

**County of Greene,
Pennsylvania**

Single Audit

December 31, 2013

MaherDuessel
Certified Public Accountants

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2013

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Independent Auditor's Report

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining

fund information of the County as of December 31, 2013, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 34 through 36, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual other governmental funds and agency funds financial statements are presented for purposes of additional analysis and is not a required part of the financial statements. The 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 other governmental funds and agency funds financial statements, the schedule of expenditures of federal awards, and the schedule of 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. Such 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 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2014 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* in considering the County's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
August 26, 2014

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 financial performance presents a narrative overview for the fiscal year ended December 31, 2013. It should be read in conjunction with the accompanying basic financial statements and the notes to those statements.

Financial Highlights

- The County received its second allocation of monies generated by Act 13 in the amount of \$2,906,300 in July. This money was mainly earmarked for infrastructure upgrades within the County (\$1,775,000), Housing Projects (\$550,000), Children and Youth Services (\$300,000) and Records management, Information Technology infrastructure upgrades, and GIS upgrades (\$149,910). The remainder was allocated as local grants to the 16 local volunteer fire companies and as a grant to a local water authority.
- The Greene County Pension Fund, on 1/1/2013 was determined to be 98.2% funded. By year-end the County reached a funding level of \$107.5%. The County will continue to add monies to the pension fund annually to insure a fully funded status even in year's when the market under-performs.
- In late 2013 the County started the process of refunding the 2008 Bond series and this process completed in early January of 2014. A rigorous selection process was used to determine the managing underwriter for the Refunding Series of 2014 and Janney Montgomery Scott delivered a savings of \$260,104 (4.95%) to the County.
- As part of the Bond refunding process, The County of Greene received an upgraded Standard and Poor's Rating of A+ (Stable). The rationale for this upgrade has been included in the Summary of this report.
- Royalties from county-owned Marcellus Shale natural gas assets fell from 2011 and 2012 levels, but still provided the County with over \$165,000 in revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

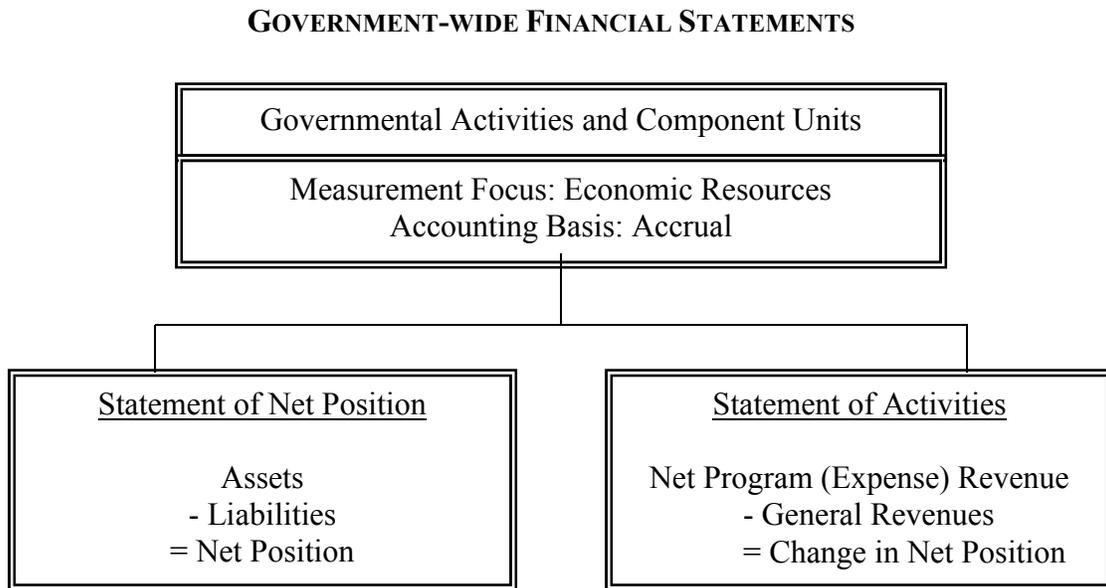
other governmental units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

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 Position includes all of the County's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. 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 position 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 position are reported using the accrual method of accounting, which requires that revenues be

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Net position is one way to measure the County's financial position. Over time, increases or decreases in the County's net position 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 financials 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. Four years are shown for comparative purposes.

Statement of Net Position

	Governmental Activities			
	2013	2012	2011	2010
Assets:				
Current and other Assets	\$ 19,332,811	\$ 15,764,968	\$ 14,167,220	\$ 14,003,169
Capital Assets	39,763,123	36,523,844	36,200,780	36,637,176
Total Assets	<u>\$ 59,095,934</u>	<u>\$ 52,288,812</u>	<u>\$ 50,368,000</u>	<u>\$ 50,640,345</u>
Liabilities:				
Current Liabilities	\$ 7,069,267	\$ 4,090,561	\$ 5,400,153	\$ 5,664,401
Other Liabilities	11,004,691	11,703,045	12,393,328	12,375,389
Total Liabilities	<u>18,073,958</u>	<u>15,793,606</u>	<u>17,793,481</u>	<u>18,039,790</u>
Net Position:				
Net investment in, capital assets	28,633,534	25,468,524	25,069,375	25,759,579
Restricted	6,581,685	4,943,670	2,687,426	2,796,805
Unrestricted	5,806,757	6,083,012	4,817,718	4,044,171
Total Liabilities and Net Position	<u>\$59,095,934</u>	<u>\$52,288,812</u>	<u>\$50,368,000</u>	<u>\$50,640,345</u>

	2013	2012	2011	2010
Asset-to-Liability Ratio's	327%	331%	283%	281%

The County owns approximately \$39.8 million in assets and the County debt directly related to these assets is just over \$11 million. The difference of \$28.7 million is the equity the County has in those assets. The chart below shows that for every dollar of debt the County has, it has \$3.60 of assets to match it. The County's capital assets and unrestricted assets increased significantly in 2013, while liabilities decreased and debt remained fairly consistent as Act 13 revenues allows the County to upgrade infrastructure without incurring additional debt. Our liabilities with respect to the bonds also decreased as the County met its obligations with respect to bond payments without issuing new debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	2013	2012	2011	2010
Asset-to-Debt Ratio's	360%	330%	325%	337%

The County's liabilities fall into two categories; long-term and short-term. Our long-term liabilities are the 2008 and 2011 bonds. 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, *Unearned Revenue*, increased \$1.67 million in 2013 and mainly reflects unspent monies in special revenue funds such as Human Services and the Redevelopment Authority. The second category primarily consists of *Accounts Payable*. The chart below reflects the accounts payable levels over the past four years. The County has refined its payment terms to Net 28 and makes timely payments on all Accounts Payable.

	2013	2012	2011	2010
Accounts Payable	\$2,626,630	\$1,696,819	\$1,828,055	\$1,780,389

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

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

1. In the simplest terms, the Statement of Net Position 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 house, but they also have bills, a car loan, and a mortgage to pay. If the County were a person, he would have more than three 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 3.27:1. This means that for every \$1 we owe, we hold \$3.27 in cash or assets. The County asset-to-debt ratio is \$3.60:1, which again means that for every \$1 of debt we have, we hold \$3.60 in assets. These ratios are exceptional and are one of the reasons the County received an upgraded Standard and Poor's Rating of A+ (Stable).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

	2013			2012		
	Expenses	Program Revenues	General revenue required (provided)	Expenses	Program Revenues	General revenue required (provided)
Primary Government:						
General Gov.	9,608,994	6,163,871	(3,445,123)	9,381,608	5,176,551	(4,205,056)
Public safety	4,400,992	955,677	(3,445,315)	4,403,562	1,666,377	(2,737,185)
Public works	1,229,641	142,365	(1,087,276)	110,744	193,767	83,023
Human services	8,122,113	8,176,862	54,749	10,130,379	9,599,230	(531,149)
Culture & Rec	1,871,632	1,223,974	(647,657)	2,322,778	1,057,913	(1,264,865)
Community & Econ Dev	1,967,229	1,531,940	(435,289)	2,132,268	1,438,316	(693,952)
Unallocated Deprec.	135,532	-	(135,532)	-	-	-
Interest-Long-term debt	526,709	-	(526,709)	396,510	-	(396,510)
Total activities	27,862,842	18,194,690	(9,668,152)	28,877,849	19,132,154	(9,745,694)
General revenues:						
Property taxes, levied for general purposes			10,726,863			11,013,494
Property taxes, levied for debt service			1,082,248			1,089,384
Property taxes, levied for library expenditures			107,546			109,399
Interest			46,828			49,721
Rental income			457,562			550,602
Gain (loss) on sale of assets			(200,049)			(6,844)
Reimbursement of prior period expenditures			1,973,924			860,625
Total general revenues			14,194,922			13,666,381
Change in net assets			4,526,770			3,920,687
Net Assets:						
Beginning of year			36,495,206			32,574,519
End of year			41,021,976			36,495,206

The Statement of Activities shows that the County supported its operations with \$14.2 million in general revenues, of which \$10.7 million was general tax revenue. While tax revenues (not rates) decreased slightly, program revenues increased for General Government, Economic Development, and Culture & Recreation, and decreased for Public Works, Public Safety, and Human Services. As expenses also fell in Human Services significantly as well as in Culture & Recreation and Economic Development, the County ended the year with an 11% increase in its net position for the second year in a row.

<u>Program Revenue Source</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Charges for Services	\$7,036,268	\$6,757,965	\$3,324,617
Operating Grants and Contributions	10,537,335	11,666,117	10,527,125
Capital Grants and Contributions	621,087	708,073	3,349,023
General Revenues	18,194,690	19,132,155	12,804,609

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the above chart shows, revenue streams have been volatile over the last couple years. The County has been able to normalize its cash flows with the revenue received from Act 13 (Unconventional Gas Well Impact Fees) and other charges for service, specifically, with regard to the County Prison and the Recorder of Deeds office.

Changes in Net	2013	2012	2011	2010	2009	2008	2007	2006
Position	11%	11%	0%	7%	5%	5%	44%	25%

FUND FINANCIAL STATEMENTS

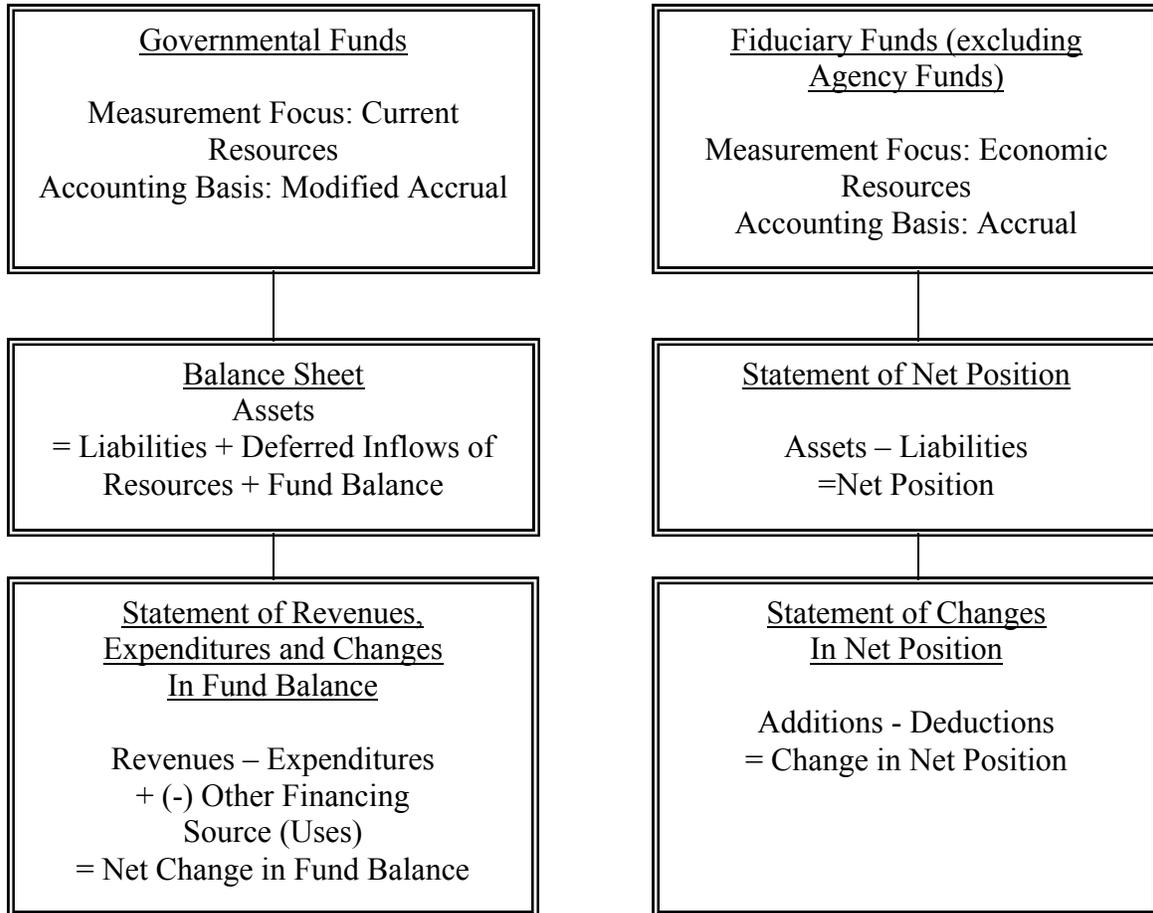
The fund financial statements provide more detailed information about the County's most significant funds (determined by GASB #34), not the County as a whole. Funds are accounting groups that the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds 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 Position 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 net position – fiduciary funds and a statement of changes in net position – fiduciary

MANAGEMENT'S DISCUSSION AND ANALYSIS

funds. 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.



