | - | (230,000) | (230,000) |
| Other uses | (3,800) | - | - | - | - | (3,800) |
| Total other financing sources (uses) | 101,447 | 87,571 | 383,253 | 293,475 | 25,554 | 891,300 |
| Net Change in Fund Balance | 431,319 | - | (30,935) | - | 11,573 | 411,957 |
| Fund Balance: | | | | | | |
| Beginning of year | 2,905,506 | - | 2,397,368 | - | 1,991,199 | 7,294,073 |
| End of year | <u>\$ 3,336,825</u> | <u>\$ -</u> | <u>\$ 2,366,433</u> | <u>\$ -</u> | <u>\$ 2,002,772</u> | <u>\$ 7,706,030</u> |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balance - Governmental Funds \$ 411,957

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

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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

| | | | |
|--|----------------------------|--------------------|-----------|
| | Capital outlays | \$ 454,835 | |
| | Less: Depreciation expense | <u>(1,021,216)</u> | (566,381) |

The governmental funds record revenue when it is available and measurable, whereas these revenues are recorded when earned in the statement of activities. This is the difference in revenue recognition between the two methods. 2,542

This issuance of long term obligations (e.g., bonds, loans, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 164,437

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items. 192,955

Governmental funds recognize interest on long-term obligations as an expenditure when it is due and thus, requires the use of current financial resources in the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The change in interest accrued in the statement of activities over the amount due is shown here. 24,450

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net assets and offset against proceeds from the sale of capital assets resulting in a gain from the sale of capital assets on the statement of activities. Thus, less revenue is reported in the governmental funds than in the statement of activities.

| | | | |
|--|---|------------------|-----------|
| | Proceeds from the sale of capital assets | (2,315) | |
| | Gain (loss) on the sale of capital assets | <u>(278,733)</u> | (281,048) |

The change in net pension obligation is reflected in the statement of activities, but is not considered an available resource in the fund financial statements. 13,102

In the statement of activities, certain operating expenses-accumulated employee benefits (service and buy-back of unused sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. 11,950

Change in Net Assets of Governmental Activities \$ (26,036)

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2011

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 10,463,140 | \$ 10,463,140 | \$ 10,616,838 | \$ 153,698 |
| Licenses and permits | 20,100 | 20,100 | 22,144 | 2,044 |
| Fines and forfeits | 200,000 | 200,000 | 190,231 | (9,769) |
| Intergovernmental | 1,794,098 | 1,822,421 | 1,497,161 | (325,260) |
| Charges for services | 1,596,685 | 1,596,685 | 1,924,522 | 327,837 |
| Interest | 18,500 | 18,500 | 6,128 | (12,372) |
| Rental income | 283,465 | 283,465 | 489,241 | 205,776 |
| Donations | 70,662 | 70,662 | 76,436 | 5,774 |
| Total revenues | 14,446,650 | 14,474,973 | 14,822,701 | 347,728 |
| Expenditures: | | | | |
| General government - administration | 5,886,933 | 4,755,503 | 4,906,403 | (150,900) |
| General government - judicial | 2,441,259 | 2,863,078 | 3,178,829 | (315,751) |
| Public safety: | | | | |
| Corrections | 2,407,496 | 2,878,963 | 3,066,756 | (187,793) |
| EMA/911 | 364,145 | 409,366 | 398,009 | 11,357 |
| Public works: | | | | |
| Airport | 478,494 | 494,226 | 128,701 | 365,525 |
| Culture and recreation: | | | | |
| Parks and recreation | 1,071,822 | 1,225,022 | 1,418,217 | (193,195) |
| Conservation and economic development: | | | | |
| Conservation/development | 95,003 | 99,125 | 95,324 | 3,801 |
| Housing/community development | 84,999 | 90,992 | 82,621 | 8,371 |
| Economic development | 1,361,078 | 1,417,282 | 1,139,123 | 278,159 |
| Tourist promotion | 11,090 | 14,786 | 12,619 | 2,167 |
| Debt service: | | | | |
| Debt principal payment | 66,227 | 66,227 | 66,227 | - |
| Total expenditures | 14,268,546 | 14,314,570 | 14,492,829 | (178,259) |
| Excess (Deficiency) of Revenues Over Expenditures | 178,104 | 160,403 | 329,872 | 169,469 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 411,746 | 411,746 | 622,576 | 210,830 |
| Other sources from sale of assets/prior period reimbursement | 158,425 | 176,125 | 290,369 | 114,244 |
| Transfers out | (744,475) | (744,474) | (807,698) | (63,224) |
| Other uses | (3,800) | (3,800) | (3,800) | - |
| Total other financing sources (uses) | (178,104) | (160,403) | 101,447 | 261,850 |
| Net Change in Fund Balance | \$ - | \$ - | \$ 431,319 | \$ 431,319 |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

DECEMBER 31, 2011

| | Pension Trust Fund | Tax Claim Bureau | Escrow Accounts | Total |
|--|-----------------------|---------------------|--------------------|----------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 24,572 | \$ 111,392 | \$ 955,264 | \$ 1,091,228 |
| Investments | 15,177,834 | - | - | 15,177,834 |
| Due from other funds | 35,046 | - | 153 | 35,199 |
| Accounts receivable | 66,900 | - | - | 66,900 |
| Total Assets | 15,304,352 | 111,392 | 955,417 | 16,371,161 |
| Liabilities | | | | |
| Due to litigants | - | - | 20,244 | 20,244 |
| Due to other governments | - | 111,392 | 837,781 | 949,173 |
| Due to other funds | 1,000 | - | 97,392 | 98,392 |
| Total Liabilities | 1,000 | 111,392 | 955,417 | 1,067,809 |
| Net Assets | | | | |
| Net Assets Held in Trust for Pension Benefits | \$ 15,303,352 | \$ - | \$ - | \$ 15,303,352 |

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2011

Additions:

Contributions:

| | |
|-------------|------------|
| County | \$ 736,803 |
| Plan member | 588,649 |

Total contributions 1,325,452

Investment income:

| | |
|---|---------|
| Appreciation in fair value of investments | 49,809 |
| Interest and dividends | 412,026 |

Total investment income 461,835

Total additions 1,787,287

Deductions:

| | |
|-------------------------|---------|
| Pension benefits | 287,960 |
| Refund of contributions | 533,938 |
| Administrative expenses | 119,594 |

Total deductions 941,492

Change in Net Assets 845,795

Net Assets Held in Trust for Pension Benefits:

Beginning of year 14,457,557

End of year \$ 15,303,352

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Greene (County), located in western Pennsylvania, is a sixth class county established under the "Pennsylvania County Code," as amended.

Governmental Accounting Standards Board (GASB) Statement No. 39, *"Determining Whether Certain Organizations Are Component Units,"* established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. A component unit is a legally separate entity that meets any one of the following criteria: 1) the primary government appoints the voting majority of the board, and is able to impose its will on the component unit, or is in a relationship of financial benefit or burden with the component unit; 2) the component unit is fiscally dependent on the primary government, or 3) the financial statements of the primary government would be misleading if data from the component unit was not included. Blended component units, although legally separate entities, are, in substance, part of the government's operations, so data from these units are combined with data of the primary government. The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government.

The following agencies were reviewed and were determined to be component units of the County and are recorded as blended component units:

- Greene County Fair Board
- Greene County Soil Conservation District
- Greene County Library System
- Greene County Tourism Promotion Agency
- Greene County Redevelopment Authority

The following agency was reviewed and was determined to be a component unit of the County and is reported as a discretely presented component unit:

- Greene County Industrial Development Authority

The following agencies were reviewed and were determined not to be component units of the County, thus only footnote disclosures are required:

- Greene County Food Bank
 - Greene County Memorial Hospital Authority
 - Washington-Greene Community Action Corporation
 - Washington-Greene Job Training Council
 - Greene County Housing Authority
 - Greene County Industrial Developments, Inc.
-

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Upon review, it was determined that these agencies are either not fiscally dependent on the County, the County does not appoint the majority of the governing board, or are joint ventures in which the County has no equity interest. Separate financial statements for the discretely presented component unit may be obtained by contacting the County.

B. Basis of Presentation

The financial statements of the County are prepared in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units.

Government-wide and Fund Financial Statements

The basic financial statements included both government-wide (based on the County as a whole) and fund financial statements.

Both the government-wide and the fund financial statements (within the basic financial statements) categorized primary activities as governmental. In the government-wide statement of net assets, governmental activities are presented on a consolidated basis, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt obligations. Inter-fund activity has been eliminated from these statements. Activity between the discretely presented component unit and the primary government is reported as external transactions. The County generally uses restricted resources before unrestricted resources when an expense incurred for a purpose that both restricted and unrestricted net assets are available.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, etc.) that are being supported by general government revenues (property tax, interest and other general revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function. Program revenues include 1) charges for service (including fines) to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes or other items not properly included among program revenues are reported as general revenues. The County allocates indirect expenses. The capital grants column reflects capital-specific grants.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of major funds and non-major funds are aggregated. The operation of each fund is considered to be an independent and separate accounting entity with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and charges therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions,

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

or limitations. The fund statements are presented on a current financial resources and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The County's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, litigants, pensions participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the major fund types presented in this report:

The *General Fund* is the principal operating fund of the County, which is used to account for all financial transactions except those required to be accounted for in other funds.

The *Behavioral Health Fund* accounts for expenditures and reimbursement of Commonwealth of Pennsylvania Medical Assistance revenue related to the provision of a mandatory Behavioral Health Managed Care Program. The Fund includes expenditures and reimbursement of revenue related to providing treatment services to individuals who suffer from mental disabilities or with drug and alcohol issues.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Children and Youth Fund* is used to account for the proceeds of revenue received from various federal, state, and County sources. This fund is restricted for the provision of specified social services to eligible recipients.

The County also reports the following other governmental funds:

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by proprietary trust funds.

Additionally, the County reports the following fund types:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. These include the Pension Trust Fund, the Tax Claim Bureau, and Escrow Accounts.

The *Pension Trust Fund* is used to account for the pension plan for County employees. The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund, since capital maintenance is critical.

The *Tax Claim Bureau* and *Escrow Accounts* are custodial in nature and do not involve measurement of results of operations. The Escrow Accounts are used to account for cash collected by elected row officers (Register of Wills, Recorder of Deeds, Prothonotary, Sheriff, Clerk of Courts, and District Magistrates) and other County offices that are subsequently disbursed to the County General Fund, other governments, or individuals for whom it was collected.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Governmental and Tax Claim and Escrow Agency Funds utilize the modified accrual basis of accounting. Under this method of accounting, revenues are recognized when received except for revenues subject to accrual, which are recorded when measurable and available to finance current period expenditures. Such revenue items include real estate and other taxes (property and hotel taxes received within 60 days of year-end) and federal and state subsidies.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for long-term debt and certain other long-term obligations, which are recognized when paid.

Revenues from federal, state, and other grants designated for payment of specific expenditures are recognized when the related expenditures are incurred. Any excess revenues or expenditures at the fiscal year-end are recorded as deferred revenue or as a receivable, respectively.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 to the extent collectible. Hotel/motel taxes passed through the County are reported net of the related expenditures to be consistent with budget reporting. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

D. Budgets and Budgetary Accounting

Budgets and Budgetary Accounting

Annual budgets are required to be adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. The budgetary controls for all other governmental funds are maintained through enforcement of related grant provisions or debt indentures.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Starting in August and September, the Budget Director prepares a budget package that is sent to each department and row officer. The department or agency heads use this budget package to develop financial projections for their programs for the ensuing year, which are then submitted to the budget staff.
2. The budget staff enters this information into budget spreadsheets. The Chief Clerk then reviews the information that is obtained, accumulates questions, and schedules a meeting to discuss the proposed budget with the department heads and row officers.
3. Once the budget staff is satisfied with the department's budget numbers, the budget is presented in preliminary form to the County Board of Commissioners (Commissioners). The County Commissioners can interview department or agency heads to discuss their budgets if deemed necessary.
4. Upon consolidation of the department and agency expenditure projections, the County Commissioners ascertain the most viable method of financing them.
5. Subsequently, the Budget Director assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned County Commissioners' review.
6. By early December, the final budget is presented to the County Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.
7. After the 20-day inspection period, but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

Legally, management of the County may make budgetary transfers between departments as long as overall fund expenditures are not affected. Department heads may make budgetary transfers within their own department as long as overall department expenditures are not affected. However, as a matter of control, all such transfers are ratified by the County Commissioners. The County Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The County Commissioners may authorize the transfer of any unencumbered balance of any

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

appropriation item or any portion thereof. The County Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

During the year, there were no significant supplemental appropriations enacted. Budget transfers did occur between accounts within funds. The statement of revenues, expenditures, and changes in fund balance - budget and actual, reflects the originally adopted budget and the originally adopted budget adjusted for budget transfers for the General Fund. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

Budgets are not implemented for the Capital Projects Fund. All transactions of the Capital Projects Fund are approved by the County Commissioners prior to commitment, thereby constructively achieving budgetary control.

Expenditures in Excess of Appropriations

The County exceeded certain budgetary appropriations in the General Fund. The excess was covered by actual revenues exceeding budgeted by approximately \$348,000.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds, are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities but serve as authorization for expenditures in the subsequent year. As of December 31, 2011, the County had no such material encumbrances.

F. Cash and Cash Equivalents

The County considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

G. Investments

All investments of the County are carried at fair market value. Premiums and discounts on the pension trust fund notes are not amortized and are not material. All investments, except those of the pension trust fund, are U.S. government treasury notes and certificates of deposit with local banking institutions.

Income earned on the investments from the various funds was allocated back to the fund that made the investment.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

H. Interfund Balances and Transfers

Interfund receivables and payables are used to account for loans between funds and legal obligations for one fund to pay another. Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transfers between funds represent administration fees and payments made for required matches on grants.

| Fund | Due From | Due To |
|--------------------------|--------------|--------------|
| General | \$ 2,538,682 | \$ 655,633 |
| BHS MH/MR | 87,571 | 273,455 |
| Capital Projects | 200,000 | 66,097 |
| Children and Youth | 305,157 | 779,237 |
| Other governmental funds | 60,160 | 1,353,955 |
| Fiduciary | 35,199 | 98,392 |
| | \$ 3,226,769 | \$ 3,226,769 |

Individual fund transfers at December 31, 2011 were as follows:

| Fund | Transfer In | Transfers Out |
|--------------------------|--------------|---------------|
| General | \$ 622,576 | \$ 807,698 |
| BHS MH/MR | 87,571 | - |
| Capital Projects | 241,656 | 118,403 |
| Children and Youth | 391,188 | 97,713 |
| Other governmental funds | 447,342 | 766,519 |
| | \$ 1,790,333 | \$ 1,790,333 |

I. Inventories

General Fund inventories of consumable materials and supplies are not valued or recorded on the balance sheet. The cost is recorded as an expenditure at the time individual inventory items are purchased.

J. Fixed Assets

Capital outlays are recorded as expenditures in the fund financial statements and as assets in the government-wide financial statements to the extent the County's capitalization threshold of \$5,000 is met. The fixed assets are depreciated over their estimated useful lives for the government-wide statements, using the straight line method with mid-year convention and the following estimated useful lives:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| | |
|----------------|---------------|
| Infrastructure | 40 – 60 years |
| Building | 40 years |
| Equipment | 3 – 15 years |
| Vehicles | 10 years |

All fixed assets and infrastructure are valued at historical cost or estimated historical cost if actual cost is not available.

Donated capital assets are valued at their fair market value on the date donated.

K. Unearned Revenues

Unearned revenues represent amounts received, which will be included in revenues of future fiscal years. In the General Fund and Special Revenue Funds, unearned revenues consist of carry-over balances of various federal and state operating grants and tax revenue received within 60 days of year-end.

L. Accrued Compensated Absences

The balance in this account represents the amount to be provided for accrued employee benefits. This is the amount that the County would pay for the buy-back of accrued sick leave and severance pay. The County policy for buying back sick days is, once a year, employees may exchange any number of accrued sick days at a rate of \$50 per day for the number of days greater than 22. The policy also provides that, at retirement, the County will buy back all accrued sick days at the rate of \$50 per day. Severance pay is a one-time payment of \$5,000 to a retiring employee who has 20 years of service at age 55 or has five years of service and is at least 62 years of age. Severance pay is accrued as employees approach service limits. The balances of accrued employee benefits are as follows:

| | |
|---|-------------------|
| Amount for potential sick day buy-backs non-retirement eligible | \$ 82,750 |
| Amount for sick day buy-backs retirement eligible | 64,900 |
| Amount for severance pay | <u>215,000</u> |
| Total Compensated Absences Liability | <u>\$ 362,650</u> |

M. Reporting Groups

The County groups expenditures in a manner which eases the readability of the financial statements. Traditionally, most governmental statements are grouped similarly to this format. We have provided detail for the three combined groups and all others are self-explanatory.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

1. General Government - Administration – Includes the Commissioners Administration, Elections, Human Resources, Information Technology, Veterans Affairs, Weights & Measures, Buildings & Grounds, Maintenance, Central Purchasing, Commissioners Finance, Controller, Tax Assessment, Tax Claim Bureau, Treasurer’s Office, and Planning Office.
2. General Government - Judicial – Includes the Courts, Clerk of Courts, Coroner, District Attorney, District Justices, Register & Recorder, Prothonotary, Jury Commissioners, Sheriff, Public Defender, and Domestic Relations.
3. Public Safety - Corrections – Includes the Jail, Adult Probation, Juvenile Probation, and Community Service.

