

County of Greene, Pennsylvania

Financial Statements and Required Supplementary Information and Supplementary Information

Year Ended December 31, 2014
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2014

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2014

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Independent Auditor's Report

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, 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, 2014, 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. 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, 2014, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 xvi and 37 through 42, 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 combining and individual other governmental funds and agency funds financial statements 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.

Maher Duessel

Pittsburgh, Pennsylvania
June 29, 2015

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, 2014. It should be read in conjunction with the accompanying basic financial statements and the notes to those statements.

Financial Highlights

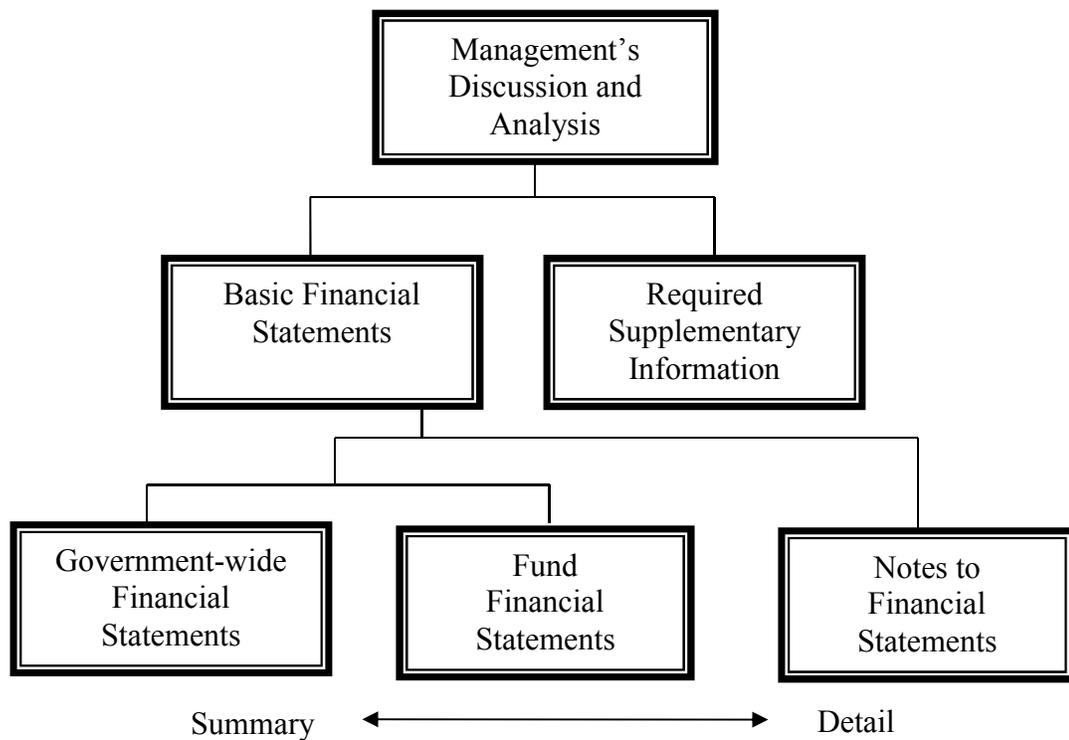
- The County received its third allocation of monies generated by Act 13 in the amount of \$3,627,570.45 in June. This money was earmarked for infrastructure upgrades within the County (\$3,190,350), Courthouse Security & Judicial Services (\$240,039), Records Management, Information Technology infrastructure, and GIS upgrades (\$205,000), Recreation (\$19,254) and grants to local authorities for water & sewer upgrades (\$19,166).
- The Greene County Pension Fund, on 1/1/2014, was determined to be 107.5% funded. 45% of Pennsylvania County pension plans are underfunded and Greene County has dedicated considerable time and resources to achieve a 100% funded position over the past 12 years. The County will continue to add monies to the pension fund annually to insure a fully funded status even in years when the market under-performs.
- In January 2014, the County completed the process of refunding the 2008 Bond series. 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. This savings was used to lower future debt payments. As part of the Bond refunding process, the County received an upgraded Standard and Poor's Rating of A+ (Stable).
- As noted above, the County focused significant resources on upgrading building security for the Greene County Courthouse and other County buildings. The Sheriff's Office staff was expanded to include security officers that man the entry points of the Courthouse and the main Human Services and Domestic Relations offices. In addition, the five "Uptown" county buildings were secured with access point card readers and interior and exterior digital cameras. A physical access control system allows employees to be provided with proximity cards that specifically allow or limit access to each area. This Security grant, in the amount of \$407,560, was provided by the Department of Homeland Security.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

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

REQUIRED COMPONENTS OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

- ➔ *Governmental funds statements*, which explain how services were financed in the short term, as well as what remains for future spending. A General Fund budgetary comparison statement is provided to demonstrate compliance.
- ➔ *Fiduciary funds statements*, which reflect activities involving resources that are held by the County as a trustee or agent for individuals, private organizations, or

MANAGEMENT'S DISCUSSION AND ANALYSIS

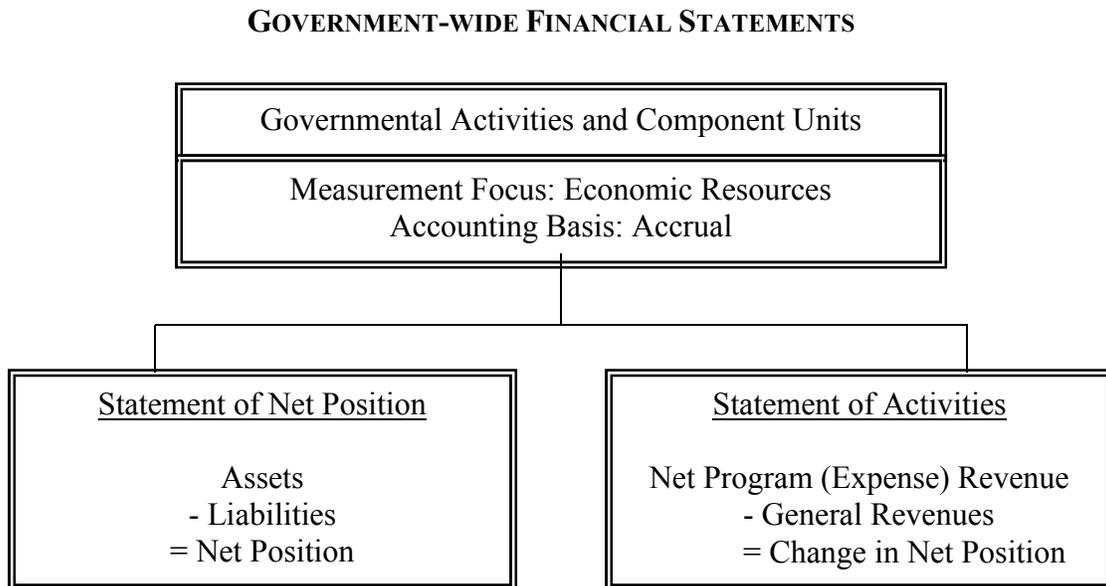
other governmental units. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

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

Assets:	Governmental Activities			
	2014	2013	2012	2011
Current and other Assets	\$ 19,589,440	\$ 19,332,811	\$ 15,764,968	\$ 14,167,220
Capital Assets	42,867,696	39,763,123	36,523,844	36,200,780
Total Assets	62,457,136	59,095,934	52,288,812	50,368,000
Liabilities:				
Current Liabilities	6,170,124	7,069,267	4,090,561	5,400,153
Other Liabilities	10,564,582	11,004,691	11,703,045	12,393,328
Total Liabilities	16,734,706	18,073,958	15,793,606	17,793,481
Net Position:				
Net Investment in Capital Assets	32,205,456	28,707,802	25,468,524	25,069,375
Restricted	7,219,565	4,756,443	4,943,670	2,687,426
Unrestricted	6,297,409	7,557,731	6,083,012	4,817,718
	45,722,430	41,021,976	36,495,206	32,574,519
Total Liabilities and Net Position	62,457,136	59,095,934	52,288,812	50,368,000

The County owns approximately \$42.9 million in assets and the County debt directly related to these assets is \$10.7 million. The difference of \$32.2 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 \$4.02 of assets to match it. The County's capital assets and unrestricted assets increased significantly in 2014, while liabilities decreased and debt decreased as Act 13 revenues allow 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.

	2014	2013	2012	2011
Asset-to-Debt Ratio's	402%	360%	330%	325%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's liabilities fall into two categories; long-term and short-term. Our long-term liabilities are the 2011 and 2014 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.

	2014	2013	2012	2011
Asset-to-Liability Ratio's	373%	327%	283%	281%

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*, decreased 21% in 2014 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.

	2014	2013	2012	2011
Accounts Payable	2,206,061	2,626,629	1,696,819	1,828,055

While the County's equity in capital assets has been discussed above in relation to assets, the *net assets* portion of the statement also contains restricted and unrestricted net assets. The County's restricted net assets are twofold: Capital projects, which is mainly Act 13 proceeds; and Debt Service, which is the money dedicated to paying off the County bonds. Unrestricted net assets are cash or other assets that have no external or legal restrictions regarding their use.

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-and-a-half times more money in the bank than bills and loans to pay, and his house would be worth over four 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 7.23% of its revenue for debt.
3. Greene County's asset-to-liability ratio is 3.73:1. This means that for every \$1 we owe, we hold \$3.73 in cash or assets. The County asset-to-debt ratio is 4.02:1, which again means that for every \$1 of debt we have, we hold \$4.02 in

MANAGEMENT'S DISCUSSION AND ANALYSIS

assets. These ratios are exceptional and are one of the reasons the County received an upgraded Standard and Poor's Rating of A+ (Stable).

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.