Governmental Funds

Greene County has three funds this year that are considered *Major* funds for the purpose of GASB #34 reporting: the General Fund, Capital Projects Fund, and Behavioral Health Fund. There are 26 *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

	General Fund	Behavioral Health	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,100,802	\$ 1,785,326	\$ 3,875,143	\$ 4,757,097	\$ 14,518,368
Investments	-	-	1,289,718	26,052	1,315,770
Due from other funds	3,144,714	-	200,000	963,796	4,308,510
Due from other governments	156,893	25,335	-	1,198,735	1,380,963
Taxes receivable	1,448,404	-	-	34,436	1,482,840
Accounts receivable	134,935	2,800	-	103,651	241,386
Other assets	-	-	-	1,864	1,864
Total Assets	\$ 8,985,748	\$ 1,813,461	\$ 5,364,861	\$ 7,085,631	\$ 23,249,701
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 873,476	\$ 762,979	\$ 101,868	\$ 843,597	\$ 2,581,920
Accrued liabilities and withholdings	421,936	-	-	-	421,936
Due to other funds	1,151,791	327,156	901,117	1,870,373	4,250,437
Due to other governments	36	-	-	-	36
Unearned revenue	908,069	723,326	51,628	1,870,513	3,553,536
Total Liabilities	3,355,308	1,813,461	1,054,613	4,584,483	10,807,865
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	1,279,102	-	-	-	1,279,102
Fund Balance:					
Non-spendable	-	-	-	1,864	1,864
Restricted	2,021	-	4,310,248	2,269,416	6,581,685
Committed	-	-	-	261,826	261,826
Assigned - General Fund - HRA	14,619	-	-	-	14,619
Unassigned	4,334,698	-	-	(31,958)	4,302,740
Total Fund Balance	4,351,338	-	4,310,248	2,501,148	11,162,734
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 8,985,748	\$ 1,813,461	\$ 5,364,861	\$ 7,085,631	\$ 23,249,701

The General Fund balance sheet shows the cash available at the end of 2013 for operations in the unassigned fund balance of \$4.35 million. 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 overall fund balance increased in 2013 by \$723,796. Act 13 revenues, and continued high levels of 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 28 other County funds (2 major, 26 other).

As major funds can change from year to year, comparative figures are not shown; but the increase in cash and equivalents of 2.2 million in the General Fund from 2012 to 2013 drove assets, liabilities and fund balance increases, with the notable exception of a decrease in unearned revenue.

The Capital Projects Fund remained on the major funds list for 2013. The remainder of the 2006 Bond funds were spent on infrastructure repairs at the Courthouse, and the transfer in from the General Fund of Act 13 monies in mid-2013, and the reserves from 2012 Act 13 monies give the capital projects fund a very healthy balance sheet.

The Behavioral Health Fund shows 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 unearned revenue.

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

The statement below is a very condensed version of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for 2013. This statement shows the three 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).

As was noted in 2012, the large increases in *charges for service* and in *transfers out* are due to, in this case, the second allocation of the Unconventional Gas Well Impact Fee in the amount of \$2,906,300 in July of 2013. This money was earmarked for infrastructure upgrades within the County (\$1,775,000), housing projects (\$550,000), Children and Youth Services (\$300,000) and records management, information technology infrastructure upgrades, and GIS upgrades (\$149,910). The remainder was allocated as local grants to the 16 local volunteer fire companies and as a grant to a local water authority.

This money is show as a Charge for Service in the General Fund and then is transferred out to the Capital Projects fund. While expenditures (and revenue) decreased in the General Fund from 2012 to 2013, quite a few capital expenditure projects were completed through the Capital Projects Fund and will be discussed below.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

	General Fund	Capital Projects	Behavioral Health
Revenues:			
Taxes	\$ 10,698,487	\$ -	\$ -
Intergovernmental	843,387	451,197	2,197,649
Charges for services, Fines, & Permits	5,762,397	-	-
Interest	1,789	39,393	288
Rental income	442,022	-	-
Donations	60,074	-	-
Total revenues	17,808,156	490,590	2,197,937
Expenditures:			
Administration	4,800,473	1,138,729	-
Judicial	3,357,239	-	-
Public safety:	3,789,426	1,077,143	-
Public works:	142,716	695,943	-
Human services:	-	-	2,117,820
Culture and recreation:	1,456,941	164,763	-
Conservation & economic development:	1,074,085	58,000	-
Debt service:	79,154	-	-
Total expenditures	14,700,034	3,134,578	2,117,820
Excess (Deficiency) of Revenues			
Over Expenditures	3,108,122	(2,643,988)	80,117
Other Financing Sources (Uses):			
Transfers in	705,748	2,405,622	58,633
Other sources from sale of assets/ prior period reimbursement	208,181	-	-
Transfers out and Other	(3,297,564)	-	(138,750)
Other uses	(691)	-	-
Total other financing sources (uses)	(2,384,326)	2,405,622	(80,117)
Net Change in Fund Balance			
Beginning of year	3,627,542	4,548,614	-
End of year	\$ 4,351,338	\$ 4,310,248	\$ -

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 2013, the fund balance increased \$723,796 for the General Fund and decreased \$238,366 for the Capital Projects Fund. While the

MANAGEMENT'S DISCUSSION AND ANALYSIS

Balance Sheet tells us what the fund balance is at the end of a year, the Revenue and Expense Statement tells us where the money was spent, and who paid for it.

Behavioral Health

This fund covers Mental Health and Intellectual & Developmental Disabilities Programs. The revenue section shows that the majority of the funding for these programs comes 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 Capital Projects Fund

Expenditures from the Capital Projects Fund include Act 13 funds from both the 2012 and 2013 allocations, as well as Bond funds. Expenses under *Administration* are mainly related to renovations of county buildings, primarily the Courthouse (\$570,000) and pass-thru funding for the Jackson Run Flood Mitigation Project, Kirby Development, and the Mining Technology & Training Center (collectively, \$343,610) as well as other smaller projects.

Public Safety projects included the building of a kitchen at the Greene County Prison (\$489,220) and upgrades to the EMA and 911 Center radio system (\$587,923).

Public Works projects consisted primarily of renovations at the Greene County Airport (\$679,598). This project was undertaken with the use of bond funds. Several projects related to roads and bridges are also in this category.

Culture and Recreation contains various projects at the County pools and Fairgrounds and a Housing and Community Development grant is shown under *Conservation and Economic Development*.

As noted previously, there is an interesting correlation between the General Fund and Capital Projects Fund as Act 13 monies flow into the County. Revenues and expenses are increased in the General Fund by approximately \$3 million. Act 13 Funds that are needed for current year projects are retained in the General Fund but the bulk of the funding is transferred to Capital Projects. Capital-type expenditures in the General Fund are held to a minimum as these projects are shifted to the Capital Projects Fund.

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 or Act 13 (though there are deferred revenues with respect to the grants) and the budget does not end until that money is spent or all the grant projects are complete. With

MANAGEMENT'S DISCUSSION AND ANALYSIS

this in mind, the *fund balance* for the Capital Projects Fund simply reflects the remaining Bond, Act 13, and grant funds at the end of the year.

Other Governmental Funds

The 26 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.

Fiduciary Funds

The County reports three funds under the Statement of Net Position – Fiduciary Funds. Of these, two 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 third fund in this group is a *Trust* fund; the County's Employees Pension Plan. The chart below shows the growth and decline of the Pension Net Position 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	2013	2012	2011	2010	2009
S&P Index growth (decline)	29.60%	13.41%	0.00%	12.78%	23.00%
Pension Net Assests growth (decline)	19.24%	14.04%	5.85%	18.36%	24.31%
County Contribution	\$556,000	\$799,125	\$736,803	\$755,000	\$528,000

The County annually contributes to the Pension Fund and this contribution is based on an actuarial valuation and is partially reimbursed by state programs such as Children & Youth Services and Human Services.

The County pension was funded at 91.7% for the year ending 2011. Even with good positive market performance, the County continued strong contributions in 2012 and 2013 (above the recommendation for 2013) and the funding level increased per the above chart to 107.5%. This is significant, as the entire pension investments are expected to return at least 7% per year. The unfunded portion of that investment, of course, has no return so the higher the funded percentage and the better the investment performance, the lower the contribution burden on the County's General Fund.

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

GENERAL FUND BUDGETARY HIGHLIGHTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS SUMMARY

The County budget process for any given year starts five months before the year begins and continues throughout the 12 months of that year. For 2013, when the preliminary budget was passed in 2012, the County did not yet have many of the benefit rates for the

MANAGEMENT'S DISCUSSION AND ANALYSIS

upcoming year, various assessment issues had not been finalized, and several grants for various departments were not yet guaranteed.

During the course of the year, 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.

The chart below is an exact version of the Budget and Actual Statement that is contained in the accompanying basic financial statements. In the revenue section of this statement, it can be seen that only two line items were changed in 2013 *Intergovernmental* was reduced to adjust for actual grant revenue and the *Charges for Service* were increased to include the actual amount of Act 13 funding. As the County had just received the first payment very late in the 2013 budget process, it was deemed prudent to not include the full amount of the second payment until we were sure we would get the payment and knew the exact amount.

Even with the increase in *Charges for Service*, that line item came in over-budget by almost half a million dollars. The drivers for this, as in past years, are the Register & Recorder's office and the Greene County Prison. The County of Greene takes a fairly conservative approach to budgeting revenue and while these 2 offices have continued to enjoy high revenue levels, we know that could change during the course of a year. Therefore, these two offices are normally budgeted with lower revenue than the previous year actual.

Rental income came in under-budget as royalties from the County's Marcellus well did not meet expectations. This situation is the inverse of the Charges for Service situation. We had a reasonable expectation that this revenue stream would remain strong and then someone decided to cut the production of the well. Fortunately, the County's financial forecasts determined that this situation was not serious and indeed the County ended the year \$464,489 over-budget in the revenue section.

Budget revisions in expenditures are largely due to benefit allocations done after the beginning of the budget year and cost-of-living raises applied to management mid-year. The judicial departments were over-budget significantly. This is due to changes in procedures at the Courts that changed the order in which cases were heard. This change has caused significant overtime and has increased the costs for court-appointed attorneys.

Actual expenditures in *Community and Economic Development* were under budget, as budgeted grant funds were not fully expended. Under-spending in *Conservation* was the result of salary savings. Many departments throughout the County ended the year under budget.

The over-budget amounts in many departments are related to Act 13 expenditures. Other departments (specifically the Jail) had higher expenses, but these were covered by higher

MANAGEMENT'S DISCUSSION AND ANALYSIS

revenues. Finally, some projects/expenses were approved without offsetting revenue (but covered by fund balance):

Budget & Actual – General Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 10,638,439	\$ 10,638,439	\$ 10,698,487	\$ 60,048
Licenses and permits	21,500	21,500	39,924	18,424
Fines and forfeits	185,000	185,000	145,303	(39,697)
Intergovernmental	1,887,047	757,758	843,387	85,629
Charges for services	1,827,165	5,083,828	5,577,170	493,342
Interest	6,100	6,100	1,789	(4,311)
Rental income	597,835	597,835	442,022	(155,813)
Donations	53,207	53,207	60,074	6,867
Total revenues	15,216,293	17,343,667	17,808,156	464,489
Expenditures:				
General government - administration	6,168,708	4,939,719	4,800,473	139,246
General government - judicial	2,671,726	3,183,011	3,357,239	(174,228)
Public safety:				
Corrections	2,679,754	3,154,507	3,231,256	(76,749)
EMA/911	451,564	502,167	558,170	(56,003)
Public works:				
Airport	112,825	121,259	142,716	(21,457)
Culture and recreation:				
Parks and recreation	1,140,711	1,318,186	1,456,941	(138,755)
Tourism	6,524	10,153	4,447	5,706
Conservation and economic development:				
Conservation/development	99,379	106,310	97,949	8,361
Housing/community development	104,068	110,276	48,815	61,461
Economic development	1,017,937	1,029,361	922,874	106,487
Debt service:				
Debt principal payment	79,154	79,154	79,154	-
Total expenditures	14,532,350	14,554,103	14,700,034	(145,931)
Excess (Deficiency) of Revenues Over Expenditures	683,943	2,789,564	3,108,122	318,558
Other Financing Sources (Uses):				
Transfers in	508,040	508,040	705,748	197,708
Other sources from sale of assets/prior period reimbursement	48,052	48,053	208,181	160,128
Transfers out	(1,240,035)	(3,345,657)	(3,297,564)	48,093
Other uses	-	-	(691)	(691)
Total other financing sources (uses)	(683,943)	(2,789,564)	(2,384,326)	405,238
Net Change in Fund Balance	\$ -	\$ -	\$ 723,796	\$ 723,796

Several other departments exceeded budget. These trends were noted during the course of 2013 but were not deemed significant enough to revise the budget for, especially given the revenue trends. The County ended the year \$145,931 over-budget in expenses.