N. Classification of Fund Balance

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follow:

- Nonspendable -- This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.
- Restricted -- This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. The County’s restricted fund balances consist of external enabling legislation for the state, federal, or local government grants.
- Committed -- This classification consists of amounts used for specific purposes imposed by formal action of the County’s highest level of decision-making authority (Chief Executive/Council). The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year-end by the County’s highest level of authority.
- Assigned—This classification consists of amounts constrained by the County’s intent to be used for specific purposes that are neither restricted nor committed. The present procedure is for the Chief Executive to assign amounts to be used for specific purposes before issuance of audited financial statements.
- Unassigned—This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

The County's policy is to apply expenditures against any restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

O. Classification of Net Assets

The government-wide financial statements are required to report three components of net assets:

- Invested in capital assets, net of related debt -- This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- Restricted -- This component of net assets consists of constraints placed on net asset use through external restrictions, such as constitutional provisions or enabling legislation.
- Unrestricted -- This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The County's policy is to apply expenses against restricted fund balance then unrestricted fund balance.

P. Pending Pronouncement

GASB has issued Statement No. 61, *"The Financial Reporting Entity: Omnibus,"* effective for periods beginning after June 15, 2012. The objective of this statement is to improve financial reporting for a governmental financial reporting entity by modifying existing requirements for the assessment of potential component units. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,"* effective for periods beginning after December 15, 2011. This statement establishes accounting and financial reporting standards for the financial reporting statements of state and local governments by bringing together reporting literature in one place with the guidance modified as necessary. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,"* effective for the year ending December 31, 2012. This statement establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The effect of implementation of this statement has not yet been determined.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

GASB has issued Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* effective for the year ending December 31, 2013. Statement No. 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 67, *“Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25 ,”* effective for the year ending December 31, 2014. Statement No. 67 replaces the requirements of Statements No. 25, *“Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,”* and No. 50, *“Pension Disclosures,”* as they relate to pension plans that are administered through trusts or equivalent arrangements. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 68, *“Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No.27,”* effective for the year ending December 31, 2015. Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. The effect of implementation of this statement has not yet been determined.

Q. Subsequent Events

Subsequent events have been evaluated through the Independent Auditor’s Report date, which is the date the financial statements were available to be issued.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The deposit and investment policy of the County adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits, savings

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

accounts, and/or certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the County.

GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*," requires disclosures related to the following deposits and investment risks: credit risks (including custodial credit risk and concentrations of credit risk), and interest rate risk. The following is a description of the County's deposit and investment risk:

Custodial Credit Risk - The risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2011, \$1,062,271 of the County's \$9,798,492 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$8,736,221 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$9,708,446 as of December 31, 2011 and are classified as cash and cash equivalents in the statement of net assets.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The County does not have a formal investment policy for custodial credit risk.

The County uses an external investment pool to ensure safety and maximize efficiency, liquidity, and yield for County funds. These funds are invested in the Pennsylvania Local Government Investment Trust (PLGIT), which separately issues audited financial statements that are available to the public. The fair value of the County's position in the external investment pool is equivalent to the value of the pool shares. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. As of December 31, 2011, the bank balance of the investment in PLGIT is \$3,408. The carrying value of the investment in PLGIT of \$3,408 is considered to be a cash equivalent for presentation on the statement of net assets and governmental fund balance sheet.

The County also has investments of \$1,238,880 invested in certificates of deposits at local financial institutions. These accounts are recorded as an investment on the statement of net assets and the governmental funds balance sheet. As of December 31, 2011, \$267,723 of the balance of \$1,238,880 was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$971,157 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2011, the County's investments in PLGIT have received an AAA rating from Standard & Poor's.

Interest Rate Risk - The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments in PLGIT have an average maturity of less than one year. The certificates of deposit bear interest at a rate of 2.75% and have a maturity of 60 months and mature in 2014.

Agency Funds

The County maintains bank accounts for the elected row officers, other County offices, and tax claim. The balance of these accounts is reflected in the statement of fiduciary net assets. Receipts and disbursements for these programs were \$6,606,273 and \$6,279,670, respectively, for the year ended December 31, 2011. The carrying amount of deposits for the row offices and other County offices was \$955,264 and the bank balance was \$1,268,638. The carrying amount of deposits for the Tax Claim Bureau was \$111,392 and the bank balance was \$111,392. \$425,821 of the bank balances were covered by federal depository insurance and the remaining were collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name.

Pension Trust Fund

The Pension Trust Funds' investments are held separately from those of other County Funds. Investments were consistent with those authorized. The Pension Trust Fund investments must be liquid or marketable. The County's investment policy expressly prohibits investments in high risk derivatives securities, options, selling short commodities, and letter stock.

As of December 31, 2011, the County had the following cash and investments in its Pension Trust Funds:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| Cash or Investment Type | Investment Maturities (In Years) from December 31, 2011 | | | | |
|--|--|---------------------|---------------------|---------------------|-------------------|
| | Fair Market Value | Less than 1 year | 1-5 Years | 6 -10 Years | 11 - 15 Years |
| U.S. Treasuries | \$ 1,617,505 | \$ - | \$ 1,332,844 | \$ 284,661 | \$ - |
| U.S. Government Agency Obligations | 273,381 | - | - | 253,728 | 19,653 |
| U.S. Government CMO/POOL | 274,765 | - | - | 165,774 | 108,991 |
| Municipal Bonds and Notes | 447,343 | - | 265,006 | 82,337 | 100,000 |
| Corporate Bonds | 3,409,299 | - | 1,176,000 | 1,780,586 | 452,713 |
| Euroclear Bonds and Notes | 104,919 | - | 104,919 | - | - |
| Corporate CMOs and Remics | 187,714 | - | - | - | 187,714 |
| Total debt securities | 6,314,926 | \$ - | \$ 2,878,769 | \$ 2,567,086 | \$ 869,071 |
| Cash and cash equivalents | 24,572 | | | | |
| Money market accounts | 491,412 | | | | |
| Common stock equities | 8,371,496 | | | | |
| Total cash, cash equivalents, and other investments | 8,887,480 | | | | |
| Total cash, cash equivalents, and investments reported on statement of fiduciary net assets | <u>\$ 15,202,406</u> | | | | |

The following is a description of the Pension Trust Funds' deposit and investment risks:

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds have no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2011, the Pension Trust Funds' investments in fixed income bonds have received the following ratings from Moody's:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| Investment Type | Rating | Percentage of Total Pension Trust Fund Debt Securities |
|---------------------------|---------|--|
| Governmental Bonds | Aaa | 33.06% |
| Governmental Bonds | Aa1 | 1.58% |
| Governmental Bonds | Aa2 | 1.74% |
| Governmental Bonds | A1 | 1.30% |
| Governmental Bonds | Baa1 | 1.27% |
| Governmental Bonds | Unrated | 2.43% |
| Corporate Bonds | Aa3 | 2.41% |
| Corporate Bonds | A1 | 11.36% |
| Corporate Bonds | A2 | 13.71% |
| Corporate Bonds | A3 | 6.34% |
| Corporate Bonds | Baa1 | 6.58% |
| Corporate Bonds | Baa2 | 9.58% |
| Corporate Bonds | Baa3 | 5.14% |
| Corporate Bonds | Unrated | 1.88% |
| Euroclear Bonds and Notes | Unrated | 1.62% |
| | | <hr/> <hr/> 100% |

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The Pension Trust Funds do not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2011, the County's entire pension investment balance of \$15,202,406 (bank and book balance) was exposed to custodial credit risk.

Concentration of Credit Risk - The County places no limit on the amount the County may invest in any one issuer.

Interest Rate Risk - The Pension Trust Funds do not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on April 1. Taxes paid through May 31 are given a 2% discount. Amounts paid after July 31 are assessed a 10% penalty. The assessed value, upon which the 2011 levy was based, was \$1,513,717,626. The tax rate to finance General Government Services other than the payment of principal and interest on long-term debt for the year ended December 31, 2011, was 6.77 mills per \$1,000. The tax rate to finance the payment of principal and interest on long-term debt for the year ended December 31,

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

2011 was 0.7 mills per \$1,000. The tax rate related to library services for the year ended December 31, 2011 was 0.07 mills per \$1,000.

4. REAL ESTATE TAXES RECEIVABLE

Uncollected real estate taxes on the current tax duplicate are returned by the County Treasurer to the tax claim bureau of the County on January 15th following the year of the unpaid levy as required by local tax collection law. The County also collects delinquent real estate taxes on behalf of other taxing authorities.

The statement of net assets contains the balance of all taxes receivable, regardless of when they will be collected, and includes an allowance for uncollectible taxes. The County calculates its allowance for uncollectible accounts based on historical collection data.

The balances for the General Fund are calculated as follows:

| <u>Year Tax is Levied</u> | <u>Amount of Unpaid Tax</u> | <u>Percentage of Tax Believed to be Uncollectible</u> | <u>Taxes Receivable Net of Allowance for Uncollectible</u> |
|-------------------------------|---------------------------------|---|--|
| 1943-2006 | \$ 180,258 | 20.0% | \$ 144,206 |
| 2007-2008 | 49,913 | 1.0% | 49,414 |
| 2009-2010 | 396,899 | 0.3% | 395,709 |
| 2011 | <u>760,548</u> | 0.0% | <u>760,548</u> |
| | <u>\$ 1,387,618</u> | | <u>\$ 1,349,877</u> |

5. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the County or collections made by another governmental unit on behalf of the County. Most significant are carry-forward receivable balances on various federal and state operating programs.

6. CAPITAL ASSETS

The following table illustrates the changes in capital assets as they have occurred in fiscal year 2011.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| | Balance at January 1, 2011 | Additions | Deletions | Balance at December 31, 2011 |
|--|-------------------------------|---------------------|-------------------|---------------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,444,785 | \$ - | \$ - | \$ 2,444,785 |
| Construction in progress | 847,923 | 311,890 | - | 1,159,813 |
| Total capital assets not being depreciated | 3,292,708 | 311,890 | - | 3,604,598 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 17,220,638 | 24,853 | - | 17,245,491 |
| Vehicles | 2,110,329 | 57,800 | 167,001 | 2,001,128 |
| Furniture and equipment | 3,095,620 | 471,325 | 817,842 | 2,749,103 |
| Total capital assets being depreciated | 22,426,587 | 553,978 | 984,843 | 21,995,722 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 5,007,572 | 405,781 | - | 5,413,353 |
| Vehicles | 946,263 | 159,676 | 113,191 | 992,748 |
| Furniture and equipment | 1,949,577 | 216,967 | 590,604 | 1,575,940 |
| Total accumulated depreciation | 7,903,412 | 782,424 | 703,795 | 7,982,041 |
| Total capital assets being depreciated, net of accumulated depreciation | 14,523,175 | (228,446) | 281,048 | 14,013,681 |
| Infrastructure assets | 21,180,825 | - | - | 21,180,825 |
| Less accumulated depreciation | 2,359,532 | 238,792 | - | 2,598,324 |
| Infrastructure assets, net of accumulated depreciation | 18,821,293 | (238,792) | - | 18,582,501 |
| Governmental assets capital assets, net | \$ 36,637,176 | \$ (155,348) | \$ 281,048 | \$ 36,200,780 |

Included in equipment above is \$411,033 of assets purchased under a capital lease. These assets have a net value of \$369,930 at December 31, 2011.

Depreciation expense was charged to functions/programs of the primary government as follows:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| | |
|---|---------------------|
| <u>Governmental Activities:</u> | |
| General government | \$ 182,970 |
| Public safety | 145,959 |
| Public works | 290,901 |
| Human services | 104,150 |
| Culture and recreation | 160,612 |
| Unallocated depreciation | <u>136,623</u> |
| Total depreciation expense - governmental activities | <u>\$ 1,021,215</u> |

7. PENSION PLAN

Plan Description

The County contributes to the Greene County Employee Pension Plan (Plan), a single employer defined benefit public employee retirement system, which is self-administered by the County. The Plan is governed by County Pension Law Act 96 of 1971 (Act), as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. The Plan was established January 1, 1993, with its most recent amendment dated January 1, 1999. The latest actuarial valuation is dated January 1, 2010.

Substantially, all full-time employees of the County are participants in the Plan. The County's payroll for employees covered by the Plan as of January 1, 2010 was \$8,379,320.

All full-time employees, with 1,000 hours of service, are eligible to participate in the Plan. Benefits vest 100% after five years of credit service.

Normal retirement benefits are attained at age 55 and the completion of 20 years of service or age 60, if earlier. A monthly members' annuity, which is the actuarial equivalent of the participant's accumulated member contributions plus interest, plus a monthly County annuity, calculates as follows: Monthly benefit equal to 1/100 (1.0%) of average compensation multiplied by the participant's past service.

At January 1, 2010, the date of the most recent valuation, participants in the Plan were as follows:

| | |
|----------------------------|-------------------|
| Participants: | |
| Retirees and beneficiaries | 66 |
| Deferred vested | 14 |
| Active plan members | <u>252</u> |
| Total | <u><u>332</u></u> |

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

State statutes and the County Commissioners establish these benefit provisions and all other requirements. A more detailed description of the Plan is available from the County Administration Office.

Summary of Significant Accounting Policies

Financial information of the County's Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the individual plan.

Investments of the Plan are reported at fair value. Short-term investments are reported at cost, which approximate fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

Contributions and Funding Policy

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age normal method and the same actuarial assumptions used to calculate the pension benefit calculation.

As a condition of participation, employees are to currently contribute 5% of their salary as stipulated in the Plan. Interest is credited to employee accounts each year at the annual rate of 4.5% as voted upon by the County Retirement Board. Employees who terminate prior to retirement eligibility receive their accumulated member contributions plus credited interest through the date of termination. The rate was 4.0% through December 31, 1995, 5.0% through December 31, 1997, and 5.5% through December 31, 2008. The rate became 4.5% starting January 1, 2009.

Employer contributions for funding of normal costs of \$638,240, or 9.600% of covered payroll, were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation dated January 1, 2010.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Required Governmental Accounting Standards Board Statements No. 25 and No. 27 Disclosures

| <u>Annual Pension Cost and Net Pension Obligation</u> | |
|---|------------------|
| | <u>2011</u> |
| Annual Required Contribution ARC | \$ 736,803 |
| Interest on NPO | 4,068 |
| Adjustment of the ARC | <u>(17,170)</u> |
| Annual Pension Cost APC | 723,701 |
| Contributions made | <u>736,803</u> |
| Change in NPO | (13,102) |
| NPO Beginning of Year | <u>54,238</u> |
| NPO End of Year | <u>\$ 41,136</u> |

Accounting Information

- A. The funding requirement method was changed from the Aggregate Method in 2008 to the Entry Age Normal Cost Method in 2010 using a 20-year open amortization period.
- B. Annual pension costs for the year beginning January 1, 2011:

| | |
|------------------------------|-------------------|
| Annual Required Contribution | \$ 736,803 |
| Interest on NPO | 4,068 |
| Adjustment to the ARC | <u>(17,170)</u> |
| Annual pension cost | <u>\$ 723,701</u> |

Other disclosure information:

| | |
|--|--------------------|
| Actuarial cost method | Entry age (% Pay) |
| Asset valuation method | Fair value |
| Amortization method | Level dollar, open |
| Amortization remaining amortization period | 20 years |
| Actuarial assumptions: | |
| Investment rate of return | 7.50% |
| Projected salary increases | 5.00% |
| Underlying inflation rate | 3.00% |

The actuarial assumptions remain the same as used in the January 1, 2008 valuation. The initial unfunded actuarial accrued liability has been established as of January 1, 2010, the first adoption by the Plan of the entry age normal actuarial cost method.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Trend Information

| <u>Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation (Asset)</u> |
|--------------------|--|--|---|
| 12/31/2009 | \$ 432,701 | 122.0% | \$ 175,040 |
| 12/31/2010 | 634,198 | 119.0% | 54,238 |
| 12/31/2011 | 723,701 | 101.8% | 41,136 |

Funded Status

The County's funded status and related information as of the latest actuarial valuation date, January 1, 2010, is as follows:

| <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability (AAL) Entry Age</u> | <u>Excess of Assets Over (Under) AAL</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>Excess (Deficiency) as a Percentage of Covered Payroll</u> |
|--|--|--|-------------------------|----------------------------|---|
| \$ 11,993,510 | \$ 14,494,466 | \$ (2,500,956) | 82.75% | \$ 8,379,320 | (29.85)% |

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

8. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

It is the opinion of the County's legal counsel that the County has no liability for losses under the Plan, but does have the duty of due care that would be required of an ordinary and prudent investor.