Primary Government:	2014			2013		
	Expenses	Program Revenues	General revenue required (provided)	Expenses	Program Revenues	General revenue required (provided)
General Gov.	10,227,315	7,722,052	(2,505,263)	9,608,994	6,163,871	(3,445,123)
Public safety	4,274,660	1,514,352	(2,760,308)	4,400,992	955,677	(3,445,315)
Public works	2,804,609	1,358,428	(1,446,181)	1,229,641	142,365	(1,087,276)
Human services	8,142,589	7,674,019	(468,570)	8,122,113	8,176,862	54,749
Culture & Rec	1,462,614	1,202,002	(260,612)	1,871,632	1,223,974	(647,657)
Community & Econ Dev	2,651,869	2,119,811	(532,058)	1,967,229	1,531,940	(435,289)
Unallocated Deprec.	136,623	-	(136,623)	135,532	-	(135,532)
Interest-Long-term debt	468,581	-	(468,581)	526,709	-	(526,709)
Total activities	30,168,860	21,590,664	(8,578,196)	27,862,842	18,194,690	(9,668,152)
General revenues:						
Property taxes, levied for general purposes			11,321,903			10,726,863
Property taxes, levied for debt service			1,094,490			1,082,248
Property taxes, levied for library expenditures			111,548			107,546
Interest			21,874			46,828
Rental income			496,406			457,562
Gain (loss) on sale of assets			(30,741)			(200,049)
Reimbursement of prior period expenditures			263,170			1,973,924
Total general revenues			13,278,650			14,194,922
Change in net position			4,700,454			4,526,770
Net Position:						
Beginning of year			\$ 41,021,976			\$ 36,495,206
End of year			\$ 45,722,430			\$ 41,021,976

The Statement of Activities shows that the County supported its operations with \$13 million in general revenues, of which \$11.3 million was general tax revenue. While tax revenues (not rates) increased slightly, program revenues also increased for all areas of government except Human Services and Culture & Recreation. As expenses also rose in Human Services, the County was forced to allocate tax revenues to the difference (commonly referred to as an *unfunded mandate* - in this case almost completely attributable to the new state "Sandusky Laws").

Program Revenue Source	2014	2013	2012
Charges for Services	7,772,988	7,036,267	6,757,965
Operating Grants and Contributions	10,931,581	10,537,336	11,666,117
Capital Grants and Contributions	2,886,095	621,087	708,073
General Revenues	21,590,664	18,194,690	19,132,155

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the above chart shows, revenue streams have been volatile over the last few 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, while dealing with large swings in Operating Grants.

Changes in Net Position	2014	2013	2012	2011	2010	2009	2008	2007
	11%	11%	11%	0%	7%	5%	5%	44%

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:

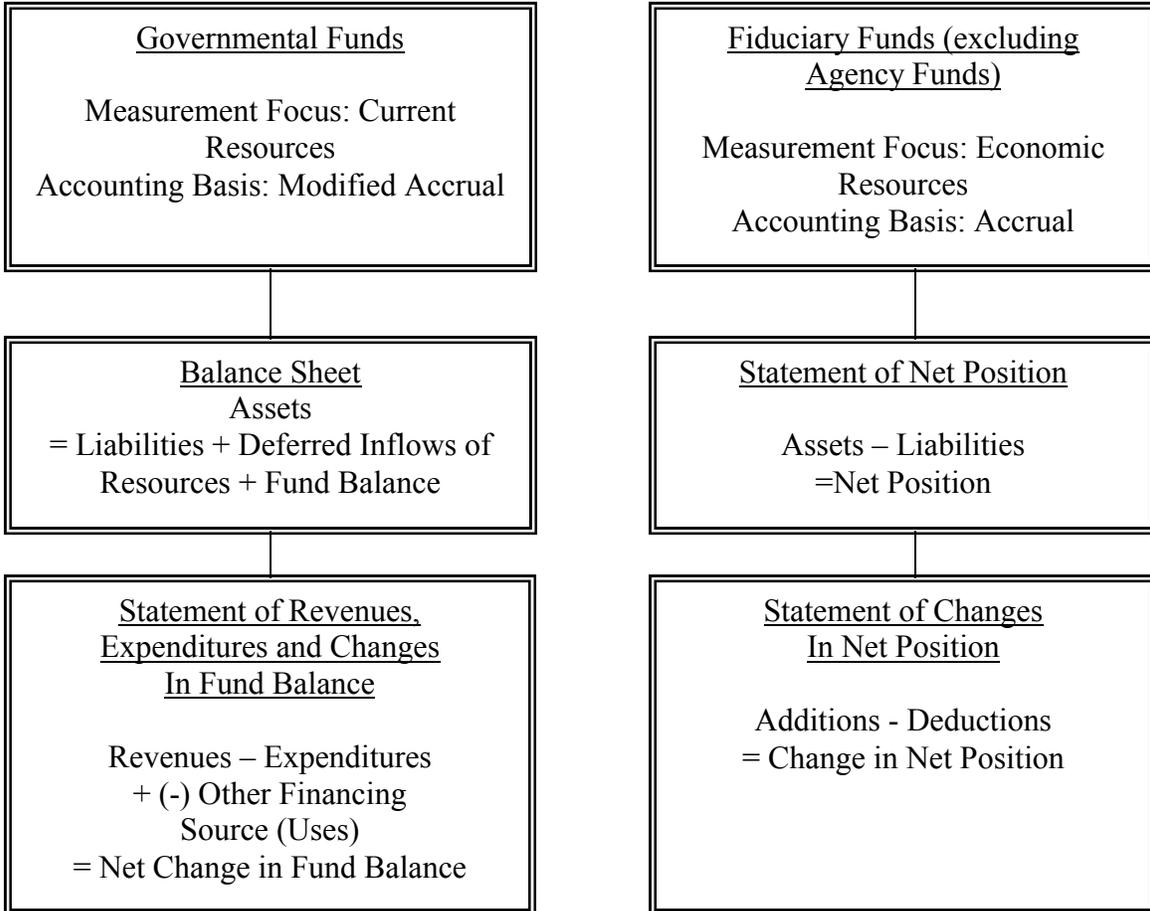
- *Governmental funds* – The County's basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that is available for spending. These funds are reported using 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 fiduciary net position and a statement of changes in fiduciary net position. These funds are

MANAGEMENT’S DISCUSSION AND ANALYSIS

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 four funds this year that are considered *Major* funds for the purpose of GASB #34 reporting: the General Fund, Capital Projects Fund, Children and Youth Services Fund, and the Behavioral Health Fund. There are 25 *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	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,238,699	\$ 1,591,617	\$ 107,695	\$ 2,931,468	\$ 5,920,155	\$ 13,789,634
Investments	-	-	-	1,296,214	151,180	1,447,394
Due from other funds	2,378,356	84,275	-	200,000	276,207	2,938,838
Due from other governments	401,044	17,237	907,812	-	536,005	1,862,098
Taxes receivable	1,347,944	-	-	-	41,640	1,389,584
Accounts receivable	305,054	2,756	2,076	-	166,475	476,361
Other assets	-	-	-	-	940	940
Total Assets	\$ 7,671,097	\$ 1,695,885	\$ 1,017,583	\$ 4,427,682	\$ 7,092,602	\$ 21,904,849
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 718,210	\$ 576,185	\$ 282,397	\$ 174,714	\$ 430,593	\$ 2,182,099
Accrued liabilities and withholdings	483,884	-	-	-	-	483,884
Due to other funds	352,426	314,004	728,507	112,689	1,355,030	2,862,656
Due to other governments	207	-	-	-	-	207
Unearned revenue	193,219	805,696	6,679	-	1,905,654	2,911,248
Total Liabilities	1,747,946	1,695,885	1,017,583	287,403	3,691,277	8,440,094
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	1,148,300	-	-	-	-	1,148,300
Fund Balance:						
Non-spendable	-	-	-	-	940	940
Restricted	2,022	-	-	4,140,279	3,077,264	7,219,565
Committed	24,225	-	-	-	323,176	347,401
Unassigned	4,748,604	-	-	-	(55)	4,748,549
Total Fund Balance	4,774,851	-	-	4,140,279	3,401,325	12,316,455
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,671,097	\$ 1,695,885	\$ 1,017,583	\$ 4,427,682	\$ 7,092,602	\$ 21,904,849

The General Fund balance sheet shows the cash available at the end of 2014 for operations in the unassigned fund balance of \$4.77 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 2014 by \$423,513. 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.

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 (3 major, 25 other).

MANAGEMENT'S DISCUSSION AND ANALYSIS

As major funds can change from year to year, comparative figures are not shown; but decreases in liabilities, mainly in the *Due to other funds* line, allowed for a 423 thousand dollar fund balance increase,

The Capital Projects Fund remained on the major funds list for 2014. While assets decreased, liabilities also decreased and there for the fund balance only decreased by 170 thousand dollars.

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 2014. This statement shows the four major funds, what revenues they generated, what expenditures were incurred, any other activity, and then the change in fund balance from the previous year.

The General Fund

The revenue shown for the General Fund is all normal revenue types that the County collects. Additional revenue, such as the money received from the sale of an asset, is shown under other financing sources (uses).

The *charges for service* and *transfers out* reflect the third allocation of the Unconventional Gas Well Impact Fee in the amount of \$3,627,570.45 in June. This money was earmarked for infrastructure upgrades within the County (\$3,190,350), Courthouse Security & Judicial Services (\$240,039), Records Management, Information Technology infrastructure, and GIS upgrades (\$205,000), Recreation (\$19,254) and grants to local authorities for water & sewer upgrades (\$19,166).

This money is shown as a Charge for Service in the General Fund and then is transferred out to the Capital Projects Fund. While revenue and expenditures increased in the General Fund from 2013 to 2014, quite a few capital expenditure projects were completed through the Capital Projects Fund and will be discussed below.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

	General Fund	Behavioral Health	Children and Youth	Capital Projects
Revenues:				
Taxes	\$ 11,367,223	\$ -	\$ -	\$ -
Intergovernmental	1,702,374	2,424,196	2,632,777	1,053,781
Charges for services, Fines, & Permits	6,380,558	-	90,512	-
Interest	4,637	184	33	9,871
Rental income	480,296	-	-	-
Donations	92,899	-	-	-
Total revenues	20,027,987	2,424,380	2,723,322	1,063,652
Expenditures:				
Administration	5,513,875	-	-	694,964
Judicial	3,492,414	-	-	68,056
Public safety:	3,752,170	-	-	336,886
Public works:	53,786	-	-	2,356,230
Human services:	-	2,392,880	2,989,459	-
Culture and recreation:	1,631,692	-	-	1,167,378
Conservation & economic development:	1,558,262	-	-	-
Debt service:	82,349	-	-	-
Total expenditures	16,084,548	2,392,880	2,989,459	4,623,514
Excess (Deficiency) of Revenues Over Expenditures	3,943,439	31,500	(266,137)	(3,559,862)
Other Financing Sources (Uses):				
Transfers in	571,546	-	392,494	3,389,893
Other sources from sale of assets/ prior period reimbursement	211,960	-	-	-
Transfers out and Other	(4,303,432)	(31,500)	(126,357)	-
Bond Proceeds, Payments, & Premiums	-	-	-	-
Total other financing sources (uses)	(3,519,926)	(31,500)	266,137	3,389,893
Net Change in Fund Balance	423,513	-	-	(169,969)
Beginning of year	4,351,338	-	-	4,310,248
End of year	4,774,851	-	-	4,140,279

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 2014, the fund balance increased \$423,513 for the General Fund and decreased \$169,969 for the Capital Projects Fund. While the Balance Sheet tells us what the fund balance is at the end of a year, the Revenue and Expense Statement tells us where the money was spent, and who paid for it.