Under *Other Financing Sources (Uses)*, the budget revision was for the Act 13 Allocation that was transferred out to the Capital Projects Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other sources from assets/prior period reimbursements was up significantly due to payments from the state on previous years' District Attorneys' salary and the Probation Supervision Grant prior period payment.

The difference between the original and final amended General Fund budget was significant but mainly related to Act 13.

Summary

The best summary for this year can be taken directly from highlights of the *Standard & Poor's Published Rationale* for upgrading the County of Greene's credit rating:

The rating reflects our opinion of the following factors for the county, including its:

Very strong budget flexibility

In our opinion, the city's budgetary flexibility remains very strong, with reserves above 20% of expenditures for the past several years and no plans to spend the reserves down.

Very Strong Liquidity

Supporting the county's finances is what we consider to be very strong liquidity... We believe the county has strong access to external liquidity.

Strong Budgetary Performance

The county's budgetary performance, in our view, was strong during fiscal 2012 ... year to date fiscal 2013 results (Dec 31 fiscal year end) currently show a surplus of \$500,000 to \$600...

Strong Debt & Contingent Liability Profile

In our opinion, the county's debt and contingent liabilities profile is strong ... We understand that the county does not plan to issue more debt, but plans to finance any capital needs with pay-as-you-go funds and grants.

Strong Management Policies

We view the county's management conditions as strong given management consistent ability to maintain balanced operations in addition to standard financial practices under Standard & Poor's Financial Management Assessment (FMA) methodology,

OUTLOOK

The stable outlook reflects Greene County's limited but stable local economy as well as very strong liquidity and budgetary flexibility and strong budgetary performance. While we are uncertain of the long-term sustainability of the economic benefits generated by the increasing presence of the natural gas drilling industry, we believe the county's economic indicators could improve over the long term, providing additional rating stability. With limited capital needs, we expect the county's debt profile to remain strong.

This report, in our view, provides reputable, independent confirmation of Greene County's management policies. The report also notes our weakness, which we understand and acknowledge; we are a small county. Disruptive financial or economic conditions, at a national level or from inside the county, over a short period of time, can affect us adversely if we do not take a long-term, fiscally conservative approach.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 POSITION

DECEMBER 31, 2013

Assets	Governmental Activities
Cash and cash equivalents	\$ 14,518,368
Investments	1,315,770
Receivables:	
Taxes receivable, net of allowance	1,482,840
Due from other governments	1,380,963
Accounts receivable	344,169
Prepaid expenses/other assets	1,864
Net pension asset	288,837
Capital assets not being depreciated	7,809,022
Capital assets, net of accumulated depreciation	13,888,157
Infrastructure assets, net of accumulated depreciation	18,065,944
Total Assets	59,095,934
Liabilities	
Accounts payable	2,626,630
Accrued liabilities and withholdings	421,936
Accrued interest payable	141,053
Due to other governments	36
Unearned revenue	3,553,536
Accrued compensated absences	326,076
Bonds and lease payable:	
Amount due within one year	732,349
Amount due in more than one year	10,397,240
Bond discount	(124,898)
Total Liabilities	18,073,958
Net Position	
Net investment in capital assets	28,633,534
Restricted for:	
Capital projects	4,310,248
Debt service	446,195
Other purposes	1,825,242
Unrestricted	5,806,757
Total Net Position	\$ 41,021,976

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 9,608,994	\$ 5,397,709	\$ 766,162	\$ -	\$ (3,445,123)
Public safety	4,400,992	418,782	536,895	-	(3,445,315)
Public works	1,229,641	36,509	105,856	-	(1,087,276)
Human services	8,122,113	153,382	8,023,480	-	54,749
Culture and recreation	1,871,632	706,782	356,115	161,078	(647,657)
Community and economic development	1,967,229	323,104	748,827	460,009	(435,289)
Unallocated depreciation	135,532	-	-	-	(135,532)
Interest and amortization	526,709	-	-	-	(526,709)
Total governmental activities	\$ 27,862,842	\$ 7,036,268	\$ 10,537,335	\$ 621,087	(9,668,152)
General revenues:					
					10,726,863
					1,082,248
					107,546
					46,828
					457,562
					(200,049)
					1,973,924
Total general revenues					14,194,922
Change in Net Position					4,526,770
Net Position:					
Beginning of year					36,495,206
End of year					\$ 41,021,976

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General Fund	Behavioral Health	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,100,802	\$ 1,785,326	\$ 3,875,143	\$ 4,757,097	\$ 14,518,368
Investments	-	-	1,289,718	26,052	1,315,770
Due from other funds	3,144,714	-	200,000	963,796	4,308,510
Due from other governments	156,893	25,335	-	1,198,735	1,380,963
Taxes receivable	1,448,404	-	-	34,436	1,482,840
Accounts receivable	134,935	2,800	-	103,651	241,386
Other assets	-	-	-	1,864	1,864
Total Assets	\$ 8,985,748	\$ 1,813,461	\$ 5,364,861	\$ 7,085,631	\$ 23,249,701
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities:					
Accounts payable	\$ 873,476	\$ 762,979	\$ 101,868	\$ 843,597	\$ 2,581,920
Accrued liabilities and withholdings	421,936	-	-	-	421,936
Due to other funds	1,151,791	327,156	901,117	1,870,373	4,250,437
Due to other governments	36	-	-	-	36
Unearned revenue	908,069	723,326	51,628	1,870,513	3,553,536
Total Liabilities	3,355,308	1,813,461	1,054,613	4,584,483	10,807,865
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	1,279,102	-	-	-	1,279,102
Fund Balance:					
Non-spendable	-	-	-	1,864	1,864
Restricted	2,021	-	4,310,248	2,269,416	6,581,685
Committed	-	-	-	261,826	261,826
Assigned - General Fund - HRA	14,619	-	-	-	14,619
Unassigned	4,334,698	-	-	(31,958)	4,302,740
Total Fund Balance	4,351,338	-	4,310,248	2,501,148	11,162,734
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 8,985,748	\$ 1,813,461	\$ 5,364,861	\$ 7,085,631	\$ 23,249,701

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

Total Fund Balance - Governmental Funds					\$ 11,162,734
Amounts reported for governmental activities in the statement of net position 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 the governmental funds.					39,763,123
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 reported as deferred inflows in the funds.					1,279,102
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these accounts are capitalized and amortized in the statement of activities.					124,898
The net pension asset is not an available resource and, therefore, is not reported in the funds.					288,837
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	\$	(326,076)		
	GO bonds/leases		(11,129,589)		
	Accrued interest on bonds		<u>(141,053)</u>		
					<u>(11,596,718)</u>
Total Net Position - Governmental Activities					<u>\$ 41,021,976</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, 2013

	General Fund	Behavioral Health	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 10,698,487	\$ -	\$ -	\$ 1,402,761	\$ 12,101,248
Licenses and permits	39,924	-	-	-	39,924
Fines and forfeits	145,303	-	-	-	145,303
Intergovernmental	843,387	2,197,649	451,197	7,574,234	11,066,467
Charges for services	5,577,170	-	-	1,043,367	6,620,537
Interest	1,789	288	39,393	5,343	46,813
Rental income	442,022	-	-	15,540	457,562
Donations	60,074	-	-	31,881	91,955
Total revenues	17,808,156	2,197,937	490,590	10,073,126	30,569,809
Expenditures:					
General government - administration	4,800,473	-	1,138,729	16,400	5,955,602
General government - judicial	3,357,239	-	-	735,929	4,093,168
Public safety:					
Corrections	3,231,256	-	489,220	-	3,720,476
EMA/911	558,170	-	587,923	317,368	1,463,461
Public works:					
Highways and bridges	-	-	16,345	1,891,608	1,907,953
Sanitation/solid waste	-	-	-	-	-
Airport	142,716	-	679,598	-	822,314
Human services:					
Child/youth services	-	-	-	2,661,149	2,661,149
Drug and alcohol	-	-	-	563,102	563,102
Mental health/intellectual disability	-	2,117,820	-	-	2,117,820
Other human services	-	-	-	2,664,925	2,664,925
Culture and recreation:					
Parks and recreation	1,456,941	-	164,763	336,957	1,958,661
Libraries	-	-	-	281,385	281,385
Conservation and economic development:					
Conservation/development	97,949	-	-	380,874	478,823
Housing/community development	48,815	-	58,000	246,294	353,109
Economic development	922,874	-	-	-	922,874
Tourist promotion	4,447	-	-	203,631	208,078
Debt service:					
Debt interest	-	-	-	385,656	385,656
Debt principal payments	79,154	-	-	630,000	709,154
Total expenditures	14,700,034	2,117,820	3,134,578	11,315,278	31,267,710
Excess (Deficiency) of Revenues Over Expenditures	3,108,122	80,117	(2,643,988)	(1,242,152)	(697,901)
Other Financing Sources (Uses):					
Transfers in	705,748	58,633	2,405,622	833,309	4,003,312
Other sources from sale of assets/ prior period reimbursement	208,181	-	-	1,306,872	1,515,053
Transfers out	(3,297,564)	(138,750)	-	(566,998)	(4,003,312)
Other uses	(691)	-	-	-	(691)
Total other financing sources (uses)	(2,384,326)	(80,117)	2,405,622	1,573,183	1,514,362
Net Change in Fund Balance	723,796	-	(238,366)	331,031	816,461
Fund Balance:					
Beginning of year	3,627,542	-	4,548,614	2,170,117	10,346,273
End of year	\$ 4,351,338	\$ -	\$ 4,310,248	\$ 2,501,148	\$ 11,162,734

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, 2013

Net Change in Fund Balance - Governmental Funds \$ 816,461

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 capital outlays exceeded depreciation in the current period.

	Capital outlays	\$ 4,568,629	
	Less: Depreciation expense	<u>(1,122,560)</u>	3,446,069

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. 45,927

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 position. 709,154

Governmental funds report the effect of 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. (222,527)

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. (141,053)

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 position and offset against proceeds from the sale of capital assets resulting in a gain (loss) 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	(6,741)	
	Gain (loss) on the sale of capital assets	<u>(200,049)</u>	(206,790)

The change in net pension asset is reflected in the statement of activities, but is not considered an available resource in the fund financial statements. 28,720

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. 50,809

Change in Net Position of Governmental Activities \$ 4,526,770

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 10,638,439	\$ 10,638,439	\$ 10,698,487	\$ 60,048
Licenses and permits	21,500	21,500	39,924	18,424
Fines and forfeits	185,000	185,000	145,303	(39,697)
Intergovernmental	1,887,047	757,758	843,387	85,629
Charges for services	1,827,165	5,083,828	5,577,170	493,342
Interest	6,100	6,100	1,789	(4,311)
Rental income	597,835	597,835	442,022	(155,813)
Donations	53,207	53,207	60,074	6,867
Total revenues	15,216,293	17,343,667	17,808,156	464,489
Expenditures:				
General government - administration	6,168,708	4,939,719	4,800,473	139,246
General government - judicial	2,671,726	3,183,011	3,357,239	(174,228)
Public safety:				
Corrections	2,679,754	3,154,507	3,231,256	(76,749)
EMA/911	451,564	502,167	558,170	(56,003)
Public works:				
Airport	112,825	121,259	142,716	(21,457)
Culture and recreation:				
Parks and recreation	1,140,711	1,318,186	1,456,941	(138,755)
Tourism	6,524	10,153	4,447	5,706
Conservation and economic development:				
Conservation/development	99,379	106,310	97,949	8,361
Housing/community development	104,068	110,276	48,815	61,461
Economic development	1,017,937	1,029,361	922,874	106,487
Debt service:				
Debt principal payment	79,154	79,154	79,154	-
Total expenditures	14,532,350	14,554,103	14,700,034	(145,931)
Excess (Deficiency) of Revenues Over Expenditures	683,943	2,789,564	3,108,122	318,558
Other Financing Sources (Uses):				
Transfers in	508,040	508,040	705,748	197,708
Other sources from sale of assets/prior period reimbursement	48,052	48,053	208,181	160,128
Transfers out	(1,240,035)	(3,345,657)	(3,297,564)	48,093
Other uses	-	-	(691)	(691)
Total other financing sources (uses)	(683,943)	(2,789,564)	(2,384,326)	405,238
Net Change in Fund Balance	\$ -	\$ -	\$ 723,796	\$ 723,796

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2013

	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts	Total
Assets				
Cash and cash equivalents	\$ 27,312	\$ 222,551	\$ 1,160,274	\$ 1,410,137
Investments	20,661,284	-	-	20,661,284
Due from other funds	44,710	-	-	44,710
Accounts receivable	76,899	-	-	76,899
Total Assets	20,810,205	222,551	1,160,274	22,193,030
Liabilities				
Due to other governments	-	222,551	1,057,491	1,280,042
Due to other funds	-	-	102,783	102,783
Total Liabilities	-	222,551	1,160,274	1,382,825
Net Position				
Net Position Held in Trust for Pension Benefits	\$ 20,810,205	\$ -	\$ -	\$ 20,810,205

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2013

Additions:

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Contributions:	
Employer	\$ 556,000
Plan member	688,017
	<hr/>
Total contributions	1,244,017
	<hr/>
Investment earnings:	
Net increase in fair value of investments	2,666,157
Interest and dividends	483,235
	<hr/>
Net investment earnings	3,149,392
	<hr/>
Total additions	4,393,409
	<hr/>

Deductions:

<hr/>	
Pension benefits	381,183
Refund of contributions	507,871
Administrative expenses	146,765
	<hr/>
Total deductions	1,035,819
	<hr/>

Change in Net Position 3,357,590

Net Position Held in Trust for Pension Benefits:

Beginning of year	17,452,615
	<hr/>
End of year	\$ 20,810,205
	<hr/>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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.