9. LONG-TERM DEBT OBLIGATIONS

The changes in long-term obligations payable during the year ended December 31, 2011 are as follows:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| | At December 31, 2010 | Issuances | Repayments | At December 31, 2011 | Due Within One Year |
|-----------------|-------------------------|---------------------|---------------------|-------------------------|------------------------|
| G. O. Bond 2006 | \$ 5,245,000 | \$ - | \$ 5,245,000 | \$ - | \$ - |
| G. O. Bond 2008 | 6,985,000 | - | 560,000 | 6,425,000 | 575,000 |
| G. O. Bond 2011 | - | 5,710,000 | - | 5,710,000 | 50,000 |
| Note Payable | 2,363 | - | 2,363 | - | - |
| Capital Leases | 143,026 | 411,033 | 149,233 | 404,826 | 76,083 |
| Total | \$ 12,375,389 | \$ 6,121,033 | \$ 5,956,596 | \$ 12,539,826 | \$ 701,083 |

General Obligations Bonds

During 2006, the County issued general obligation bonds (G.O. Bond Series 2006) bearing interest rates ranging from 3.6% to 4.3%. The Sale Proceeds of the Bonds, \$5,246,954, (representing the par amount of the Bonds less net original issue discount of \$18,046) were used primarily to provide for capital projects. The 2006 Bonds that mature on and after March 1, 2012 are subject to redemption prior to maturity, in whole or in part, at the option of the County in any order of maturity, on March 1, 2011 or on any date thereafter at 100% of the principal amount thereof plus interest accrued to the date fixed for redemptions. The 2006 Bonds were currently refunded during 2011.

During 2008, the County issued \$7,320,000 in General Obligation Bonds to currently refund the 1998 refunding series bond issuance, to provide for capital projects, to pay capitalized interest, and to pay bond issuance costs. Interest payments are payable semi-annually on January 15 and July 15 with rates ranging from 2.50% to 3.90%.

| Year Ending December 31, | Principal Amount | Interest Amount | Total |
|-----------------------------|---------------------|---------------------|---------------------|
| 2012 | \$ 575,000 | \$ 213,340 | \$ 788,340 |
| 2013 | 590,000 | 195,865 | 785,865 |
| 2014 | 610,000 | 177,560 | 787,560 |
| 2015 | 630,000 | 158,025 | 788,025 |
| 2016 | 650,000 | 136,895 | 786,895 |
| 2017-2021 | 3,370,000 | 309,985 | 3,679,985 |
| Total | \$ 6,425,000 | \$ 1,191,670 | \$ 7,616,670 |

During 2011, the County issued \$5,710,000 in General Obligation Bonds to currently refund the 2006 Bonds and to acquire or construct various capital improvement projects and additions. Interest payments are payable semi-annually on March 1 and September 1 with rates ranging from 2.00% to 3.70%.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

| <u>Year Ending December 31,</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total</u> |
|-------------------------------------|-------------------------|------------------------|---------------------|
| 2012 | \$ 50,000 | \$ 183,256 | \$ 233,256 |
| 2013 | 40,000 | 189,791 | 229,791 |
| 2014 | 40,000 | 188,991 | 228,991 |
| 2015 | 40,000 | 188,191 | 228,191 |
| 2016 | 40,000 | 187,391 | 227,391 |
| 2017-2021 | 490,000 | 915,621 | 1,405,621 |
| 2022-2026 | 4,580,000 | 490,417 | 5,070,417 |
| 2027 | 430,000 | 7,955 | 437,955 |
| Total | <u>\$ 5,710,000</u> | <u>\$ 2,351,613</u> | <u>\$ 8,061,613</u> |

Maturities of all outstanding bonds of the County, in the aggregate, are as follows:

| <u>Year Ending December 31,</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total</u> |
|-------------------------------------|-------------------------|------------------------|----------------------|
| 2012 | \$ 625,000 | \$ 396,596 | \$ 1,021,596 |
| 2013 | 630,000 | 385,656 | 1,015,656 |
| 2014 | 650,000 | 366,551 | 1,016,551 |
| 2015 | 670,000 | 346,216 | 1,016,216 |
| 2016 | 690,000 | 324,286 | 1,014,286 |
| 2017-2021 | 3,860,000 | 1,225,606 | 5,085,606 |
| 2022-2026 | 4,580,000 | 490,417 | 5,070,417 |
| 2027 | 430,000 | 7,955 | 437,955 |
| Total | <u>\$ 12,135,000</u> | <u>\$ 3,543,283</u> | <u>\$ 15,678,283</u> |

Capital Lease One

During 2011, the County signed a lease with PNC Equipment Finance in the amount of \$411,033 with an interest rate of 3.97% for a period of 60 months for the purpose of leasing 28 copiers. The payments on the lease are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total</u> |
|-------------------------------------|-------------------------|------------------------|-------------------|
| 2012 | \$ 76,083 | \$ 14,672 | \$ 90,755 |
| 2013 | 79,154 | 11,602 | 90,756 |
| 2014 | 82,349 | 8,407 | 90,756 |
| 2015 | 85,673 | 5,083 | 90,756 |
| 2016 | 81,567 | 1,625 | 83,192 |
| Total | <u>\$ 404,826</u> | <u>\$ 41,389</u> | <u>\$ 446,215</u> |

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

10. SHORT-TERM DEBT OBLIGATIONS

The County utilizes short-term financing, when needed, in the form of a Tax Anticipation Note (TAN). The TAN is secured to finance general operations through periods of uneven property tax collection, so that cash flows are not restricted. The County received a TAN on January 3, 2011 for a total of \$1,250,000, with an interest rate of 1.94%, and subsequently paid off the balance by December 31, 2011.

| | <u>Beginning Balance</u> | <u>Draws</u> | <u>Repayments</u> | <u>Ending Balance</u> |
|-----------------------|--------------------------|---------------------|---------------------|-----------------------|
| Tax Anticipation Note | <u>\$ -</u> | <u>\$ 1,250,000</u> | <u>\$ 1,250,000</u> | <u>\$ -</u> |

11. CONTINGENT LIABILITIES

A. Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

B. Litigation

At this time, the County is not involved in any material litigation.

12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There have been no significant changes in insurance coverage in any of the past three years.

COMPONENT UNIT:

GREENE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

1. REPORTING ENTITY

The Greene County Industrial Development Authority (Authority) is a body, corporate and politic, created pursuant to an ordinance of Greene County, Pennsylvania (County), under an Act of the General Assembly of the Commonwealth approved May 2, 1945, P.L. 382, as amended and

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

supplemented, known as the Municipality Authorities Act of 1945 (Act). The Authority was formed in 1962 and its term of existence currently extends to 2052. The Authority is authorized for the purpose of financing industrial development projects in the County. These projects are generally operated and implemented by private companies in conjunction with either long-term lease or long-term note obligations to the Authority. Additionally, the Authority has administered a variety of grant funded projects to assist with development projects in the County and a revolving loan fund to assist with small business financing. The governing body of the Authority is a Board of Directors (Board) consisting of five members appointed by County Commissioners.

For purposes of defining the scope of the financial reporting entity, the Authority is considered a component unit of the County. Such determination is consistent with the County's exercise of "oversight responsibility" as set forth in the Government Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity."* Specific criteria evaluated in determining the extent of oversight responsibility include financial interdependency, selection of governing body, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The accompanying statements represent discrete component unit financial statements (financial statements) of the Authority to satisfy the reporting requirements of the Municipality Authorities Act.

A portion of the Authority's revenue is derived through contributions from the County to cover shortfalls that the Authority experiences. During 2011, the County contributed \$230,000 towards the debt service payments for the guaranteed revenue bonds. The County also paid the Authority's occupancy costs during fiscal year 2011 that totaled approximately \$19,792. If the County ceased to subsidize the Authority's shortfalls, the Authority may have difficulty continuing its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Cash and Cash Equivalents

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Notes Receivable - Revolving Loans

The Authority provides loans to small businesses through a revolving loan fund. All loans require monthly payments. The Authority recognizes uncollectible accounts at the time they are deemed to be uncollectible. Although the Authority has policies requiring certain collateral and/or guarantees related to these loans, the nature of these start-up businesses sometimes results in uncollectible balances.

Capital Assets

Property, plant, and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the asset. Land is not depreciated.

The Authority uses the following estimated useful lives for the assets:

| | |
|--------------------------------|------------|
| Office furniture and equipment | 5-10 years |
|--------------------------------|------------|

The cost of maintenance and repairs is charged to operations as incurred, significant renewals and betterments are capitalized at the threshold of \$4,000. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts. At time of disposal, if the assets retired are not fully depreciated, the Authority recognizes the gain or loss on disposal in income for the period. All equipment is currently fully depreciated.

Compensated Absences and Pension Obligations

The Authority currently has no employees. All administrative services are purchased from the County. Thus, the Authority currently has no liability for compensated absences or pension obligations.

Deferred Revenues

The Authority records deferred revenues to the extent grant funds have been received in advance of incurring eligible expenses.

Net Assets

The Authority is required to report three components of net assets:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

- Invested in capital assets, net of related debt - This component of net assets consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - This component of net assets consists of constraints placed on net asset use through external restrictions.
- Unrestricted - This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.” At December 31, 2011, the Authority’s entire net asset balance is unrestricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Budgetary Accounting

The Authority adopts flexible annual operating budgets and capital budgets, as needed for planned projects. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The current operating budget details the Authority's plans to earn and expend funds from charges incurred for operation, maintenance, certain interest, general functions, and other charges for the year. The capital budget details the plan to receive and expend cash basis capital contribution fees, special assessments, grants, borrowings, and certain revenues for development projects.

All unexpended and unencumbered appropriations in the operating budget lapse at the end of the year. No appropriation for a development project in the capital budget lapses until the purpose for which the funds were appropriated has been accomplished or abandoned.

Management submits a proposed budget to the Authority's Board prior to the November Board meeting. A budget is adopted by resolution prior to January 1.

3. CASH AND CASH EQUIVALENTS

The Authority’s deposits and investments are deposited with financial institutions and are collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

The following is a description of the Authority's investment risks:

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of December 31, 2011, \$98,881 of the Authority's bank balance of \$403,567 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 as described above. These deposits have carrying amounts of \$403,490 as of December 31, 2011.

4. NOTES RECEIVABLE AND PAYABLE - REVOLVING LOANS

In order to assist small businesses who have been unable to obtain other financing for new and expanded operations, the Authority offers a revolving loan program. This program originated with grant funds from the U.S. Department of Agriculture's Rural Development Mission Area Program. These federal funds were drawn down by the Authority and then loaned to eligible small businesses in the County for economic development purposes. The repayment to the Authority of principal and interest is deposited into a separate revolving loan bank account and may then be utilized for additional loans to other qualified businesses. A total of fifteen loans remain on the Authority's records, bearing interest at rates between 4.00% and 8.50%. The balances of revolving loans receivable as of December 31, 2011, were as follows:

| | |
|--------------------------------|-------------------------|
| Notes receivable | \$ 218,418 |
| Less reserve for uncollectible | <u>(123,896)</u> |
| Net amount collectible | 94,522 |
| Less current portion | <u>(15,330)</u> |
| Noncurrent portion | <u><u>\$ 79,192</u></u> |

The corresponding revolving loan liability, which represents the funds that may be utilized for additional loans to other qualified businesses, was composed of the following at December 31, 2011:

| | |
|--|--------------------------|
| Revolving Loan Fund - bank account | \$ 347,794 |
| Loan receivable - USDA - current portion | <u>15,330</u> |
| Current portion of Revolving Loan Fund | 363,124 |
| Non-current portion of Revolving Loan Fund | <u>79,200</u> |
| Total Restricted Loan Fund | <u><u>\$ 442,324</u></u> |

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

5. GRANT RECEIVABLE AND GRANT DEFERRED REVENUE

In the Authority's continuing efforts to assist with development within the County, the Authority has successfully obtained a variety of grants. In some cases, these grant funds are received in a lump sum before costs are incurred, while other grants funds are received after reimbursable costs have been incurred. Regardless of when funds are received, these grants are recognized as revenue at the time allowable costs are incurred. As a result, at December 31, 2011, the Authority had grants receivable, allowable costs incurred in excess of grants received on some grants, and deferred revenue, grant funds received in excess of allowable costs incurred on other grants.

Grants receivable was composed of the following at December 31, 2011:

| | |
|--|-------------------|
| Evergreene project | \$ 257,795 |
| Meadow Ridge | 1,033 |
| Business retention and expansion program | <u>2,000</u> |
| Total grants receivable | <u>\$ 260,828</u> |

At December 31, 2011, management believes that the balance in grants receivable is fully collectible.

Deferred revenue was as follows at December 31, 2011:

| | |
|---|------------------|
| Mather project | \$ 33,619 |
| Local economic development assistance grant | <u>31,633</u> |
| Total deferred revenue | <u>\$ 65,252</u> |

6. LINE OF CREDIT PAYABLE

The Authority has entered into a line of credit arrangement with a local bank in the amount of \$2,500,000 to be used to pay certain grant related expenses pending reimbursement from grantors. The balance payable on this line of credit at December 31, 2011, was \$162,836 and carried an interest rate of 4.54% and a maturity date of October 19, 2012.

7. BONDS PAYABLE

Guaranteed Revenue Bonds - Meadow Ridge Industrial Park

Pursuant to a Trust Indenture dated December 1, 1997, the Authority issued Guaranteed Revenue Bonds, Series of 1997, in the principal amount of \$850,000. The proceeds were used to construct

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

certain public infrastructure improvements in the Meadow Ridge Business Park located in Mt. Morris, Perry Township. Under a separate guaranty agreement, the County guaranteed full and prompt payment of any principal and interest due on these bonds in the event that the Authority lacked sufficient funds to make such debt service payments.

During 2011, the Authority utilized County funds of \$230,000 to call for redemption of \$230,000 in bonds due to mature in 2012.

Long-term debt activity during 2011 was as follows:

| | Amounts Payable as of January 1, 2011 | Repayment | Amounts Payable as of December 31, 2011 |
|--------------------------|---|--------------|---|
| Guaranteed Revenue Bonds | \$ 230,000 | \$ (230,000) | \$ - |

8. COMMITMENTS AND CONTINGENCIES

Grant Programs

The Authority participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Authority is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The Authority is exposed to various types of other risks in its normal course of operations. The Authority insures itself against such risks through the purchase of commercial insurance. Settled claims have not exceeded available coverage for the past three years. There were no significant changes in insurance coverage from the prior fiscal year.

Litigation

In the normal course of operations, the Authority may be involved in various civil disputes. Management is not aware of any litigation that would have a material effect on the Authority's financial position.

**Required Supplementary
Information**

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES - EMPLOYEES RETIREMENT FUND

| <u>Annual Calendar Year</u> | <u>Annual Required Contributions</u> | <u>Percentage Contributed</u> |
|-------------------------------------|--|-----------------------------------|
| 2006 | \$ 426,300 | 106% |
| 2007 | 447,615 | 101% |
| 2008 | 424,472 | 97% |
| 2009 | 445,695 | 118% |
| 2010 | 638,240 | 118% |
| 2011 | 736,803 | 102% |

The information presented above was determined as part of the actuarial valuations for the dates indicated.

See accompanying note to supplementary schedules.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS FOR THE PENSION TRUST FUND

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Excess (Deficiency) of Assets Over (Under) AAL (b) - (a) | Funded Ratio (a)/(b) | Covered Payroll (c) | Excess (Deficiency) as a Percentage of Covered Payroll [(b)-(a)]/(c) |
|--------------------------------|--|--|--|----------------------------|---------------------------|--|
| 1/1/2010 | \$ 11,993,510 | \$ 14,494,466 | \$ (2,500,956) | 82.75% | \$ 8,379,320 | (29.85%) |

Source: Actuarial reports

Note: The County used the aggregate actuarial funding method prior to 2010. That method did not require a Schedule of Funding Progress prior to implementation of GASB 50. As a result, information prior to the 2010 valuation for years prior to 2008 is not available.

See accompanying note to supplementary schedules.

COUNTY OF GREENE, PENNSYLVANIA

NOTE TO SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2011

The information presented in the required supplementary pension schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

| | |
|----------------------------|----------------------|
| Actuarial valuation date | 1/1/2010 |
| Actuarial cost method | Entry Age (% Pay) |
| Asset valuation method | Fair Value |
| Actuarial assumptions: | |
| Investment rate of return | 7.50% |
| Projected salary increases | 5.00% |
| Underlying inflation rate | 3.00% |

Effective for the January 1, 2010 valuation, the actuarial cost method was changed to the Entry Age Normal Cost Method from the Aggregate Cost Method. The actuarial assumptions remain the same as used in the January 1, 2008 valuation. The initial unfunded actuarial accrued liability has been established as of January 1, 2010, the first adoption by the Plan of the entry age normal actuarial cost method.