Behavioral Health & Children and Youth Services Funds

These funds cover the Mental Health and Intellectual & Developmental Disabilities Programs and the Children and Youth Services fund. 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*).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Projects Fund and ACT 13 Impact Fee Projects

Expenditures from the Capital Projects Fund include Act 13 funds from all three annual allocations the County has received to date. The remaining Bond monies in this Fund were entirely expended in 2014. Expenses under *Administration* are mainly related to pass-thru funding for Southwest Regional Medical Center (\$487,500) renovations of County buildings (\$139,445), IT and Records management upgrades (collectively, \$39,079) as well as other smaller projects.

Projects under *Judicial* in the amount of \$68,056 included upgrades for the Court of Common Pleas and a grant to Southwestern PA Legal Services.

Public Safety projects in the amount of \$336,886 included the building of a kitchen at the Jail and upgrades to Courthouse Security (both personnel and equipment).

Public Works projects consisted primarily of renovations at the Greene County Airport (\$1,329,497), bridge and road renovations (\$647,556) and continuing work on the Jackson Run Stormwater Runoff project (\$379,177).

Culture and Recreation contains various projects completed for the Department of Parks and Recreation including upgrades to the MonView Pool, renovation of several buildings at the Fairgrounds, and a grant to Greensboro Borough for a Canoe and Kayak Launch as well as other smaller projects for a combined total of \$1,109,692.

Many Act 13 projects are ongoing and cross over fiscal years. 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 this in mind, the *fund balance* for the Capital Projects Fund simply reflects the remaining Act 13 money and grant funds at the end of the year. For the year ending 2014, that amount is \$4,623,514. Each of the three annual Act 13 allocations have remaining funds represented in that amount and the status and budget for each project is tracked by the County on an ongoing basis.

Other Governmental Funds

The 25 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 financial statements and the notes to those statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

<u>Assets</u>	<u>Employees Pension Plan</u>	<u>Tax Claim Bureau</u>	<u>Escrow Accounts</u>
Cash and cash equivalents	\$ 85,444	\$ 234,069	\$ 931,817
Investments	22,590,957	-	-
Due from other funds	22,744	-	1,218
Accounts receivable	73,920	-	-
Total Assets	<u>22,773,065</u>	<u>234,069</u>	<u>933,035</u>
<u>Liabilities</u>			
Due to other governments	-	234,069	832,891
Due to other funds	-	-	100,144
Total Liabilities	<u>-</u>	<u>\$ 234,069</u>	<u>\$ 933,035</u>
<u>Net Position</u>			
Net Position Restricted for Pension Benefits	<u>\$ 22,773,065</u>		

The third fund in this group is a *Trust* fund; the County 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	2014	2013	2012	2011	2010
S&P Index growth (decline)	11.39%	29.60%	13.41%	0.00%	12.78%
Pension Net Assets growth (decline)	9.43%	19.24%	14.04%	5.85%	18.36%
County Contribution	\$550,000	\$556,000	\$799,125	\$736,803	\$755,000

It is important to note that additions to the pension fund (including the County and employee contributions and market value increases) and deductions from the pension fund (in the form of pension benefits, refunds of contributions and administrative expenses) are included in the above *Pension Net Assets growth* line in the above chart.

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

The Greene County Pension Fund, on 1/1/2014, was determined to be 107.5% funded. Given the difference in performance in 2013 vs. 2014, that percentage dropped slightly by the end of 2014 to 106.7%. While the actuarial determined Annual Required Contribution for 2014 was \$299,640, the County contributed \$550,00 to the pension fund to insure a fully funded status even in years when the market under-performs. This is

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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 2014, when the preliminary budget was passed in 2013, the County did not yet have many of the benefit rates for the upcoming year, various assessment issues had not been finalized, The Act 13 allocation amount was unknown, 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. Mid-2014, in conjunction with the budget revision for management cost-of-living raises, various revenue lines were also increased as grant amounts were finalized and the actual amount of the 2014 Act 13 allocation became known. *Federal* and *State* Grants amounts were increased as well as *Charges for Service* (Act 13) and *Donations*.

Even with the increase in *Charges for Service*, that line item came in over-budget by 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 two 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.

State Grants also exceeded expectations due to Deferred Revenue and Flow-thru Grants while *Federal* grants came in under budget as housing revenues (and expenditures) were lower than expected.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budget & Actual – General Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,028,190	\$ 11,028,190	\$ 11,367,223	\$ 339,033
Licenses and permits	25,871	25,871	27,271	1,400
Fines and forfeits	180,000	180,000	165,914	(14,086)
Intergovernmental	658,017	720,701	1,702,374	981,673
Charges for services	4,558,738	5,686,308	6,187,373	501,065
Interest	5,700	5,700	4,637	(1,063)
Rental income	470,665	470,665	480,296	9,631
Donations	118,762	129,577	92,899	(36,678)
Total revenues	17,045,943	18,247,012	20,027,987	1,780,975
Expenditures:				
General government - administration	4,728,280	4,602,264	5,513,875	(911,611)
General government - judicial	2,831,268	3,298,833	3,492,414	(193,581)
Public safety:				
Corrections	2,804,941	3,312,690	3,230,048	82,642
EMA/911	463,859	505,223	522,122	(16,899)
Public works:				
Airport	67,985	67,985	53,786	14,199
Culture and recreation:				
Parks and recreation	1,241,895	1,436,864	1,631,692	(194,828)
Tourism	16,460	24,000	24,252	(252)
Conservation and economic development:				
Conservation/development	104,919	113,881	106,235	7,646
Housing/community development	203,768	205,921	143,121	62,800
Economic development	1,156,258	1,213,810	1,284,654	(70,844)
Debt service:				
Debt principal payment	-	-	82,349	(82,349)
Total expenditures	13,619,633	14,781,471	16,084,548	(1,303,077)
Excess (Deficiency) of Revenues Over Expenditures	3,426,310	3,465,541	3,943,439	477,898
Other Financing Sources (Uses):				
Transfers in	394,493	426,005	571,546	145,541
Other sources from sale of assets/prior period reimbursement	161,563	217,361	211,960	(5,401)
Transfers out	(4,224,838)	(4,224,838)	(4,303,432)	(78,594)
Total other financing sources (uses)	(3,668,782)	(3,581,472)	(3,519,926)	61,546
Net Change in Fund Balance	\$ (242,472)	\$ (115,931)	\$ 423,513	\$ 539,444

Other notable Final-to-Actual variances were seen in higher than anticipated revenues from Tax Claim (*Taxes*) and lower than expected donations from the 911 Center. The County ended the year with revenue over the budgeted amount by \$1,780,975.

Budgeted expenses were increased across all departments except for two – *General Government* and the *Airport*. This is due to the budget revision for the benefit allocations. Benefits are budgeted in approximate lump sum amounts in the Finance Department until the actual rates are determined and then allocated out to all other departments – with the notable exception of the *Airport* which contains no personnel expenses.

Other adjustments to budgeted expenses were made during the mid-year budget revision discussed above.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Actual expenditures in *General Government – Administration* were well over budget (\$911,611) as two large unbudgeted grants (Accessible Dreams and PHARE) passed thru the County as noted above in the revenue discussion. Expenditures in *General Government – Judicial* were also over budget due to growth in the Court of Common Pleas and Sheriff's office.

Expenditures in *Public Safety – Corrections*, in contrast to the growth in the Court System, were under budget as the Greene County Prison inmate counts were down during 2014.

Several other departments exceeded budget. These trends were noted during the course of 2014 but were not deemed significant enough to revise the budget, especially given the revenue trends. The County ended the year \$1,303,077 over budget in expenses.

Larger than expected *Transfers In* (\$145,541) were due to 911 Wireless fund reimbursements to the County which had been behind during 2013 and larger than anticipated *Transfers Out* (-\$78,594) were due to the County Transportation program.

The County ended the year with \$423,513 more revenue than expenses.

Summary

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

Greene County Government has been able to maintain a trend of reducing debt and liabilities, generating additional revenue, and increasing the fund balance year after year. Both the County residents and County government have prospered over the last several years, due to the Marcellus Shale gas deposits both in the form of royalties from the gas extracted and from the companies and employees that have moved into the County to drill the wells, extract the gas, and pipe it out of the County.

The County government has benefited in the same way and Act 13 Funding has allowed the County to direct additional resources to departments and infrastructure that are impacted by the Marcellus Shale activity in the County.