The reporting entity for the County includes the accounts of all County operations, including administrative and judicial government, corrections, and health and welfare.

Management has evaluated all potential component units, and has determined the County has no discretely presented component units that will be included. Consistent with applicable guidance, the criteria used by the County to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the County reviews the applicability of the following criteria:

1. Organizations that make up the legal County entity.
2. Legally separate organizations if the Commissioners appoint a voting majority of the organization’s governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.
 - a. Impose its Will - If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the County (1) is entitled to the organization’s resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the County.
4. In management’s judgment, exclusion of the component unit would render the financial statements misleading.

Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

as funds of the primary government. The following agencies were reviewed and were determined to be blended component units of the County:

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

The following agencies were reviewed and were determined not to be component units of the County, and are considered to be related organizations:

- 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 Development Authority

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.

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 position, 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. The County generally uses restricted resources before unrestricted resources when an expense incurred for a purpose that both restricted and unrestricted net position is 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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

(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, 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. It accounts for all financial resources of the general government, except those accounted for in another fund.

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 County also reports the following other governmental funds:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 or committed to expenditures for specified purposes.

Debt Service Fund

The *Debt Service Fund* accounts for the servicing of general long-term debt.

Additionally, the County reports the following fund types:

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 Employees' Pension Plan, the Tax Claim Bureau, and Escrow Accounts.

The *Employees' Pension Plan* (Plan) is used to account for the pension plan for the County employees. The Plan 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.

Unearned revenues arise when resources are received by the County before it has legal claim to them, such as when intergovernmental funds are received prior to the occurrence of qualifying

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

expenditures. During subsequent periods, when the County has a legal claim to the resources, the unearned revenue is removed as a liability and the revenue is recognized.

Deferred inflows of resources reported on the governmental funds balance sheet arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the unavailable revenue is removed as a deferred inflow of resources and the revenue is recognized.

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.

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.

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 OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 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 \$464,000.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 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.

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.

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 3,144,714	\$ 1,151,791
BHS MH/ID	-	327,156
Capital Projects	200,000	901,117
Other governmental funds	963,796	1,870,373
Fiduciary	44,710	102,783
	<u>\$ 4,353,220</u>	<u>\$ 4,353,220</u>

Individual fund transfers at December 31, 2013 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General	\$ 705,748	\$ 3,297,564
BHS MH/ID	58,633	138,750
Capital Projects	2,405,622	-
Other governmental funds	833,309	566,998
	<u>\$ 4,003,312</u>	<u>\$ 4,003,312</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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. Capital 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 capital 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:

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

All capital 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 value on the date donated.

K. 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 that 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	\$ 78,850
Amount for sick day buy-backs retirement eligible	15,673
Amount for severance pay	210,000
Amount for compensated absences for non-exempt and union	<u>21,553</u>
Total Compensated Absences Liability	<u>\$ 326,076</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

L. 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.

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.

M. Classification of Fund Balance

Governmental Accounting Standards Board (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. This category includes prepaid expenditures.
 - 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. This category includes funds that are legally restricted for capital projects, debt service and 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. This category includes amounts committed for the Fair Board.
 - 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 County's Board of
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COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Commissioners has delegated the Authority to assign fund balance to the Chief Executive. The present procedure is for the Chief Executive to assign amounts to be used for specific purposes before issuance of audited financial statements. This category includes amounts relating to the General Fund HRA.

- 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.

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

N. Classification of Net Position

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

- Net investment in capital assets -- This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted -- This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted -- This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

O. Adoption of Accounting Pronouncements

GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities.”* This statement reclassifies certain items that were reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. As a result of this Statement, deferred bond issue

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

costs in the amount of \$211,725 that previously was considered an asset was written-off in the current year. The deferred bond issue costs were not material to the financial statements and were therefore reported as a current period expense.

P. Pending Pronouncements

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.

GASB has issued Statement No. 69, *“Government Combinations and Disposals of Government Operations,”* effective for financial statements for periods beginning after December 15, 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 70, *“Accounting and Financial Reporting for Nonexchange Financial Guarantees,”* effective for financial statements for periods beginning after June 15, 2013. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government be required to make a payment on the liability. The effect of implementation of this statement has not yet been determined.

GASB has issued Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68,”* effective for financial statements for periods beginning after December 15, 2014. This statement improves accounting and financial reporting by addressing an issue GASB Statement No. 68 concerning transition provisions related to certain pension contributions made to defined benefit plans prior to implementation of GASB Statement No. 68 by employees and non-employer contributing entities. The effect of implementation of this statement has not yet been determined.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 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, 2013, \$1,007,702 of the County's \$15,275,163 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$14,267,461 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 \$14,506,323 as of December 31, 2013 and are classified as cash and cash equivalents in the statement of net position.

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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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, 2013, the bank balance of the investment in PLGIT is \$12,045. The carrying value of the investment in PLGIT of \$12,045 is considered to be a cash equivalent for presentation on the statement of net position and governmental fund balance sheet.

The County also has investments of \$1,315,770 invested in certificates of deposits at local financial institutions. These accounts are recorded as an investment on the statement of net position and the governmental funds balance sheet. As of December 31, 2013, \$276,052 of the balance of \$1,315,770 was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$1,039,718 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.

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, 2013, the County's investments in PLGIT have received an AAAM 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 certificate of deposit bear interest at a rate of 2.75% and will mature in January 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 position. Receipts and disbursements for these programs were \$5,584,839 and \$5,067,291, respectively, for the year ended December 31, 2013. The carrying amount of deposits for the row offices and other County offices was \$1,160,274 and the bank balance was \$1,446,282. The carrying amount of deposits for the Tax Claim Bureau was \$222,551 and the bank balance was \$210,574. \$1,446,282 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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Employees' Pension Plan

The Employees' Pension Plan (Plan) investments are held separately from those of other County Funds. Investments were consistent with those authorized. The Plan 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, 2013, the County had the following investments in the Plan:

<u>Cash or Investment Type</u>	<u>Investment Maturities (In Years) from December 31, 2013</u>				
	<u>Fair Market Value</u>	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6 -10 Years</u>	<u>11 or more Years</u>
U.S. Treasuries	\$ 2,830,433	\$ -	\$ 2,456,331	\$ 374,102	\$ -
U.S. Government Agency Obligations	141,637	-	12,819	59,253	69,565
Municipal Bonds and Notes	763,185	-	602,856	160,329	-
Corporate Bonds	4,592,887	50,490	1,582,674	2,335,941	623,782
Total debt securities	8,328,142	\$ 50,490	\$ 4,654,680	\$ 2,929,625	\$ 693,347
Cash and cash equivalents	454,910				
Common stock equities	11,878,232				
Total cash, cash equivalents, and other investments	12,333,142				
Total cash, cash equivalents, and investments reported on statement of net position - fiduciary funds	\$ 20,661,284				

The following is a description of the Plan 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 Plan 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, 2013, the Plan investments in fixed income bonds have received the following ratings from Standard & Poor's:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Credit Quality Distribution for Securities with Credit Exposure

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage of Total Plan Debt Securities</u>
Municipal Bonds	AA+	2.85%
Municipal Bonds	AA-	5.77%
Municipal Bonds	A	3.39%
Municipal Bonds	A-	1.87%
Governmental Bonds	Unrated	2.58%
Corporate Bonds	AAA	3.49%
Corporate Bonds	AA+	2.98%
Corporate Bonds	A+	9.10%
Corporate Bonds	A	25.59%
Corporate Bonds	A-	11.36%
Corporate Bonds	BBB+	11.14%
Corporate Bonds	BBB+	8.94%
Corporate Bonds	BBB-	9.38%
Corporate Bonds	Unrated	1.57%
		<u>100%</u>

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Plan 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 Plan does not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2013, the County's entire pension investment balance of \$20,661,284 (bank and book balance) was exposed to custodial credit risk.

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

Interest Rate Risk - The Plan does 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 2013 levy was based, was \$1,538,513,022. 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, 2013, 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, 2013

2013 was 0.7 mills per \$1,000. The tax rate related to library services for the year ended December 31, 2013 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 position 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 General Fund taxes receivable balance is calculated as follows:

Year Tax is Levied	Amount of Unpaid Tax	Percentage of Tax Believed to be Uncollectible	Taxes Receivable Net of Allowance for Uncollectible
1943-2008	\$ 211,313	20.0%	\$ 169,050
2009-2010	57,536	1.0%	56,961
2011-2012	428,099	0.3%	426,815
2013	795,579	0.0%	795,578
	<u>\$ 1,492,527</u>		<u>\$ 1,448,404</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 2013.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

	Balance at January 1, 2013	Additions	Transfers	Deletions	Balance at December 31, 2013
Governmental Activities:					
<u>Capital assets not being depreciated:</u>					
Land	\$ 2,444,785	\$ -	\$ -	\$ -	\$ 2,444,785
Construction in progress	2,073,755	3,358,123	(67,641)	-	5,364,237
Total capital assets not being depreciated	<u>4,518,540</u>	<u>3,358,123</u>	<u>(67,641)</u>	<u>-</u>	<u>7,809,022</u>
<u>Capital assets being depreciated:</u>					
Buildings and improvements	17,422,475	-	-	-	17,422,475
Vehicles	2,133,811	649,953	-	187,359	2,596,405
Furniture and equipment	2,870,560	560,553	67,641	345,001	3,153,753
Total capital assets being depreciated	<u>22,426,846</u>	<u>1,210,506</u>	<u>67,641</u>	<u>532,360</u>	<u>23,172,633</u>
<u>Less accumulated depreciation for:</u>					
Buildings and improvements	5,821,591	408,246	-	-	6,229,837
Vehicles	1,142,790	178,536	-	93,178	1,228,148
Furniture and equipment	1,804,582	254,301	-	232,392	1,826,491
Total accumulated depreciation	<u>8,768,963</u>	<u>841,083</u>	<u>-</u>	<u>325,570</u>	<u>9,284,476</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>13,657,883</u>	<u>369,423</u>	<u>67,641</u>	<u>206,790</u>	<u>13,888,157</u>
Infrastructure assets	21,158,390	-	-	-	21,158,390
Less accumulated depreciation	<u>2,810,969</u>	<u>281,477</u>	<u>-</u>	<u>-</u>	<u>3,092,446</u>
Infrastructure assets, net of accumulated depreciation	<u>18,347,421</u>	<u>(281,477)</u>	<u>-</u>	<u>-</u>	<u>18,065,944</u>
Governmental assets capital assets, net	<u>\$ 36,523,844</u>	<u>\$ 3,446,069</u>	<u>\$ -</u>	<u>\$ 206,790</u>	<u>\$ 39,763,123</u>

Included in equipment above is \$411,033 of assets purchased under a capital lease. These assets have a net value of \$249,589 at December 31, 2013.

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

<u>Governmental Activities:</u>	
General government	\$ 210,678
Public safety	149,740
Public works	340,887
Human services	115,117
Culture and recreation	166,261
Community and economic development	4,345
Unallocated depreciation	<u>135,532</u>
Total depreciation expense - governmental activities	<u>\$ 1,122,560</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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, 2013.

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, 2013 was \$9,604,104.

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, 2013, the date of the most recent valuation, participants in the Plan were as follows:

Participants:	
Retirees and beneficiaries	72
Deferred vested	17
Active plan members	<u>251</u>
Total	<u><u>340</u></u>

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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 funding method and the same actuarial assumptions used to calculate the pension benefit calculation.

As a condition of participation, employees are to currently contribute 7% 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 \$513,042 or 5.34% of covered payroll, were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation dated January 1, 2013.

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

<u>Annual Pension Cost and Net Pension Obligation</u>	<u>2013</u>
Annual Required Contribution ARC	\$ 513,042
Interest on Net Pension Obligation (Asset)	(19,509)
Adjustment to the ARC	<u>33,747</u>
Annual Pension Cost APC	527,280
Contributions made	<u>556,000</u>
Change in Net Pension Obligation (Asset)	(28,720)
Net Pension Obligation (Asset) Beginning of Year	<u>(260,117)</u>
Net Pension Obligation (Asset) End of Year	<u>\$ (288,837)</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Accounting Information

Annual pension costs for the year beginning January 1, 2013:

Annual Required Contribution	\$	513,042
Interest on NPO (Asset)		(19,509)
Adjustment to the ARC		33,747
Annual pension cost	\$	527,280

Other disclosure information:

Actuarial cost method	Entry age
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	4.50%
Underlying inflation rate	3.00%

Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2011	\$ 723,701	101.8%	\$ 41,136
12/31/2012	497,872	160.5%	(260,117)
12/31/2013	527,280	105.4%	(288,837)

Funded Status

The County's funded status and related information as of the latest actuarial valuation date, January 1, 2013, is as follows:

Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
\$ 17,452,615	\$ 17,765,776	\$ (313,161)	98.24%	\$ 9,604,104	(3.26)%

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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.

