

County of Greene, Pennsylvania

Financial Statements and Required Supplementary Information and Supplementary Information

Year Ended December 31, 2015
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2015

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COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2015

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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, 2015, 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, 2015, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, "*Accounting and Financial Reporting for Pensions*," and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*," which requires the County to record its net pension (asset) and related items on the government-wide financial statements. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages i through xvii and 37 through 39, 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 are 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 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

Greene County (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 the County's financial performance presents a narrative overview for the fiscal year ended December 31, 2015. It should be read in conjunction with the accompanying basic financial statements and the notes to those statements.

Financial Highlights

- The County received its fourth allocation of monies generated by Act 13 in the amount of \$4,513,402 in June. This money was earmarked for infrastructure upgrades within the County (\$1,364,200), Social Services (\$1,240,000), Transfer to the Capital Reserve (\$669,357), Public Safety & Judicial Services (\$374,162), Records Management, Information Technology infrastructure, and GIS upgrades (\$376,232), Environmental Programs (\$208,000), and grants for water & sewer upgrades (\$281,451).
- In 2015, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – "An Amendment of GASB Statement No. 27,"* the purpose of which is to provide transparency on long-term pension obligations in annual financial reports. In order to implement GASB Statement No. 68, it was necessary to restate the December 31, 2014 total net position from \$45,722,430 to 47,328,842 an increase of \$1,606,412. The Greene County Pension Fund, on 1/1/2015, was determined to be 106.7% funded and as of 1/1/2016, 102.0% funded. This marks the 3rd consecutive year of fully-funded status. The County will continue to add monies to the pension fund annually to insure a fully funded status even in year's when the market under-performs.
- While the majority of the process took place in 2015, in January of 2016 the County completed the process of refunding the 2011 Bond series. Janney Montgomery Scott delivered a savings of \$368,814.48 (6.66%) to the County. This savings was used to lower future debt payments. As part of the Bond refunding process, Standard & Poor's confirmed the County of Greene 2014 Rating of A+ (Stable).
- With the State's deadlock in passing a budget, the county was required to fund all state reimbursable departments for over 6 months. Due to the strong reserves of the County, we were able to do this by loaning the Human Services Department (HSD) approximately 3 million dollars. In January of 2016, HSD took out a non-revolving line of credit to make the

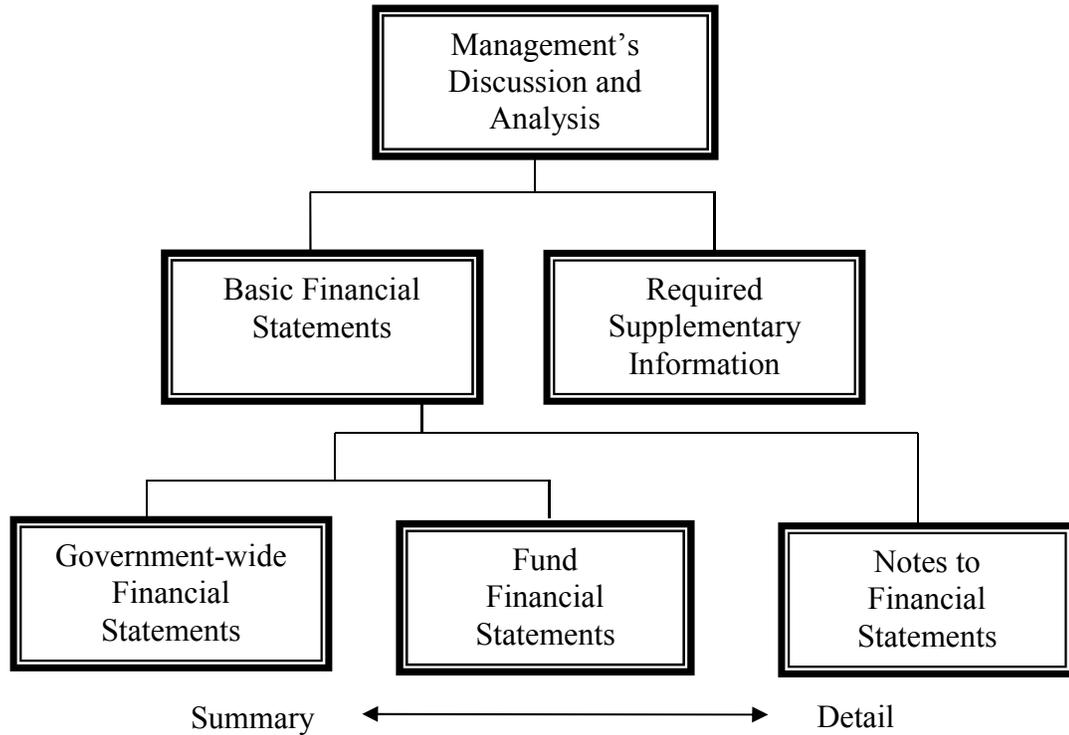
MANAGEMENT'S DISCUSSION AND ANALYSIS

County whole and continue operations until the State caught up on reimbursements.

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:

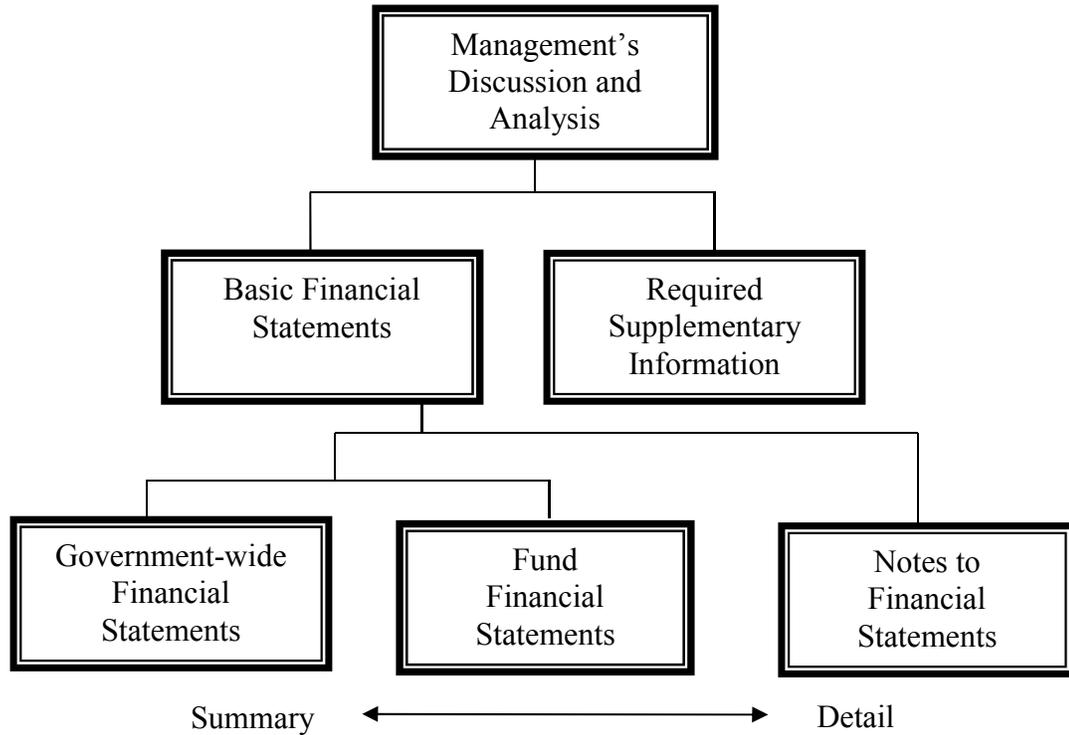
MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

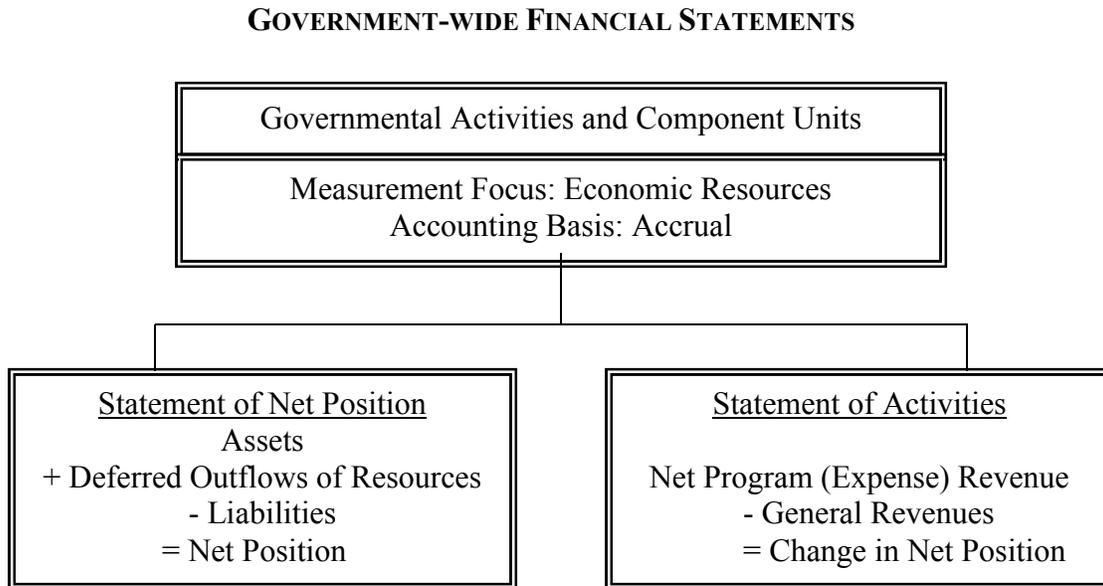
- *Governmental funds statements*, which explain how services were financed in the short term, as well as what remains for future spending. A General Fund budgetary comparison statement is provided to demonstrate compliance.
- *Fiduciary funds statements*, which reflect activities involving resources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