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

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

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2014

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 13,789,634
Investments	1,447,394
Receivables:	
Taxes receivable, net of allowance	1,389,584
Due from other governments	1,862,098
Accounts receivable	576,505
Other assets	940
Net pension asset	523,285
Capital assets not being depreciated	11,380,718
Capital assets, net of accumulated depreciation	<u>31,486,978</u>
Total Assets	<u>62,457,136</u>
Liabilities	
Accounts payable	2,206,061
Accrued liabilities and withholdings	483,884
Accrued interest payable	140,146
Due to other governments	207
Unearned revenue	2,911,248
Accrued compensated absences	428,578
Bonds and lease payable:	
Amount due within one year	830,673
Amount due in more than one year	9,831,567
Bond discount	<u>(97,658)</u>
Total Liabilities	<u>16,734,706</u>
Net Position	
Net investment in capital assets	32,205,456
Restricted for:	
Capital projects	4,140,279
Debt service	791,404
Other purposes	2,287,882
Unrestricted	<u>6,297,409</u>
Total Net Position	<u>\$ 45,722,430</u>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 10,227,315	\$ 5,680,394	\$ 1,346,425	\$ 695,233	\$ (2,505,263)
Public safety	4,274,660	880,138	354,514	279,700	(2,760,308)
Public works	2,804,609	30,846	332,410	995,172	(1,446,181)
Human services	8,142,589	175,489	7,498,530	-	(468,570)
Culture and recreation	1,462,614	824,523	377,479	-	(260,612)
Community and economic development	2,651,869	181,598	1,022,223	915,990	(532,058)
Unallocated depreciation	136,623	-	-	-	(136,623)
Interest and amortization	468,581	-	-	-	(468,581)
Total governmental activities	\$ 30,168,860	\$ 7,772,988	\$ 10,931,581	\$ 2,886,095	(8,578,196)
General revenues:					
					11,321,903
					1,094,490
					111,548
					21,874
					496,406
					(30,741)
					263,170
Total general revenues					13,278,650
Change in Net Position					4,700,454
Net Position:					
Beginning of year					41,021,976
End of year					\$ 45,722,430

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,238,699	\$ 1,591,617	\$ 107,695	\$ 2,931,468	\$ 5,920,155	\$ 13,789,634
Investments	-	-	-	1,296,214	151,180	1,447,394
Due from other funds	2,378,356	84,275	-	200,000	276,207	2,938,838
Due from other governments	401,044	17,237	907,812	-	536,005	1,862,098
Taxes receivable	1,347,944	-	-	-	41,640	1,389,584
Accounts receivable	305,054	2,756	2,076	-	166,475	476,361
Other assets	-	-	-	-	940	940
Total Assets	\$ 7,671,097	\$ 1,695,885	\$ 1,017,583	\$ 4,427,682	\$ 7,092,602	\$ 21,904,849
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 718,210	\$ 576,185	\$ 282,397	\$ 174,714	\$ 430,593	\$ 2,182,099
Accrued liabilities and withholdings	483,884	-	-	-	-	483,884
Due to other funds	352,426	314,004	728,507	112,689	1,355,030	2,862,656
Due to other governments	207	-	-	-	-	207
Unearned revenue	193,219	805,696	6,679	-	1,905,654	2,911,248
Total Liabilities	1,747,946	1,695,885	1,017,583	287,403	3,691,277	8,440,094
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	1,148,300	-	-	-	-	1,148,300
Fund Balance:						
Non-spendable	-	-	-	-	940	940
Restricted	2,022	-	-	4,140,279	3,077,264	7,219,565
Committed	24,225	-	-	-	323,176	347,401
Unassigned	4,748,604	-	-	-	(55)	4,748,549
Total Fund Balance	4,774,851	-	-	4,140,279	3,401,325	12,316,455
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,671,097	\$ 1,695,885	\$ 1,017,583	\$ 4,427,682	\$ 7,092,602	\$ 21,904,849

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, 2014

Total Fund Balance - Governmental Funds		\$ 12,316,455
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.		42,867,696
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.		1,148,300
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.		97,658
The net pension asset is not an available resource and, therefore, is not reported in the funds.		523,285
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	\$ (428,578)
	GO bonds/leases	(10,662,240)
	Accrued interest on bonds	<u>(140,146)</u>
		<u>(11,230,964)</u>
Total Net Position - Governmental Activities		<u>\$ 45,722,430</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, 2014

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,367,223	\$ -	\$ -	\$ -	\$ 1,473,482	\$ 12,840,705
Licenses and permits	27,271	-	-	-	-	27,271
Fines and forfeits	165,914	-	-	-	-	165,914
Intergovernmental	1,702,374	2,424,196	2,632,777	1,053,781	5,701,612	13,514,740
Charges for services	6,187,373	-	90,512	-	967,780	7,245,665
Interest	4,637	184	33	9,871	7,149	21,874
Rental income	480,296	-	-	-	16,110	496,406
Donations	92,899	-	-	-	3,205	96,104
Total revenues	20,027,987	2,424,380	2,723,322	1,063,652	8,169,338	34,408,679
Expenditures:						
General government - administration	5,513,875	-	-	694,964	15,252	6,224,091
General government - judicial	3,492,414	-	-	68,056	702,584	4,263,054
Public safety:						
Police	-	-	-	58,589	-	58,589
Corrections	3,230,048	-	-	186,905	-	3,416,953
EMA/911	522,122	-	-	91,392	307,319	920,833
Public works:						
Highways and bridges	-	-	-	647,556	1,222,166	1,869,722
Sanitation/solid waste	-	-	-	379,177	-	379,177
Airport	53,786	-	-	1,329,497	-	1,383,283
Human services:						
Child/youth services	-	-	2,989,459	-	-	2,989,459
Drug and alcohol	-	-	-	-	554,810	554,810
Mental health/intellectual disability	-	2,392,880	-	-	-	2,392,880
Other human services	-	-	-	-	815,304	815,304
Transportation	-	-	-	-	1,260,979	1,260,979
Culture and recreation:						
Parks and recreation	1,631,692	-	-	1,109,692	373,477	3,114,861
Libraries	-	-	-	-	270,476	270,476
Other	-	-	-	57,686	-	57,686
Conservation and economic development:						
Conservation/development	106,235	-	-	-	403,964	510,199
Housing/community development	143,121	-	-	-	457,514	600,635
Economic development	1,284,654	-	-	-	-	1,284,654
Tourist promotion	24,252	-	-	-	288,430	312,682
Debt service:						
Debt interest	-	-	-	-	230,452	230,452
Debt principal payments	82,349	-	-	-	525,000	607,349
Bond issuance costs	-	-	-	-	102,155	102,155
Total expenditures	16,084,548	2,392,880	2,989,459	4,623,514	7,529,882	33,620,283
Excess (Deficiency) of Revenues Over Expenditures	3,943,439	31,500	(266,137)	(3,559,862)	639,456	788,396
Other Financing Sources (Uses):						
Transfers in	571,546	-	392,494	3,389,893	521,045	4,874,978
Proceeds of refunding bonds	-	-	-	-	5,400,000	5,400,000
Payment to refunding bond escrow agent	-	-	-	-	(5,353,508)	(5,353,508)
Premium on refunding bonds	-	-	-	-	55,663	55,663
Other sources from sale of assets/ prior period reimbursement	211,960	-	-	-	51,210	263,170
Transfers out	(4,303,432)	(31,500)	(126,357)	-	(413,689)	(4,874,978)
Total other financing sources (uses)	(3,519,926)	(31,500)	266,137	3,389,893	260,721	365,325
Net Change in Fund Balance	423,513	-	-	(169,969)	900,177	1,153,721
Fund Balance:						
Beginning of year	4,351,338	-	-	4,310,248	2,501,148	11,162,734
End of year	\$ 4,774,851	\$ -	\$ -	\$ 4,140,279	\$ 3,401,325	\$ 12,316,455

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, 2014

Net Change in Fund Balance - Governmental Funds \$ 1,153,721

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	\$ 4,354,730	
	Less: Depreciation expense	<u>(1,219,416)</u>	3,135,314

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. (248,152)

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. 607,349

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. (49,890)

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. 907

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	-	
	Gain (loss) on the sale of capital assets	<u>(30,741)</u>	(30,741)

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. 234,448

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. (102,502)

Change in Net Position of Governmental Activities \$ 4,700,454

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, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,028,190	\$ 11,028,190	\$ 11,367,223	\$ 339,033
Licenses and permits	25,871	25,871	27,271	1,400
Fines and forfeits	180,000	180,000	165,914	(14,086)
Intergovernmental	658,017	720,701	1,702,374	981,673
Charges for services	4,558,738	5,686,308	6,187,373	501,065
Interest	5,700	5,700	4,637	(1,063)
Rental income	470,665	470,665	480,296	9,631
Donations	118,762	129,577	92,899	(36,678)
Total revenues	17,045,943	18,247,012	20,027,987	1,780,975
Expenditures:				
General government - administration	4,728,280	4,602,264	5,513,875	(911,611)
General government - judicial	2,831,268	3,298,833	3,492,414	(193,581)
Public safety:				
Corrections	2,804,941	3,312,690	3,230,048	82,642
EMA/911	463,859	505,223	522,122	(16,899)
Public works:				
Airport	67,985	67,985	53,786	14,199
Culture and recreation:				
Parks and recreation	1,241,895	1,436,864	1,631,692	(194,828)
Conservation and economic development:				
Conservation/development	104,919	113,881	106,235	7,646
Housing/community development	203,768	205,921	143,121	62,800
Economic development	1,156,258	1,213,810	1,284,654	(70,844)
Tourism	16,460	24,000	24,252	(252)
Debt service:				
Debt principal payment	-	-	82,349	(82,349)
Total expenditures	13,619,633	14,781,471	16,084,548	(1,303,077)
Excess (Deficiency) of Revenues Over Expenditures	3,426,310	3,465,541	3,943,439	477,898
Other Financing Sources (Uses):				
Transfers in	394,493	426,005	571,546	145,541
Other sources from sale of assets/prior period reimbursement	161,563	217,361	211,960	(5,401)
Transfers out	(4,224,838)	(4,224,838)	(4,303,432)	(78,594)
Total other financing sources (uses)	(3,668,782)	(3,581,472)	(3,519,926)	61,546
Net Change in Fund Balance	\$ (242,472)	\$ (115,931)	\$ 423,513	\$ 539,444

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2014

	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
Assets			
Cash and cash equivalents	\$ 85,444	\$ 234,069	\$ 931,817
Investments	22,590,957	-	-
Due from other funds	22,744	-	1,218
Accounts receivable	73,920	-	-
Total Assets	22,773,065	234,069	933,035
Liabilities			
Due to other governments	-	234,069	832,891
Due to other funds	-	-	100,144
Total Liabilities	-	\$ 234,069	\$ 933,035
Net Position			
Net Position Restricted for Pension Benefits	\$ 22,773,065		

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2014

Additions:

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Contributions:	
Employer	\$ 550,000
Plan member	716,276
	<hr/>
Total contributions	1,266,276
	<hr/>
Investment earnings:	
Net increase in fair value of investments	947,538
Interest and dividends	525,624
	<hr/>
Net investment earnings	1,473,162
	<hr/>
Total additions	2,739,438
	<hr/>

Deductions:

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Pension benefits	474,262
Refund of contributions	130,179
Administrative expenses	172,137
	<hr/>
Total deductions	776,578
	<hr/>

Change in Net Position 1,962,860

Net Position Restricted for Pension Benefits:

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Beginning of year	20,810,205
	<hr/>
End of year	\$ 22,773,065
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See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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, 2014

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

- 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 is 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, 2014

(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, 2014

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, 2014

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, 2014

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 \$1.8 million.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

E. 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.

F. 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.

G. Interfund Balances and Transfers

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

Fund	Due From	Due To
General	\$ 2,378,356	\$ 352,426
Behavioral Health	84,275	314,004
Children and Youth	-	728,507
Capital Projects	200,000	112,689
Other governmental funds	276,207	1,355,030
Fiduciary	23,962	100,144
	<u>\$ 2,962,800</u>	<u>\$ 2,962,800</u>

Individual fund transfers at December 31, 2014 were as follows:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Fund	Transfer In	Transfers Out
General	\$ 571,546	\$ 4,303,432
Behavioral Health	-	31,500
Children and Youth	392,494	126,357
Capital Projects	3,389,893	-
Other governmental funds	521,045	413,689
	\$ 4,874,978	\$ 4,874,978

H. Inventories

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

I. 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.

J. 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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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	\$ 118,600
Amount for sick day buy-backs retirement eligible	61,328
Amount for severance pay	225,000
Amount for compensated absences for non-exempt and union	<u>23,650</u>
Total Compensated Absences Liability	<u>\$ 428,578</u>

K. 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.

L. 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.
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COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

- **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/County Board of Commissioners). 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 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. The County currently does not have any assigned funds.
- **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.

M. 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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

- 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.

N. Adoption of Accounting Pronouncements

The County has adopted GASB Statement No. 67, *“Financial Reporting for Pension Plans.”* This statement revises existing guidance for the financial reports of most pension plans, and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The County’s financial disclosures were updated to reflect this pronouncement (see Note 7).

The County has adopted GASB Statement No. 70, *“Accounting and Financial Reporting for Non-exchange Financial Guarantees.”* This statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange 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 will be required to make a payment on the guarantee. The County has non non-exchange financial guarantees to report.

O. Pending Pronouncements

GASB has issued the following statements, which will become effective in future years as shown below. Management has not yet determined the impact of these statements on the County’s financial statements.

GASB has issued Statement No. 68, *“Accounting and Financial Reporting for Pensions,”* effective for the period beginning after June 15, 2014 (the County’s financial statements for the year ending December 31, 2015). This statement revises existing guidance for the financial reports of most pension plans, and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

GASB has issued Statement No. 71, *“Pension Transition for Contributions made to the Measurement Date – an Amendment of GASB Statement No. 68,”* effective for financial statement periods beginning after June 15, 2014 (the County’s financial statements for the year ending December 31, 2015). The objective of this statement is to address an issue regarding applications of the transition provision of Statement No. 68, *“Accounting and Financial Reporting for Pensions.”* The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

GASB has issued Statement No. 72, *“Fair Value Measurement and Application,”* effective for financial statements for periods beginning after June 15, 2015 (the County’s financial statements for

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

the year ending December 31, 2016). This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

P. 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

Governmental Activities

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, 2014, \$1,501,029 of the County's \$13,937,888 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$12,436,959 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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$13,778,772 as of December 31, 2014 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.

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, 2014, the bank balance of the investment in PLGIT is \$10,862. The carrying value of the investment in PLGIT of \$10,862 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 \$1,447,394 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, 2014, \$26,547 of the bank balance of \$1,447,394 was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$1,420,847 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, 2014, 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.

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 \$5,788,948 and \$6,017,405, respectively, for the year

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

ended December 31, 2014. The carrying amount of deposits for the row offices and other County offices was \$931,817 and the bank balance was \$949,547. The carrying amount of deposits for the Tax Claim Bureau was \$234,069 and the bank balance was \$241,889. The bank balances were not covered by federal depository insurance; however, they 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.

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, 2014, the County had the following investments in the Plan:

Cash or Investment Type	Investment Maturities (In Years) from December 31, 2014					
	Fair Market Value	Less than 1 year	1-5 Years	6-10 Years	11 or more Years	16 or more Years
U.S. Treasuries	\$ 2,937,385	\$ -	\$ 2,915,849	\$ -	\$ -	\$ 21,536
U.S. Government Agency Obligations	108,026	-	44,860	-	42,256	20,910
Municipal Bonds and Notes	811,051	255,050	450,605	105,396	-	-
Foreign Bonds	51,194	-	51,194	-	-	-
Corporate Bonds	4,695,118	305,210	2,084,373	1,539,218	231,913	534,404
Total debt securities	8,602,774	\$ 560,260	\$ 5,546,881	\$ 1,644,614	\$ 274,169	\$ 576,850
Cash and cash equivalents	976,513					
Common stock equities	13,011,670					
Total cash, cash equivalents, and other investments	13,988,183					
Total cash, cash equivalents, and investments reported on statement of net position - fiduciary funds	<u>\$ 22,590,957</u>					

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, 2014, 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, 2014

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	8.28%
Municipal Bonds	AA-	0.90%
Municipal Bonds	A+	1.80%
Municipal Bonds	A	1.54%
Municipal Bonds	BBB+	1.79%
Governmental Agencies	Unrated	1.91%
Foreign Bonds	BBB	0.90%
Corporate Bonds	AAA	2.64%
Corporate Bonds	AA+	0.97%
Corporate Bonds	AA-	3.88%
Corporate Bonds	A+	9.01%
Corporate Bonds	A	26.49%
Corporate Bonds	A-	14.51%
Corporate Bonds	BBB+	7.88%
Corporate Bonds	BBB	6.56%
Corporate Bonds	BBB-	7.96%
Corporate Bonds	CCC+	1.28%
Corporate Bonds	Unrated	1.71%
		<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, 2014, the County's entire pension investment 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 2014 levy was based, was \$1,596,744,372. The tax

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

rate to finance General Government Services other than the payment of principal and interest on long-term debt for the year ended December 31, 2014, 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, 2014 was 0.7 mills per \$1,000. The tax rate related to library services for the year ended December 31, 2014 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
1943-2009	\$ 231,166	20.0%	\$ 184,933
2010-2011	65,635	1.0%	64,979
2012-2013	388,029	0.3%	386,865
2014	711,168	0.0%	711,168
	<u>\$ 1,395,998</u>		<u>\$ 1,347,944</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 during 2014.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

	Balance at January 1, 2014	Additions	Transfers	Deletions	Balance at December 31, 2014
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,444,785	\$ -	\$ -	\$ -	\$ 2,444,785
Construction in progress	5,364,237	3,571,696	-	-	8,935,933
Total capital assets not being depreciated	7,809,022	3,571,696	-	-	11,380,718
Capital assets being depreciated:					
Buildings and improvements	17,422,475	263,878	-	-	17,686,353
Vehicles	2,596,405	63,791	-	61,482	2,598,714
Furniture and equipment	3,153,753	455,365	-	-	3,609,118
Infrastructure assets	21,158,390	-	-	-	21,158,390
Total capital assets being depreciated	44,331,023	783,034	-	61,482	45,052,575
Less accumulated depreciation for:					
Buildings and improvements	6,229,837	411,667	-	-	6,641,504
Vehicles	1,228,148	200,931	-	30,741	1,398,338
Furniture and equipment	1,826,491	325,341	-	-	2,151,832
Infrastructure assets	3,092,446	281,477	-	-	3,373,923
Total accumulated depreciation	12,376,922	1,219,416	-	30,741	13,565,597
Total capital assets being depreciated, net of accumulated depreciation	31,954,101	(436,382)	-	30,741	31,486,978
Governmental assets capital assets, net	\$ 39,763,123	\$ 3,135,314	\$ -	\$ 30,741	\$ 42,867,696

Included in equipment above is \$411,033 of assets purchased under a capital lease. These assets have a net value of \$167,240 at December 31, 2014.

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

Governmental Activities:	
General government	\$ 229,793
Public safety	207,323
Public works	341,505
Human services	129,158
Culture and recreation	170,669
Community and economic development	4,345
Unallocated depreciation	136,623
Total depreciation expense - governmental activities	\$ 1,219,416

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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 Retirement Board (Board) administers the Plan. Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the County Controller, and the County Treasurer.

All full-time employees, with 1,000 hours of service, are eligible to participate in the Plan.

At December 31, 2014, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	80
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	<u>253</u>
Total plan members	<u><u>351</u></u>

Summary of Significant Accounting Policies

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

Investments of the Plan are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

Benefits Provided

Participants in the Plan are 100% vested after five years of service. The Plan provides the following benefits:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Retirement Benefit - A participant is entitled to begin receiving retirement benefits at age 60 or after completing 20 years of service and attaining age 55. A participant is eligible for voluntary early retirement upon completion of 20 years of service and involuntary retirement upon completion of 8 years of service. The scheduled monthly retirement benefit is 1.00% and 1.25% of 1/12 of the participant's final average salary multiplied by years of credited service on the 1/100 and 1/80 Class, respectively, plus a monthly annuity based on the actuarial equivalent of the member's accumulated contribution with credited interest. A member may elect to receive the actuarial equivalent of his retirement benefit as a full cash refund annuity (Option One) or a reduced joint and survivor pension payable for the remainder of his life with either 100% or 50% of the member's pension continuing after death to the designated beneficiary. A member may also elect to receive in one payment, the full amount of his accumulated deductions and continue to receive the annuity provided by the county.

Disability Benefit - If a participant becomes totally and permanently disabled prior to normal retirement age and after completion of five years of credited service, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is a total monthly pension commencing on the last day of the month following disability retirement equal to 25% of the 1/12th of Final Average Salary at time of retirement. Such total monthly pension shall include the monthly disability that is actuarially equivalent to the member's accumulated contributions at retirement.

Death Benefit - If a participant's death occurs after having attained age 60 or having completed 10 years of credited service, the beneficiary will receive a lump sum equal to the actuarially determined present value of the benefits calculated above based on the member's Final Average Salary and credited service at time of death plus the member's accumulated contributions with interest at time of death. If a participant's death occurs after retirement the beneficiary will receive survivor benefits, if any, in accordance with the form under which benefits were being paid to the member. In any event, the total amount of benefits paid to the deceased member and beneficiary must at least equal the member's accumulated contributions with interest.