The Plan is invested in various types of financial instruments. This diversification of the investment portfolio serves to assist in mitigating the various types of risks associated with different types of financial instruments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur and that such a change could materially affect the amount reported on the statement of net position – fiduciary funds.

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, 2013 are as follows:

	At December 31, 2012	Issuances	Repayments	At December 31, 2013	Due Within One Year
G. O. Bond 2008	\$ 5,850,000	\$ -	\$ 590,000	\$ 5,260,000	\$ 610,000
G. O. Bond 2011	5,660,000	-	40,000	5,620,000	40,000
Capital Lease	328,743	-	79,154	249,589	82,349
Total	<u>\$ 11,838,743</u>	<u>\$ -</u>	<u>\$ 709,154</u>	<u>\$ 11,129,589</u>	<u>\$ 732,349</u>

General Obligation Bonds

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%.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2014	\$ 610,000	\$ 177,560	\$ 787,560
2015	630,000	158,025	788,025
2016	650,000	136,895	786,895
2017	675,000	113,864	788,864
2018	700,000	89,108	789,108
2019-2021	<u>1,995,000</u>	<u>107,014</u>	<u>2,102,014</u>
Total	<u>\$ 5,260,000</u>	<u>\$ 782,466</u>	<u>\$ 6,042,466</u>

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%.

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2014	\$ 40,000	\$ 188,991	\$ 228,991
2015	40,000	188,191	228,191
2016	40,000	187,391	227,391
2017	40,000	186,416	226,416
2018	40,000	185,266	225,266
2019-2023	<u>2,150,000</u>	<u>832,664</u>	<u>2,982,664</u>
2024-2027	<u>3,270,000</u>	<u>209,647</u>	<u>3,479,647</u>
Total	<u>\$ 5,620,000</u>	<u>\$ 1,978,566</u>	<u>\$ 7,598,566</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>
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	715,000	300,280	1,015,280
2018	740,000	274,374	1,014,374
2019-2023	<u>4,145,000</u>	<u>939,678</u>	<u>5,084,678</u>
2024-2027	<u>3,270,000</u>	<u>209,647</u>	<u>3,479,647</u>
Total	<u>\$ 10,880,000</u>	<u>\$ 2,761,032</u>	<u>\$ 13,641,032</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Capital Lease

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>
2014	\$ 82,349	\$ 8,407	\$ 90,756
2015	85,673	5,083	90,756
2016	81,567	1,625	83,192
Total	<u>\$ 249,589</u>	<u>\$ 15,115</u>	<u>\$ 264,704</u>

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 2, 2013 for a total of \$2,000,000, with an interest rate of 1.49%; however, the County did not draw down on the TAN in 2013.

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

insurance. There have been no significant changes in insurance coverage in any of the past three years.

13. SUBSEQUENT EVENT

During January 2014, the County issued \$5,400,000 in General Obligation Bonds to currently refund the 2008 series bond issuance. Interest payments are payable semi-annually on January 15 and July 15, with rates ranging from .32% to 2.40%. The refunding was completed to reduce the County's debt service payments over the next seven years by approximately \$254,000 and to obtain an economic gain (difference between present values of old and new debt service payments) of approximately \$260,000.

**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>
2008	\$ 424,472	97%
2009	445,695	118%
2010	638,240	118%
2011	736,803	102%
2012	500,103	160%
2013	513,042	108%

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)
1/1/2013	\$ 17,452,615	\$ 17,765,776	\$ (313,161)	98.24%	\$ 9,604,104	(3.26%)
1/1/2012	15,303,352	16,684,016	(1,380,664)	91.72%	9,148,757	(15.09%)
1/1/2010	11,993,510	14,494,466	(2,500,956)	82.75%	8,379,320	(29.85%)

Source: Actuarial reports

Note: For the 2010 valuation, the County uses the entry age funding method. 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 year is not available.

See accompanying note to supplementary schedules.

COUNTY OF GREENE, PENNSYLVANIA

NOTE TO SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013

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	1/1/2013
Actuarial cost method	Entry Age
Asset valuation method	Fair Value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.50%
Underlying inflation rate	3.00%

Supplementary Information

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2013

Special Revenue Funds

	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	\$ 39,832	\$ 348	\$ -	\$ 89,270	\$ 51,079	\$ 21,193	\$ 23,457	\$ 13,583	\$ 4,828
Investments	-	-	-	-	-	-	-	-	-
Due from other funds	850,000	-	-	2,100	8,085	1,573	549	324	240
Due from other governments	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 889,832	\$ 348	\$ -	\$ 91,370	\$ 59,164	\$ 22,766	\$ 24,006	\$ 13,907	\$ 5,068
Liabilities and Fund Balance									
Liabilities:									
Accounts payable	\$ 960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ -
Due to other funds	-	-	-	-	-	11,010	13	-	-
Unearned revenue	850,000	-	-	-	-	-	-	-	-
Total Liabilities	850,960	-	-	-	-	11,010	13	220	-
Fund Balance:									
Non-spendable	-	-	-	-	-	-	-	-	-
Restricted	38,872	348	-	91,370	59,164	11,756	23,993	13,687	5,068
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	38,872	348	-	91,370	59,164	11,756	23,993	13,687	5,068
Total Liabilities and Fund Balance	\$ 889,832	\$ 348	\$ -	\$ 91,370	\$ 59,164	\$ 22,766	\$ 24,006	\$ 13,907	\$ 5,068

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2013

(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	\$ 824	\$ 33,265	\$ 16,036	\$ 664,050	\$ 19,967	\$ 77,510	\$ 766,231	\$ 485,333	\$ 174,391	\$ 22,257
Investments	-	-	-	-	-	-	-	-	-	26,052
Due from other funds	-	1,428	2,142	-	-	-	-	-	-	-
Due from other governments	-	-	-	2,803	-	90,537	-	235,066	-	-
Taxes receivable	-	-	-	-	-	-	-	-	24,186	3,844
Accounts receivable	-	-	-	-	-	-	24,722	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 824	\$ 34,693	\$ 18,178	\$ 666,853	\$ 19,967	\$ 168,047	\$ 790,953	\$ 720,399	\$ 198,577	\$ 52,153
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,352	\$ 237,422	\$ 2,156	\$ -
Due to other funds	-	-	-	19,267	-	199,063	266,211	4,444	14,825	15
Unearned revenue	-	-	-	-	19,967	-	366,834	-	-	-
Total Liabilities	-	-	-	19,267	19,967	199,063	638,397	241,866	16,981	15
Fund Balance:										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	824	34,693	18,178	647,586	-	-	152,556	478,533	181,596	52,138
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(31,016)	-	-	-	-
Total Fund Balance	824	34,693	18,178	647,586	-	(31,016)	152,556	478,533	181,596	52,138
Total Liabilities and Fund Balance	\$ 824	\$ 34,693	\$ 18,178	\$ 666,853	\$ 19,967	\$ 168,047	\$ 790,953	\$ 720,399	\$ 198,577	\$ 52,153

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2013
(Continued)

	Special Revenue Funds						Debt Service	Total Other Governmental Funds
	Children and Youth	Human Services Transportation	Fair Board	BHS D&A	Human Services	Coroner		
Assets								
Cash and cash equivalents	\$ 326,773	\$ 157,110	\$ 238,779	\$ 347,331	\$ 236,225	\$ 12,859	\$ 934,566	\$ 4,757,097
Investments	-	-	-	-	-	-	-	26,052
Due from other funds	15,386	-	827	11,954	38,965	-	30,223	963,796
Due from other governments	339,726	339,795	-	40,303	150,505	-	-	1,198,735
Taxes receivable	-	-	-	-	-	-	6,406	34,436
Accounts receivable	2,249	21,777	26,583	10,068	18,252	-	-	103,651
Other assets	480	462	922	-	-	-	-	1,864
Total Assets	\$ 684,614	\$ 519,144	\$ 267,111	\$ 409,656	\$ 443,947	\$ 12,859	\$ 971,195	\$ 7,085,631
Liabilities and Fund Balance								
Liabilities:								
Accounts payable	\$ 166,591	\$ 193,023	\$ 1,682	\$ 35,533	\$ 200,658	\$ -	\$ -	\$ 843,597
Due to other funds	332,308	326,121	831	77,547	93,718	-	525,000	1,870,373
Due to other governments	-	-	-	-	-	-	-	-
Unearned revenue	185,715	-	1,850	296,576	149,571	-	-	1,870,513
Total Liabilities	684,614	519,144	4,363	409,656	443,947	-	525,000	4,584,483
Fund Balance:								
Non-spendable	480	462	922	-	-	-	-	1,864
Restricted	-	-	-	-	-	12,859	446,195	2,269,416
Committed	-	-	261,826	-	-	-	-	261,826
Assigned	-	-	-	-	-	-	-	-
Unassigned	(480)	(462)	-	-	-	-	-	(31,958)
Total Fund Balance	-	-	262,748	-	-	12,859	446,195	2,501,148
Total Liabilities and Fund Balance	\$ 684,614	\$ 519,144	\$ 267,111	\$ 409,656	\$ 443,947	\$ 12,859	\$ 971,195	\$ 7,085,631

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds								
	Redevelopment Authority	Election Grant	DA Grant Fund	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	Prothonotary Automation
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	15	-	-	24,060	92,936	16,722	7,058	5,368	3,160
Interest	-	1	-	334	25	38	71	12	4
Rental income	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Total revenues	<u>15</u>	<u>1</u>	<u>-</u>	<u>24,394</u>	<u>92,961</u>	<u>16,760</u>	<u>7,129</u>	<u>5,380</u>	<u>3,164</u>
Expenditures:									
Administration:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	21,115	3,770	2,640	-
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	74,034	-	-	36,075	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	-
Debt service:									
Debt interest	-	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Total expenditures	<u>74,034</u>	<u>-</u>	<u>-</u>	<u>36,075</u>	<u>-</u>	<u>21,115</u>	<u>3,770</u>	<u>2,640</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(74,019)</u>	<u>1</u>	<u>-</u>	<u>(11,681)</u>	<u>92,961</u>	<u>(4,355)</u>	<u>3,359</u>	<u>2,740</u>	<u>3,164</u>
Other Financing Sources (Uses):									
Transfers in	58,000	-	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1)	-	(84,687)	-	-	-	-
Total other financing sources (uses)	<u>58,000</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(84,687)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(16,019)</u>	<u>1</u>	<u>(1)</u>	<u>(11,681)</u>	<u>8,274</u>	<u>(4,355)</u>	<u>3,359</u>	<u>2,740</u>	<u>3,164</u>
Fund Balance:									
Beginning of year	54,891	347	1	103,051	50,890	16,111	20,634	10,947	1,904
End of year	<u>\$ 38,872</u>	<u>\$ 348</u>	<u>\$ -</u>	<u>\$ 91,370</u>	<u>\$ 59,164</u>	<u>\$ 11,756</u>	<u>\$ 23,993</u>	<u>\$ 13,687</u>	<u>\$ 5,068</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,519	\$ 105,926
Intergovernmental	-	-	-	232,890	231,064	498,896	254,414	219,718	-	158,468
Charges for services	-	14,848	22,272	170,990	-	4,621	318,788	-	10,038	-
Interest	2	37	11	1,043	-	33	616	1,089	35	456
Rental income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	23,190	-	-	2,500	-	-	6,191
Total revenues	<u>2</u>	<u>14,885</u>	<u>22,283</u>	<u>428,113</u>	<u>231,064</u>	<u>503,550</u>	<u>576,318</u>	<u>220,807</u>	<u>240,592</u>	<u>271,041</u>
Expenditures:										
Administration:										
General government	-	10,000	2,817	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	708,404	-	-	-	-
Public safety:										
EMA/911	-	-	-	-	-	-	317,368	-	-	-
Public works:										
Highways and bridges	-	-	-	-	-	-	-	1,891,608	-	-
Human services:										
Child/youth services	-	-	-	-	-	-	-	-	-	-
Drug and alcohol	-	-	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	281,385
Community and economic development:										
Conservation/development	-	-	-	380,874	-	-	-	-	-	-
Housing/community development	-	-	-	-	136,185	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	203,631	-
Debt service:										
Debt interest	-	-	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>10,000</u>	<u>2,817</u>	<u>380,874</u>	<u>136,185</u>	<u>708,404</u>	<u>317,368</u>	<u>1,891,608</u>	<u>203,631</u>	<u>281,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>4,885</u>	<u>19,466</u>	<u>47,239</u>	<u>94,879</u>	<u>(204,854)</u>	<u>258,950</u>	<u>(1,670,801)</u>	<u>36,961</u>	<u>(10,344)</u>
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	-	218,016	-	1,950	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	15,877	-	-	-	1,756,607	-	-
Other uses	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(94,879)	(44,178)	(163,231)	(11,640)	(4,610)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,877</u>	<u>(94,879)</u>	<u>173,838</u>	<u>(163,231)</u>	<u>1,746,917</u>	<u>(4,610)</u>	<u>-</u>
Net Change in Fund Balance	<u>2</u>	<u>4,885</u>	<u>19,466</u>	<u>63,116</u>	<u>-</u>	<u>(31,016)</u>	<u>95,719</u>	<u>76,116</u>	<u>32,351</u>	<u>(10,344)</u>
Fund Balance:										
Beginning of year	822	29,808	(1,288)	584,470	-	-	56,837	402,417	149,245	62,482
End of year	<u>\$ 824</u>	<u>\$ 34,693</u>	<u>\$ 18,178</u>	<u>\$ 647,586</u>	<u>\$ -</u>	<u>\$ (31,016)</u>	<u>\$ 152,556</u>	<u>\$ 478,533</u>	<u>\$ 181,596</u>	<u>\$ 52,138</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