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 and additional pension information. 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, deferred outflows of resources, and liabilities, except fiduciary funds, with the difference between the two

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position

	Governmental Activities			
	2015	2014	2013	2012
Assets:				
Current and other Assets	\$ 22,951,148	\$ 19,168,702	\$ 19,332,811	\$ 15,764,968
Capital Assets	45,455,081	42,867,697	39,763,123	36,523,844
Total Assets	68,406,229	62,036,399	59,095,934	52,288,812
Deferred Outflows of Resources :				
Pension	2,158,388			
Liabilities:				
Current Liabilities	7,929,337	6,272,672	7,069,267	4,090,561
Other Liabilities	9,741,422	10,702,240	11,004,691	11,703,045
Total Liabilities	17,670,759	16,974,912	18,073,958	15,793,606
Net Position				
Net investment in capital assets	35,713,659	32,165,456	28,707,802	25,468,524
Restricted	4,174,089	4,931,683	4,756,443	4,943,670
Unrestricted	13,006,110	7,964,348	7,557,731	6,083,012
Total Liabilities and Net Position	70,564,617	62,036,399	59,095,933	52,288,812

	2015	2014	2013	2012
Asset-to-Liability Ratio's	387%	365%	365%	283%

	2015	2014	2013	2012
Asset-to-Debt Ratio's	467%	401%	401%	360%

The County owns approximately \$45.5 million in assets and the County debt directly related to these assets is \$9.7 million. The difference of \$35.7 million is the equity the County has in those assets. The chart below shows that for every dollar of debt the County has, it has \$4.67 of assets to match it. The Asset-to-Debt ratio shows a very positive increase in 2015. The County's assets and unrestricted net position increased significantly in 2015, 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.

	2015	2014	2013	2012
Asset-to-Debt Ratio's	467%	401%	401%	360%

In the above statement, Deferred Outflows of Resources reflect the differences between expected and actual experience and the difference between projected and actual earnings on the County's pension plan investments. This will be covered in more detail in the section on Fiduciary funds.

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.

	2015	2014	2013	2012
Asset-to-Liability Ratio's	387%	365%	365%	283%

The short-term liabilities, generally speaking, can be divided into two categories: money the County has received for a specific purpose, but not yet spent; and money the County owes, but has not yet paid out. This first category, *Unearned Revenue*, increased 33% in 2015 and mainly reflects unspent monies in special revenue funds from the Impact Fee for Human Services, Recreation, Information Technology and Law & Order, as well as PHARE grant funds for Housing. 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 bill payments.

	2015	2014	2013	2012
Accounts Payable	2,939,327	2,396,188	2,626,629	1,696,819

While the County's equity in capital assets has been discussed above in relation to assets, the *net position* portion of the statement also contains the restricted and unrestricted net position. The County's restricted net position are threefold: Debt Service, which is the money dedicated to paying off the County bonds, Pension, which is the County's net pension asset, Other purposes, which are restricted for use in various manners. The unrestricted net position is 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 almost four times more money in the bank than bills and loans to pay, and his house would be worth over four and a half times what was left to pay on the mortgage.
2. Greene County's asset-to-liability ratio is 3.87:1. This means that for every \$1 owed, we hold \$3.87 in cash or assets.
3. The County asset-to-debt ratio is 4.67:1, which again means that for every \$1 of debt we have, we hold \$4.67 in assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

These ratios are exceptional and are one of the reasons the County maintained its 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.

	2015			2014		
	Expenses	Program Revenues	General revenue required (provided)	Expenses	Program Revenues	General revenue required (provided)
Primary Government:						
General Gov.	9,578,656	6,107,331	(3,471,325)	10,227,315	7,722,052	(2,505,263)
Public safety	4,558,566	1,592,035	(3,103,690)	4,274,660	1,514,352	(2,760,308)
Public works	1,511,856	2,591,063	1,216,366	2,804,609	1,358,428	(1,446,181)
Human services	9,770,581	8,313,932	(1,456,649)	8,142,589	7,674,019	(468,570)
Culture & Rec	2,754,140	1,096,747	(1,657,393)	1,462,614	1,202,002	(260,612)
Conservation & Econ Dev	1,801,598	2,367,859	566,261	2,651,869	2,119,811	(532,058)
Unallocated Deprec.	150,325	-	(150,325)	136,623	-	(136,623)
Interest-Long-term debt	202,786	-	(202,786)	468,581	-	(468,581)
Total activities	<u>30,328,508</u>	<u>22,068,967</u>	<u>(8,259,541)</u>	<u>30,168,860</u>	<u>21,590,664</u>	<u>(8,578,196)</u>
General revenues:						
Property taxes, levied for general purposes			11,579,193			11,321,903
Property taxes, levied for debt service			1,144,995			1,094,490
Property taxes, levied for library expenditures			113,199			111,548
Interest			27,486			21,874
Rental income			314,327			496,406
Gain (loss) on sale of assets			(38,364)			(30,741)
Reimbursement of prior period expenditures			683,721			263,170
Total general revenues			<u>13,824,557</u>			<u>13,278,650</u>
Change in net position			<u>5,565,016</u>			<u>4,700,454</u>
Net position						
Beginning of year, 2015 restated			\$ 47,328,842			\$ 41,021,976
End of year			<u>\$ 52,893,858</u>			<u>\$ 45,722,430</u>

The County's 2014 Statement of Activities has not been restated to reflect the restatement to beginning net position noted above.

The Statement of Activities shows that the County supported its operations with almost \$14 million in general revenues, of which \$11.6 million was general tax revenue. While tax revenues (not rates) increased slightly, program revenues also increased for all areas of government except General Government and Culture & Recreation. It is important to note that Act 13 funds are considered program revenue, not tax revenue, and therefore as the County focuses those resources in different departments over the years, large swings in the program revenue can occur.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Program Revenue Source	2015	2014	2013
Charges for Services	7,093,042	7,772,988	7,036,267
Operating Grants and Contributions	11,689,643	10,931,581	10,537,336
Capital Grants and Contributions	3,286,282	2,886,095	621,087
General Revenues	22,068,967	21,590,664	18,194,690

As the above chart shows, revenue streams have been unstable, yet generally improving, 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 Operating and Capital grant revenue. Generally, the County has seen a steady increase in its net position over the long term.

Changes in Net Position	2015	2014	2013	2012	2011	2010	2009	2008
	12%	11%	11%	11%	0%	7%	5%	5%

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:

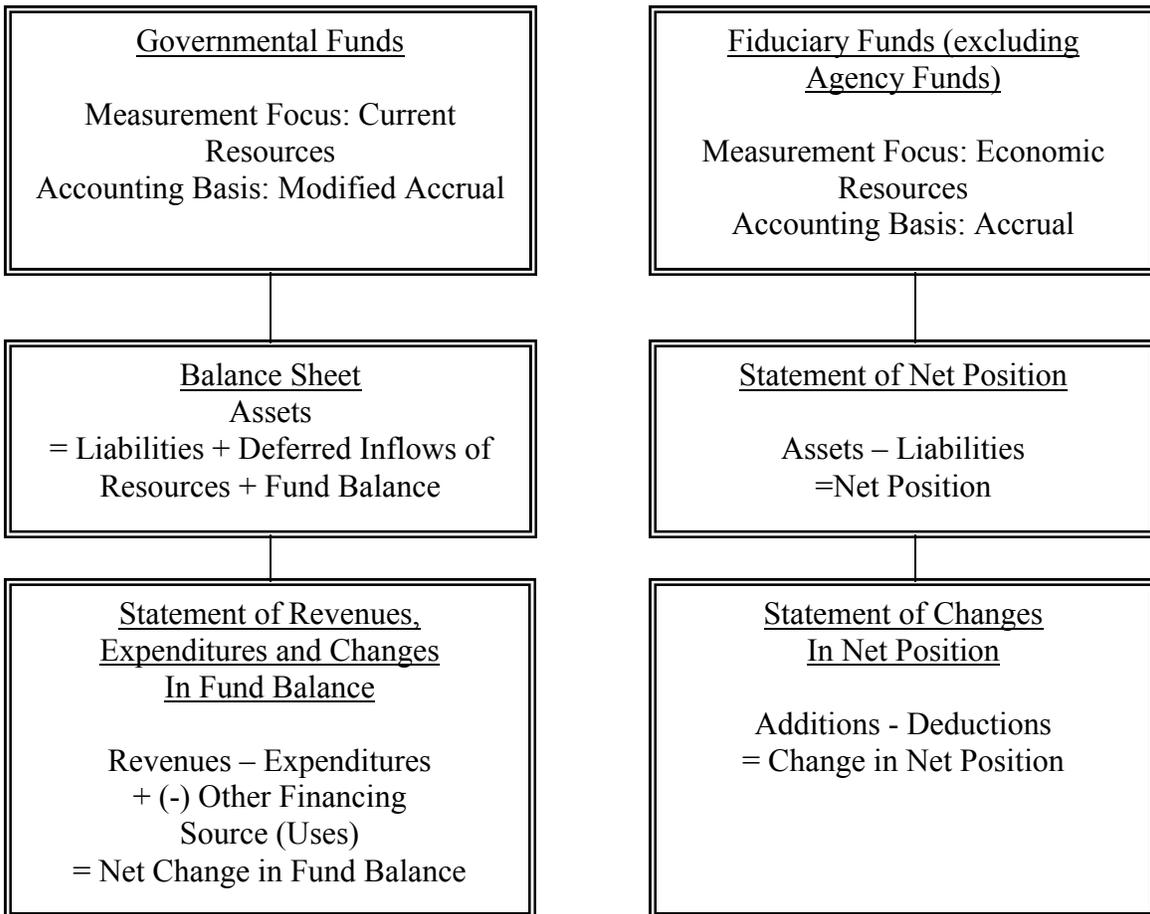
- *Governmental funds* – The County’s basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that is available for spending. These funds are reported using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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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 24 *other* funds that make up the “Other Governmental Funds” on the Governmental Funds Balance Sheet and Statement of Revenue and Expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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.

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,888,751	\$ 981,190	\$ 497,277	\$ 2,154,439	\$ 6,778,133	\$ 14,299,790
Investments	-	-	-	1,301,404	181,035	1,482,439
Due from other funds	5,334,008	107,641	144,529	2,955,713	396,369	8,938,260
Due from other governments	189,159	1,196,629	1,700,586	-	1,723,552	4,809,926
Taxes receivable	1,845,561	-	-	-	22,486	1,868,047
Accounts receivable	233,095	3,957	2,076	-	44,022	283,150
Other assets	-	-	-	-	1,553	1,553
Total Assets	\$ 11,490,574	\$ 2,289,417	\$ 2,344,468	\$ 6,411,556	\$ 9,147,150	\$ 31,683,165
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 829,162	\$ 647,509	\$ 709,712	\$ -	\$ 721,738	\$ 2,908,121
Accrued liabilities and withholdings	614,478	-	-	-	-	614,478
Due to other funds	3,136,669	1,007,226	1,566,688	1,035,387	2,134,530	8,880,500
Unearned revenue	1,196,332	634,682	68,068	-	1,961,653	3,860,735
Total Liabilities	5,776,641	2,289,417	2,344,468	1,035,387	4,817,921	16,263,834
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	1,563,923	-	-	-	-	1,563,923
Fund Balance:						
Non-spendable	-	-	-	-	1,553	1,553
Restricted	2,022	-	-	-	4,054,790	4,056,812
Committed	13,858	-	-	-	272,941	286,799
Assigned	-	-	-	5,376,169	-	5,376,169
Unassigned	4,134,130	-	-	-	(55)	4,134,075
Total Fund Balance	4,150,010	-	-	5,376,169	4,329,229	13,855,408
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 11,490,574	\$ 2,289,417	\$ 2,344,468	\$ 6,411,556	\$ 9,147,150	\$ 31,683,165

The General Fund balance sheet shows the cash available at the end of 2015 for operations in the unassigned fund balance of \$4.15 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.

This statement also has *Deferred Inflows of Resources*; in this case, *Unavailable revenues - property taxes*. Where *unearned revenue* is money the County has received but not spent, *deferred inflows* are money the County is owed but has not yet collected.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The overall fund balance decreased in 2015 by \$624,841. Despite strong Act 13 revenues, and grant revenues, one major taxpayer failed to pay \$641,000 taxes in 2015. While these taxes were collected in early 2016, and should be indicative of an increase in fund balance in the current year, 2015 ended with expenses exceeding revenue specifically because of these taxes were paid late.

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 27 other County funds (3 major, 24 other).

The Capital Projects Fund remained on the major funds list for 2015 as assets increased by almost 2 million and the fund balance increased \$1,235,890.

The Behavioral Health Fund and Children & Youth Fund show no fund balance as, by law, it cannot “carry” funds from one year to the next. 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 2015. 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 fourth allocation of monies generated by Act 13 in the amount of \$4,513,402. This money was earmarked for infrastructure upgrades within the County (\$1,364,200), Social Services (\$1,240,000), Transfer to the Capital Reserve (\$669,357), Public Safety & Judicial Services (\$374,162), Records management, Information Technology infrastructure, and GIS upgrades (\$376,232), Environmental Programs (\$208,000), and grants for water system upgrades (\$281,451).

This money is shown as a Charge for Service in the General Fund and then a portion was transferred out to the Capital Projects Fund. The remaining balance was then deferred for projects within the General Fund for 2016. Both revenue and expenditures decreased in the General Fund from 2014 to 2015 as the County put off many projects and expenses due to the State not passing a budget in a timely manner and the County was forced to fund state reimbursable departments, like Human Services and Children & Youth Services, for the last 6 months of 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The other financing sources (uses) section shows specifically *transfers in, other sources, and transfers out and other uses*. *Transfers in* are made up of administrative fees paid to the General Fund by departments that have their own source of revenues and that are allowed to reimburse the County for specific expenses (i.e., phone service, office space, payroll services, and computer services). These include all Human Services departments, Tourism, Domestic Relations, the 911 Center, and a portion of Adult Probation.

	General Fund	Behavioral Health	Children & Youth	Capital Projects
Revenues:				
Taxes	\$ 11,205,649	\$ -	\$ -	\$ -
Intergovernmental	665,428	2,489,292	2,733,854	939,273
Charges for services, Fines, & Permits	5,635,883	-	84,059	-
Interest	5,124	247	93	9,657
Rental income	296,255	-	-	-
Donations	92,551	-	19,239	-
Total revenues	<u>17,900,890</u>	<u>2,489,539</u>	<u>2,837,245</u>	<u>948,930</u>
Expenditures:				
Administration	4,549,097	-	-	231,024
Judicial	3,978,033	-	-	71,742
Public safety:	3,832,350	-	-	48,861
Public works:	51,970	-	-	1,743,003
Human services:	-	2,506,084	3,495,635	-
Culture and recreation:	1,605,427	-	-	655,333
Conservation & economic development:	1,432,271	-	-	245,000
Debt service:	85,673	-	-	-
Total expenditures	<u>15,534,821</u>	<u>2,506,084</u>	<u>3,495,635</u>	<u>2,994,963</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>2,366,069</u>	<u>(16,545)</u>	<u>(658,390)</u>	<u>(2,046,033)</u>
Other Financing Sources (Uses):				
Transfers in	642,424	109,045	764,778	2,877,811
Other sources from sale of assets/ prior period reimbursement	201,278	-	-	404,137
Transfers out	<u>(3,834,612)</u>	<u>(92,500)</u>	<u>(106,388)</u>	<u>(25)</u>
Total other financing sources (uses)	<u>(2,990,910)</u>	<u>16,545</u>	<u>658,390</u>	<u>3,281,923</u>
Net Change in Fund Balance	<u>(624,841)</u>	<u>-</u>	<u>-</u>	<u>1,235,890</u>
Beginning of year	4,774,851	-	-	4,140,279
End of year	<u>4,150,010</u>	<u>-</u>	<u>-</u>	<u>5,376,169</u>

The calculation of the fund balance decrease is shown at the bottom of this statement and is then carried over to the Balance Sheet. For 2015, the fund balance decreased \$624,841 for the General Fund and increased \$1,235,890 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 program. The revenue section shows that the majority of the funding for these programs comes from state and federal sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures basically match revenue and, as noted above in the Balance Sheet section, these funds are not allowed to show a fund balance, i.e., they have no “equity,” only money that they are given to spend that they may have not spent in the current year. The *other financing sources (uses)* section of this statement shows the County contribution to these programs (*transfers in*) and the reimbursement from the programs to the County for services (*transfers out*).

The Capital Projects Fund and ACT 13 Impact Fee Projects

Expenditures from the Capital Projects Fund include Act 13 funds from all 4 annual allocations the County has received to date. The remaining Bond monies in this Fund were entirely expended in 2014. Expenses under *Administration* in the amount of \$231,024 are mainly related to pass-thru funding for UMWACC, Inc., renovations of county buildings, IT and Records management upgrades as well as other smaller projects.