Supplementary Information

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2011

| | Redevelopment Authority | Election Grant | DA Grant | Affordable Housing Trust | Probation Supervision | Probation DUI | Community Service | Clerk of Courts Automation | Prothonotary Automation |
|---|----------------------------|-------------------|---------------|--------------------------------|--------------------------|------------------|----------------------|----------------------------------|----------------------------|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 13,646 | \$ 346 | \$ 948 | \$ 97,338 | \$ 42,927 | \$ 15,476 | \$ 20,209 | \$ 12,236 | \$ 7,430 |
| Investments | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | 2,380 | 4,893 | 1,077 | 346 | 185 | 295 |
| Due from other governments | - | - | - | - | - | - | - | - | - |
| Taxes receivable | - | - | - | - | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 13,646 | \$ 346 | \$ 948 | \$ 99,718 | \$ 47,820 | \$ 16,553 | \$ 20,555 | \$ 12,421 | \$ 7,725 |
| Liabilities and Fund Balance | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 390 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 220 | \$ - |
| Due to other funds | - | 1,697 | 673 | - | - | - | 380 | - | - |
| Total Liabilities | 390 | 1,697 | 673 | - | - | - | 380 | 220 | - |
| Fund Balance: | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - | - |
| Restricted | 13,256 | - | 275 | 99,718 | 47,820 | 16,553 | 20,175 | 12,201 | 7,725 |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | (1,351) | - | - | - | - | - | - | - |
| Total Fund Balance | 13,256 | (1,351) | 275 | 99,718 | 47,820 | 16,553 | 20,175 | 12,201 | 7,725 |
| Total Liabilities and Fund Balance | \$ 13,646 | \$ 346 | \$ 948 | \$ 99,718 | \$ 47,820 | \$ 16,553 | \$ 20,555 | \$ 12,421 | \$ 7,725 |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2011

(Continued)

| | Special Revenue Funds | | | | | | | | | |
|---|------------------------|-------------------|------------------|--------------------------|--------------------------|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Adoption Counseling | RI Fund County | RI Fund R&R | Conservation District | Community Development | Child Support Enforcement | 911 and Hazmat | Liquid Fuels | Tourism | Library System |
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 819 | \$ 46,045 | \$ 21,697 | \$ 617,966 | \$ 34,501 | \$ 380 | \$ 342,667 | \$ 342,163 | \$ 111,282 | \$ 33,060 |
| Investments | - | - | - | - | - | - | - | - | - | 17,723 |
| Due from other funds | - | 1,298 | 1,947 | - | - | - | - | - | - | 633 |
| Due from other governments | - | - | - | 27,989 | 91,650 | 128,964 | - | 20,952 | - | - |
| Taxes receivable | - | - | - | - | - | - | - | - | 14,405 | 4,143 |
| Accounts receivable | - | - | - | - | - | 143 | 25,464 | - | 75 | - |
| Other assets | - | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 819 | \$ 47,343 | \$ 23,644 | \$ 645,955 | \$ 126,151 | \$ 129,487 | \$ 368,131 | \$ 363,115 | \$ 125,762 | \$ 55,559 |
| Liabilities and Fund Balance | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 29,774 | \$ - | \$ 15,319 | \$ 18,579 | \$ - | \$ - |
| Due to other funds | - | - | - | 27,349 | 76,043 | 122,833 | 170,300 | 2,303 | 11,728 | - |
| Deferred revenue | - | - | - | 12,941 | 20,334 | - | 139,227 | - | - | - |
| Total Liabilities | - | - | - | 40,290 | 126,151 | 122,833 | 324,846 | 20,882 | 11,728 | - |
| Fund Balance: | | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | 819 | 47,343 | 23,644 | 605,665 | - | 6,654 | 43,285 | 342,233 | 114,034 | 55,559 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total Fund Balance | 819 | 47,343 | 23,644 | 605,665 | - | 6,654 | 43,285 | 342,233 | 114,034 | 55,559 |
| Total Liabilities and Fund Balance | \$ 819 | \$ 47,343 | \$ 23,644 | \$ 645,955 | \$ 126,151 | \$ 129,487 | \$ 368,131 | \$ 363,115 | \$ 125,762 | \$ 55,559 |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2011
(Continued)

| | Special Revenue Funds | | | | | | Total Other Governmental Funds |
|---|-------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|--------------------------------------|
| | Human Services Transportation | Fair Board | BHS D&A | Human Services | Coroner | Debt Service | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 452,317 | \$ 201,884 | \$ 325,497 | \$ 303,646 | \$ 15,849 | \$ 825,379 | \$ 3,885,708 |
| Investments | - | - | - | - | - | - | 17,723 |
| Due from other funds | 116 | - | 37,602 | 9,388 | - | - | 60,160 |
| Due from other governments | 128,041 | 7,882 | - | 113,824 | - | - | 519,302 |
| Taxes receivable | - | - | - | - | - | 26,997 | 45,545 |
| Accounts receivable | 21,586 | 2,306 | 370 | 132 | - | - | 50,076 |
| Other assets | - | 37 | - | - | - | - | 37 |
| Total Assets | \$ 602,060 | \$ 212,109 | \$ 363,469 | \$ 426,990 | \$ 15,849 | \$ 852,376 | \$ 4,578,551 |
| Liabilities and Fund Balance | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 12,298 | \$ - | \$ 67,581 | \$ 249,329 | \$ - | \$ - | \$ 393,490 |
| Due to other funds | 256,096 | 497 | 46,467 | 106,206 | - | 531,383 | 1,353,955 |
| Due to other governments | - | - | - | - | - | - | - |
| Deferred revenue | 333,666 | 1,290 | 249,421 | 71,455 | - | - | 828,334 |
| Total Liabilities | 602,060 | 1,787 | 363,469 | 426,990 | - | 531,383 | 2,575,779 |
| Fund Balance: | | | | | | | |
| Non-spendable | - | 37 | - | - | - | - | 37 |
| Restricted | - | - | - | - | 15,849 | 320,993 | 1,793,801 |
| Committed | - | 210,285 | - | - | - | - | 210,285 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | (1,351) |
| Total Fund Balance | - | 210,322 | - | - | 15,849 | 320,993 | 2,002,772 |
| Total Liabilities and Fund Balance | \$ 602,060 | \$ 212,109 | \$ 363,469 | \$ 426,990 | \$ 15,849 | \$ 852,376 | \$ 4,578,551 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2011

| | Redevelopment Authority | Election Grant | DA Grant Fund | Affordable Housing Trust | Probation Supervision | Probation DUI | Community Service | Clerk of Courts Automation | Prothonotary Automation |
|--|----------------------------|-------------------|------------------|--------------------------------|--------------------------|------------------|----------------------|----------------------------------|----------------------------|
| Revenues: | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeits | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | 23,970 | 100,845 | 19,268 | 6,996 | 2,850 | 3,460 |
| Interest | 26 | 2 | 90 | 565 | 65 | 7 | 120 | 29 | 19 |
| Donations | - | - | - | - | - | - | - | - | - |
| Total revenues | <u>26</u> | <u>2</u> | <u>90</u> | <u>24,535</u> | <u>100,910</u> | <u>19,275</u> | <u>7,116</u> | <u>2,879</u> | <u>3,479</u> |
| Expenditures: | | | | | | | | | |
| Administration: | | | | | | | | | |
| General government | - | 1,697 | - | - | - | - | - | - | 5,348 |
| Judicial | - | - | 13,556 | - | - | 21,360 | 5,206 | 3,971 | - |
| Public safety: | | | | | | | | | |
| EMA/911 | - | - | - | - | - | - | - | - | - |
| Public works: | | | | | | | | | |
| Highways and bridges | - | - | - | - | - | - | - | - | - |
| Human services: | | | | | | | | | |
| Child/youth services | - | - | - | - | - | - | - | - | - |
| Drug and alcohol | - | - | - | - | - | - | - | - | - |
| Other human services | - | - | - | - | - | - | - | - | - |
| Culture and recreation: | | | | | | | | | |
| Parks and recreation | - | - | - | - | - | - | - | - | - |
| Libraries | - | - | - | - | - | - | - | - | - |
| Community and economic development: | | | | | | | | | |
| Conservation/development | - | - | - | - | - | - | - | - | - |
| Housing/community development | 1,770 | - | - | 14,257 | - | - | - | - | - |
| Tourist promotion | - | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | |
| Debt interest | - | - | - | - | - | - | - | - | - |
| Debt principal payments | - | - | - | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>1,770</u> | <u>1,697</u> | <u>13,556</u> | <u>14,257</u> | <u>-</u> | <u>21,360</u> | <u>5,206</u> | <u>3,971</u> | <u>5,348</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(1,744)</u> | <u>(1,695)</u> | <u>(13,466)</u> | <u>10,278</u> | <u>100,910</u> | <u>(2,085)</u> | <u>1,910</u> | <u>(1,092)</u> | <u>(1,869)</u> |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | - | - | - | - | - | - | - |
| Bond discount | - | - | - | - | - | - | - | - | - |
| Other sources from sale of assets/ prior period reimbursement | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | (76,500) | - | - | - | - |
| Payment on guaranteed debt | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(76,500)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | <u>(1,744)</u> | <u>(1,695)</u> | <u>(13,466)</u> | <u>10,278</u> | <u>24,410</u> | <u>(2,085)</u> | <u>1,910</u> | <u>(1,092)</u> | <u>(1,869)</u> |
| Fund Balance: | | | | | | | | | |
| Beginning of year | 15,000 | 344 | 13,741 | 89,440 | 23,410 | 18,638 | 18,265 | 13,293 | 9,594 |
| End of year | <u>\$ 13,256</u> | <u>\$ (1,351)</u> | <u>\$ 275</u> | <u>\$ 99,718</u> | <u>\$ 47,820</u> | <u>\$ 16,553</u> | <u>\$ 20,175</u> | <u>\$ 12,201</u> | <u>\$ 7,725</u> |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2011

(Continued)

| | Special Revenue Funds | | | | | | | | | |
|--|------------------------|-------------------|------------------|--------------------------|--------------------------|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Adoption Counseling | RI Fund County | RI Fund R&R | Conservation District | Community Development | Child Support Enforcement | 911 and Hazmat | Liquid Fuels | Tourism | Library System |
| Revenues: | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 147,712 | \$ 106,511 |
| Intergovernmental | - | - | - | 131,120 | 534,488 | 544,548 | 123,445 | 203,336 | 3,328 | 158,486 |
| Charges for services | - | 14,724 | 22,086 | 124,011 | - | 4,283 | 305,075 | - | 7,359 | 135 |
| Interest | 4 | 106 | 92 | 1,221 | - | 39 | 677 | 1,059 | 65 | 188 |
| Donations | - | - | - | 4,829 | - | - | - | - | - | 11,174 |
| Total revenues | <u>4</u> | <u>14,830</u> | <u>22,178</u> | <u>261,181</u> | <u>534,488</u> | <u>548,870</u> | <u>429,197</u> | <u>204,395</u> | <u>158,464</u> | <u>276,494</u> |
| Expenditures: | | | | | | | | | | |
| Administration: | | | | | | | | | | |
| General government | - | 23,719 | 46,118 | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | 716,060 | - | - | - | - |
| Public safety: | | | | | | | | | | |
| EMA/911 | - | - | - | - | - | - | 462,675 | - | - | - |
| Public works: | | | | | | | | | | |
| Highways and bridges | - | - | - | - | - | - | - | 299,332 | - | - |
| Human services: | | | | | | | | | | |
| Child/youth services | - | - | - | - | - | - | - | - | - | - |
| Drug and alcohol | - | - | - | - | - | - | - | - | - | - |
| Other human services | - | - | - | - | - | - | - | - | - | - |
| Culture and recreation: | | | | | | | | | | |
| Parks and recreation | - | - | - | - | - | - | - | - | - | - |
| Libraries | - | - | - | - | - | - | - | - | - | 275,281 |
| Community and economic development: | | | | | | | | | | |
| Conservation/development | - | - | - | 283,739 | - | - | - | - | - | - |
| Housing/community development | - | - | - | - | 414,445 | - | - | - | - | - |
| Tourist promotion | - | - | - | - | - | - | - | - | 164,230 | - |
| Debt service: | | | | | | | | | | |
| Debt interest | - | - | - | - | - | - | - | - | - | - |
| Debt principal payments | - | - | - | - | - | 2,363 | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>23,719</u> | <u>46,118</u> | <u>283,739</u> | <u>414,445</u> | <u>718,423</u> | <u>462,675</u> | <u>299,332</u> | <u>164,230</u> | <u>275,281</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>4</u> | <u>(8,889)</u> | <u>(23,940)</u> | <u>(22,558)</u> | <u>120,043</u> | <u>(169,553)</u> | <u>(33,478)</u> | <u>(94,937)</u> | <u>(5,766)</u> | <u>1,213</u> |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers in | - | - | - | - | - | 191,384 | 129,014 | - | - | - |
| Proceeds of refunding bonds | - | - | - | - | - | - | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | - | - | - | - | - | - | - | - |
| Bond discount | - | - | - | - | - | - | - | - | - | - |
| Other sources from sale of assets/ prior period reimbursement | - | - | - | 94,966 | - | - | - | 126,242 | - | - |
| Transfers out | - | - | - | - | (120,043) | (30,647) | (84,705) | (12,013) | (3,097) | - |
| Payment on guaranteed debt | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>94,966</u> | <u>(120,043)</u> | <u>160,737</u> | <u>44,309</u> | <u>114,229</u> | <u>(3,097)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>4</u> | <u>(8,889)</u> | <u>(23,940)</u> | <u>72,408</u> | <u>-</u> | <u>(8,816)</u> | <u>10,831</u> | <u>19,292</u> | <u>(8,863)</u> | <u>1,213</u> |
| Fund Balance: | | | | | | | | | | |
| Beginning of year | 815 | 56,232 | 47,584 | 533,257 | - | 15,470 | 32,454 | 322,941 | 122,897 | 54,346 |
| End of year | <u>\$ 819</u> | <u>\$ 47,343</u> | <u>\$ 23,644</u> | <u>\$ 605,665</u> | <u>\$ -</u> | <u>\$ 6,654</u> | <u>\$ 43,285</u> | <u>\$ 342,233</u> | <u>\$ 114,034</u> | <u>\$ 55,559</u> |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2011

(Continued)

| | Special Revenue Funds | | | | | | Totals |
|--|-------------------------------------|---------------|---------|-------------------|-----------|--------------|--------------|
| | Human Services Transportation | Fair Board | BHS D&A | Human Services | Coroner | Debt Service | |
| Revenues: | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,048,410 | \$ 1,302,633 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Intergovernmental | 1,715,841 | 118,382 | 540,434 | 1,830,565 | - | - | 5,903,973 |
| Charges for services | 29,354 | 244,842 | 84,982 | - | 3,094 | - | 997,334 |
| Interest | 211 | 374 | 830 | - | 80 | 998 | 6,867 |
| Donations | - | - | - | 2,273 | - | - | 18,276 |
| Total revenues | 1,745,406 | 363,598 | 626,246 | 1,832,838 | 3,174 | 1,049,408 | 8,229,083 |
| Expenditures: | | | | | | | |
| Administration: | | | | | | | |
| General government | - | - | - | - | - | 101 | 76,983 |
| Judicial | - | - | - | - | - | - | 760,153 |
| Public safety: | | | | | | | |
| EMA/911 | - | - | - | - | - | - | 462,675 |
| Public works: | | | | | | | |
| Highways and bridges | - | - | - | - | - | - | 299,332 |
| Human services: | | | | | | | |
| Child/youth services | - | - | - | - | - | - | - |
| Drug and alcohol | - | - | 630,287 | - | - | - | 630,287 |
| Other human services | 1,676,907 | - | - | 1,707,979 | - | - | 3,384,886 |
| Culture and recreation: | | | | | | | |
| Parks and recreation | - | 344,642 | - | - | - | - | 344,642 |
| Libraries | - | - | - | - | - | - | 275,281 |
| Community and economic development: | | | | | | | |
| Housing/community development | - | - | - | - | - | - | 283,739 |
| Tourist promotion | - | - | - | - | - | - | 430,472 |
| Debt service: | | | | | | | |
| Debt interest | - | - | - | - | - | 468,531 | 164,230 |
| Debt principal payments | - | - | - | - | - | 565,000 | 468,531 |
| Bond issuance costs | - | - | - | - | - | 94,490 | 567,363 |
| Total expenditures | 1,676,907 | 344,642 | 630,287 | 1,707,979 | - | 1,128,122 | 8,243,064 |
| Excess (Deficiency) of Revenues Over Expenditures | 68,499 | 18,956 | (4,041) | 124,859 | 3,174 | (78,714) | (13,981) |
| Other Financing Sources (Uses): | | | | | | | |
| Transfers in | - | - | 8,541 | - | - | 118,403 | 447,342 |
| Proceeds of refunding bonds | - | - | - | - | - | 5,710,000 | 5,710,000 |
| Payment to refunding bond escrow agent | - | - | - | - | - | (5,240,000) | (5,240,000) |
| Bond discount | - | - | - | - | - | (120,195) | (120,195) |
| Other sources from sale of assets/ prior period reimbursement | - | - | - | - | - | 3,718 | 224,926 |
| Transfers out | (68,499) | - | (4,500) | (124,859) | - | (241,656) | (766,519) |
| Payment on guaranteed debt | - | - | - | - | - | (230,000) | (230,000) |
| Total other financing sources (uses) | (68,499) | - | 4,041 | (124,859) | - | 270 | 25,554 |
| Net Change in Fund Balance | - | 18,956 | - | - | 3,174 | (78,444) | 11,573 |
| Fund Balance: | | | | | | | |
| Beginning of year | - | 191,366 | - | - | 12,675 | 399,437 | 1,991,199 |
| End of year | \$ - | \$ 210,322 | \$ - | \$ - | \$ 15,849 | \$ 320,993 | \$ 2,002,772 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2011