(Continued)

	Special Revenue Funds							Totals
	Children and Youth	Human Services Transportation	Fair Board	BHS D&A	Human Services	Coroner	Debt Service	
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,066,316	\$ 1,402,761
Intergovernmental	2,401,882	1,914,661	152,953	504,146	1,005,142	-	-	7,574,234
Charges for services	53,387	29,873	212,642	53,400	-	3,189	-	1,043,367
Interest	61	58	184	553	54	43	583	5,343
Rental income	-	-	15,540	-	-	-	-	15,540
Donations	-	-	-	-	-	-	-	31,881
Total revenues	2,455,330	1,944,592	381,319	558,099	1,005,196	3,232	1,066,899	10,073,126
Expenditures:								
Administration:								
General government	-	-	-	-	-	3,479	104	16,400
Judicial	-	-	-	-	-	-	-	735,929
Public safety:								
EMA/911	-	-	-	-	-	-	-	317,368
Public works:								
Highways and bridges	-	-	-	-	-	-	-	1,891,608
Human services:								
Child/youth services	2,661,149	-	-	-	-	-	-	2,661,149
Drug and alcohol	-	-	-	563,102	-	-	-	563,102
Other human services	-	1,436,256	-	-	1,228,669	-	-	2,664,925
Culture and recreation:								
Parks and recreation	-	-	336,957	-	-	-	-	336,957
Libraries	-	-	-	-	-	-	-	281,385
Community and economic development:								
Conservation/development	-	-	-	-	-	-	-	380,874
Housing/community development	-	-	-	-	-	-	-	246,294
Tourist promotion	-	-	-	-	-	-	-	203,631
Debt service:								
Debt interest	-	-	-	-	-	-	385,656	385,656
Debt principal payments	-	-	-	-	-	-	630,000	630,000
Total expenditures	2,661,149	1,436,256	336,957	563,102	1,228,669	3,479	1,015,760	11,315,278
Excess (Deficiency) of Revenues Over Expenditures	(205,819)	508,336	44,362	(5,003)	(223,473)	(247)	51,139	(1,242,152)
Other Financing Sources (Uses):								
Transfers in	314,476	-	-	9,503	231,364	-	-	833,309
Other sources from sale of assets/ prior period reimbursement	-	(465,612)	-	-	-	-	-	1,306,872
Other uses	-	-	-	-	-	-	-	-
Transfers out	(108,657)	(42,724)	-	(4,500)	(7,891)	-	-	(566,998)
Total other financing sources (uses)	205,819	(508,336)	-	5,003	223,473	-	-	1,573,183
Net Change in Fund Balance	-	-	44,362	-	-	(247)	51,139	331,031
Fund Balance:								
Beginning of year	-	-	218,386	-	-	13,106	395,056	2,170,117
End of year	\$ -	\$ -	\$ 262,748	\$ -	\$ -	\$ 12,859	\$ 446,195	\$ 2,501,148

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2013

	Tax Claim	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
Assets									
Cash and cash equivalents	\$ 222,551	\$ 90,548	\$ 86	\$ 62,917	\$ 526,963	\$ 9,456	\$ 10,696	\$ 12,153	\$ 30,105
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 222,551	\$ 90,548	\$ 86	\$ 62,917	\$ 526,963	\$ 9,456	\$ 10,696	\$ 12,153	\$ 30,105
Liabilities									
Liabilities:									
Due to other governments	\$ 222,551	\$ 64,847	\$ 86	\$ 9,179	\$ 526,963	\$ 6,074	\$ 6,708	\$ 7,848	\$ 25,089
Due to other funds	-	25,701	-	53,738	-	3,382	3,988	4,305	5,016
Total Liabilities	\$ 222,551	\$ 90,548	\$ 86	\$ 62,917	\$ 526,963	\$ 9,456	\$ 10,696	\$ 12,153	\$ 30,105
Assets									
	Sheriff-Validation System	Prothonotary	Prothonotary - Escrow Accts	Jail	Airport Security	Domestic Relations	Fire Damage Escrow	Juvenile Probation	Children and Youth
Cash and cash equivalents	\$ 308	\$ 161,221	\$ 49,539	\$ 69,406	\$ 5,901	\$ 29,733	\$ 67	\$ -	\$ 26,421
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 308	\$ 161,221	\$ 49,539	\$ 69,406	\$ 5,901	\$ 29,733	\$ 67	\$ -	\$ 26,421
Liabilities									
Liabilities:									
Due to other governments	\$ 308	\$ 156,643	\$ 49,539	\$ 67,331	\$ 5,901	\$ 29,733	\$ 67	\$ -	\$ 26,421
Due to other funds	-	4,578	-	2,075	-	-	-	-	-
Total Liabilities	\$ 308	\$ 161,221	\$ 49,539	\$ 69,406	\$ 5,901	\$ 29,733	\$ 67	\$ -	\$ 26,421
Assets									
	Commonwealth Treasurer	District Attorney	Farmland Preservation	Human Services - M. Howard	Wire Transfer Account	Total			
Cash and cash equivalents	\$ 13,185	\$ 26,874	\$ 32,528	\$ 2,147	\$ 20	\$ 1,382,825			
Due from other funds	-	-	-	-	-	-			
Total Assets	\$ 13,185	\$ 26,874	\$ 32,528	\$ 2,147	\$ 20	\$ 1,382,825			
Liabilities									
Liabilities:									
Due to other governments	\$ 13,185	\$ 26,874	\$ 32,528	\$ 2,147	\$ 20	\$ 1,280,042			
Due to other funds	-	-	-	-	-	102,783			
Total Liabilities	\$ 13,185	\$ 26,874	\$ 32,528	\$ 2,147	\$ 20	\$ 1,382,825			

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2013

	<u>Balance</u> <u>January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2013</u>
Tax Claim				
Assets				
Cash and cash equivalents	\$ 174,781	\$ 3,724,399	\$ (3,676,629)	\$ 222,551
	<u>\$ 174,781</u>	<u>\$ 3,724,399</u>	<u>\$ (3,676,629)</u>	<u>\$ 222,551</u>
Liabilities				
Due to other governments	\$ 174,781	\$ 3,724,399	\$ (3,676,629)	\$ 222,551
	<u>\$ 174,781</u>	<u>\$ 3,724,399</u>	<u>\$ (3,676,629)</u>	<u>\$ 222,551</u>
Clerk of Courts - Criminal:				
Assets				
Cash and cash equivalents	\$ 84,410	\$ 751,961	\$ (745,823)	\$ 90,548
Due from other funds	221	-	(221)	-
	<u>\$ 84,631</u>	<u>\$ 751,961</u>	<u>\$ (746,044)</u>	<u>\$ 90,548</u>
Liabilities				
Due to other governments	\$ 64,873	\$ 726,260	\$ (726,286)	\$ 64,847
Due to other funds	19,758	25,701	(19,758)	25,701
	<u>\$ 84,631</u>	<u>\$ 751,961</u>	<u>\$ (746,044)</u>	<u>\$ 90,548</u>
Orphan's Court:				
Assets				
Cash and cash equivalents	\$ 1,295	\$ 23,127	\$ (24,336)	\$ 86
Liabilities				
Due to other governments	\$ 1,295	\$ 23,127	\$ (24,336)	\$ 86
Register and Recorder:				
Assets				
Cash and cash equivalents	\$ 45,425	\$ 693,753	\$ (676,261)	\$ 62,917
Due from other funds	28,403	-	(28,403)	-
	<u>\$ 73,828</u>	<u>\$ 693,753</u>	<u>\$ (704,664)</u>	<u>\$ 62,917</u>
Liabilities				
Due to other governments	\$ 38,705	\$ 640,015	\$ (669,541)	\$ 9,179
Due to other funds	35,123	53,738	(35,123)	53,738
	<u>\$ 73,828</u>	<u>\$ 693,753</u>	<u>\$ (704,664)</u>	<u>\$ 62,917</u>
Register and Recorder (Local Realty Transfer)				
Assets				
Cash and cash equivalents	\$ 85,321	\$ 1,664,147	\$ (1,222,505)	\$ 526,963
Liabilities				
Due to other governments	\$ 85,321	\$ 1,664,147	\$ (1,222,505)	\$ 526,963

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2013
(Continued)

	Balance				Balance
	January 1, 2013	Additions	Deductions		December 31, 2013
Magistrate 13-03-1:					
Assets					
Cash and cash equivalents	\$ 6,134	\$ 181,023	\$ (177,701)		\$ 9,456
Liabilities					
Due to other governments	\$ 4,044	\$ 177,641	\$ (175,611)		\$ 6,074
Due to other funds	2,090	3,382	(2,090)		3,382
	\$ 6,134	\$ 181,023	\$ (177,701)		\$ 9,456
Magistrate 13-03-2:					
Assets					
Cash and cash equivalents	\$ 17,849	\$ 443,192	\$ (450,345)		\$ 10,696
Liabilities					
Due to other governments	\$ 14,108	\$ 439,204	\$ (446,604)		\$ 6,708
Due to other funds	3,741	3,988	(3,741)		3,988
	\$ 17,849	\$ 443,192	\$ (450,345)		\$ 10,696
Magistrate 13-03-03:					
Assets					
Cash and cash equivalents	\$ 16,332	\$ 375,812	\$ (379,991)		\$ 12,153
Liabilities					
Due to other governments	\$ 16,332	\$ 371,507	\$ (379,991)		\$ 7,848
Due to other funds	-	4,305	-		4,305
	\$ 16,332	\$ 375,812	\$ (379,991)		\$ 12,153
Sheriff:					
Assets					
Cash and cash equivalents	\$ 23,806	\$ 305,835	\$ (299,536)		\$ 30,105
Liabilities					
Due to other governments	\$ 20,289	\$ 300,819	\$ (296,019)		\$ 25,089
Due to other funds	3,517	5,016	(3,517)		5,016
	\$ 23,806	\$ 305,835	\$ (299,536)		\$ 30,105

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2013
(Continued)

	<u>Balance</u> <u>January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2013</u>
Sheriff - Validation System:				
Assets				
Cash and cash equivalents	\$ 334	\$ 1,105	\$ (1,131)	\$ 308
Liabilities				
Due to other governments	\$ 334	\$ 1,105	\$ (1,131)	\$ 308
Prothonotary:				
Assets				
Cash and cash equivalents	\$ 163,130	\$ 450,077	\$ (451,986)	\$ 161,221
Liabilities				
Due to other governments	\$ 160,169	\$ 445,499	\$ (449,025)	\$ 156,643
Due to other funds	2,961	4,578	(2,961)	4,578
	\$ 163,130	\$ 450,077	\$ (451,986)	\$ 161,221
Prothonotary - Escrow Accts:				
Assets				
Cash and cash equivalents	\$ 9,592	\$ 41,324	\$ (1,377)	\$ 49,539
Liabilities				
Due to other governments	\$ 9,592	\$ 41,324	\$ (1,377)	\$ 49,539
Jail:				
Assets				
Cash and cash equivalents	\$ 49,133	\$ 255,378	\$ (235,105)	\$ 69,406
Liabilities				
Due to other governments	\$ 49,133	\$ 253,303	\$ (235,105)	\$ 67,331
Due to other funds	-	2,075	-	2,075
	\$ 49,133	\$ 255,378	\$ (235,105)	\$ 69,406

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2013
(Continued)

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Airport Security:				
Assets				
Cash and cash equivalents	\$ 5,883	\$ 18	\$ -	\$ 5,901
Liabilities				
Due to other	\$ 5,883	\$ 18	\$ -	\$ 5,901
Domestic Relations:				
Assets				
Cash and cash equivalents	\$ 23,342	\$ 229,092	\$ (222,701)	\$ 29,733
Liabilities				
Due to other governments	\$ 23,342	\$ 229,092	\$ (222,701)	\$ 29,733
Fire Damage Escrow:				
Assets				
Cash and cash equivalents	\$ 67	\$ -	\$ -	\$ 67
Liabilities				
Due to other	\$ 67	\$ -	\$ -	\$ 67
Juvenile Probation:				
Assets				
Cash and cash equivalents	\$ 2,536	\$ -	\$ (2,536)	\$ -
Liabilities				
Due to other	\$ 2,536	\$ -	\$ (2,536)	\$ -
Children and Youth:				
Assets				
Cash and cash equivalents	\$ 27,533	\$ 2,537	\$ (3,649)	\$ 26,421
Liabilities				
Due to other governments	\$ 27,533	\$ 2,537	\$ (3,649)	\$ 26,421