Projects under *Judicial* in the amount of \$71,742 included upgrades for the Clerk of Courts and to the Courthouse itself.

Public Safety projects in the amount of \$48,861 included a vehicle for the Sheriff's department and upgrades to the 911 Center.

Public Works projects in the amount of \$1,743,003 consisted primarily of renovations at the Greene County Airport, bridge and road renovations and continuing work on the Jackson Run Storm Water Runoff project.

Culture and Recreation contains various projects completed for the Department of Parks and Recreation including upgrades to the county pools, renovation of several buildings at the Fairgrounds as well as other smaller projects for a combined total of \$655,333.

Conservation and Economic Development expenditures in the amount of \$245,000 where for the Redevelopment Authority and to Waynesburg Prosperous and Beautiful for the Gateway Housing Project

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 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 2015, that amount is \$5,376,169. Each of the 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Governmental Funds

The 24 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.

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>	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
Cash and cash equivalents	\$ 60,307	\$ 269,381	\$ 846,993
Investments	22,249,792	-	-
Due from other funds	27,454	-	3,752
Accounts receivable	79,385	-	-
Total Assets	<u>22,416,938</u>	<u>269,381</u>	<u>850,745</u>
<u>Liabilities</u>			
Due to other governments	-	269,381	761,779
Due to other funds	-	-	88,966
Total Liabilities	<u>-</u>	<u>\$ 269,381</u>	<u>\$ 850,745</u>
<u>Net Position</u>			
Net Position Restricted for Pension Benefits	<u>\$ 22,416,938</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	2015	2014	2013	2012	2011
S&P Index growth (decline)	-0.73%	11.39%	29.60%	13.41%	0.00%
Pension Net Position growth (decline)	-1.56%	9.43%	19.24%	14.04%	5.85%
County Contribution	\$329,082	\$550,000	\$556,000	\$799,125	\$736,803

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 Position 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Greene County Pension Fund, on 1/1/2014, was determined to be 107.5% funded. Given the difference in the performance of the S&P Index fund in 2013 vs. 2014 and then again in 2015, that percentage dropped slightly by the end of 2014 to 106.7% and then in 2015 to 102%. The County contributed \$329,802 to the pension fund in 2015 and will continue to do so annually to insure a fully funded status even in year's when the market under-performs. This is significant, as the entire pension investments are expected to return at least 7% per year. The unfunded portion of that investment, of course, has no return so the higher the funded percentage and the better the investment performance, the lower the contribution burden on the County's General Fund.

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 2015, when the preliminary budget was passed in 2014, 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. During the course of the year, two budget revisions incorporated changes into the budget as grant amounts were finalized and the actual amount of the 2015 Act 13 allocation became known.

In Late 2015, the county was on track to end the year very close to even on revenues and expenditures and then had two large tax bills paid after the books were closed for the year. This resulted in a larger than budgeted *Net Change in Fund Balance*. While the statement below only shows a variance of \$149,342, the actual amount of unpaid taxes (with respect to the one taxpayer) was \$641,000. The difference was made up in part by higher than expected revenues from Tax Claim.

Charges for service also came in under budget as some of the Act 13 revenue was either deferred into 2016 or transferred out to the Capital Projects fund, although other departments made up a good bit of that difference.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Budget & Actual – General Fund

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,322,764	\$ 11,354,991	\$ 11,205,649	\$ (149,342)
Licenses and permits	27,425	33,575	36,680	3,105
Fines and forfeits	180,000	212,000	203,137	(8,863)
Intergovernmental	723,805	755,942	665,428	(90,514)
Charges for services	5,347,492	5,462,175	5,396,066	(66,109)
Interest	2,000	2,000	5,124	3,124
Rental income	408,320	294,370	296,255	1,885
Donations	60,500	89,548	92,551	3,003
Total revenues	18,072,306	18,204,601	17,900,890	(303,711)
Expenditures:				
General government - administration	6,174,705	5,002,272	4,549,097	453,175
General government - judicial	3,058,846	3,591,048	3,978,033	(386,985)
Public safety:				
Corrections	2,823,423	3,425,046	3,417,708	7,338
EMA/911	430,901	505,251	414,642	90,609
Public works:				
Airport	75,085	52,485	51,970	515
Culture and recreation:				
Parks and recreation	1,336,269	1,567,989	1,605,427	(37,438)
Conservation and economic development:				
Conservation/development	108,951	113,572	110,055	3,517
Housing/community development	204,977	205,417	185,031	20,386
Economic development	993,752	1,105,898	1,114,514	(8,616)
Tourism	17,128	25,149	22,671	2,478
Debt service:				
Debt principal	-	-	85,673	(85,673)
Total expenditures	15,224,037	15,594,127	15,534,821	59,306
Excess (Deficiency) of Revenues Over Expenditures	2,848,269	2,610,474	2,366,069	(244,405)
Other Financing Sources (Uses):				
Transfers in	510,709	475,709	642,424	166,715
Other sources from sale of assets/prior period reimbursement	119,362	227,257	201,278	(25,979)
Transfers out	(3,844,412)	(3,785,512)	(3,834,612)	(49,100)
Total other financing sources (uses)	(3,214,341)	(3,082,546)	(2,990,910)	91,636
Net Change in Fund Balance	\$ (366,072)	\$ (472,072)	\$ (624,841)	\$ (152,769)

Other notable Final-to-Actual variances were seen in higher than anticipated expenses in *General Government - Judicial* (\$386,985) and lower than expected expenses in *General Government – Administration* (\$453,175). With the State budget “crisis” foremost in the minds of the County administrative & financial managers and elected officials, spending reductions and pushing back projects & purchases helped alleviate the fact that the State was not reimbursing the County as required.

Debt Principal is not currently budgeted in the General Fund as the County has a Sinking Fund, as required by the covenants in the Bond Issues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 its net position 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 employee's 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. While the drilling activity has slowed and the County has dealt with financially insolvent coal companies due to the negative position taken by the federal government with respect to fossil fuels, County finances still remain strong.

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, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 14,299,790
Investments	1,482,439
Receivables:	
Taxes receivable, net of allowance	1,868,047
Due from other governments	4,809,926
Accounts receivable	372,116
Other assets	1,553
Net pension asset	117,277
Capital assets not being depreciated	7,794,816
Capital assets, net of accumulated depreciation	<u>37,660,265</u>
Total Assets	<u>68,406,229</u>
Deferred Outflows of Resources	
Deferred outflows of resources for pension	<u>2,158,388</u>
Liabilities	
Accounts payable	2,939,327
Accrued liabilities and withholdings	614,478
Accrued interest payable	69,555
Unearned revenue	3,860,735
Accrued compensated absences	445,242
Bonds and lease payable:	
Amount due within one year	826,568
Amount due in more than one year	9,005,000
Bond discount	<u>(90,146)</u>
Total Liabilities	<u>17,670,759</u>
Net Position	
Net investment in capital assets	35,713,659
Restricted for:	
Debt service	879,812
Pension	117,277
Other purposes	3,177,000
Unrestricted	<u>13,006,110</u>
Total Net Position	<u>\$ 52,893,858</u>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2015

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 9,578,656	\$ 4,868,287	\$ 1,237,788	\$ 1,256	\$ (3,471,325)
Public safety	4,558,566	784,460	807,575	-	(2,966,531)
Public works	1,511,856	33,040	277,683	2,280,340	1,079,207
Human services	9,770,581	219,343	8,094,589	-	(1,456,649)
Culture and recreation	2,754,140	720,804	375,943	-	(1,657,393)
Conservation and economic development	1,801,598	467,108	896,065	1,004,686	566,261
Unallocated depreciation	150,325	-	-	-	(150,325)
Interest and amortization	202,786	-	-	-	(202,786)
Total governmental activities	<u>\$ 30,328,508</u>	<u>\$ 7,093,042</u>	<u>\$ 11,689,643</u>	<u>\$ 3,286,282</u>	<u>(8,259,541)</u>
General revenues:					
					11,579,193
					1,144,995
					113,199
					27,486
					314,327
					(38,364)
					683,721
Total general revenues					<u>13,824,557</u>
Change in Net Position					5,565,016
Net Position:					
Beginning of year, restated					<u>47,328,842</u>
End of year					<u>\$ 52,893,858</u>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,888,751	\$ 981,190	\$ 497,277	\$ 2,154,439	\$ 6,778,133	\$ 14,299,790
Investments	-	-	-	1,301,404	181,035	1,482,439
Due from other funds	5,334,008	107,641	144,529	2,955,713	396,369	8,938,260
Due from other governments	189,159	1,196,629	1,700,586	-	1,723,552	4,809,926
Taxes receivable	1,845,561	-	-	-	22,486	1,868,047
Accounts receivable	233,095	3,957	2,076	-	44,022	283,150
Other assets	-	-	-	-	1,553	1,553
Total Assets	\$ 11,490,574	\$ 2,289,417	\$ 2,344,468	\$ 6,411,556	\$ 9,147,150	\$ 31,683,165
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts payable	\$ 829,162	\$ 647,509	\$ 709,712	\$ -	\$ 721,738	\$ 2,908,121
Accrued liabilities and withholdings	614,478	-	-	-	-	614,478
Due to other funds	3,136,669	1,007,226	1,566,688	1,035,387	2,134,530	8,880,500
Unearned revenue	1,196,332	634,682	68,068	-	1,961,653	3,860,735
Total Liabilities	5,776,641	2,289,417	2,344,468	1,035,387	4,817,921	16,263,834
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	1,563,923	-	-	-	-	1,563,923
Fund Balance:						
Non-spendable	-	-	-	-	1,553	1,553
Restricted	2,022	-	-	-	4,054,790	4,056,812
Committed	13,858	-	-	-	272,941	286,799
Assigned	-	-	-	5,376,169	-	5,376,169
Unassigned	4,134,130	-	-	-	(55)	4,134,075
Total Fund Balance	4,150,010	-	-	5,376,169	4,329,229	13,855,408
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 11,490,574	\$ 2,289,417	\$ 2,344,468	\$ 6,411,556	\$ 9,147,150	\$ 31,683,165