| | Clerk of Courts - Criminal | Orphan's Court | Register and Recorder | Register and Recorder- Local Realty Transfer | Magistrate 13-03-01 | Magistrate 13-03-02 | Magistrate 13-03-03 | Sheriff | Sheriff - State Modernization |
|---------------------------|-------------------------------|-------------------|--------------------------|--|------------------------|------------------------|------------------------|------------------|----------------------------------|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 129,626 | \$ 992 | \$ 79,931 | \$ 292,965 | \$ 6,722 | \$ 18,258 | \$ 19,336 | \$ 23,072 | \$ - |
| Due from other funds | 153 | - | - | - | - | - | - | - | - |
| Total Assets | \$ 129,779 | \$ 992 | \$ 79,931 | \$ 292,965 | \$ 6,722 | \$ 18,258 | \$ 19,336 | \$ 23,072 | \$ - |
| Liabilities | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Due to litigants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19,988 | \$ - |
| Due to other governments | 120,901 | 992 | 74,306 | 228,754 | 4,162 | 14,729 | 16,002 | - | - |
| Due to other funds | 8,878 | - | 5,625 | 64,211 | 2,560 | 3,529 | 3,334 | 3,084 | - |
| Total Liabilities | \$ 129,779 | \$ 992 | \$ 79,931 | \$ 292,965 | \$ 6,722 | \$ 18,258 | \$ 19,336 | \$ 23,072 | \$ - |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 256 | \$ 166,226 | \$ 9,588 | \$ 14,815 | \$ 5,863 | \$ 53,420 | \$ 66 | \$ 2,546 | \$ 32,521 |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Total Assets | \$ 256 | \$ 166,226 | \$ 9,588 | \$ 14,815 | \$ 5,863 | \$ 53,420 | \$ 66 | \$ 2,546 | \$ 32,521 |
| Liabilities | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Due to litigants | \$ 256 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other governments | - | 162,104 | 9,293 | 14,815 | 5,863 | 53,420 | 66 | 792 | 32,521 |
| Due to other | - | 4,122 | 295 | - | - | - | - | 1,754 | - |
| Total Liabilities | \$ 256 | \$ 166,226 | \$ 9,588 | \$ 14,815 | \$ 5,863 | \$ 53,420 | \$ 66 | \$ 2,546 | \$ 32,521 |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 21,017 | \$ 41,731 | \$ 33,004 | \$ 3,289 | \$ 20 | \$ 955,264 | | | |
| Due from other funds | - | - | - | - | - | 153 | | | |
| Total Assets | \$ 21,017 | \$ 41,731 | \$ 33,004 | \$ 3,289 | \$ 20 | \$ 955,417 | | | |
| Liabilities | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Due to litigants | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,244 | | | |
| Due to other governments | 21,017 | 41,731 | 33,004 | 3,289 | 20 | 837,781 | | | |
| Due to other | - | - | - | - | - | 97,392 | | | |
| Total Liabilities | \$ 21,017 | \$ 41,731 | \$ 33,004 | \$ 3,289 | \$ 20 | \$ 955,417 | | | |

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2011

| | <u>Balance</u> <u>January 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31, 2011</u> |
|--|--|------------------|-------------------|--|
| Clerk of Courts - Criminal: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 87,070 | \$ 935,506 | \$ (892,797) | \$ 129,779 |
| Liabilities | | | | |
| Due to other governments | \$ 87,070 | \$ 935,506 | \$ (892,797) | \$ 129,779 |
| Orphan's Court: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 1,533 | \$ 16,646 | \$ (17,187) | \$ 992 |
| Liabilities | | | | |
| Due to other governments | \$ 1,533 | \$ 16,646 | \$ (17,187) | \$ 992 |
| Register and Recorder: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 45,591 | \$ 684,692 | \$ (650,352) | \$ 79,931 |
| Liabilities | | | | |
| Due to other governments | \$ 45,591 | \$ 684,692 | \$ (650,352) | \$ 79,931 |
| Register and Recorder (Local Realty Transfer) | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 80,762 | \$ 2,570,316 | \$ (2,358,113) | \$ 292,965 |
| Liabilities | | | | |
| Due to other governments | \$ 80,762 | \$ 2,570,316 | \$ (2,358,113) | \$ 292,965 |
| Magistrate 13-03-1: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 5,174 | \$ 249,493 | \$ (247,945) | \$ 6,722 |
| Liabilities | | | | |
| Due to other governments | \$ 5,174 | \$ 249,493 | \$ (247,945) | \$ 6,722 |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2011
(Continued)

| | <u>Balance</u> <u>January 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31, 2011</u> |
|---------------------------------------|--|------------------|-------------------|--|
| Magistrate 13-03-2: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 27,800 | \$ 636,721 | \$ (646,263) | \$ 18,258 |
| Liabilities | | | | |
| Due to other governments | \$ 27,800 | \$ 636,721 | \$ (646,263) | \$ 18,258 |
| Magistrate 13-03-03: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 31,801 | \$ 377,692 | \$ (390,157) | \$ 19,336 |
| Liabilities | | | | |
| Due to other governments | \$ 31,801 | \$ 377,692 | \$ (390,157) | \$ 19,336 |
| Sheriff: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 23,870 | \$ 303,389 | \$ (304,187) | \$ 23,072 |
| Liabilities | | | | |
| Due to litigants | \$ 23,870 | \$ 303,389 | \$ (304,187) | \$ 23,072 |
| Sheriff - State Modernization: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 720 | \$ 993 | \$ (1,713) | \$ - |
| Liabilities | | | | |
| Due to litigants | \$ 720 | \$ 993 | \$ (1,713) | \$ - |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2011
(Continued)

| | <u>Balance</u> <u>January 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31, 2011</u> |
|-------------------------------------|--|------------------|-------------------|--|
| Sheriff - Validation System: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 189 | \$ 505 | \$ (438) | \$ 256 |
| Liabilities | | | | |
| Due to litigants | \$ 189 | \$ 505 | \$ (438) | \$ 256 |
| Prothonotary: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 141,744 | \$ 127,582 | \$ (103,100) | \$ 166,226 |
| Liabilities | | | | |
| Due to other governments | \$ 141,744 | \$ 127,582 | \$ (103,100) | \$ 166,226 |
| Prothonotary - Escrow Accts: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 9,580 | \$ 8 | \$ - | \$ 9,588 |
| Liabilities | | | | |
| Due to other governments | \$ 9,580 | \$ 8 | \$ - | \$ 9,588 |
| Jail: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 12,327 | \$ 262,615 | \$ (260,127) | \$ 14,815 |
| Liabilities | | | | |
| Due to other governments | \$ 12,327 | \$ 262,615 | \$ (260,127) | \$ 14,815 |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2011
(Continued)

| | <u>Balance</u> <u>January 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31, 2011</u> |
|----------------------------|--|------------------|-------------------|--|
| Airport Security: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 5,830 | \$ 33 | \$ - | \$ 5,863 |
| Liabilities | | | | |
| Due to other | \$ 5,830 | \$ 33 | \$ - | \$ 5,863 |
| Domestic Relations: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 65,589 | \$ 204,692 | \$ (216,861) | \$ 53,420 |
| Liabilities | | | | |
| Due to other governments | \$ 65,589 | \$ 204,692 | \$ (216,861) | \$ 53,420 |
| Fire Damage Escrow: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 66 | \$ - | \$ - | \$ 66 |
| Liabilities | | | | |
| Due to other | \$ 66 | \$ - | \$ - | \$ 66 |
| Juvenile Probation: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 2,546 | \$ - | \$ - | \$ 2,546 |
| Liabilities | | | | |
| Due to other | \$ 2,546 | \$ - | \$ - | \$ 2,546 |
| Children and Youth: | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 7,076 | \$ 27,447 | \$ (2,002) | \$ 32,521 |
| Liabilities | | | | |
| Due to other governments | \$ 7,076 | \$ 27,447 | \$ (2,002) | \$ 32,521 |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2011
(Continued)

| | <u>Balance</u> <u>January 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>December 31, 2011</u> |
|------------------------------------|--|------------------|-------------------|--|
| Commonwealth Treasurer: | | | | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 19,886 | \$ 173,628 | \$ (172,497) | \$ 21,017 |
| <u>Liabilities</u> | | | | |
| Due to other governments | \$ 19,886 | \$ 173,628 | \$ (172,497) | \$ 21,017 |
| District Attorney: | | | | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 46,083 | \$ 3,493 | \$ (7,845) | \$ 41,731 |
| <u>Liabilities</u> | | | | |
| Due to other governments | \$ 46,083 | \$ 3,493 | \$ (7,845) | \$ 41,731 |
| Farmland Preservation: | | | | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 9,674 | \$ 23,330 | \$ - | \$ 33,004 |
| <u>Liabilities</u> | | | | |
| Due to other governments | \$ 9,674 | \$ 23,330 | \$ - | \$ 33,004 |
| Human Services - M. Howard: | | | | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 3,883 | \$ 7,492 | \$ (8,086) | \$ 3,289 |
| <u>Liabilities</u> | | | | |
| Due to other governments | \$ 3,883 | \$ 7,492 | \$ (8,086) | \$ 3,289 |
| Wire Transfer Account | | | | |
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 20 | \$ - | \$ - | \$ 20 |
| <u>Liabilities</u> | | | | |
| Due to other governments | \$ 20 | \$ - | \$ - | \$ 20 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY- GREENE COUNTY STOP GRANT PROGRAM SUBGRANT NO. 2009/2010/2011-VA-06-20578

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

FOR THE PROGRAM YEAR ENDED DECEMBER 31, 2011

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------|--------------------|--------------------|
| Revenues: | | | |
| Federal | \$ 375,000 | \$ 184,443 | \$ (190,557) |
| Cash match | 48,000 | - | (48,000) |
| In-kind match | 14,508 | 1,818 | (12,690) |
| Total revenues | <u>437,508</u> | <u>186,261</u> | <u>(251,247)</u> |
| Expenditures: | | | |
| Personnel | 154,718 | 83,451 | 71,267 |
| Employee benefits | 50,784 | 22,136 | 28,648 |
| Travel | 30,269 | 2,408 | 27,861 |
| Supplies and other operating expenditures | 14,237 | 419 | 13,818 |
| Consultants | 187,500 | 143,566 | 43,934 |
| Total expenditures | <u>437,508</u> | <u>251,980</u> | <u>185,528</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ (65,719)</u> | <u>\$ (65,719)</u> |

COUNTY OF GREENE, PENNSYLVANIA

PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY- VICTIM/WITNESS ASSISTANCE PROGRAM SUBGRANT NO. 2009-VF-05-19979

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

FOR THE PROGRAM YEAR ENDED JUNE 30, 2011

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|---------------|--------------------|--------------------|
| Revenues: | | | |
| <u>Federal</u> | \$ 41,146 | \$ 27,259 | \$ (13,887) |
| In-kind match | 10,287 | 10,287 | - |
| Total revenues | <u>51,433</u> | <u>37,546</u> | <u>(13,887)</u> |
| Expenditures: | | | |
| <u>Personnel</u> | 27,768 | 32,698 | (4,930) |
| Employee benefits | 2,888 | 3,012 | (124) |
| Travel | - | - | - |
| Supplies and other operating expenditures | <u>20,777</u> | <u>15,723</u> | <u>5,054</u> |
| Total expenditures | <u>51,433</u> | <u>51,433</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ (13,887)</u> | <u>\$ (13,887)</u> |

COUNTY OF GREENE, PENNSYLVANIA

PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY-
SERVICES TO VICTIMS OF JUVENILE OFFENDERS
SUBGRANT NO. 2008/2009/2010-VJ-ST-19652

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

FOR THE PROGRAM YEAR ENDED DECEMBER 31, 2011

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------|-------------------|--------------------|
| Revenues: | | | |
| <u>State</u> | <u>\$ 30,425</u> | <u>\$ 20,000</u> | <u>\$ (10,425)</u> |
| Expenditures: | | | |
| Personnel | 20,475 | 21,000 | (525) |
| Employee benefits | 1,618 | 1,689 | (71) |
| Travel | 1,708 | 481 | 1,227 |
| Supplies and other operating expenditures | <u>6,624</u> | <u>6,624</u> | <u>-</u> |
| Total expenditures | <u>30,425</u> | <u>29,794</u> | <u>631</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ (9,794)</u> | <u>\$ (9,794)</u> |

COUNTY OF GREENE, PENNSYLVANIA

PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY-
RIGHTS AND SERVICES ACT
SUBGRANT NO. 2011-VS-ST-21984

SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES

FOR THE PROGRAM YEAR ENDED DECEMBER 31, 2011

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------|-------------------|-------------------|
| Revenues: | | | |
| <u>State</u> | <u>\$ 29,809</u> | <u>\$ 23,625</u> | <u>\$ (6,184)</u> |
| Expenditures: | | | |
| Personnel | 22,464 | 23,786 | (1,322) |
| Employee benefits | 1,719 | 1,725 | (6) |
| Travel | 1,328 | - | 1,328 |
| Supplies and other operating expenditures | <u>4,298</u> | <u>4,298</u> | <u>-</u> |
| Total expenditures | <u>29,809</u> | <u>29,809</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>\$ -</u> | <u>\$ (6,184)</u> | <u>\$ (6,184)</u> |

* Budget and actual amounts represent the first year of two-year grant award.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

| Federal Grantor/Program Title | Federal CFDA Number | Pass-Through Grantor's Number | Cash Receipts | Expenditures |
|---|------------------------|-------------------------------------|------------------|----------------------|
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed Through the Pennsylvania Department of Public Welfare: | | | | |
| Projects for Assistance in Transition from Homelessness (PATH) | 93.150 | | \$ 66,000 | \$ 22,000 |
| Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program | 93.505 | | 10,000 | 10,000 |
| Promoting Safe and Stable Families | 93.556 | 4100044225 | 151,275 | 162,128 |
| Temporary Assistance for Needy Families - Mental Health/Mental Retardation | 93.558 | | | |
| Temporary Assistance for Needy Families - MH/MR | 93.558 | | 8,685 | 8,685 |
| Temporary Assistance for Needy Families - CYF | 93.558 | | 32,870 | 73,181 |
| Temporary Assistance for Needy Families - CCIS Day Care | 93.558 | | 28,970 | 27,455 |
| Subtotal 93.558 | | | <u>70,525</u> | <u>109,321</u> |
| Child Support Enforcement | 93.563 | | 454,519 | 484,453 |
| Child Support Enforcement - Incentive on Welfare Collections | 93.563 | | - | 50,515 |
| Subtotal 93.563 | | | <u>454,519</u> | <u>534,968</u> |
| Community-Based Child Abuse Prevention Grants | 93.590 | | 29,433 | 11,589 |
| Child Welfare Services - State Grants - Title IV (B) - Children and Youth | 93.645 | | 35,333 | 35,333 |
| Foster Care - Title IV-E - Children and Youth | 93.658 | | 177,171 | 329,402 |
| ARRA - Foster Care - Title IV-E - Children and Youth | 93.658 | | 1,324 | 5,724 |
| Subtotal 93.658 | | | <u>178,495</u> | <u>335,126</u> |
| Adoption Assistance | 93.659 | | 75,447 | 125,315 |
| ARRA - Adoption Assistance | 93.659 | | 3,362 | 2,435 |
| Subtotal 93.659 | | | <u>78,809</u> | <u>127,750</u> |
| Social Services Block Grant - Title XX - Children and Youth | 93.667 | | 32,653 | 32,653 |
| Social Services Block Grant - CCIS Day Care | 93.667 | | 59,128 | 61,179 |
| Social Services Block Grant - Mental Health/Mental Retardation | 93.667 | | 35,257 | 44,071 |
| Subtotal 93.667 | | | <u>127,038</u> | <u>137,903</u> |
| Voting Access for Individuals with Disabilities - Grants to States | 93.617 | | 5,573 | 1,259 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | DC09-305336 | 243,334 | 194,480 |
| Child Care and Development Block Grant | 93.575 | DC09-305336 | 119,571 | 168,444 |
| Passed Through the YWCA of Greater Pittsburgh: Child Care and Development Block Grant | 93.575 | | | <u>50,000</u> |
| Subtotal 93.575 | | | | <u>218,444</u> |
| ARRA - Child Care and Development Block Grant | 93.713 | | 21,221 | 21,221 |
| Subtotal CCDF Cluster | | | | <u>434,145</u> |
| Chafee Foster Care Independence Program | 93.674 | | 4,770 | 17,601 |
| Medical Assistance Program - MATP | 93.778 | 3900034161A, EG00000090 | 338,436 | 436,950 |
| Medical Assistance Program - CYF | 93.778 | | 1,278 | 2,559 |
| Medical Assistance Program - Mental Health/Mental Retardation | 93.778 | | 65,786 | 291,978 |
| ARRA - Medical Assistance Program - Mental Health/Mental Retardation | 93.778 | | | <u>102,162</u> |
| Subtotal 93.778 | | | | <u>833,649</u> |
| Block Grants for Community Mental Health Services | 93.958 | | 127,617 | 127,617 |
| Passed Through the Pennsylvania Department of Health: Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | 4100027143 | | 120,440 |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 4100027143 | | 123,827 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | | | <u>2,864</u> |
| Total U.S. Department of Health and Human Services | | | | <u>3,147,520</u> |