Cost-of-Living Adjustments – Cost-of-living adjustments must be reviewed at least once every three years by the Board.

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

upon by the 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.

The County's actuarially determined contribution to the Plan for 2014 was \$299,640.

Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plan at December 31, 2014 were as follows:

Total pension liability	\$ 20,643,368
Plan fiduciary net position	<u>(22,773,065)</u>
Net pension liability (asset)	<u>\$ (2,129,697)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>110.32%</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial valuation date	12/31/2014
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Underlying inflation rate	3.0%

Mortality rates based on RP-2013 Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement.

Actuarial assumptions based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An experience study has not been performed in the last 5 years.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Investment Policy – The Plan’s policies in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Long-Term Expected Rate of Return – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan target asset allocation as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27% - 45%	5.4%
International equity	10% - 28%	5.5%
Fixed income	25% - 35%	1.3%
Real estate	0.0%	4.5%
Cash	0% - 10%	0.0%
	<u>100.0%</u>	

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 6.45%.

Concentrations – The Plan had no individual investments in excess of 5% of the Plan’s fiduciary net position at December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e., no depletion date is projected to occur).

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability (asset) of the Plan calculated using the discount rate described above, as well as what the Plan’s net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease <u>(6.5%)</u>	Current Discount Rate (7.5%)	1% Increase <u>(8.5%)</u>
Net Pension Liability (Asset)	<u>\$ (772,280)</u>	<u>\$ (2,129,697)</u>	<u>\$ (4,108,862)</u>

Additional Employer Disclosures Required by GASB Statements No. 27 and 50

The information below is with regard to employer pension activity for the year ended December 31, 2014.

The Plan assumptions are as follows:

Actuarial valuation date	1/1/2015
Amortization method	Level Percentage Closed
Amortization period	30 years
Actuarial cost method	Entry Age
Asset valuation method	Method prescribed by the Pennsylvania State law, Act 44
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	4.50%
Underlying inflation rate	3.00%

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The County's annual pension cost and related information for the Plan is as follows:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2012	\$ 497,872	160.5%	\$ (260,117)
12/31/2013	527,280	105.4%	(288,837)
12/31/2014	315,552	174.3%	(523,285)

The County's net pension asset (a negative net pension obligation (NPO)) as of December 31, 2014 is calculated as follows:

Annual Pension Cost and Net Pension Obligation	
Actuarially determined contribution	\$ 299,640
Interest on Net Pension Obligation (Asset)	(21,663)
Adjustment to the ARC	37,575
Annual Pension Cost APC	315,552
Contributions made	550,000
Change in Net Pension Obligation (Asset)	(234,448)
Net Pension Obligation (Asset) Beginning of Year	(288,837)
Net Pension Obligation (Asset) End of Year	\$ (523,285)

The County's funded status and related information for the Plan as of the latest actuarial valuation date, January 1, 2015, is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Excess of Assets Over (Under) AAL	Funded Ratio	Covered Payroll	Excess (Deficiency) as a Percentage of Covered Payroll
\$ 22,773,065	\$ 21,347,556	\$ 1,425,509	106.68%	\$ 10,525,102	13.54%

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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

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, 2014 are as follows:

	At December 31, 2013	Issuances	Repayments	At December 31, 2014	Due Within One Year
G. O. Bond 2008	\$ 5,260,000	\$ -	\$ 5,260,000	\$ -	\$ -
G. O. Bond 2011	5,620,000	-	40,000	5,580,000	40,000
G. O. Bond 2014	-	5,400,000	485,000	4,915,000	705,000
Capital Lease	249,589	-	82,349	167,240	85,673
Total	\$ 11,129,589	\$ 5,400,000	\$ 5,867,349	\$ 10,662,240	\$ 830,673

General Obligation Bonds

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
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	45,000	184,044	229,044
2020-2024	3,020,000	748,798	3,768,798
2025-2027	2,355,000	109,469	2,464,469
Total	<u>\$ 5,580,000</u>	<u>\$ 1,789,575</u>	<u>\$ 7,369,575</u>

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.

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2015	\$ 705,000	\$ 85,187	\$ 790,187
2016	705,000	78,208	783,208
2017	725,000	65,670	790,670
2018	750,000	50,920	800,920
2019	755,000	35,870	790,870
2020-2021	1,275,000	26,520	1,301,520
Total	<u>\$ 4,915,000</u>	<u>\$ 342,375</u>	<u>\$ 5,257,375</u>

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
2015	\$ 745,000	\$ 273,378	\$ 1,018,378
2016	745,000	265,599	1,010,599
2017	765,000	252,086	1,017,086
2018	790,000	236,186	1,026,186
2019	800,000	219,914	1,019,914
2020-2024	4,295,000	775,318	5,070,318
2025-2027	2,355,000	109,469	2,464,469
Total	<u>\$ 10,495,000</u>	<u>\$ 2,131,950</u>	<u>\$ 12,626,950</u>

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>
2015	\$ 85,673	\$ 5,083	\$ 90,756
2016	81,567	1,625	83,192
Total	<u>\$ 167,240</u>	<u>\$ 6,708</u>	<u>\$ 173,948</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 issued a TAN on January 2, 2014 for a total of \$2,000,000, with an interest rate of 1.35%; however, the County did not draw down on the TAN in 2014.

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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

B. Litigation

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

12. RISK MANAGEMENT

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

**Required Supplementary
Information**

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - EMPLOYEES RETIREMENT PLAN

SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2014

Total Pension Liability:	
Service cost	\$ 432,205
Interest	1,406,981
Differences between expected and actual experience	784,328
Benefit payments, including refunds of member contributions	(604,441)
Net Changes in Total Pension Liability	2,019,073
Total Pension Liability - Beginning	18,624,295
Total Pension Liability - Ending (a)	\$ 20,643,368
Plan Fiduciary Net Position:	
Contributions - employer	\$ 550,000
Contributions - member	716,276
Net investment income	1,473,162
Benefit payments, including refunds of member contributions	(604,441)
Administrative expense	(172,137)
Other	-
Net Change in Plan Fiduciary Net Position	1,962,860
Plan Fiduciary Net Position - Beginning	20,810,205
Plan Fiduciary Net Position - Ending (b)	\$ 22,773,065
Net Pension Liability (Asset) - Ending (a-b)	\$ (2,129,697)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	110.32%
Covered Employee Payroll	\$ 9,905,909
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-21.50%

See accompanying notes to schedules of required supplementary information.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - EMPLOYEES RETIREMENT PLAN

SCHEDULE OF PLAN CONTRIBUTIONS AND INVESTMENT RETURNS

YEAR ENDED DECEMBER 31, 2014

Schedule of Contributions

Actuarially determined contribution	\$ 299,640
Contributions in relation to the actuarially determined contribution	<u>550,000</u>
Contribution deficiency (excess)	<u>\$ (250,360)</u>
Covered employee payroll	<u>\$ 9,905,909</u>
Contributions as a percentage of covered employee payroll	5.55%

Investment Returns

Annual money-weighted rate of return, net of investment expense	6.45%
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See accompanying notes to schedules of 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>Actuarially Determined Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 445,695	118%
2010	638,240	118%
2011	736,803	102%
2012	500,103	160%
2013	513,042	108%
2014	299,640	184%

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

See accompanying notes to schedules of required supplementary information.

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)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)
1/1/2015	\$ 22,773,065	\$ 21,347,556	\$ (1,425,509)	106.68%	\$ 10,525,102	(13.54%)
1/1/2014	20,810,205	19,353,903	(1,456,302)	107.52%	9,905,909	(14.70%)
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.

See accompanying notes to schedules of required supplementary information.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2014

Actuarial Methods and Assumptions under GASB Statement No. 67

The information presented in the “Required Supplementary Information – Pension Plan” was determined as part of the actuarial valuations at the dates indicated. Methods and assumptions used to determine contribution rates are as follows:

Actuarial valuation date	12/31/2014
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Market value adjusted for gains and losses from prior years
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Underlying inflation rate	3.0%
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

Actuarial Methods and Assumptions under GASB Statements No. 27 and 50

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:

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2014

Actuarial valuation date	1/1/2015
Amortization method	Level Percentage Closed
Amortization period	30 years
Actuarial cost method	Entry Age
Asset valuation method	Method prescribed by the Pennsylvania State law, Act 44
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	4.50%
Underlying inflation rate	3.00%

Supplementary Information

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	Special Revenue Funds							
	Redevelopment Authority	Election Grant	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	
Assets								
Cash and cash equivalents	\$ 890,478	\$ 349	\$ 113,845	\$ 53,719	\$ 10,725	\$ 27,678	\$ 10,510	\$ 7,844
Investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	2,590	-	-	483	295	265
Due from other governments	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	402	-	-	-	-	-	-	-
Other assets	113	-	-	-	-	-	-	-
Total Assets	\$ 890,993	\$ 349	\$ 116,435	\$ 53,719	\$ 10,725	\$ 28,161	\$ 10,805	\$ 8,109
Liabilities and Fund Balance								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	67	-	-
Unearned revenue	764,089	-	-	-	-	-	-	-
Total Liabilities	764,089	-	-	-	-	67	-	-
Fund Balance:								
Non-spendable	113	-	-	-	-	-	-	-
Restricted	126,791	349	116,435	53,719	10,725	28,094	10,805	8,109
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	126,904	349	116,435	53,719	10,725	28,094	10,805	8,109
Total Liabilities and Fund Balance	\$ 890,993	\$ 349	\$ 116,435	\$ 53,719	\$ 10,725	\$ 28,161	\$ 10,805	\$ 8,109