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, 2015

Total Fund Balance - Governmental Funds \$ 13,855,408

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. 45,455,081

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. 1,563,923

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. 90,146

The actuarially accrued net pension asset and deferred outflows of resources for pension are not recorded on the fund financial statements. 2,275,665

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	\$ (445,242)	
GO bonds/leases	(9,831,568)	
Accrued interest on bonds	(69,555)	
		(10,346,365)

Total Net Position - Governmental Activities \$ 52,893,858

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, 2015

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,205,649	\$ -	\$ -	\$ -	\$ 1,452,660	\$ 12,658,309
Licenses and permits	36,680	-	-	-	-	36,680
Fines and forfeits	203,137	-	-	-	-	203,137
Intergovernmental	665,428	2,489,292	2,733,854	939,273	7,997,272	14,825,119
Charges for services	5,396,066	-	84,059	-	1,136,554	6,616,679
Interest	5,124	247	93	9,657	12,365	27,486
Rental income	296,255	-	-	-	18,072	314,327
Donations	92,551	-	19,239	-	39,017	150,807
Total revenues	17,900,890	2,489,539	2,837,245	948,930	10,655,940	34,832,544
Expenditures:						
General government - administration	4,549,097	-	-	231,024	22,817	4,802,938
General government - judicial	3,978,033	-	-	71,742	690,466	4,740,241
Public safety:						
Police	-	-	-	40,090	-	40,090
Corrections	3,417,708	-	-	-	-	3,417,708
EMA/911	414,642	-	-	8,771	493,644	917,057
Public works:						
Highways and bridges	-	-	-	428,389	2,367,640	2,796,029
Sanitation/solid waste	-	-	-	597,289	-	597,289
Airport	51,970	-	-	717,325	-	769,295
Human services:						
Child/youth services	-	-	3,495,635	-	-	3,495,635
Drug and alcohol	-	-	-	-	513,666	513,666
Mental health/intellectual disability	-	2,506,084	-	-	-	2,506,084
Other human services	-	-	-	-	911,259	911,259
Transportation	-	-	-	-	1,149,730	1,149,730
Culture and recreation:						
Parks and recreation	1,605,427	-	-	457,856	375,268	2,438,551
Libraries	-	-	-	-	273,213	273,213
Other	-	-	-	197,477	-	197,477
Conservation and economic development:						
Conservation/development	110,055	-	-	-	511,778	621,833
Housing/community development	185,031	-	-	245,000	488,324	918,355
Economic development	1,114,514	-	-	-	-	1,114,514
Tourist promotion	22,671	-	-	-	272,228	294,899
Debt service:						
Debt interest	-	-	-	-	273,378	273,378
Debt principal	85,673	-	-	-	745,000	830,673
Total expenditures	15,534,821	2,506,084	3,495,635	2,994,963	9,088,411	33,619,914
Excess (Deficiency) of Revenues Over Expenditures	2,366,069	(16,545)	(658,390)	(2,046,033)	1,567,529	1,212,630
Other Financing Sources (Uses):						
Transfers in	642,424	109,045	764,778	2,877,811	205,077	4,599,135
Other sources from sale of assets/ prior period reimbursement	201,278	-	-	404,137	(279,092)	326,323
Transfers out	(3,834,612)	(92,500)	(106,388)	(25)	(565,610)	(4,599,135)
Total other financing sources (uses)	(2,990,910)	16,545	658,390	3,281,923	(639,625)	326,323
Net Change in Fund Balance	(624,841)	-	-	1,235,890	927,904	1,538,953
Fund Balance:						
Beginning of year	4,774,851	-	-	4,140,279	3,401,325	12,316,455
End of year	<u>\$ 4,150,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,376,169</u>	<u>\$ 4,329,229</u>	<u>\$ 13,855,408</u>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2015

Net Change in Fund Balance - Governmental Funds \$ 1,538,953

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	\$ 4,150,343	
	Less: Depreciation expense	<u>(1,524,594)</u>	2,625,749

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. 415,623

The 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. 830,672

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. (7,512)

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. 70,590

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>(38,364)</u>	(38,364)

In the statement of activities, certain operating expenses-accumulated employee benefits (pensions, 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.

129,305

Change in Net Position of Governmental Activities \$ 5,565,016

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,322,764	\$ 11,354,991	\$ 11,205,649	\$ (149,342)
Licenses and permits	27,425	33,575	36,680	3,105
Fines and forfeits	180,000	212,000	203,137	(8,863)
Intergovernmental	723,805	755,942	665,428	(90,514)
Charges for services	5,347,492	5,462,175	5,396,066	(66,109)
Interest	2,000	2,000	5,124	3,124
Rental income	408,320	294,370	296,255	1,885
Donations	60,500	89,548	92,551	3,003
Total revenues	<u>18,072,306</u>	<u>18,204,601</u>	<u>17,900,890</u>	<u>(303,711)</u>
Expenditures:				
General government - administration	6,174,705	5,002,272	4,549,097	453,175
General government - judicial	3,058,846	3,591,048	3,978,033	(386,985)
Public safety:				
Corrections	2,823,423	3,425,046	3,417,708	7,338
EMA/911	430,901	505,251	414,642	90,609
Public works:				
Airport	75,085	52,485	51,970	515
Culture and recreation:				
Parks and recreation	1,336,269	1,567,989	1,605,427	(37,438)
Conservation and economic development:				
Conservation/development	108,951	113,572	110,055	3,517
Housing/community development	204,977	205,417	185,031	20,386
Economic development	993,752	1,105,898	1,114,514	(8,616)
Tourism	17,128	25,149	22,671	2,478
Debt service:				
Debt principal	-	-	85,673	(85,673)
Total expenditures	<u>15,224,037</u>	<u>15,594,127</u>	<u>15,534,821</u>	<u>59,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,848,269</u>	<u>2,610,474</u>	<u>2,366,069</u>	<u>(244,405)</u>
Other Financing Sources (Uses):				
Transfers in	510,709	475,709	642,424	166,715
Other sources from sale of assets/prior period reimbursement	119,362	227,257	201,278	(25,979)
Transfers out	(3,844,412)	(3,785,512)	(3,834,612)	(49,100)
Total other financing sources (uses)	<u>(3,214,341)</u>	<u>(3,082,546)</u>	<u>(2,990,910)</u>	<u>91,636</u>
Net Change in Fund Balance	<u>\$ (366,072)</u>	<u>\$ (472,072)</u>	<u>\$ (624,841)</u>	<u>\$ (152,769)</u>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2015

	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
Assets			
Cash and cash equivalents	\$ 60,307	\$ 269,381	\$ 846,993
Investments	22,249,792	-	-
Due from other funds	27,454	-	3,752
Accounts receivable	79,385	-	-
Total Assets	22,416,938	269,381	850,745
Liabilities			
Due to other governments	-	269,381	761,779
Due to other funds	-	-	88,966
Total Liabilities	-	\$ 269,381	\$ 850,745
Net Position			
Net Position Restricted for Pension Benefits	\$ 22,416,938		

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2015

Additions:

<hr/>	
Contributions:	
Employer	\$ 329,082
Plan member	758,236
	<hr/>
Total contributions	1,087,318
	<hr/>
Investment earnings (loss):	
Net increase (decrease) in fair value of investments	(710,543)
Interest and dividends	537,169
	<hr/>
Net investment earnings (loss)	(173,374)
	<hr/>
Total additions	913,944
	<hr/>

Deductions:

<hr/>	
Pension benefits	592,004
Refund of contributions	507,062
Administrative expenses	171,005
	<hr/>
Total deductions	1,270,071
	<hr/>

Change in Net Position (356,127)

Net Position Restricted for Pension Benefits:

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Beginning of year	22,773,065
	<hr/>
End of year	\$ 22,416,938
	<hr/> <hr/>

See accompanying notes to financial statements.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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, 2015

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, 2015

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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

The County also reports the following other governmental funds:

Special Revenue Funds

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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 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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

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

Legally, management of the County may make budgetary transfers between departments as long as overall fund expenditures are not affected. Department heads may make budgetary transfers within their own department as long as overall department expenditures are not affected. However, as a matter of control, all such transfers are ratified by the County Commissioners. The County Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The County Commissioners may authorize the transfer of any unencumbered balance of any 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 two significant supplemental appropriations enacted, resulting in budget revisions of \$106,000. In addition, 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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Expenditures in Excess of Appropriations

The County exceeded certain budgetary appropriations in the General Fund. The excess was covered by fund balance.