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2013
(Continued)

	<u>Balance</u> <u>January 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2013</u>
Commonwealth Treasurer:				
<u>Assets</u>				
Cash and cash equivalents	\$ 21,860	\$ 152,055	\$ (160,730)	\$ 13,185
<u>Liabilities</u>				
Due to other governments	\$ 21,860	\$ 152,055	\$ (160,730)	\$ 13,185
District Attorney:				
<u>Assets</u>				
Cash and cash equivalents	\$ 26,105	\$ 4,334	\$ (3,565)	\$ 26,874
<u>Liabilities</u>				
Due to other governments	\$ 26,105	\$ 4,334	\$ (3,565)	\$ 26,874
Farmland Preservation:				
<u>Assets</u>				
Cash and cash equivalents	\$ 29,616	\$ 2,912	\$ -	\$ 32,528
<u>Liabilities</u>				
Due to other governments	\$ 29,616	\$ 2,912	\$ -	\$ 32,528
Human Services - M. Howard:				
<u>Assets</u>				
Cash and cash equivalents	\$ 3,003	\$ 7,157	\$ (8,013)	\$ 2,147
<u>Liabilities</u>				
Due to other governments	\$ 3,003	\$ 7,157	\$ (8,013)	\$ 2,147
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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

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:				
Guardianship Assistance	93.090		\$ 551	\$ 502
Projects for Assistance in Transition from Homelessness (PATH)	93.150		36,527	36,527
Promoting Safe and Stable Families	93.556	4100044225	235,116	153,800
Temporary Assistance for Needy Families - CYF	93.558		15,128	10,355
Temporary Assistance for Needy Families - CCIS Day Care	93.558		6,230	6,230
Subtotal 93.558			<u>21,358</u>	<u>16,585</u>
Child Support Enforcement	93.563		482,608	484,955
Child Support Enforcement - Incentive on Welfare Collections	93.563		-	73,846
Subtotal 93.563			<u>482,608</u>	<u>558,801</u>
Community-Based Child Abuse Prevention Grants	93.590		31,292	15,896
Stephanie Tubbs Jones Child Welfare Services Program - Title IV (B) - Children and Youth	93.645		33,791	34,305
Foster Care - Title IV-E - Children and Youth	93.658		368,481	478,163
Adoption Assistance	93.659		88,154	87,537
Social Services Block Grant - Title XX - Children and Youth	93.667		32,653	32,653
Social Services Block Grant - CCIS Day Care	93.667		42,538	45,300
Social Services Block Grant - MH/ID	93.667		36,508	27,381
Subtotal 93.667			<u>111,699</u>	<u>105,334</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DC09-305336	156,716	75,955
Child Care and Development Block Grant	93.575	DC09-305336	84,601	164,787
Subtotal CCDF Cluster				<u>240,742</u>
Chafee Foster Care Independence Program	93.674		33,564	33,564
Medical Assistance Program - MATP	93.778	3900034161A, EG00000090	302,507	364,456
Medical Assistance Program - CYF	93.778		2,361	1,760
Medical Assistance Program - Early Intervention	93.778		6,936	5,202
Medical Assistance Program - MH/ID	93.778		50,112	37,634
Subtotal 93.778			<u>361,916</u>	<u>409,052</u>
Block Grants for Community Mental Health Services	93.958		128,264	128,264
Passed Through the Pennsylvania Department of Drug and Alcohol:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959		-	140,792
Passed Through the University of Pittsburgh				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104			<u>10,772</u>
Total U.S. Department of Health and Human Services				<u>2,450,636</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, 2013
(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	C000036748		103,521
Community Development Block Grants/State's Program and Non-Entitlement Grants	14.228	C000046534		26,732
Community Development Block Grants/State's Program and Non-Entitlement Grants		C000049984		43,914
Community Development Block Grants/State's Program and Non-Entitlement Grants	14.228	C0000052069		56,502
Subtotal 14.228			<u>230,669</u>	<u>230,669</u>
Emergency Solutions Grant Program	14.231		37,532	37,532
HOME Investment Partnerships Program	14.239	C000026939	1,800	1,800
Supportive Housing Program	14.235	PA0284L3E011205		89,008
Supportive Housing Program	14.235	PA28C701032		31,801
Subtotal 14.235				<u>120,809</u>
ARRA - Homelessness Prevention and Rapid Re-housing Program	14.257	C000052923		45,308
ARRA - Homelessness Prevention and Rapid Re-housing Program	14.257	C000053466		20,115
Subtotal 14.257				<u>65,423</u>
Total U.S. Department of Housing and Urban Development				<u>456,233</u>
<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		232	232
Passed Through Pennsylvania Department of Agriculture:				
Emergency Food Assistance Program (Administrative Costs)	10.568			236
Emergency Food Assistance Program (Food Commodities)	10.569			4,334
Subtotal Food Distribution Cluster				<u>4,570</u>
Total U.S. Department of Agriculture				<u>4,802</u>
<u>U.S. Department of Transportation</u>				
Passed Through the Pennsylvania Department of Transportation:				
Highway Planning and Construction	20.205			1,197,078
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			372,490
Total U.S. Department of Transportation				<u>1,569,568</u>
<u>U.S. Department of Justice</u>				
Passed Through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16.575	VF-05-22384		17,740
Crime Victim Assistance	16.575	VF-05-24463		8,764
Subtotal 16.575				<u>26,504</u>
Violence Against Women Formula Grants	16.588	VA-06-20578		19,487
Edward Byrne Memorial Justice Assistance Grant Program	16.738			55,620
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program	16.803	2009-AJ-06-23934		1,185
Subtotal JAG Program Cluster				<u>56,805</u>
Total U.S. Department of Justice				<u>102,796</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through the Pennsylvania Emergency Management Agency (PEMA):				
Emergency Management Performance Grants	97.042			45,638
Homeland Security Grant Program	97.067			2,970
Total U.S. Department of Homeland Security				<u>48,608</u>
<u>U.S. Department of Education</u>				
Passed Through the Pennsylvania Department of Public Welfare:				
Special Education - Grants for Infants and Families	84.181		28,582	28,582
Total Expenditures of Federal Awards			<u>28,582</u>	<u>28,582</u>
				<u>\$ 4,661,225</u>

(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, 2013

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, 2013. 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, 2013:

<u>CFDA Number</u>	<u>Contract Number</u>	<u>Remaining Balance</u>
14.257	C000052923	\$ 119,692
14.257	C000053466	40,325
14.228	C000049984	214,112
14.228	C000052069	176,166
14.228	C000052922	217,502
14.228	C000056979	217,813

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE - FINANCIAL ASSISTANCE

DECEMBER 31, 2013

<u>Program</u>	<u>Combined Federal/ State Expenditures</u>
Child Support Enforcement Program	\$ 498,896 *
County Children and Youth Programs	2,401,882
Medical Assistance Transportation Program	701,537
County Child Care Information Services for Subsidized Child Day Care	390,622
Mental Health/Intellectual Disabilities	<u>2,414,937 *</u>
	<u>\$ 6,407,874</u>

* Denotes major programs for DPW testing purpose. The 2013 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, 2013, 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>
Child Support Enforcement	A-1 (a)	Comparison of Single Audit Expenditures with the Reported Expenditures
	A-1 (b)	PACSES OCSE 157 Data Reliability Validation
	A-1 (c)	Comparison of Reported Incentives to Incentives on Deposit
	A-1 (d)	Comparison of Federal Reimbursements and Incentive Payments Received to the Title IV D Account
Children and Youth Social Services	I	Fiscal Summary
Medical Assistance Transportation	III	Schedule of Revenues and Expenditures
Early Intervention Services	V (a) EI	Schedule of Revenues, Expenditures, and Carryover Funds
	V (b) EI	Report of Income and Expenditures
Block Grant Counties	VI (a) BG	Report of Income and Expenditures
	VI (b) BG	Report of Income and Expenditures
CCIS Daycare	VIII (a), (b), (c), (d)	Child Care Information Services Recap for Fiscal Year 2013
Family Center	n/a	Schedule of Revenues and Expenditures

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

- 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
August 26, 2014

COUNTY OF GREENE, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT EXPENDITURES WITH THE REPORTED EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Exhibit A-1 (a)

	Single Audit Expenditures					Reported Expenditures					Single Audit Over (Under) Reported					
	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A-B-C)	FFP	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: 9/30/12																
1. Salary & Overhead	\$ 188,085	\$ 7,187	\$ 12,712	\$ 168,186	66%	\$ 111,003	\$ 188,085	\$ 7,187	\$ 12,712	\$ 168,186	\$ 111,003	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	1	-	-	1	66%	1	1	-	-	1	1	-	-	-	-	-
3. Interest & Program Income	1,349	15	-	1,334	66%	880	1,349	15	-	1,334	880	-	-	-	-	-
4. Blood Testing Fees	276	-	-	276	66%	182	276	-	-	276	182	-	-	-	-	-
5. Blood Testing Costs	640	-	-	640	66%	422	640	-	-	640	422	-	-	-	-	-
6. ADP	-	-	-	-	66%	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 187,099	\$ 7,172	\$ 12,712	\$ 167,215	xxx	\$ 110,362	\$ 187,099	\$ 7,172	\$ 12,712	\$ 167,215	\$ 110,362	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 12/31/12																
1. Salary & Overhead	\$ 258,361	\$ 9,510	\$ 12,590	\$ 236,261	66%	\$ 155,932	\$ 258,361	\$ 9,510	\$ 12,590	\$ 236,261	\$ 155,932	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	66%	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	596	6	-	590	66%	389	596	6	-	590	389	-	-	-	-	-
4. Blood Testing Fees	482	-	-	482	66%	318	482	-	-	482	318	-	-	-	-	-
5. Blood Testing Costs	896	-	-	896	66%	591	896	-	-	896	591	-	-	-	-	-
6. ADP	-	-	-	-	66%	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 258,179	\$ 9,504	\$ 12,590	\$ 236,085	xxx	\$ 155,816	\$ 258,179	\$ 9,504	\$ 12,590	\$ 236,085	\$ 155,816	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 3/31/13																
1. Salary & Overhead	\$ 191,883	\$ 6,476	\$ 18,137	\$ 167,270	66%	\$ 110,398	\$ 191,883	\$ 6,476	\$ 18,137	\$ 167,270	\$ 110,398	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	1	-	-	1	66%	1	1	-	-	1	1	-	-	-	-	-
3. Interest & Program Income	709	12	-	697	66%	460	709	12	-	697	460	-	-	-	-	-
4. Blood Testing Fees	416	-	-	416	66%	275	416	-	-	416	275	-	-	-	-	-
5. Blood Testing Costs	736	-	-	736	66%	486	736	-	-	736	486	-	-	-	-	-
6. ADP	-	-	-	-	66%	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 191,493	\$ 6,464	\$ 18,137	\$ 166,892	xxx	\$ 110,148	\$ 191,493	\$ 6,464	\$ 18,137	\$ 166,892	\$ 110,148	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 6/30/13																
1. Salary & Overhead	\$ 223,816	\$ 6,898	\$ 27,598	\$ 189,320	66%	\$ 124,951	\$ 223,816	\$ 6,898	\$ 27,598	\$ 189,320	\$ 124,951	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	1	-	-	1	66%	1	1	-	-	1	1	-	-	-	-	-
3. Interest & Program Income	1,208	10	-	1,198	66%	791	1,208	10	-	1,198	791	-	-	-	-	-
4. Blood Testing Fees	384	-	-	384	66%	253	384	-	-	384	253	-	-	-	-	-
5. Blood Testing Costs	352	-	-	352	66%	232	352	-	-	352	232	-	-	-	-	-
6. ADP	-	-	-	-	66%	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 222,575	\$ 6,888	\$ 27,598	\$ 188,089	xxx	\$ 124,138	\$ 222,575	\$ 6,888	\$ 27,598	\$ 188,089	\$ 124,138	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF GREENE, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT PACSES OCSE 157 DATA RELIABILITY VALIDATION FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Exhibit A-1 (b)

County Greene Year Ended 6/30/2013

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 (10/1/12 - 9/30/13).	4	0
Line #29 Cases with disbursements on arrears during the fiscal year (10/1/12 - 9/30/13).	4	0

COUNTY OF GREENE, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT

COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Exhibit A-1(c)

	<u>Worksheet Ending Incentive Balance</u>		<u>Audited Title IV-D Account/General Ledger</u>
September 2012	\$ 12,712	\$	12,712
December 2012	12,590		12,590
February 2013	18,137		18,137
April 2013	13,893		13,893
June 2013	13,705		13,705
	<u>\$ 71,037</u>	\$	<u>71,037</u>

COUNTY OF GREENE, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT

COMPARISON OF FEDERAL REIMBURSEMENTS AND INCENTIVE PAYMENTS RECEIVED TO THE TITLE IV D ACCOUNT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Exhibit A-1(d)