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014

(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	\$ 827	\$ 44,194	\$ 40,865	\$ 690,437	\$ 19,979	\$ 54,718	\$ 879,813	\$ 629,916	\$ 143,631	\$ 23,847
Investments	-	-	-	113,741	-	-	-	-	10,892	26,547
Due from other funds	-	1,538	2,307	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	3,428	87,827	-	105,375	-	-
Taxes receivable	-	-	-	-	-	-	-	-	37,071	4,569
Accounts receivable	-	-	-	91,930	-	-	24,073	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 827	\$ 45,732	\$ 43,172	\$ 896,108	\$ 23,407	\$ 142,545	\$ 903,886	\$ 735,291	\$ 191,594	\$ 54,963
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ 45,091	\$ 3,428	\$ -	\$ 795	\$ 155,204	\$ 7,275	\$ -
Due to other funds	-	-	-	28,606	-	142,545	153,870	6,146	15,275	15
Unearned revenue	-	-	-	-	19,979	-	535,607	-	-	-
Total Liabilities	-	-	-	73,697	23,407	142,545	690,272	161,350	22,550	15
Fund Balance:										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	827	45,732	43,172	822,411	-	-	213,614	573,941	169,044	54,948
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	827	45,732	43,172	822,411	-	-	213,614	573,941	169,044	54,948
Total Liabilities and Fund Balance	\$ 827	\$ 45,732	\$ 43,172	\$ 896,108	\$ 23,407	\$ 142,545	\$ 903,886	\$ 735,291	\$ 191,594	\$ 54,963

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2014
(Continued)

	Special Revenue Funds						Total Other Governmental Funds
	Human Services Transportation	Fair Board	BHS D&A	Human Services	Coroner	Debt Service	
Assets							
Cash and cash equivalents	\$ 379,743	\$ 301,427	\$ 368,455	\$ 184,424	\$ 7,144	\$ 1,035,587	\$ 5,920,155
Investments	-	-	-	-	-	-	151,180
Due from other funds	78,595	-	68,634	90,683	-	30,817	276,207
Due from other governments	94,301	-	22,580	222,494	-	-	536,005
Taxes receivable	-	-	-	-	-	-	41,640
Accounts receivable	7,677	24,089	1,481	16,823	-	-	166,475
Other assets	-	772	-	55	-	-	940
Total Assets	\$ 560,316	\$ 326,288	\$ 461,150	\$ 514,479	\$ 7,144	\$ 1,066,404	\$ 7,092,602
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 9,402	\$ 90	\$ 13,146	\$ 196,162	\$ -	\$ -	\$ 430,593
Due to other funds	440,077	-	98,392	195,037	-	275,000	1,355,030
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	110,837	2,250	349,612	123,280	-	-	1,905,654
Total Liabilities	560,316	2,340	461,150	514,479	-	275,000	3,691,277
Fund Balance:							
Non-spendable	-	772	-	55	-	-	940
Restricted	-	-	-	-	7,144	791,404	3,077,264
Committed	-	323,176	-	-	-	-	323,176
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(55)	-	-	(55)
Total Fund Balance	-	323,948	-	-	7,144	791,404	3,401,325
Total Liabilities and Fund Balance	\$ 560,316	\$ 326,288	\$ 461,150	\$ 514,479	\$ 7,144	\$ 1,066,404	\$ 7,092,602

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds							
	Redevelopment Authority	Election Grant	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	Prothonotary Automation
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	97,938	-	-	-	-	-	-	-
Charges for services	-	-	24,760	86,399	13,845	6,618	4,907	3,035
Interest	1,507	1	305	27	32	80	12	6
Rental income	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Total revenues	<u>99,445</u>	<u>1</u>	<u>25,065</u>	<u>86,426</u>	<u>13,877</u>	<u>6,698</u>	<u>4,919</u>	<u>3,041</u>
Expenditures:								
Administration:								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	14,908	2,597	7,801	-
Public safety:								
EMA/911	-	-	-	-	-	-	-	-
Public works:								
Highways and bridges	-	-	-	-	-	-	-	-
Human services:								
Child/youth services	-	-	-	-	-	-	-	-
Drug and alcohol	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Culture and recreation:								
Parks and recreation	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Community and economic development:								
Conservation/development	-	-	-	-	-	-	-	-
Housing/community development	103,148	-	-	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-
Debt service:								
Debt interest	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>103,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,908</u>	<u>2,597</u>	<u>7,801</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,703)</u>	<u>1</u>	<u>25,065</u>	<u>86,426</u>	<u>(1,031)</u>	<u>4,101</u>	<u>(2,882)</u>	<u>3,041</u>
Other Financing Sources (Uses):								
Transfers in	51,373	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	40,362	-	-	-	-	-	-	-
Transfers out	-	-	-	(91,871)	-	-	-	-
Total other financing sources (uses)	<u>91,735</u>	<u>-</u>	<u>-</u>	<u>(91,871)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>88,032</u>	<u>1</u>	<u>25,065</u>	<u>(5,445)</u>	<u>(1,031)</u>	<u>4,101</u>	<u>(2,882)</u>	<u>3,041</u>
Fund Balance:								
Beginning of year	<u>38,872</u>	<u>348</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>
End of year	<u>\$ 126,904</u>	<u>\$ 349</u>	<u>\$ 116,435</u>	<u>\$ 53,719</u>	<u>\$ 10,725</u>	<u>\$ 28,094</u>	<u>\$ 10,805</u>	<u>\$ 8,109</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,271	\$ 112,118
Intergovernmental	-	-	-	464,681	355,634	514,893	208,140	1,327,582	-	158,468
Charges for services	-	17,000	25,500	111,777	-	4,574	300,704	-	11,071	-
Interest	3	39	29	1,331	-	22	484	1,279	28	495
Rental income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	1,000	-	-	-	-	-	2,205
Total revenues	3	17,039	25,529	578,789	355,634	519,489	509,328	1,328,861	272,370	273,286
Expenditures:										
Administration:										
General government	-	6,000	535	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	677,278	-	-	-	-
Public safety:										
EMA/911	-	-	-	-	-	-	307,319	-	-	-
Public works:										
Highways and bridges	-	-	-	-	-	-	-	1,222,166	-	-
Human services:										
Child/youth services	-	-	-	-	-	-	-	-	-	-
Drug and alcohol	-	-	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	270,476
Community and economic development:										
Conservation/development	-	-	-	403,964	-	-	-	-	-	-
Housing/community development	-	-	-	-	354,366	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	288,430	-
Debt service:										
Debt interest	-	-	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	6,000	535	403,964	354,366	677,278	307,319	1,222,166	288,430	270,476
Excess (Deficiency) of Revenues Over Expenditures	3	11,039	24,994	174,825	1,268	(157,789)	202,009	106,695	(16,060)	2,810
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	-	241,078	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	-	-	-	-	-	8,733	-
Transfers out	-	-	-	-	(1,268)	(52,273)	(140,951)	(11,287)	(5,225)	-
Total other financing sources (uses)	-	-	-	-	(1,268)	188,805	(140,951)	(11,287)	3,508	-
Net Change in Fund Balance	3	11,039	24,994	174,825	-	31,016	61,058	95,408	(12,552)	2,810
Fund Balance:										
Beginning of year	824	34,693	18,178	647,586	-	(31,016)	152,556	478,533	181,596	52,138
End of year	\$ 827	\$ 45,732	\$ 43,172	\$ 822,411	\$ -	\$ -	\$ 213,614	\$ 573,941	\$ 169,044	\$ 54,948

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2014

(Continued)

	Special Revenue Funds						Totals
	Human Services Transportation	Fair Board	BHS D&A	Human Services	Coroner	Debt Service	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,093	\$ 1,473,482
Intergovernmental	1,198,572	132,718	514,618	728,368	-	-	5,701,612
Charges for services	27,021	283,577	44,111	-	2,881	-	967,780
Interest	29	157	581	13	39	650	7,149
Rental income	-	16,110	-	-	-	-	16,110
Donations	-	-	-	-	-	-	3,205
Total revenues	1,225,622	432,562	559,310	728,381	2,920	1,100,743	8,169,338
Expenditures:							
Administration:							
General government	-	-	-	-	8,635	82	15,252
Judicial	-	-	-	-	-	-	702,584
Public safety:							
EMA/911	-	-	-	-	-	-	307,319
Public works:							
Highways and bridges	-	-	-	-	-	-	1,222,166
Human services:							
Child/youth services	-	-	-	-	-	-	-
Drug and alcohol	-	-	554,810	-	-	-	554,810
Other human services	-	-	-	815,304	-	-	815,304
Transportation	1,260,979	-	-	-	-	-	1,260,979
Culture and recreation:							
Parks and recreation	-	373,477	-	-	-	-	373,477
Libraries	-	-	-	-	-	-	270,476
Community and economic development:							
Conservation/development	-	-	-	-	-	-	403,964
Housing/community development	-	-	-	-	-	-	457,514
Tourist promotion	-	-	-	-	-	-	288,430
Debt service:							
Debt interest	-	-	-	-	-	230,452	230,452
Debt principal payments	-	-	-	-	-	525,000	525,000
Bond issuance costs	-	-	-	-	-	102,155	102,155
Total expenditures	1,260,979	373,477	554,810	815,304	8,635	857,689	7,529,882
Excess (Deficiency) of Revenues Over Expenditures	(35,357)	59,085	4,500	(86,923)	(5,715)	243,054	639,456
Other Financing Sources (Uses):							
Transfers in	78,594	-	-	150,000	-	-	521,045
Proceeds of refunding bonds	-	-	-	-	-	5,400,000	5,400,000
Payment to refunding bond escrow agent	-	-	-	-	-	(5,353,508)	(5,353,508)
Premium on refunding bonds	-	-	-	-	-	55,663	55,663
Other sources from sale of assets/ prior period reimbursement	-	2,115	-	-	-	-	51,210
Transfers out	(43,237)	-	(4,500)	(63,077)	-	-	(413,689)
Total other financing sources (uses)	35,357	2,115	(4,500)	86,923	-	102,155	260,721
Net Change in Fund Balance	-	61,200	-	-	(5,715)	345,209	900,177
Fund Balance:							
Beginning of year	-	262,748	-	-	12,859	446,195	2,501,148
End of year	\$ -	\$ 323,948	\$ -	\$ -	\$ 7,144	\$ 791,404	\$ 3,401,325