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	\$ 5,334,008	\$ 3,136,669
Behavioral Health	107,641	1,007,226
Children and Youth	144,529	1,566,688
Capital Projects	2,955,713	1,035,387
Other governmental funds	396,369	2,134,530
Fiduciary	31,206	88,966
	\$ 8,969,466	\$ 8,969,466

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

Individual fund transfers at December 31, 2015 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General	\$ 642,424	\$ 3,834,612
Behavioral Health	109,045	92,500
Children and Youth	764,778	106,388
Capital Projects	2,877,811	25
Other governmental funds	205,077	565,610
	<u>\$ 4,599,135</u>	<u>\$ 4,599,135</u>

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

years of service at age 55 or has five years of service and is at least 62 years of age. Severance pay is accrued as employees approach service limits. The balances of accrued employee benefits are as follows:

Amount for potential sick day buy-backs non-retirement eligible	\$ 83,250
Amount for sick day buy-backs retirement eligible	73,860
Amount for severance pay	260,000
Amount for compensated absences for non-exempt and union	<u>28,132</u>
Total Compensated Absences Liability	<u>\$ 445,242</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,
-

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

federal, or local government grants. This category includes funds that are legally restricted for debt service and by grant programs.

- 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. This category includes funds that are assigned for future capital projects.
- 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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- Unrestricted -- This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

N. Adoption of Accounting Pronouncements

The Municipality has adopted GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions,*" and Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date.*" These Statements establish new financial reporting requirements for most governments that provide their employees with pension benefits (see Note 7). As a result of this implementation, the government-wide net position as of January 1, 2015 was restated with an increase of \$1,606,412 to record the County's net pension asset.

The County has adopted GASB Statement No. 69, "*Government Combinations and Disposals of Government Operations.*" This Statement provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The County has no mergers, acquisitions or operations that have been transferred or sold to report.

O. Pending Pronouncements

GASB has issued the following statements that 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 Statement No. 72, "*Fair Value Measurement and Application,*" effective for fiscal years beginning after June 15, 2015 (the County's financial statements for the year ending December 31, 2016). This Statement addresses accounting and financial reporting issues related to fair value measurements.

GASB Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,*" effective for fiscal years beginning after June 15, 2015 (the County's financial statements for the year ending December 31, 2016) – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016 (the County's financial statements for the year ending December 31, 2017). This Statement establishes requirements for those pensions and pension plans that are not

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

administered through a trust meeting specified criteria (those not covered by Statements No. 67 and 68).

GASB Statement No. 74, *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,”* effective for fiscal years beginning after June 15, 2016 (the County’s financial statements for the year ending December 31, 2017). This Statement addresses reporting by OPEB plans that administer benefits on behalf of governments. This Statement replaces Statement No. 43.

GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,”* effective for fiscal years beginning after June 15, 2017 (the County’s financial statements for the year ending December 31, 2018). This Statement addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of Statement No. 45.

GASB Statement No. 76, *“Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,”* effective for fiscal years beginning after June 15, 2015 (the County’s financial statements for the year ending December 31, 2016). This Statement identifies the hierarchy of generally accepted accounting principles (GAAP), reduces this hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55.

GASB Statement No. 77, *“Tax Abatement Disclosures,”* effective for fiscal years beginning after December 15, 2015 (the County’s financial statements for the year ending December 31, 2016). This Statement requires state and local governments for the first time to disclose information about tax abatement agreements, and is designed to provide financial statement users with essential information about these agreements and the impact that they have on a government’s finances.

GASB Statement No. 79, *“Certain External Investment Pools and Pool Participants,”* effective for fiscal years beginning after June 15, 2015 (the County’s financial statements for the year ending December 31, 2016). This Statement addresses accounting and reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, *“Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14,”* effective for fiscal years beginning after June 15, 2016 (the County’s financial statements for the year ending December 31, 2017). The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

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GASB Statement No. 81, *“Irrevocable Split-Interest Agreements,”* effective for fiscal years beginning after December 31, 2016 (the County’s financial statements for the year ending December 31, 2017). The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

GASB Statement No. 82, *“Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73,”* effective for fiscal years beginning after June 15, 2016 (the County’s financial statements for the year ending December 31, 2017). The objective of this Statement is to address certain issues that have been raised with respect to GASB Statement No. 67, *“Financial Reporting for Pension Plans,”* GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions,”* and GASB Statement No. 73, *“Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”*

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 risks:

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, 2015, \$1,010,678 of the County’s \$14,491,928 bank balance was insured by

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the Federal Deposit Insurance Corporation. The remaining bank balance of \$13,481,250 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$14,299,790 as of December 31, 2015 and are classified as cash and cash equivalents in the statement of net position.

The County also has investments of \$1,482,439 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, 2015, \$27,247 of the bank balance of \$1,482,439 was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$1,455,192 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.

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 certificates of deposit 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 \$6,102,641 and \$6,187,465, respectively, for the year ended December 31, 2015. The carrying amount of deposits for the row offices and other County offices was \$846,993 and the bank balance was \$915,573. The carrying amount of deposits for the Tax Claim Bureau was \$269,381 and the bank balance was \$280,992. 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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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As of December 31, 2015, the County had the following investments in the Plan:

Cash or Investment Type	Investment Maturities (In Years) from December 31, 2015					
	Fair Market Value	Less than 1 year	1-5 Years	6 -10 Years	11 or more Years	16 or more Years
U.S. Treasuries	\$ 2,301,135	\$ 79,798	\$ 2,101,735	\$ -	\$ -	\$ 119,602
U.S. Government Agency Obligations	72,427	914	25,941	-	45,572	-
Municipal Bonds and Notes	474,598	101,033	373,565	-	-	-
Foreign Bonds	151,742	-	151,742	-	-	-
Corporate Bonds	<u>5,573,854</u>	<u>210,639</u>	<u>3,570,626</u>	<u>1,305,766</u>	<u>67,353</u>	<u>419,470</u>
Total debt securities	<u>8,573,756</u>	<u>\$ 392,384</u>	<u>\$ 6,223,609</u>	<u>\$ 1,305,766</u>	<u>\$ 112,925</u>	<u>\$ 539,072</u>
Cash and cash equivalents	969,949					
Common stock equities	<u>12,766,394</u>					
Total cash, cash equivalents, and other investments	<u>13,736,343</u>					
Total cash, cash equivalents, and investments reported on statement of net position	<u><u>\$ 22,310,099</u></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, 2015, the Plan investments in fixed income bonds have received the following ratings from Standard & Poor's:

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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	3.00%
Municipal Bonds	A+	1.61%
Municipal Bonds	A	1.36%
Municipal Bonds	BBB+	1.60%
Governmental Agencies	Unrated	1.15%
Foreign Bonds	BBB	0.80%
Foreign Bonds	Unrated	1.61%
Corporate Bonds	AAA	1.07%
Corporate Bonds	AA+	0.82%
Corporate Bonds	AA-	5.86%
Corporate Bonds	A+	7.97%
Corporate Bonds	A	12.66%
Corporate Bonds	A-	21.15%
Corporate Bonds	BBB+	20.99%
Corporate Bonds	BBB	8.72%
Corporate Bonds	BBB-	7.91%
Corporate Bonds	BB	1.65%
Corporate Bonds	Unrated	0.06%
		<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, 2015, 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 2015 levy was based, was \$1,651,250,118. The tax

COUNTY OF GREENE, PENNSYLVANIA

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rate to finance General Government Services, Debt Service, and Library Service for the year ended December 31, 2015, was 6.77 mills, 0.7 mills, and .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
1943-2010	\$ 257,785	20.0%	\$ 206,228
2011-2012	70,215	1.0%	69,513
2013-2014	355,222	0.3%	354,156
2015	1,215,664	0.0%	1,215,664
	<u>\$ 1,898,886</u>		<u>\$ 1,845,561</u>

In April 2016, the County received approximately \$760,000 in uncollected real estate taxes as a result of the sale of property.

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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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6. CAPITAL ASSETS

The following table illustrates the changes in capital assets as they have occurred during 2015.