(Continued)

See notes to schedule of expenditures of federal awards.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

(Continued)

| Federal Grantor/Program Title (continued) | Federal CFDA Number | Pass-Through Grantor's Number | Cash Receipts | Expenditures |
|--|------------------------|-------------------------------------|------------------|--------------|
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Passed Through Pennsylvania Department of Community and Economic Development: | | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | C000020809 | | 100,128 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | C000029567 | | 103,521 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | C000036748 | | 78,787 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | C0000046534 | | 116,402 |
| Subtotal 14.228 | | | 286,044 | 398,838 |
| Emergency Shelter Grants Programs | 14.231 | | 18,232 | 27,489 |
| HOME Investment Partnerships Program | 14.239 | C000026939 | 10,780 | 42,755 |
| ARRA - Community Development Block Grants/State's Program | 14.255 | C000046358 | | |
| ARRA - Homelessness Prevention and Rapid Re-housing | 14.257 | C000046534 | 81,021 | 60,108 |
| Subtotal 14.257 | | | | 60,108 |
| Total U.S. Department of Housing and Urban Development | | | | 529,190 |
| <u>U.S. Department of Agriculture</u> | | | | |
| Passed Through the Pennsylvania Department of Public Welfare: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | | | | |
| | 10.561 | | 13,797 | 14,190 |
| Passed Through Pennsylvania Department of Agriculture: | | | | |
| Emergency Food Assistance Program (Administrative Costs) | 10.568 | | | 1,094 |
| Emergency Food Assistance Program (Food Commodities) | 10.569 | | | 48,175 |
| Subtotal 10.568 | | | | 49,269 |
| Total U.S. Department of Agriculture | | | | 63,459 |
| <u>U.S. Department of Transportation</u> | | | | |
| Passed Through the Pennsylvania Department of Transportation: | | | | |
| Highway Planning and Construction | 20.205 | | | 214,271 |
| Total U.S. Department of Transportation | | | | 214,271 |
| <u>U.S. Department of Justice</u> | | | | |
| Passed Through the Pennsylvania Commission on Crime and Delinquency: | | | | |
| Crime Victim Assistance | 16.575 | 2009/2010-VF-05-19997 | | 16,160 |
| Violence Against Women Formula Grants | 16.588 | 2009/2010/2011-VA-06-20578 | | 133,842 |
| Total U.S. Department of Justice | | | | 150,002 |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Passed Through the Pennsylvania Emergency Management Agency (PEMA): | | | | |
| Emergency Management Performance Grants | 97.042 | | 10,742 | 10,742 |
| Total U.S. Department of Homeland Security | | | | 10,742 |
| <u>U.S. Election Assistance Commission</u> | | | | |
| Passed Through the PA Department of State | | | | |
| Help America Vote Act Requirements Payments | 90.401 | | 5,443 | 3,001 |
| <u>U.S. General Services Administration</u> | | | | |
| Passed Through the PA Department of State | | | | |
| Election Reform Payments | 39.011 | | 2,253 | 2,014 |
| <u>U.S. Department of Education</u> | | | | |
| Passed Through the Pennsylvania Department of Public Welfare: | | | | |
| Special Education - Grants for Infants and Families | 84.181 | | 29,961 | 31,341 |
| ARRA - Special Education - Grants for Infants and Families, Recovery Act | 84.393 | | 33,744 | 33,744 |
| Total U.S. Department of Education | | | 63,705 | 65,085 |
| Total Federal Financial Assistance | | | | \$ 4,185,284 |

(Concluded)

See notes to schedule of expenditures of federal awards.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the Federal grant activity of the County of Greene, Pennsylvania (County) and is presented on the modified accrual basis of accounting which is consistent with the basis of accounting used in the preparation of County's financial statements. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the County.

2. SUBRECIPIENTS

The County did pass-through federal funds to subrecipients during the year ended December 31, 2011. The County maintained contracts with their subrecipients, which contained appropriate audit provisions.

3. REQUIRED FUNDING SOURCE DISCLOSURES

Cash receipts are shown on the schedule on the cash basis of accounting as required by the Pennsylvania Department of Public Welfare and the Department of Community and Economic Development (DCED).

In addition, the County has the following contracts with the DCED with remaining balances as of December 31, 2011:

| <u>CFDA Number</u> | <u>Contract Number</u> | <u>Remaining Balance</u> |
|--------------------|------------------------|--------------------------|
| 14.257 | C000046140 | \$ 88,931 |
| 14.257 | C000046131 | 176,894 |
| 14.228 | C000029567 | 44,675 |
| 14.228 | C000036748 | 147,482 |
| 14.228 | C000046534 | 59,966 |
| 14.228 | C000049984 | 258,026 |

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2011

4. PASSED-THROUGH TO SUBRECIPIENTS

By program, the following amounts were passed-through to subrecipients:

| <u>Program</u> | <u>CFDA</u> | <u>\$ Passed-through</u> |
|--|-------------|--------------------------|
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | \$ 428,670 |

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE - FINANCIAL ASSISTANCE

DECEMBER 31, 2011

| <u>Program</u> | <u>Combined Federal/ State Expenditures</u> |
|---|---|
| Child Support Enforcement Program | \$ 484,453 * |
| County Children and Youth Programs | 1,860,551 |
| Medical Assistance Transportation Program | 1,326,586 * |
| County Child Care Information Services for Subsidized Child Day Care | 944,863 * |
| Mental Health/Mental Retardation | 2,723,262 * |
| Combined Homeless Assistance Program: Housing Assistance Program | <u>65,477</u> |
| | <u>\$ 7,405,192</u> |

* Denotes major programs for DPW testing purpose. The 2011 dollar threshold used to distinguish between type A and type B was \$300,000.

**County of Greene,
Pennsylvania**

Department of Public Welfare–Funded
Financial Assistance Program Exhibits

Independent Accountant’s Report on Applying “Agreed-Upon Procedures” for Department of
Public Welfare-Funded Financial Assistance Programs, Schedules, and Exhibits

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Public Welfare (DPW), and the County of Greene, Pennsylvania (County) solely to assist you with respect to the financial schedules and exhibits required by the DPW Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DPW. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for fiscal year June 30, 2011, have been accurately compiled and reflect the audited books and records of the County. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

| <u>Program Name</u> | <u>Exhibit</u> | <u>Schedules</u> |
|--------------------------------------|----------------|---|
| Title IV-D Child Support Enforcement | A-1 (a) | Comparison of Single Audit Expenditures with the Reported Expenditures |
| | A-1 (b) | Child Support Enforcement - PACSES OCSE 157 Data Reliability Validation |
| Children and Youth Services | I | Fiscal Summary |
| Medical Assistance Transportation | III | Schedule of Revenues and Expenditures |
| Mental Health Services | IV (a) MH | Schedule of Revenues, Expenditures, and Carryover Funds |
| | IV (b) MH | Report of Income and Expenditures Single Audit Supplement |
| Mental Retardation Services | IV (c) MR | Schedule of Revenues, Expenditures, and Carryover Funds |
| | IV (d) MR | Report of Income and Expenditures Single Audit Supplement |
| Early Intervention Services | V (a) EI | Schedule of Revenues, Expenditures, and Carryover Funds |
| | V (b) EI | Report of Income and Expenditures Single Audit Supplement |
| CCIS Daycare | VIII (b) | Schedule of Child Care Information Services Recap for Fiscal Year 2011 |

Board of County Commissioners
 County Controller
 County of Greene, Pennsylvania
 Independent Accountant's Report on Applying
 "Agreed-Upon Procedures"

| <u>Program Name</u> | | <u>Schedules</u> |
|--------------------------------|--------|---------------------------------------|
| (Combined) Homeless Assistance | XIX(a) | Revenues and Expenses |
| Family Center | n/a | Schedule of Revenues and Expenditures |
| Fatherhood Initiative | n/a | Schedule of Revenues and Expenditures |

- b. We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DPW for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

* * * * *

This report is intended solely for the use of the Department of Public Welfare and should not be used by those who have not agreed to the procedures, and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Maher Duessel

Pittsburgh, Pennsylvania
 September 24, 2012

COUNTY OF GREENE, PENNSYLVANIA
 TITLE IV - D CHILD SUPPORT ENFORCEMENT PROGRAM
 COMPARISON OF SINGLE AUDIT EXPENDITURES WITH THE REPORTED EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit A-1 (a)

| | Single Audit Expenditures | | | | | Report Expenditures | | | | | Single Audit Over (Under) Reported | | | | |
|---------------------------------|---------------------------|----------------|-------------------------|-------------|------------|---------------------|----------------|-------------------------|-------------|------------|------------------------------------|----------------|-------------------------|-------------|----------|
| | A. Total | B. Unallowable | C. Incentive Paid Costs | Net (A-B-C) | Amt Paid | A. Total | B. Unallowable | C. Incentive Paid Costs | Net (A-B-C) | Amt Paid | A. Total | B. Unallowable | C. Incentive Paid Costs | Net (A-B-C) | Amt Paid |
| Quarter Ending: 9/30/10 | | | | | | | | | | | | | | | |
| 1. Salary & Overhead | \$ 194,657 | \$ 7,700 | \$ - | \$ 186,957 | \$ 123,391 | \$ 194,657 | \$ 7,700 | \$ - | \$ 186,957 | \$ 123,392 | \$ - | \$ - | \$ - | \$ - | \$ (1) |
| 2. Fees & Costs | 1 | - | - | 1 | 1 | 1 | - | - | 1 | 1 | - | - | - | - | - |
| 3. Interest & Program Income | 744 | 15 | - | 729 | 481 | 744 | 15 | - | 729 | 481 | - | - | - | - | - |
| 4. Blood Testing Fees | 389 | - | - | 389 | 257 | 389 | - | - | 389 | 257 | - | - | - | - | - |
| 5. Blood Testing Costs | 576 | - | - | 576 | 379 | 576 | - | - | 576 | 380 | - | - | - | - | (1) |
| 6. ADP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Total (1-2-3-4+5+6) | \$ 194,099 | \$ 7,685 | \$ - | \$ 186,414 | \$ 123,031 | \$ 194,099 | \$ 7,685 | \$ - | \$ 186,414 | \$ 123,033 | \$ - | \$ - | \$ - | \$ - | \$ (2) |
| Quarter Ending: 12/31/10 | | | | | | | | | | | | | | | |
| 1. Salary & Overhead | \$ 235,415 | \$ 8,294 | \$ 12,836 | \$ 214,285 | \$ 141,428 | \$ 235,415 | \$ 8,294 | \$ 12,836 | \$ 214,285 | \$ 141,428 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Fees & Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Interest & Program Income | 1,049 | 15 | - | 1,034 | 682 | 1,049 | 15 | - | 1,034 | 682 | - | - | - | - | - |
| 4. Blood Testing Fees | 300 | - | - | 300 | 197 | 300 | - | - | 300 | 197 | - | - | - | - | - |
| 5. Blood Testing Costs | 512 | - | - | 512 | 338 | 512 | - | - | 512 | 338 | - | - | - | - | - |
| 6. ADP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Total (1-2-3-4+5+6) | \$ 234,578 | \$ 8,279 | \$ 12,836 | \$ 213,463 | \$ 140,887 | \$ 234,578 | \$ 8,279 | \$ 12,836 | \$ 213,463 | \$ 140,887 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Quarter Ending: 3/31/11 | | | | | | | | | | | | | | | |
| 1. Salary & Overhead | \$ 183,287 | \$ 5,873 | \$ - | \$ 177,414 | \$ 117,094 | \$ 183,287 | \$ 5,873 | \$ - | \$ 177,414 | \$ 117,094 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Fees & Costs | 1 | - | - | 1 | 1 | 1 | - | - | 1 | 1 | - | - | - | - | - |
| 3. Interest & Program Income | 1,221 | 13 | - | 1,208 | 797 | 1,221 | 13 | - | 1,208 | 797 | - | - | - | - | - |
| 4. Blood Testing Fees | 691 | - | - | 691 | 456 | 691 | - | - | 691 | 456 | - | - | - | - | - |
| 5. Blood Testing Costs | 992 | - | - | 992 | 654 | 992 | - | - | 992 | 654 | - | - | - | - | - |
| 6. ADP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Total (1-2-3-4+5+6) | \$ 182,366 | \$ 5,860 | \$ - | \$ 176,506 | \$ 116,494 | \$ 182,366 | \$ 5,860 | \$ - | \$ 176,506 | \$ 116,494 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Quarter Ending: 6/30/11 | | | | | | | | | | | | | | | |
| 1. Salary & Overhead | \$ 173,735 | \$ 5,555 | \$ 27,670 | \$ 140,510 | \$ 92,737 | \$ 173,735 | \$ 5,555 | \$ 27,670 | \$ 140,510 | \$ 92,737 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Fees & Costs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Interest & Program Income | 1,311 | 12 | - | 1,299 | 857 | 1,311 | 12 | - | 1,299 | 857 | - | - | - | - | - |
| 4. Blood Testing Fees | 168 | - | - | 168 | 111 | 168 | - | - | 168 | 111 | - | - | - | - | - |
| 5. Blood Testing Costs | 128 | - | - | 128 | 84 | 128 | - | - | 128 | 84 | - | - | - | - | - |
| 6. ADP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Total (1-2-3-4+5+6) | \$ 172,384 | \$ 5,543 | \$ 27,670 | \$ 139,171 | \$ 91,853 | \$ 172,384 | \$ 5,543 | \$ 27,670 | \$ 139,171 | \$ 91,853 | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF GREENE, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT PACSES OCSE 157 DATA RELIABILITY VALIDATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Exhibit A-1 (b)

County Greene Year Ended 6/30/2011

| OCSE 157 Report Line Number | Number of Cases Reviewed | Case Problems Found |
|--|--------------------------|---------------------|
| Line #1 IV-D cases open at the end of the fiscal year. | 4 | 0 |
| Line #2 IV-D cases open at the end of the fiscal year with support orders established. | 4 | 0 |
| Line #5 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock. | 4 | 0 |
| Line #6 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock with paternity resolved. | 4 | 0 |
| Line #21 IV-D cases open at the end of the fiscal year with medical support ordered. | 4 | 0 |
| Line #23 IV-D cases open at the end of the fiscal year with health insurance provided as ordered. | 4 | 0 |
| Line #24 Total amount of current support due for the fiscal year for IV-D cases, excluding emancipated children. | 4 | 0 |
| Line #25 Total amount of support disbursed as current support during the fiscal year for IV-D cases, excluding emancipated children. | 4 | 0 |
| Line #28 Cases with arrears due during the fiscal year (10/1/09 - 9/30/10). | 4 | 0 |
| Line #29 Cases with disbursements on arrears during the fiscal year (10/1/09 - 9/30/10). | 4 | 0 |

COUNTY OF GREENE, PENNSYLVANIA

COUNTY CHILDREN AND YOUTH SOCIAL SERVICE PROGRAMS FISCAL SUMMARY

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit I

| | A | B | C | D | E | F | G | H | I | J | K |
|--------------------------|-------------|----------------|------------|--------|----------|------------|---------------|--------------------|-----------|---------------|-------------|
| | Grand Total | Program Income | Title IV-E | TANF | Title XX | Title IV-B | Other Funding | Medical Assistance | Net Total | State Act 148 | Local Share |
| Net Child Welfare Expend | | | | | | | | | | | |
| 01 100% Reimbursement | \$ 24,364 | \$ 4 | \$ 3,829 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,531 | \$ 20,531 | \$ - |
| 02 90% Reimbursement | 54,628 | 8 | 11,226 | 16,736 | - | - | - | - | 26,658 | 23,993 | 2,665 |
| 03 80% Reimbursement | 1,492,059 | 45,611 | 320,602 | 12,414 | 32,653 | 35,333 | - | - | 1,045,446 | 836,355 | 209,091 |
| 04 60% Reimbursement | 355,138 | 3,481 | 73,028 | - | - | - | - | 1,269 | 277,360 | 166,416 | 110,944 |
| 05 50% Reimbursement | 17,622 | - | 359 | 8,616 | - | - | - | - | 8,647 | 4,326 | 4,321 |
| 06 Total (Lines 1-6) | 1,943,811 | 49,104 | 409,044 | 37,766 | 32,653 | 35,333 | - | 1,269 | 1,378,642 | 1,051,621 | 327,021 |

| | | | | | | | | | | | |
|--------------------------|---|---|--|--|--|--|--|--|---|---|---|
| YDC/YFC Placement Costs | | | | | | | | | | | |
| 07 60% DPW Participation | - | - | | | | | | | - | - | - |

| | | | | | | | | | | | |
|-----------------------------|--------------|-----------|------------|-----------|-----------|-----------|------|----------|--------------|--------------|------------|
| 08 NON-Reimbursable Expend. | 14,576 | - | - | | | | | | 14,576 | - | 14,576 |
| 09 Total Expenditures | \$ 1,958,387 | \$ 49,104 | \$ 409,044 | \$ 37,766 | \$ 32,653 | \$ 35,333 | \$ - | \$ 1,269 | \$ 1,393,218 | \$ 1,051,621 | \$ 341,597 |