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2014

	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	\$ 234,069	\$ 178,925	\$ 1,857	\$ 84,350	\$ 159,864	\$ 18,122	\$ 10,068	\$ 16,247	\$ 19,338
Due from other funds	-	1,218	-	-	-	-	-	-	-
Total Assets	\$ 234,069	\$ 180,143	\$ 1,857	\$ 84,350	\$ 159,864	\$ 18,122	\$ 10,068	\$ 16,247	\$ 19,338
Liabilities									
Liabilities:									
Due to other governments	\$ 234,069	\$ 165,485	\$ 1,857	\$ 16,383	\$ 159,864	\$ 13,581	\$ 6,535	\$ 11,493	\$ 19,338
Due to other funds	-	14,658	-	67,967	-	4,541	3,533	4,754	-
Total Liabilities	\$ 234,069	\$ 180,143	\$ 1,857	\$ 84,350	\$ 159,864	\$ 18,122	\$ 10,068	\$ 16,247	\$ 19,338
Assets									
	Sheriff-Validation System	Prothonotary	Prothonotary - Escrow Acts	Jail	Airport Security	Domestic Relations	Fire Damage Escrow	Juvenile Probation	Children and Youth
Cash and cash equivalents	\$ 385	\$ 164,418	\$ 41,284	\$ 93,842	\$ 5,918	\$ 36,823	\$ 67	\$ -	\$ 25,281
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 385	\$ 164,418	\$ 41,284	\$ 93,842	\$ 5,918	\$ 36,823	\$ 67	\$ -	\$ 25,281
Liabilities									
Liabilities:									
Due to other governments	\$ 385	\$ 159,727	\$ 41,284	\$ 93,842	\$ 5,918	\$ 36,823	\$ 67	\$ -	\$ 25,281
Due to other funds	-	4,691	-	-	-	-	-	-	-
Total Liabilities	\$ 385	\$ 164,418	\$ 41,284	\$ 93,842	\$ 5,918	\$ 36,823	\$ 67	\$ -	\$ 25,281
Assets									
	Commonwealth Treasurer	District Attorney	Farmland Preservation	Human Services - M. Howard	Wire Transfer Account	Total			
Cash and cash equivalents	\$ 21,685	\$ 27,449	\$ 22,990	\$ 2,884	\$ 20	\$ 1,165,886			
Due from other funds	-	-	-	-	-	1,218			
Total Assets	\$ 21,685	\$ 27,449	\$ 22,990	\$ 2,884	\$ 20	\$ 1,167,104			
Liabilities									
Liabilities:									
Due to other governments	\$ 21,685	\$ 27,449	\$ 22,990	\$ 2,884	\$ 20	\$ 1,066,960			
Due to other funds	-	-	-	-	-	100,144			
Total Liabilities	\$ 21,685	\$ 27,449	\$ 22,990	\$ 2,884	\$ 20	\$ 1,167,104			

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2014

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
Tax Claim				
Assets				
Cash and cash equivalents	\$ 222,551	\$ 3,668,884	\$ (3,657,366)	\$ 234,069
	<u>\$ 222,551</u>	<u>\$ 3,668,884</u>	<u>\$ (3,657,366)</u>	<u>\$ 234,069</u>
Liabilities				
Due to other governments	\$ 222,551	\$ 3,668,884	\$ (3,657,366)	\$ 234,069
	<u>\$ 222,551</u>	<u>\$ 3,668,884</u>	<u>\$ (3,657,366)</u>	<u>\$ 234,069</u>
Clerk of Courts - Criminal:				
Assets				
Cash and cash equivalents	\$ 90,548	\$ 895,361	\$ (806,984)	\$ 178,925
Due from other funds	-	1,218	-	1,218
	<u>\$ 90,548</u>	<u>\$ 896,579</u>	<u>\$ (806,984)</u>	<u>\$ 180,143</u>
Liabilities				
Due to other governments	\$ 64,847	\$ 881,921	\$ (781,283)	\$ 165,485
Due to other funds	25,701	14,658	(25,701)	14,658
	<u>\$ 90,548</u>	<u>\$ 896,579</u>	<u>\$ (806,984)</u>	<u>\$ 180,143</u>
Orphan's Court:				
Assets				
Cash and cash equivalents	\$ 86	\$ 26,184	\$ (24,413)	\$ 1,857
Liabilities				
Due to other governments	\$ 86	\$ 26,184	\$ (24,413)	\$ 1,857
Register and Recorder:				
Assets				
Cash and cash equivalents	\$ 62,917	\$ 1,026,827	\$ (1,005,394)	\$ 84,350
Liabilities				
Due to other governments	\$ 9,179	\$ 958,860	\$ (951,656)	\$ 16,383
Due to other funds	53,738	67,967	(53,738)	67,967
	<u>\$ 62,917</u>	<u>\$ 1,026,827</u>	<u>\$ (1,005,394)</u>	<u>\$ 84,350</u>
Register and Recorder (Local Realty Transfer):				
Assets				
Cash and cash equivalents	\$ 526,963	\$ 1,193,259	\$ (1,560,358)	\$ 159,864
Liabilities				
Due to other governments	\$ 526,963	\$ 1,193,259	\$ (1,560,358)	\$ 159,864

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2014
(Continued)

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
Magistrate 13-03-1:				
Assets				
Cash and cash equivalents	\$ 9,456	\$ 405,304	\$ (396,638)	\$ 18,122
Liabilities				
Due to other governments	\$ 6,074	\$ 400,763	\$ (393,256)	\$ 13,581
Due to other funds	3,382	4,541	(3,382)	4,541
	<u>\$ 9,456</u>	<u>\$ 405,304</u>	<u>\$ (396,638)</u>	<u>\$ 18,122</u>
Magistrate 13-03-2:				
Assets				
Cash and cash equivalents	\$ 10,696	\$ 333,538	\$ (334,166)	\$ 10,068
Liabilities				
Due to other governments	\$ 6,708	\$ 330,005	\$ (330,178)	\$ 6,535
Due to other funds	3,988	3,533	(3,988)	3,533
	<u>\$ 10,696</u>	<u>\$ 333,538</u>	<u>\$ (334,166)</u>	<u>\$ 10,068</u>
Magistrate 13-03-03:				
Assets				
Cash and cash equivalents	\$ 12,153	\$ 439,640	\$ (435,546)	\$ 16,247
Liabilities				
Due to other governments	\$ 7,848	\$ 434,886	\$ (431,241)	\$ 11,493
Due to other funds	4,305	4,754	(4,305)	4,754
	<u>\$ 12,153</u>	<u>\$ 439,640</u>	<u>\$ (435,546)</u>	<u>\$ 16,247</u>
Sheriff:				
Assets				
Cash and cash equivalents	\$ 30,105	\$ 390,691	\$ (401,458)	\$ 19,338
Liabilities				
Due to other governments	\$ 25,089	\$ 390,691	\$ (396,442)	\$ 19,338
Due to other funds	5,016	-	(5,016)	-
	<u>\$ 30,105</u>	<u>\$ 390,691</u>	<u>\$ (401,458)</u>	<u>\$ 19,338</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2014
(Continued)

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
Sheriff - Validation System:				
<u>Assets</u>				
Cash and cash equivalents	\$ 308	\$ 1,102	\$ (1,025)	\$ 385
<u>Liabilities</u>				
Due to other governments	\$ 308	\$ 1,102	\$ (1,025)	\$ 385
Prothonotary:				
<u>Assets</u>				
Cash and cash equivalents	\$ 161,221	\$ 190,864	\$ (187,667)	\$ 164,418
<u>Liabilities</u>				
Due to other governments	\$ 156,643	\$ 186,173	\$ (183,089)	\$ 159,727
Due to other funds	4,578	4,691	(4,578)	4,691
	\$ 161,221	\$ 190,864	\$ (187,667)	\$ 164,418
Prothonotary - Escrow Accts:				
<u>Assets</u>				
Cash and cash equivalents	\$ 49,539	\$ 200,408	\$ (208,663)	\$ 41,284
<u>Liabilities</u>				
Due to other governments	\$ 49,539	\$ 200,408	\$ (208,663)	\$ 41,284
Jail:				
<u>Assets</u>				
Cash and cash equivalents	\$ 69,406	\$ 248,594	\$ (224,158)	\$ 93,842
<u>Liabilities</u>				
Due to other governments	\$ 67,331	\$ 248,594	\$ (222,083)	\$ 93,842
Due to other funds	2,075	-	(2,075)	-
	\$ 69,406	\$ 248,594	\$ (224,158)	\$ 93,842

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2014
(Continued)

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
Airport Security:				
Assets				
Cash and cash equivalents	\$ 5,901	\$ 17	\$ -	\$ 5,918
Liabilities				
Due to other governments	\$ 5,901	\$ 17	\$ -	\$ 5,918
Domestic Relations:				
Assets				
Cash and cash equivalents	\$ 29,733	\$ 274,836	\$ (267,746)	\$ 36,823
Liabilities				
Due to other governments	\$ 29,733	\$ 274,836	\$ (267,746)	\$ 36,823
Fire Damage Escrow:				
Assets				
Cash and cash equivalents	\$ 67	\$ -	\$ -	\$ 67
Liabilities				
Due to other governments	\$ 67	\$ -	\$ -	\$ 67
Children and Youth:				
Assets				
Cash and cash equivalents	\$ 26,421	\$ 1,530	\$ (2,670)	\$ 25,281
Liabilities				
Due to other governments	\$ 26,421	\$ 1,530	\$ (2,670)	\$ 25,281
Commonwealth Treasurer:				
Assets				
Cash and cash equivalents	\$ 13,185	\$ 145,138	\$ (136,638)	\$ 21,685
Liabilities				
Due to other governments	\$ 13,185	\$ 145,138	\$ (136,638)	\$ 21,685

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2014
(Continued)

	<u>Balance</u> <u>January 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2014</u>
District Attorney:				
Assets				
Cash and cash equivalents	\$ 26,874	\$ 3,683	\$ (3,108)	\$ 27,449
Liabilities				
Due to other governments	\$ 26,874	\$ 3,683	\$ (3,108)	\$ 27,449
Farmland Preservation:				
Assets				
Cash and cash equivalents	\$ 32,528	\$ 6,373	\$ (15,911)	\$ 22,990
Liabilities				
Due to other governments	\$ 32,528	\$ 6,373	\$ (15,911)	\$ 22,990
Human Services - M. Howard:				
Assets				
Cash and cash equivalents	\$ 2,147	\$ 5,599	\$ (4,862)	\$ 2,884
Liabilities				
Due to other governments	\$ 2,147	\$ 5,599	\$ (4,862)	\$ 2,884
Wire Transfer Account				
Assets				
Cash and cash equivalents	\$ 20	\$ -	\$ -	\$ 20
Liabilities				
Due to other governments	\$ 20	\$ -	\$ -	\$ 20

(Concluded)