	Balance at January 1, 2015	Additions	Transfers	Deletions	Balance at December 31, 2015
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,444,785	\$ -	\$ 15,109	\$ -	\$ 2,459,894
Construction in progress	8,935,933	2,377,727	(5,978,738)	-	5,334,922
Total capital assets not being depreciated	11,380,718	2,377,727	(5,963,629)	-	7,794,816
Capital assets being depreciated:					
Buildings and improvements	17,686,353	358,643	3,170,928	-	18,044,996
Vehicles	2,598,714	447,958	-	479,125	2,567,547
Furniture and equipment	3,609,118	242,794	90,681	-	3,942,593
Infrastructure assets	21,158,390	723,221	2,702,020	-	24,583,631
Total capital assets being depreciated	45,052,575	1,772,616	5,963,629	479,125	49,138,767
Less accumulated depreciation for:					
Buildings and improvements	6,641,504	575,871	-	-	7,217,375
Vehicles	1,398,338	213,119	-	440,761	1,170,696
Furniture and equipment	2,151,832	398,573	-	-	2,550,405
Infrastructure assets	3,373,923	337,031	-	-	3,710,954
Total accumulated depreciation	13,565,597	1,524,594	-	440,761	14,649,430
Total capital assets being depreciated, net of accumulated depreciation	31,486,978	248,022	5,963,629	38,364	37,660,265
Governmental assets capital assets, net	\$ 42,867,696	\$ 2,625,749	\$ -	\$ 38,364	\$ 45,455,081

Included in equipment above is \$411,033 of assets purchased under a capital lease. These assets have a net value of \$81,567 at December 31, 2015.

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

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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<u>Governmental Activities:</u>	
General government	\$ 289,194
Public safety	282,214
Public works	419,886
Human services	142,466
Culture and recreation	236,164
Conservation and economic development	4,345
Unallocated depreciation	<u>150,325</u>
Total depreciation expense - governmental activities	<u>\$ 1,524,594</u>

7. PENSION PLAN

Plan Description

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

The 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, 2015, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	89
Inactive plan members entitled to but not yet receiving benefits	21
Active plan members	<u>263</u>
Total plan members	<u>373</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.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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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:

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 eight 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.

COUNTY OF GREENE, PENNSYLVANIA

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Contributions and Funding Policy

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

As a condition of participation, employees are to currently contribute 7% of their salary as stipulated in the Plan. Interest is credited to employee accounts each year at the annual rate of 4.5% as voted upon by the 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 2015 was \$329,082 and was deposited into the Plan by the County.

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2015 were as follows:

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	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2014	\$ 20,643,368	\$ 22,773,065	\$ (2,129,697)
Changes for the year:			
Service cost	456,348	-	456,348
Interest	1,542,009	-	1,542,009
Differences between expected and actual	757,002	-	757,002
Contributions - employer	-	329,082	(329,082)
Contributions - employee	-	758,236	(758,236)
Net investment income (loss)	-	(173,374)	173,374
Benefit payments, including refunds	(1,099,066)	(1,099,066)	-
Administrative expense	-	(171,005)	171,005
Net changes	1,656,293	(356,127)	2,012,420
Balances at December 31, 2015	\$ 22,299,661	\$ 22,416,938	\$ (117,277)
Plan fiduciary net position as a percentage of the total pension liability			100.53%

Actuarial Assumptions - The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2015, and rolled forward to December 31, 2015, using the following actuarial assumptions, applied to all periods in the measurement:

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 the best estimate of anticipated experience under the plan. An experience study has not been performed in the last 5 years.

COUNTY OF GREENE, PENNSYLVANIA

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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, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40% - 60%	5.4% - 6.4%
International equity	Included in above	5.5% - 6.5%
Fixed income	35% - 55%	1.3% - 3.3%
Real estate	0.0%	4.5% - 5.5%
Cash	0% - 10%	0% - 1.1%

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, 2015, the annual money-weighted rate of return on the Plan investments, net of investment expense, was -1.79%.

Concentrations – The Plan had no individual investments in excess of 5% of the Plan’s fiduciary net position at December 31, 2015.

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

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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 (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	\$ 1,184,164	\$ (117,277)	\$ (2,454,540)

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the County recognized pension expense of approximately \$183,114. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 658,690
Changes in assumption	-
Net difference between projected and actual earnings on pension plan investments	1,499,698
Total deferred outflows of resources	\$ 2,158,388

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

Year ended December 31,	
2016	\$ 473,237
2017	473,237
2018	473,237
2019	473,237
2020	98,312
Thereafter	167,128
Total	\$ 2,158,388

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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, 2015 are as follows:

	At December 31, 2014	Issuances	Repayments	At December 31, 2015	Due Within One Year
G. O. Bond 2011	\$ 5,580,000	\$ -	\$ 40,000	\$ 5,540,000	\$ 40,000
G. O. Bond 2014	4,915,000	-	705,000	4,210,000	705,000
Capital Lease	167,240	-	85,672	81,568	81,568
Total	<u>\$ 10,662,240</u>	<u>\$ -</u>	<u>\$ 830,672</u>	<u>\$ 9,831,568</u>	<u>\$ 826,568</u>

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%.

Year Ending December 31,	Principal Amount	Interest Amount	Total
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	45,000	182,751	227,751
2021-2025	3,920,000	634,011	4,554,011
2026-2027	1,410,000	41,505	1,451,505
Total	<u>\$ 5,540,000</u>	<u>\$ 1,601,384</u>	<u>\$ 7,141,384</u>

COUNTY OF GREENE, PENNSYLVANIA

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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%.

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
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	760,000	20,340	780,340
2021	515,000	6,180	521,180
Total	<u>\$ 4,210,000</u>	<u>\$ 257,188</u>	<u>\$ 4,467,188</u>

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

<u>Year Ending December 31,</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
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	805,000	203,091	1,008,091
2021-2025	4,435,000	640,191	5,075,191
2026-2027	1,410,000	41,505	1,451,505
Total	<u>\$ 9,750,000</u>	<u>\$ 1,858,572</u>	<u>\$ 11,608,572</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>
2016	<u>\$ 81,567</u>	<u>\$ 1,625</u>	<u>\$ 83,192</u>

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

10. CONTINGENT LIABILITIES

A. Grant Programs

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

B. Litigation

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

11. 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.

12. SUBSEQUENT EVENTS

During February 2016, the County issued \$5,780,000 in General Obligation Bonds to currently refund the 2011 series bond issuance. Interest payments are payable semi-annually on January 15 and July 15, with rates ranging from 1.00% to 2.375%. The refunding was completed to reduce the County's debt service payments over the next twelve years by approximately \$379,000 and to obtain an economic gain (difference between present values of old and new debt service payments) of approximately \$368,000.

**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

YEARS ENDED DECEMBER 31

	2015	2014
Total Pension Liability:		
Service cost	\$ 456,348	\$ 432,205
Interest	1,542,009	1,406,981
Differences between expected and actual experience	757,002	784,328
Benefit payments, including refunds of member contributions	(1,099,066)	(604,441)
Net Changes in Total Pension Liability	1,656,293	2,019,073
Total Pension Liability - Beginning	20,643,368	18,624,295
Total Pension Liability - Ending (a)	\$ 22,299,661	\$ 20,643,368
Plan Fiduciary Net Position:		
Contributions - employer	\$ 329,082	\$ 550,000
Contributions - member	758,236	716,276
Net investment income	(173,374)	1,473,162
Benefit payments, including refunds of member contributions	(1,099,066)	(604,441)
Administrative expense	(171,005)	(172,137)
Other	-	-
Net Change in Plan Fiduciary Net Position	(356,127)	1,962,860
Plan Fiduciary Net Position - Beginning	22,773,065	20,810,205
Plan Fiduciary Net Position - Ending (b)	\$ 22,416,938	\$ 22,773,065
Net Pension Liability (Asset) - Ending (a-b)	\$ (117,277)	\$ (2,129,697)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.53%	110.32%
Covered Employee Payroll	\$ 10,525,102	\$ 9,905,909
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-1.11%	-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

YEARS ENDED DECEMBER 31

	<u>2015</u>	<u>2014</u>
Schedule of Contributions		
Actuarially determined contribution	\$ 329,082	\$ 299,640
Contributions in relation to the actuarially determined contribution	<u>329,082</u>	<u>550,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (250,360)</u>
Covered employee payroll	<u>\$ 10,525,102</u>	<u>\$ 9,905,909</u>
Contributions as a percentage of covered employee payroll	3.13%	5.55%
Investment Returns		
Annual money-weighted rate of return, net of investment expense	-1.79%	6.45%

See accompanying notes to schedules of required supplementary information.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2015

Actuarial Methods and Assumptions

Actuarial valuation date	1/1/2015
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

Benefit Changes

There have been no changes in the Plan benefits since the date of the last report.

Change in Actuarial Assumptions

There have been no changes in the actuarial assumptions since the date of the last report.