<u>Receipt Date</u>	<u>Federal Reimbursements</u>	<u>Title IV-D Account</u>
July 2012	\$ 40,796	\$ 40,796
August 2012	45,276	45,276
September 2012	39,820	39,820
October 2012	38,905	38,905
November 2012	31,636	31,636
December 2012	39,737	39,737
January 2013	53,439	53,439
February 2013	34,751	34,751
March 2013	41,101	41,101
April 2013	29,084	29,084
April 2013	27,888	27,888
May 2013	39,964	39,964
June 2013	30,874	30,874

<u>Receipt Date</u>	<u>Incentive Payments</u>	<u>Title IV-D Account</u>
August 2012	\$ 12,712	\$ 12,712
December 2012	12,590	12,590
February 2013	18,137	18,137
March 2013	13,893	13,893
June 2013	13,705	13,705

COUNTY OF GREENE, PENNSYLVANIA
COUNTY CHILDREN AND YOUTH SOCIAL SERVICE PROGRAMS
FISCAL SUMMARY

JULY 1, 2010 THROUGH JUNE 30, 2011
(CAPTURING ALL EXPENDITURES PAID THROUGH JUNE 30, 2013)

Exhibit I

	A	B	C	D	E	F	G	H	I	J	K
	Grand Total	Prog Inc	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	\$ 3,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,554	\$ 20,554	\$ -
02. 90% Reimbursement	54,628	8	11,198	16,736	-	-	-	-	26,686	24,018	2,668
03. 80% Reimbursement	1,492,059	45,611	316,134	12,414	32,653	35,333	-	-	1,049,914	839,929	209,985
04. 60% Reimbursement	355,138	3,481	72,567	-	-	-	-	1,269	277,821	166,692	111,129
05. 50% Reimbursement	17,623	-	356	8,616	-	-	-	-	8,651	4,327	4,324
06. Total Child Welfare Exp.	1,943,812	49,104	404,061	37,766	32,653	35,333	-	1,269	1,383,626	1,055,520	328,106

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

08. NON-Reimbursable Expenditures	14,576	-							-	-	14,576
09. Total Expenditures	\$ 1,958,388	\$ 49,104	\$ 404,061	\$ 37,766	\$ 32,653	\$ 35,333	\$ -	\$ 1,269	\$ 1,383,626	\$ 1,055,520	\$ 342,682

10. IL Grant Funds Reported

--

11. Total HSDF used for Child Welfare	\$ -	12. Total Title IV-D Collections	\$ 23,436	13. Title IV-D Collections for IV-E Eligible Children	\$ 2,316
14. State Act 148 - Line 6	\$ 1,055,520	15. State Act 148 Allocation	\$ 1,207,989	c. Adjusted State Share (Lower of 14 or 15)	\$ 1,055,520

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, 2013

Exhibit III

	<u>Reported</u>	<u>Actual</u>
<u>Service Data:</u>		
Expenditures:		
Group I clients	\$ 859,295	\$ 859,295
Group II clients	24,199	24,199
	<hr/>	<hr/>
Total expenditures	<u>\$ 883,494</u>	<u>\$ 883,494</u>
<u>Allocation Data:</u>		
Revenues:		
Department of Public Welfare	\$ 883,494	\$ 883,494
Interest income	-	-
	<hr/>	<hr/>
Total revenues	<u>883,494</u>	<u>883,494</u>
Funds expended:		
Operating (Transportation) costs	829,922	829,922
Administrative costs	53,572	53,572
	<hr/>	<hr/>
Total funds expended	<u>883,494</u>	<u>883,494</u>
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF GREENE, PENNSYLVANIA

EARLY INTERVENTION SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2013

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	\$ 23,616	\$ 315,741	\$ 339,357	\$ 303,470	\$ 35,887	\$ -	\$ 35,887
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)	-	28,582	28,582	28,582	-	-	-
5. Infants, Toddlers & Families Waiver Administration	-	13,872	13,872	13,872	-	-	-
6. TOTAL	\$ 23,616	\$ 389,156	\$ 412,772	\$ 376,885	\$ 35,887	\$ -	\$ 35,887

COUNTY OF GREENE, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2013

Exhibit V (b) EI

	Administrator's Office	Early Intervention	Supports Coordination	Totals
I. TOTAL ALLOCATION				\$ 412,772
II. TOTAL EXPENDITURES	\$ 55,653	\$ 268,580	\$ 160,695	484,928
III. Costs Over Allocation				
A. County Funded Eligible	10,133	-	-	10,133
B. County Funded Ineligible	-	-	-	-
C. Other Eligible	-	-	-	-
D. Other Ineligible	-	-	-	-
Subtotal Costs Over Allocation	10,133	-	-	10,133
IV. REVENUES				
A. Program Service Fees	-	-	-	-
B. Private Insurance Fees	-	-	-	-
C. Medical Assistance	-	-	57,263	57,263
D. Earned Interest	-	-	-	-
E. Other	-	314	-	314
Subtotal Revenues	-	314	57,263	57,577
V. DPW REIMBURSEMENT				
A. DPW Categorical Funding 90%	28,484	241,440	93,089	363,013
B. DPW Categorical Funding 100%	13,872	-	-	13,872
Subtotal DPW Reimbursement	42,356	241,440	93,089	376,885
VI. COUNTY MATCH				
10% County Match	3,164	26,826	10,343	40,333
VII. TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	\$ 45,520	\$ 268,266	\$ 103,432	417,218
VIII. TOTAL CARRYOVER				\$ 35,887

COUNTY OF GREENE, PENNSYLVANIA

BLOCK GRANT COUNTIES
REPORT OF INCOME AND EXPENDITURES
COUNTY HUMAN SERVICES BLOCK GRANT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VI (a) BG

County Match	2.44%
Actual County Match (\$)	\$ 41,996
Actual County Match (%)	2.44%

Schedule of Fund Balances - Summary Report

Block Grant Reporting	Appropriation	DPW Allocation	Costs Eligible for DPW Participation							Balance of Funds	Adjustments	Total Fund Balance
			Mental Health	Intellectual Disability	Homeless Assistance	Child Welfare	HSS	D & A	Total			
Sources of Funding:												
1. State Human Services Block Grant	Multiple	\$ 1,907,175	\$ 1,223,021	\$ 251,954	\$ 43,966	\$ 63,616	\$ 79,400	\$ 60,431	\$ 1,722,388	\$ 184,787	\$ -	\$ 184,787
2. SSBG	Multiple	36,510	14,129	22,381	-	-	-	-	36,510	-	-	-
3. SABG	70113	-	-	-	-	-	-	-	-	-	-	-
4. CMHSBG	70167	128,264	128,264	-	-	-	-	-	128,264	-	-	-
5. MA	70175	49,913	-	49,913	-	-	-	-	49,913	-	-	-
6. Crisis Counseling	80222	-	-	-	-	-	-	-	-	-	-	-
Total for Block Grant		\$ 2,121,862	\$ 1,365,414	\$ 324,248	\$ 43,966	\$ 63,616	\$ 79,400	\$ 60,431	\$ 1,937,075	\$ 184,787	\$ -	\$ 184,787

Retained Earnings	
I. Unexpended Allocation	\$ 184,787
II. Maximum Retained Earnings (3%)	57,215
III. Waiver Requested Money (if applicable)	127,572
IV. Total Requested Retained Earnings	\$ 184,787

COUNTY OF GREENE, PENNSYLVANIA

BLOCK GRANT COUNTIES REPORT OF INCOME AND EXPENDITURES HUMAN SERVICES BLOCK GRANT SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VI (b) BG

Sources of Funding	Appropriation	Total Carryover	Allotment	DPW Allocation	Costs Eligible for DPW Participation	Balance of Funds	Adjustments	Total Fund Balance
Mental Health Services								
1 State - FY 2011-12 Norristown State Hospital	10248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 State - Personal Care Home Funding	10252	-	-	-	-	-	-	-
3 Federal - Path Homeless Grant	70154	34,308	29,333	63,641	63,641	-	-	-
4 Federal - Capitalization of POMS	70522	-	-	-	-	-	-	-
5 Federal - Youth Suicide Prevention	70651	-	-	-	-	-	-	-
6 Federal - Jail Diversion and Trauma Recovery	70747	-	-	-	-	-	-	-
7 Federal - Bio-Terrorism Hospital Preparedness	80343	-	-	-	-	-	-	-
8 Federal - Adult Health Quality Measures	70127	-	-	-	-	-	-	-
Subtotal Mental Health Services		34,308	29,333	63,641	63,641	-	-	-
Intellectual Disabilities Services								
1 Other	10255	-	-	-	-	-	-	-
2 Elwyn	10236	-	-	-	-	-	-	-
3 Money Follows the Person	10263	-	-	-	-	-	-	-
Subtotal Intellectual Disabilities Services		-	-	-	-	-	-	-
Total for Block Grant Reporting		\$ 34,308	\$ 29,333	\$ 63,641	\$ 63,641	\$ -	\$ -	\$ -

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE RECAP FOR FISCAL YEAR 2013

Exhibit VIII (a)

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

COUNTY Greene
 PREPARED BY Amy Switalski
 PHONE NO.: 724-852-5276

	Low Income		Former TANF		LI & FT TOTAL
	ADMIN/FSS	SERVICE	ADMIN/FSS	SERVICE	
REVENUE					
DPW Funds	\$ 145,020	\$ 432,986	\$ 9,213	\$ 126,433	\$ 713,652
Interest	-	-	-	-	-
Audit Adjustments	-	-	-	-	-
Other (e.g., Penalties)	-	-	-	-	-
Supplemental Payment	-	574	-	-	574
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
TOTAL REVENUE	145,020	433,560	9,213	126,433	714,226
EXPENDITURES					
Final Report Totals	147,636	435,443	9,813	122,276	715,168
Unrecorded expenses	45	-	-	-	45
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
TOTAL EXPENDITURES	147,681	435,443	9,813	122,276	715,213
SUBTOTAL - LIFT	\$ (2,661)	\$ (1,883)	\$ (600)	\$ 4,157	\$ (987)

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE RECAP FOR FISCAL YEAR 2013

Exhibit VIII (b), (c), and (d)

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

	TANF FSS	TANF SERVICE		TANF TOTAL	STATE MOE/GA FSS	SERVICE		STATE MOE/GA TOTAL	SNAP		
		Training	Working			State Moe	Genl Assist/WS2		FSS	Service	Total
REVENUE											
DPW Funds	\$ 8,998	\$ 21,332	\$ 15,972	\$ 46,302	\$ 1,648	\$ 12,169	\$ -	\$ 13,817	\$ 996	\$ 1,094	\$ 2,090
Interest	-	11	-	11	-	-	-	-	-	-	-
Audit Adjustments	-	-	-	-	-	-	-	-	-	-	-
Other (e.g., Penalties)	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 8,998	\$ 21,343	\$ 15,972	\$ 46,313	\$ 1,648	\$ 12,169	\$ -	\$ 13,817	\$ 996	\$ 1,094	\$ 2,090
EXPENDITURES											
Final Report Totals	\$ 8,567	\$ 19,889	\$ 18,908	\$ 47,364	\$ 1,570	\$ 10,104	\$ -	\$ 11,674	\$ 948	\$ 1,246	\$ 2,194
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	8,567	19,889	18,908	47,364	1,570	10,104	-	11,674	948	1,246	2,194
TOTAL DUE DPW	\$ 431	\$ 1,454	\$ (2,936)	\$ (1,051)	\$ 78	\$ 2,065	\$ -	\$ 2,143	\$ 48	\$ (152)	\$ (104)

COUNTY OF GREENE, PENNSYLVANIA

FAMILY CENTER

SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE-MONTH PERIOD ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Expenditures:</u>			
Personnel:			
Salaries and benefits	<u>\$ 243,144</u>	<u>\$ 243,144</u>	<u>\$ -</u>
Total personnel	<u>243,144</u>	<u>243,144</u>	<u>-</u>
Operations:			
Training/conferences	-	-	-
Transportation/travel	12,155	12,155	-
Service contracts	-	-	-
Communications	3,418	3,418	-
Facility expenses	22,107	22,107	-
Supplies	10,009	10,009	-
FC PAT training	2,590	2,590	-
Other: Participant incentives	500	500	-
Indirect costs	<u>22,123</u>	<u>22,123</u>	<u>-</u>
Total operating	<u>72,902</u>	<u>72,902</u>	<u>-</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><u>\$ 316,046</u></u>	<u><u>\$ 316,046</u></u>	<u><u>\$ -</u></u>

**County of Greene,
Pennsylvania**

Independent Auditor's Reports
Required by OMB Circular A-133

Year Ended December 31, 2013

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 26, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

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

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Maher Duessel

Pittsburgh, Pennsylvania
August 26, 2014

Independent Auditor's Report on Compliance for Each Major Federal and
Pennsylvania Department of Public Welfare Program and on Internal Control over
Compliance Required by OMB Circular A-133 and the Pennsylvania Department
of Public Welfare *Compliance Supplement*

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Board of County Commissioners
County Controller
County of Greene, Pennsylvania
Independent Auditor's Report on Compliance for Each Major
Federal and Pennsylvania Department of Public Welfare Program

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

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

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

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

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

Mahe Duessel

Pittsburgh, Pennsylvania
August 26, 2014

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2013

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified

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: Unmodified

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>
20.205	Highway Planning and Construction
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities
93.556	Promoting Safe and Stable Families
93.563	Child Support Enforcement

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, 2013

None