10. IL Grant Funds Reported -

| | | | | | |
|-----------------------------------|--------------|----------------------------------|--------------|--|--------------|
| 11. HSDF included in Prog. Income | \$ - | 12. Total Title IV-D Collections | \$ 23,436 | 13. Title IV-D Collections for IV-E Eligible Childrent | \$ 2,316 |
| 14. State Act 148 - Line 6 | \$ 1,051,621 | State Act 148 Allocations | \$ 1,207,989 | 16. Adjusted State Share | \$ 1,051,621 |

| Subsidized Permanent Legal Custodianship SPLC | Total Subsidies | Number of Days | Number of Children |
|---|-----------------|----------------|--------------------|
| | \$ 60,259 | 2,997 | 9 |

COUNTY OF GREENE, PENNSYLVANIA

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit III

| | <u>Reported</u> | <u>Actual</u> |
|--|---------------------|---------------------|
| <u>Service Data:</u> | | |
| Expenditures: | | |
| Group I clients | \$ 1,187,079 | \$ 1,187,079 |
| Group II clients | <u>57,625</u> | <u>57,625</u> |
| Total expenditures | <u>\$ 1,244,704</u> | <u>\$ 1,244,704</u> |
| <u>Allocation Data:</u> | | |
| Revenues: | | |
| Department of Public Welfare | \$ 1,244,704 | \$ 1,244,704 |
| Interest income | <u>-</u> | <u>-</u> |
| Total revenues | <u>1,244,704</u> | <u>1,244,704</u> |
| Funds expended: | | |
| Operating costs | 1,201,400 | 1,201,400 |
| Administrative costs | <u>43,304</u> | <u>43,304</u> |
| Total funds expended | <u>1,244,704</u> | <u>1,244,704</u> |
| Excess Revenues over Expenditures | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (a) MH

| Sources of DPW Funding | DPW Funds Available | | | Cost Eligible for DPW Participation (4) | Balance of Funds (5) | Grant Fund Adjustments (6A) | CSR State Grant Fund Adjustments (6B) | CSR - Promise Adjustments (6C) | TOTAL FUND BALANCE (7) |
|---|---------------------|------------------|----------------------------|--|-------------------------------|-----------------------------------|--|--------------------------------------|------------------------------|
| | Carryover (1) | Allotment (2) | Total Allocation (3) | | | | | | |
| A. MH Services | \$ 23,794 | \$ 1,232,137 | \$ 1,255,931 | \$ 1,255,931 | \$ - | \$ - | \$ - | \$ - | \$ - |
| B. OTHER STATE FUNDS | | | | | | | | | |
| 1. Spec. Res. | - | - | - | - | - | - | - | - | - |
| 2. BH Initiative | - | 112,795 | 112,795 | 112,795 | - | - | - | - | - |
| 3. New Directions | - | - | - | - | - | - | - | - | - |
| 4. Personal Care Homes | - | - | - | - | - | - | - | - | - |
| 5. County Assistance Offices | - | - | - | - | - | - | - | - | - |
| 6. Autism Intervention Services | - | - | - | - | - | - | - | - | - |
| 7. Facility and Services Enhancements | - | - | - | - | - | - | - | - | - |
| 8. Reserved | - | - | - | - | - | - | - | - | - |
| 9. Total Other State | - | 112,795 | 112,795 | 112,795 | - | - | - | - | - |
| C. SSBG | - | 14,129 | 14,129 | 14,129 | - | - | - | - | - |
| D. CMHSBG | - | 127,617 | 127,617 | 127,617 | - | - | - | - | - |
| E. OTHER FEDERAL FUNDS | | | | | | | | | |
| 1. Max. Part. Project | - | 34,739 | 34,739 | 29,239 | 5,500 | - | - | - | 5,500 |
| 2. Client Level Reporting Project | - | - | - | - | - | - | - | - | - |
| 3. PATH Homeless | - | 44,000 | 44,000 | - | 44,000 | - | - | - | 44,000 |
| 4. Capitalization of POMS | - | - | - | - | - | - | - | - | - |
| 5. MH Systems Transformation | - | - | - | - | - | - | - | - | - |
| 6. Youth Suicide Prevention | - | - | - | - | - | - | - | - | - |
| 7. Jail Diversion and Trauma Recovery | - | - | - | - | - | - | - | - | - |
| 8. Emergency Response - L.A. Fitness | - | - | - | - | - | - | - | - | - |
| 9. Terrorism Related Disaster Relief | - | - | - | - | - | - | - | - | - |
| 10. Hospital Prep. Prog - Crisis Counseling | - | 4,000 | 4,000 | 4,000 | - | - | - | - | - |
| 11. Bioterrorism Hosp Prep/Pub Hth Prep Rsp | - | - | - | - | - | - | - | - | - |
| 12. Reserved | - | - | - | - | - | - | - | - | - |
| 13. Total Other Federal | - | 82,739 | 82,739 | 33,239 | 49,500 | - | - | - | 49,500 |
| F. TOTAL | \$ 23,794 | \$ 1,569,417 | \$ 1,593,211 | \$ 1,543,711 | \$ 49,500 | \$ - | \$ - | \$ - | \$ 49,500 |

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH SERVICES REPORT OF INCOME AND EXPENDITURES SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (b) MH

| | Adult Dvpt Training | Admin Mgmt | Admin Office | Community Employ Svcs | Crisis Intervention | Child Psych Rehab | Community Services | Community Trtmnt Teams | Day Trtmnt |
|--|------------------------|---------------|-----------------|--------------------------|------------------------|----------------------|-----------------------|---------------------------|------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| II. TOTAL EXPENDITURES | - | 254,284 | 357,890 | - | 29,921 | - | 171,184 | 226,694 | 27,593 |
| III. Costs Over Allocation | | | | | | | | | |
| A. County Funded Eligible | - | - | - | - | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - | - | - | - | - |
| IV. REVENUES | | | | | | | | | |
| A. Program Service Fees | - | - | - | - | - | - | - | - | - |
| B. Private Insurance | - | - | - | - | - | - | - | - | - |
| C. Medical Assistance | - | - | - | - | - | - | - | 194,818 | - |
| D. Medical Assistance - Administrative Claims | - | - | - | - | - | - | - | - | - |
| E. Room and Board | - | - | - | - | - | - | - | - | - |
| F. Earned Interest | - | - | 339 | - | - | - | - | - | - |
| G. Other | - | - | - | - | - | - | - | - | - |
| H. Total Revenue | - | - | 339 | - | - | - | - | 194,818 | - |
| V. DPW REIMBURSEMENT | | | | | | | | | |
| A. Base Allocation 90% | - | 15,081 | 113,548 | - | - | - | 75,953 | - | - |
| B. Base Allocation 100% | - | - | - | - | 29,921 | - | - | 31,876 | 27,593 |
| C. DPW Categorical Funding 90% | - | - | - | - | - | - | - | - | - |
| D. DPW Categorical Funding 100% | - | 127,501 | 213,796 | - | - | - | 86,792 | - | - |
| E. SSBG 90% Adult | - | - | - | - | - | - | - | - | - |
| SSBG 90% Child | - | - | - | - | - | - | - | - | - |
| SSBG 100% Adult | - | - | - | - | - | - | - | - | - |
| SSBG 100% Child | - | - | - | - | - | - | - | - | - |
| F. CMHSBG 90% Non-Categorical Funding | - | - | - | - | - | - | - | - | - |
| CMHSBG 100% Non-Categorical Funding | - | 110,026 | 17,591 | - | - | - | - | - | - |
| CMHSBG Categorical Funding | - | - | - | - | - | - | - | - | - |
| VI. COUNTY MATCH | | | | | | | | | |
| 10% County Match | - | 1,676 | 12,616 | - | - | - | 8,439 | - | - |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | - | 254,284 | 357,551 | - | 29,921 | - | 171,184 | 31,876 | 27,593 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH SERVICES REPORT OF INCOME AND EXPENDITURES SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (b) MH, Continued

| | Emergency Services | Fam Based Services | Family Sup Services | Housing Support Svcs | Int Case Mgmt | Psychiatric Inpt Hosp | Outpatient |
|--|-----------------------|-----------------------|------------------------|-------------------------|------------------|--------------------------|------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| II. TOTAL EXPENDITURES | 36,378 | 860 | - | 160,714 | 155,848 | - | 80,922 |
| III. Costs Over Allocation | | | | | | | |
| A. County Funded Eligible | - | - | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - | - | - |
| IV. REVENUES | | | | | | | |
| A. Program Service Fees | - | - | - | - | - | - | - |
| B. Private Insurance | - | - | - | - | - | - | - |
| C. Medical Assistance | - | - | - | - | 50,787 | - | - |
| D. Medical Assistance - Administrative Claims | - | - | - | - | - | - | - |
| E. Room and Board | - | - | - | - | - | - | - |
| F. Earned Interest | - | - | - | - | - | - | - |
| G. Other | - | - | - | - | - | - | - |
| H. Total Revenue | - | - | - | - | 50,787 | - | - |
| V. DPW REIMBURSEMENT | | | | | | | |
| A. Base Allocation 90% | - | - | - | 90,614 | - | - | 17,601 |
| B. Base Allocation 100% | - | 860 | - | - | 105,061 | - | - |
| C. DPW Categorical Funding 90% | - | - | - | - | - | - | - |
| D. DPW Categorical Funding 100% | 36,378 | - | - | 60,032 | - | - | 61,365 |
| E. SSBG 90% Adult | - | - | - | - | - | - | - |
| SSBG 90% Child | - | - | - | - | - | - | - |
| SSBG 100% Adult | - | - | - | - | - | - | - |
| SSBG 100% Child | - | - | - | - | - | - | - |
| F. CMHSBG 90% Non-Categorical Funding | - | - | - | - | - | - | - |
| CMHSBG 100% Non-Categorical Funding | - | - | - | - | - | - | - |
| CMHSBG Categorical Funding | - | - | - | - | - | - | - |
| VI. COUNTY MATCH | | | | | | | |
| 10% County Match | - | - | - | 10,068 | - | - | 1,956 |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | 36,378 | 860 | - | 160,714 | 105,061 | - | 80,922 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH SERVICES REPORT OF INCOME AND EXPENDITURES SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (b) MH, Continued

| | Other | Psychiatric Rehab | Comm Res Services | Resource Coordination | Social Rehab Services | Vocational Rehab | Totals |
|--|-------|----------------------|----------------------|--------------------------|--------------------------|---------------------|--------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,593,211 |
| II. TOTAL EXPENDITURES | - | 80,008 | 159,683 | - | 83,034 | - | 1,825,013 |
| III. Costs Over Allocation | | | | | | | |
| A. County Funded Eligible | - | - | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - | - | - |
| IV. REVENUES | | | | | | | |
| A. Program Service Fees | - | - | - | - | - | - | - |
| B. Private Insurance | - | - | - | - | - | - | - |
| C. Medical Assistance | - | - | - | - | - | - | 245,605 |
| D. Medical Assistance - Administrative Claims | - | - | - | - | - | - | - |
| E. Room and Board | - | - | - | - | - | - | - |
| F. Earned Interest | - | - | - | - | - | - | 339 |
| G. Other | - | - | - | - | - | - | - |
| H. Total Revenue | - | - | - | - | - | - | 245,944 |
| V. DPW REIMBURSEMENT | | | | | | | |
| A. Base Allocation 90% | - | - | 3,324 | - | 2,110 | - | 318,231 |
| B. Base Allocation 100% | - | 80,008 | - | - | - | - | 275,319 |
| C. DPW Categorical Funding 90% | - | - | - | - | - | - | - |
| D. DPW Categorical Funding 100% | - | - | 155,990 | - | 66,561 | - | 808,415 |
| E. SSBG 90% Adult | - | - | - | - | - | - | - |
| SSBG 90% Child | - | - | - | - | - | - | - |
| SSBG 100% Adult | - | - | - | - | 14,129 | - | 14,129 |
| SSBG 100% Child | - | - | - | - | - | - | - |
| F. CMHSBG 90% Non-Categorical Funding | - | - | - | - | - | - | - |
| CMHSBG 100% Non-Categorical Funding | - | - | - | - | - | - | 127,617 |
| CMHSBG Categorical Funding | - | - | - | - | - | - | - |
| VI. COUNTY MATCH | | | | | | | |
| 10% County Match | - | - | 369 | - | 234 | - | 35,358 |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | - | 80,008 | 159,683 | - | 83,034 | - | 1,579,069 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 49,500 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION SERVICES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS
 SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (c) MR

| Sources of DPW Funding | DPW Funds Available | | | Cost Eligible for DPW Participation (4) | Balance of Funds (5) | Grant Fund Adjustments (6A) | CSR State Grant Fund Adjustments (6B) | CSR-Promise Adjustments (6C) | TOTAL FUND BALANCE (7) |
|---|---------------------|---------------|----------------------|---|----------------------|-----------------------------|---------------------------------------|------------------------------|------------------------|
| | Carryover (1) | Allotment (2) | Total Allocation (3) | | | | | | |
| A. MR Services | | | | | | | | | |
| 1. Community (NR/Res) | \$ 186,457 | \$ 164,502 | \$ 350,959 | \$ 103,603 | \$ 247,356 | \$ - | \$ - | \$ - | \$ 247,356 |
| 2. SSBG | - | 21,128 | 21,128 | 21,128 | - | - | - | - | - |
| 3. Reserved | - | - | - | - | - | - | - | - | - |
| 4. Subtotal MR Services | 186,457 | 185,630 | 372,087 | 124,731 | 247,356 | - | - | - | 247,356 |
| B. Waiver | | | | | | | | | |
| 1. Waiver Administration | - | 115,882 | 115,882 | 115,880 | 2 | - | - | - | 2 |
| 2. Reserved | - | - | - | - | - | - | - | - | - |
| 3. Subtotal Waiver | - | 115,882 | 115,882 | 115,880 | 2 | - | - | - | 2 |
| C. Other | | | | | | | | | |
| 1. Elwyn | - | - | - | - | - | - | - | - | - |
| 2. Money Follows the Person | - | - | - | - | - | - | - | - | - |
| 3. Services for Individuals with Autism | - | - | - | - | - | - | - | - | - |
| 4. Reserved | - | - | - | - | - | - | - | - | - |
| 5. Subtotal Other | - | - | - | - | - | - | - | - | - |
| D. TOTAL | \$ 186,457 | \$ 301,512 | \$ 487,969 | \$ 240,611 | \$ 247,358 | \$ - | \$ - | \$ - | \$ 247,358 |

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION SERVICES REPORT OF INCOME AND EXPENDITURES SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (d) MR

| | Admin Office | Community Hab | Community Res |
|--|-----------------|------------------|------------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - |
| II. TOTAL EXPENDITURES | 216,050 | - | 1,300 |
| III. Costs Over Allocation | | | |
| A. County Funded Eligible | - | - | - |
| B. County Funded Ineligible | - | - | - |
| C. Other Eligible | - | - | - |
| D. Other Ineligible | - | - | - |
| E. Total Costs Over Allocation | - | - | - |
| IV. REVENUES | | | |
| A. Program Service Fees | - | - | - |
| B. Private Insurance Fees | - | - | - |
| C. Medical Assistance | - | - | - |
| D. Medical Assistance - Administrative Claims | 1,212 | - | - |
| E. Room and Board | - | - | - |
| F. Earned Interest | 339 | - | - |
| G. Other | 11,280 | - | - |
| H. Total Revenue | 12,831 | - | - |
| V. DPW REIMBURSEMENT | | | |
| A. Base Allocation 90% | 77,514 | - | - |
| B. Base Allocation 100% | - | - | - |
| C. DPW Categorical Funding 90% Subtotal | - | - | - |
| D. DPW Categorical Funding 100% Subtotal | 117,092 | - | - |
| E. SSBG 90% Adult | - | - | - |
| SSBG 90% Child | - | - | - |
| SSBG 100 % Adult | - | - | 1,300 |
| SSBG 100% Child | - | - | - |
| VI. COUNTY MATCH | | | |
| 10% County Match | 8,613 | - | - |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | 203,219 | - | 1,300 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION SERVICES
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (d) MR, Continued

| | Emp Services | FD/FS | Home & Community | Other | Pre-Voc |
|--|-----------------|-------|---------------------|-------|---------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ - |
| II. TOTAL EXPENDITURES | - | - | 1,783 | - | - |
| III. Costs Over Allocation | | | | | |
| A. County Funded Eligible | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - |
| IV. REVENUES | | | | | |
| A. Program Service Fees | - | - | - | - | - |
| B. Private Insurance Fees | - | - | - | - | - |
| C. Medical Assistance | - | - | - | - | - |
| D. Medical Assistance-Administrative Claims | - | - | - | - | - |
| E. Room and Board | - | - | - | - | - |
| F. Earned Interest | - | - | - | - | - |
| G. Other | - | - | - | - | - |
| H. Total Revenue | - | - | - | - | - |
| V. DPW REIMBURSEMENT | | | | | |
| A. Base Allocation 90% | - | - | - | - | - |
| B. Base Allocation 100% | - | - | - | - | - |
| C. DPW Categorical Funding 90% Subtotal | - | - | - | - | - |
| D. DPW Categorical Funding 100% Subtotal | - | - | - | - | - |
| E. SSBG 90% Adult | - | - | - | - | - |
| SSBG 90% Child | - | - | - | - | - |
| SSBG 100 % Adult | - | - | 1,783 | - | - |
| SSBG 100% Child | - | - | - | - | - |
| VI. COUNTY MATCH | | | | | |
| 10% County Match | - | - | - | - | - |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | - | - | 1,783 | - | - |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ - |

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION SERVICES
 REPORT OF INCOME AND EXPENDITURES
 SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit IV (d) MR, Continued

| | Respite | Spec Supp | Supp Coor | Trans | Totals |
|--|---------|--------------|--------------|-------|------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ 487,969 |
| II. TOTAL EXPENDITURES | - | - | 45,980 | 241 | 265,354 |
| III. Costs Over Allocation | | | | | |
| A. County Funded Eligible | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - |
| IV. REVENUES | | | | | |
| A. Program Service Fees | - | - | - | - | - |
| B. Private Insurance Fees | - | - | - | - | - |
| C. Medical Assistance | - | - | - | - | - |
| D. Medical Assistance-Administrative Claims | - | - | - | - | 1,212 |
| E. Room and Board | - | - | - | - | - |
| F. Earned Interest | - | - | - | - | 339 |
| G. Other | - | - | - | - | 11,280 |
| H. Total Revenue | - | - | - | - | 12,831 |
| V. DPW REIMBURSEMENT | | | | | |
| A. Base Allocation 90% | - | - | 17,782 | - | 95,296 |
| B. Base Allocation 100% | - | - | - | - | - |
| C. DPW Categorical Funding 90% Subtotal | - | - | 7,095 | - | 7,095 |
| D. DPW Categorical Funding 100% Subtotal | - | - | - | - | 117,092 |
| E. SSBG 90% Adult | - | - | 4,819 | - | 4,819 |
| SSBG 90% Child | - | - | - | - | - |
| SSBG 100 % Adult | - | - | 12,985 | 241 | 16,309 |
| SSBG 100% Child | - | - | - | - | - |
| VI. COUNTY MATCH | | | | | |
| 10% County Match | - | - | 3,299 | - | 11,912 |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | - | - | 45,980 | 241 | 252,523 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ 247,358 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

EARLY INTERVENTION SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit V (a) EI

| Sources of DPW Funding | DPW Funds Available | | | Cost Eligible for DPW Participation (4) | Balance of Funds (5) | Grant Fund Adjustments (6) | Total Fund Balance (7) |
|---|---------------------------|------------------|----------------------------|--|-------------------------------|----------------------------------|------------------------------|
| | Carryover Funds (1) | Allotment (2) | Total Allocation (3) | | | | |
| A Early Intervention | | | | | | | |
| 1. Early Intervention Services | \$ 58,519 | \$ 275,083 | \$ 333,602 | \$ 249,241 | \$ 84,361 | \$ - | \$ 84,361 |
| 2. Early Intervention Training | - | 2,477 | 2,477 | 2,477 | - | - | - |
| 3. Early Intervention Administration | - | 28,484 | 28,484 | 28,484 | - | - | - |
| 4. Infants & Toddlers w/ Disabilities (Part C) | - | 31,314 | 31,314 | 31,314 | - | - | - |
| 5. Infants, Toddlers & Families Waiver Administration | - | 13,872 | 13,872 | 13,872 | - | - | - |
| 6. Infants and Toddlers w/ Disabilities (Part C) ARRA | - | 23,023 | 23,023 | 23,023 | - | - | - |
| 7. Pelican Readiness-Administration (Part C) ARRA | - | 3,660 | 3,660 | 3,660 | - | - | - |
| 8. Reserved | - | - | - | - | - | - | - |
| 9 TOTAL | \$ 58,519 | \$ 377,913 | \$ 436,432 | \$ 352,071 | \$ 84,361 | \$ - | \$ 84,361 |

COUNTY OF GREENE, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit V (b) EI

| | Administrator's Office | Early Intervention | Other | Supports Coordination | Totals |
|---|------------------------|--------------------|-------|-----------------------|------------|
| I. TOTAL ALLOCATION | \$ - | \$ - | \$ - | \$ - | \$ 436,432 |
| II. TOTAL EXPENDITURES | 53,570 | 404,627 | - | 131,721 | 589,918 |
| III. Costs Over Allocation | | | | | |
| A. County Funded Eligible | - | - | - | - | - |
| B. County Funded Ineligible | - | - | - | - | - |
| C. Other Eligible | - | - | - | - | - |
| D. Other Ineligible | - | - | - | - | - |
| E. Total Costs Over Allocation | - | - | - | - | - |
| IV. REVENUES | | | | | |
| A. Program Service Fees | - | - | - | - | - |
| B. Private Insurance Fees | - | - | - | - | - |
| C. Medical Assistance - MA EI | - | 148,516 | - | 50,225 | 198,741 |
| D. Medical Assistance - Administrative Claims | - | - | - | - | - |
| E. Earned Interest | - | - | - | - | - |
| F. Other | - | 104 | - | - | 104 |
| G. Total Revenue | - | 148,620 | - | 50,225 | 198,845 |
| V. DPW REIMBURSEMENT | | | | | |
| A. Base Allocation 90% | - | - | - | - | - |
| B. Base Allocation 100% | - | - | - | - | - |
| C. DPW Categorical Funding 90% Subtotal | 28,484 | 209,686 | - | 73,346 | 311,516 |
| D. DPW Categorical Funding 100% Subtotal | 17,532 | 23,023 | - | - | 40,555 |
| VI. COUNTY MATCH | | | | | |
| 10% County Match | 7,554 | 23,298 | - | 8,150 | 39,002 |
| VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH | 53,570 | 256,007 | - | 81,496 | 391,073 |
| VIII. TOTAL CARRYOVER | \$ - | \$ - | \$ - | \$ - | \$ 58,519 |

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE SCHEDULE OF CHILD CARE INFORMATION SERVICES RECAP FOR FISCAL YEAR 2011

Exhibit VIII (b)

CONTRACTOR Greene County Human Services
 FEDERAL ID NO: 25-6001034
 CONTRACT NO: DC10305336

COUNTY Greene
 PREPARED BY Amy Switalski
 PHONE NO.: 724-852-5277

| | Low Income | | Former TANF | | LI & FT TOTAL |
|---------------------------|--------------------|-------------------|------------------|--------------------|---------------------|
| | ADMIN | SERVICE | ADMIN | SERVICE | |
| REVENUE | | | | | |
| DPW Funds | \$ 175,915.00 | \$ 538,077.00 | \$ 14,760.00 | \$ 95,858.00 | \$ 824,610.00 |
| Interest | - | - | - | - | - |
| Audit Adjustments | - | - | - | - | - |
| Other (e.g., Penalties) | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| TOTAL REVENUE | 175,915.00 | 538,077.00 | 14,760.00 | 95,858.00 | 824,610.00 |
| EXPENDITURES | | | | | |
| Final Report Totals | 169,090.00 | 537,287.00 | 14,478.00 | 93,527.00 | 814,382.00 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| TOTAL EXPENDITURES | 169,090.00 | 537,287.00 | 14,478.00 | 93,527.00 | 814,382.00 |
| TOTAL DUE DPW | \$ 6,825.00 | \$ 790.00 | \$ 282.00 | \$ 2,331.00 | \$ 10,228.00 |

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
SCHEDULE OF CHILD CARE INFORMATION SERVICES
RECAP FOR FISCAL YEAR 2011

Exhibit VIII (b), Continued

| | | | |
|----------------|-------------------------------------|-------------|----------------------|
| CONTRACTOR | <u>Greene County Human Services</u> | COUNTY | <u>Greene</u> |
| FEDERAL ID NO: | <u>25-6001034</u> | PREPARED BY | <u>Amy Switalski</u> |
| CONTRACT NO: | <u>DC10305336</u> | PHONE NO.: | <u>724-852-5277</u> |

| | TANF FSS | TANF | | | | TANF TOTAL | STATE MOE/GA FSS | SERVICE | | STATE MOE/GA TOTAL | FOOD STAMPS | | |
|-------------------------|-------------|------------|---------------|-----------|------------|---------------|------------------------|-----------|--------------------|--------------------------|-------------|-----------|-----------|
| | | Training | WS - Training | Working | WS-Working | | | State Moe | Genl Assist/WS2 | | FSS | Service | Total |
| REVENUE | | | | | | | | | | | | | |
| DPW Funds | \$ 8,348 | \$ 47,500 | \$ 11,170 | \$ 64,000 | \$ 1,545 | \$ 132,563 | \$ 31,202 | \$ 2,135 | \$ - | \$ 33,337 | \$ 2,117 | \$ 28,500 | \$ 30,617 |
| Interest | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Audit Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other (e.g., Penalties) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL REVENUE | \$ 8,348 | \$ 47,500 | \$ 11,170 | \$ 64,000 | \$ 1,545 | \$ 132,563 | \$ 31,202 | \$ 2,135 | \$ - | \$ 33,337 | \$ 2,117 | \$ 28,500 | \$ 30,617 |
| | | | | | | | | | | | | | |
| EXPENDITURES | | | | | | | | | | | | | |
| Final Report Totals | \$ 7,862 | \$ 50,741 | \$ 10,159 | \$ 61,452 | \$ 1,510 | \$ 131,724 | \$ 30,082 | \$ 2,011 | \$ - | \$ 32,093 | \$ 1,994 | \$ 27,098 | \$ 29,092 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 7,862 | 50,741 | 10,159 | 61,452 | 1,510 | 131,724 | 30,082 | 2,011 | - | 32,093 | 1,994 | 27,098 | 29,092 |
| | | | | | | | | | | | | | |
| TOTAL DUE DPW | \$ 486 | \$ (3,241) | \$ 1,011 | \$ 2,548 | \$ 35 | \$ 839 | \$ 1,120 | \$ 124 | \$ - | \$ 1,244 | \$ 123 | \$ 1,402 | \$ 1,525 |

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

(COMBINED) HOMELESS ASSISTANCE PROGRAMS REVENUES AND EXPENSES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

Exhibit XIX (a)

| I. SOURCES OF FUNDING | TOTAL AVAILABLE FUNDS |
|---|--|
| + Prior Year DPW Allocation Funds Received from DPW 65,477 | Unspent FUNDS A \$ 65,477 |
| Client Contributions | B - |
| Other | C - |
| Interest Earned | D - |
| TOTAL HAP FUNDING (A+B+C+D=E) | E 65,477 |

| II. EXPENSES | Bridge Housing | Case Management | Rental Assistance | Emergency Shelter | Innovative Supportive Housing Services | TOTAL EXPENSES |
|------------------------|----------------|-----------------|-------------------|-------------------|--|----------------|
| On Behalf of Clients | - | - | 48,401 | 2,043 | - | F 50,444 |
| Personnel | - | 6,134 | - | - | - | G 6,134 |
| Operation | - | 2,352 | - | - | - | H 2,352 |
| Fixed Assets\Equipment | - | - | - | - | - | I - |
| SUBTOTAL | - | 8,486 | 48,401 | 2,043 | - | J 58,930 |

| | |
|-----------------------------------|-----------------------|
| County Administration | K 6,547 |
| Total HAP Expenses (J+K=L) | L \$ 65,477 |
| Total Unexpended HAP Funds (E-L=) | \$ - |

COUNTY OF GREENE, PENNSYLVANIA

FAMILY CENTER

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|-------------------|-------------------|-----------------|
| Expenditures: | | | |
| <hr/> | | | |
| Personnel: | | | |
| Salaries and benefits | \$ 224,423 | \$ 224,423 | \$ - |
| | | | |
| Total personnel | <u>224,423</u> | <u>224,423</u> | <u>-</u> |
| | | | |
| Operations: | | | |
| Training/conferences | - | - | - |
| Transportation/travel | 4,500 | 4,499 | 1 |
| Service contracts | 28,746 | 28,540 | 206 |
| Communications | 1,875 | 1,875 | - |
| Facility expenses | 19,062 | 19,062 | - |
| Supplies | 3,351 | 3,351 | - |
| FC PAT training | 2,235 | 2,235 | - |
| Other: Participant Incentives | 250 | 250 | - |
| Indirect costs | 31,604 | 31,604 | - |
| | | | |
| Total operating | <u>91,623</u> | <u>91,416</u> | <u>207</u> |
| | | | |
| Equipment (\$500 or less) | - | - | - |
| Equipment (\$500 or more) | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| Total equipment | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| Total | <u>\$ 316,046</u> | <u>\$ 315,839</u> | <u>\$ 207</u> |

COUNTY OF GREENE, PENNSYLVANIA

FATHERHOOD INITIATIVE SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2011

| | Budget | Actual | Variance |
|---------------------------|-----------|-----------|----------|
| Expenditures: | | | |
| <u>Personnel:</u> | | | |
| Salaries and benefits | \$ 17,084 | \$ 17,084 | \$ - |
| Total personnel | 17,084 | 17,084 | - |
| <u>Operations:</u> | | | |
| Training/conferences | - | - | - |
| Transportation/travel | 150 | 150 | - |
| Service contracts | 2,907 | 2,675 | 232 |
| Communication | 16 | 14 | 2 |
| Facility expenses | 5,141 | 5,141 | - |
| Supplies | 1,992 | 1,138 | 854 |
| Evaluation | - | - | - |
| FC Trainings (PAT) | - | - | - |
| Other | 250 | - | 250 |
| Indirect costs | 3,060 | 3,060 | - |
| Total operating | 13,516 | 12,178 | 1,338 |
| Equipment (\$500 or less) | - | - | - |
| Equipment (\$500 or more) | - | - | - |
| Total equipment | - | - | - |
| Total | \$ 30,600 | \$ 29,262 | \$ 1,338 |

**County of Greene,
Pennsylvania**

Independent Auditor's Reports in
Accordance with OMB Circular A-133

Year Ended December 31, 2011

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*

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Greene, Pennsylvania (County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 24, 2012. 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.

Internal Control over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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

Board of County Commissioners
County Controller
County of Greene, Pennsylvania
Report on Internal Control over Financial Reporting
and on Compliance and Other Matters

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 other matters that we reported to management of the County in a separate letter dated September 24, 2012.

* * * * *

This report is intended solely for the information and use of the Board of County Commissioners, County Controller, management, others within the County, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maher Duessel

Pittsburgh, Pennsylvania
September 24, 2012

Independent Auditor's Report on Compliance with Requirements
that Could Have a Direct and Material Effect on Each Major Federal and
Pennsylvania Department of Public Welfare Program and on Internal Control
over Compliance in Accordance with OMB Circular A-133
and the Pennsylvania Department of Public Welfare Compliance Supplement

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

Compliance

We have audited the County of Greene, Pennsylvania's (County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the Pennsylvania Department of Public Welfare (DPW) *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, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's major DPW programs are identified on the Schedule of DPW Financial Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the DPW *Compliance Supplement*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011.

Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over

Board of County Commissioners
County Controller
County of Greene, Pennsylvania
Independent Auditor's Report on Compliance with Requirements
that Could Have a Direct and Material Effect on Each Major
Federal and Pennsylvania Department of Public Welfare Program

compliance with the requirements that could have a direct and material effect on a major federal and DPW program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

* * * * *

This report is intended solely for the information and use of the Board of County Commissioners, County Controller, management, others within the County, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maker Duessel

Pittsburgh, Pennsylvania
September 24, 2012

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2011

I. Summary of Audit Results

1. Type of auditor's report issued: Unqualified
2. Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported
3. Noncompliance material to financial statements noted? yes no
4. Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported
5. Type of auditor's report issued on compliance for major programs: Unqualified
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no
7. Major Programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 14.228 | Community Development Block Grants/ State's Program and Non-Entitlement Grants |
| 20.205 | Highway Planning and Construction |
| 93.563 | Child Support Enforcement CCDF Cluster: |
| 93.575 | Child Care and Development Block Grant |
| 93.596 | Child Care Mandatory and Matching Funds of the Child Care and Development Fund |
| 93.713 | ARRA - Child Care and Development Block Grant |
| 93.778 | Medical Assistance Program (includes Mental Health/Mental Retardation Program) |

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000
 9. Auditee qualified as low-risk auditee? yes no
- II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

COUNTY OF GREENE, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2011

None