Supplementary Information

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2015

	Special Revenue Funds							
	Redevelopment Authority	Election Grant	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	Prothonotary Automation
Assets								
Cash and cash equivalents	\$ 991,029	\$ -	\$ 139,286	\$ 19,240	\$ 13,829	\$ 34,415	\$ 12,581	\$ 9,715
Investments	-	-	-	-	-	-	-	-
Due from other funds	-	-	2,130	7,414	1,164	492	274	-
Due from other governments	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Other assets	113	-	-	-	-	-	-	-
Total Assets	\$ 991,142	\$ -	\$ 141,416	\$ 26,654	\$ 14,993	\$ 34,907	\$ 12,855	\$ 9,715
Liabilities and Fund Balance								
Liabilities:								
Accounts payable	\$ 7,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	12,310	9,478	-	-
Unearned revenue	754,183	-	-	-	-	-	-	-
Total Liabilities	761,989	-	-	-	12,310	9,478	-	-
Fund Balance:								
Non-spendable	113	-	-	-	-	-	-	-
Restricted	229,040	-	141,416	26,654	2,683	25,429	12,855	9,715
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	229,153	-	141,416	26,654	2,683	25,429	12,855	9,715
Total Liabilities and Fund Balance	\$ 991,142	\$ -	\$ 141,416	\$ 26,654	\$ 14,993	\$ 34,907	\$ 12,855	\$ 9,715

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2015
(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	\$ 829	\$ 46,391	\$ 67,104	\$ 966,535	\$ 19,990	\$ 147,411	\$ 1,005,309	\$ 694,843	\$ 125,815	\$ 21,784
Investments	-	-	-	142,879	-	-	-	-	10,909	27,247
Due from other funds	-	1,174	1,761	-	-	-	-	-	-	3,892
Due from other governments	-	-	-	75,300	78,356	145,522	201,127	175,324	-	-
Taxes receivable	-	-	-	-	-	-	-	-	22,486	-
Accounts receivable	-	-	-	2,565	-	-	584	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 829	\$ 47,565	\$ 68,865	\$ 1,187,279	\$ 98,346	\$ 292,933	\$ 1,207,020	\$ 870,167	\$ 159,210	\$ 52,923
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ 71,247	\$ -	\$ -	\$ 28	\$ 111,458	\$ 3,585	\$ 1,188
Due to other funds	-	-	-	24,187	78,356	263,575	137,644	3,948	10,841	-
Unearned revenue	-	-	-	-	19,990	-	535,607	-	-	-
Total Liabilities	-	-	-	95,434	98,346	263,575	673,279	115,406	14,426	1,188
Fund Balance:										
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	829	47,565	68,865	1,091,845	-	29,358	533,741	754,761	144,784	51,735
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	829	47,565	68,865	1,091,845	-	29,358	533,741	754,761	144,784	51,735
Total Liabilities and Fund Balance	\$ 829	\$ 47,565	\$ 68,865	\$ 1,187,279	\$ 98,346	\$ 292,933	\$ 1,207,020	\$ 870,167	\$ 159,210	\$ 52,923

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2015
(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	\$ 530,819	\$ 250,891	\$ 391,933	\$ 162,518	\$ 9,774	\$ 1,116,092	\$ 6,778,133
Investments	-	-	-	-	-	-	181,035
Due from other funds	-	-	90,438	248,910	-	38,720	396,369
Due from other governments	697,113	25,670	84,771	240,369	-	-	1,723,552
Taxes receivable	-	-	-	-	-	-	22,486
Accounts receivable	35,365	-	90	5,418	-	-	44,022
Other assets	-	1,385	-	55	-	-	1,553
Total Assets	\$ 1,263,297	\$ 277,946	\$ 567,232	\$ 657,270	\$ 9,774	\$ 1,154,812	\$ 9,147,150
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 369,059	\$ -	\$ 66,114	\$ 91,253	\$ -	\$ -	\$ 721,738
Due to other funds	596,780	460	239,605	476,275	6,071	275,000	2,134,530
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	297,458	3,160	261,513	89,742	-	-	1,961,653
Total Liabilities	1,263,297	3,620	567,232	657,270	6,071	275,000	4,817,921
Fund Balance:							
Non-spendable	-	1,385	-	55	-	-	1,553
Restricted	-	-	-	-	3,703	879,812	4,054,790
Committed	-	272,941	-	-	-	-	272,941
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	(55)	-	-	(55)
Total Fund Balance	-	274,326	-	-	3,703	879,812	4,329,229
Total Liabilities and Fund Balance	\$ 1,263,297	\$ 277,946	\$ 567,232	\$ 657,270	\$ 9,774	\$ 1,154,812	\$ 9,147,150

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2015

	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	400,907	-	-	-	-	-	-	-
Charges for services	-	-	24,600	116,966	16,985	6,651	4,460	2,905
Interest	2,664	1	381	47	19	94	11	9
Rental income	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Total revenues	<u>403,571</u>	<u>1</u>	<u>24,981</u>	<u>117,013</u>	<u>17,004</u>	<u>6,745</u>	<u>4,471</u>	<u>2,914</u>
Expenditures:								
Administration:								
General government	-	-	-	-	-	-	-	1,308
Judicial	-	-	-	-	25,046	9,410	2,421	-
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	377,172	-	-	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-
Debt service:								
Debt interest	-	-	-	-	-	-	-	-
Debt principal	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>377,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,046</u>	<u>9,410</u>	<u>2,421</u>	<u>1,308</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>26,399</u>	<u>1</u>	<u>24,981</u>	<u>117,013</u>	<u>(8,042)</u>	<u>(2,665)</u>	<u>2,050</u>	<u>1,606</u>
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	75,850	-	-	-	-	-	-	-
Transfers out	-	(350)	-	(144,078)	-	-	-	-
Total other financing sources (uses)	<u>75,850</u>	<u>(350)</u>	<u>-</u>	<u>(144,078)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	102,249	(349)	24,981	(27,065)	(8,042)	(2,665)	2,050	1,606
Fund Balance:								
Beginning 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>
End of year	<u>\$ 229,153</u>	<u>\$ -</u>	<u>\$ 141,416</u>	<u>\$ 26,654</u>	<u>\$ 2,683</u>	<u>\$ 25,429</u>	<u>\$ 12,855</u>	<u>\$ 9,715</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,546	\$ 109,315
Intergovernmental	-	-	-	636,291	189,508	544,354	512,839	2,558,023	-	158,468
Charges for services	-	17,102	25,653	186,815	-	3,071	359,969	-	15,666	-
Interest	2	50	55	5,198	-	98	259	1,645	38	700
Rental income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	37,500	-	-	1,517
Total revenues	<u>2</u>	<u>17,152</u>	<u>25,708</u>	<u>828,304</u>	<u>189,508</u>	<u>547,523</u>	<u>910,567</u>	<u>2,559,668</u>	<u>252,250</u>	<u>270,000</u>
Expenditures:										
Administration:										
General government	-	15,319	15	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	653,589	-	-	-	-
Public safety:										
EMA/911	-	-	-	-	-	-	493,644	-	-	-
Public works:										
Highways and bridges	-	-	-	-	-	-	-	2,367,640	-	-
Human services:										
Child/youth services	-	-	-	-	-	-	-	-	-	-
Drug and alcohol	-	-	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	273,213
Community and economic development:										
Conservation/development	-	-	-	511,778	-	-	-	-	-	-
Housing/community development	-	-	-	-	111,152	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	272,228	-
Debt service:										
Debt interest	-	-	-	-	-	-	-	-	-	-
Debt principal	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>15,319</u>	<u>15</u>	<u>511,778</u>	<u>111,152</u>	<u>653,589</u>	<u>493,644</u>	<u>2,367,640</u>	<u>272,228</u>	<u>273,213</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>1,833</u>	<u>25,693</u>	<u>316,526</u>	<u>78,356</u>	<u>(106,066)</u>	<u>416,923</u>	<u>192,028</u>	<u>(19,978)</u>	<u>(3,213)</u>
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	-	195,847	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	-	-	-	6	-	-	282	-	-	-
Transfers out	-	-	-	(47,098)	(78,356)	(60,423)	(97,078)	(11,208)	(4,282)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,092)</u>	<u>(78,356)</u>	<u>135,424</u>	<u>(96,796)</u>	<u>(11,208)</u>	<u>(4,282)</u>	<u>-</u>
Net Change in Fund Balance	<u>2</u>	<u>1,833</u>	<u>25,693</u>	<u>269,434</u>	<u>-</u>	<u>29,358</u>	<u>320,127</u>	<u>180,820</u>	<u>(24,260)</u>	<u>(3,213)</u>
Fund Balance:										
Beginning of year	827	45,732	43,172	822,411	-	-	213,614	573,941	169,044	54,948
End of year	<u>\$ 829</u>	<u>\$ 47,565</u>	<u>\$ 68,865</u>	<u>\$ 1,091,845</u>	<u>\$ -</u>	<u>\$ 29,358</u>	<u>\$ 533,741</u>	<u>\$ 754,761</u>	<u>\$ 144,784</u>	<u>\$ 51,735</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Special Revenue Funds						Totals
	Human Services Transportation	Fair Board	BHS D&A	Human Services	Coroner	Debt Service	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,106,799	\$ 1,452,660
Intergovernmental	1,520,323	142,073	420,754	911,127	2,605	-	7,997,272
Charges for services	29,960	238,223	87,528	-	-	-	1,136,554
Interest	82	110	654	132	25	91	12,365
Rental income	-	18,072	-	-	-	-	18,072
Donations	-	-	-	-	-	-	39,017
Total revenues	1,550,365	398,478	508,936	911,259	2,630	1,106,890	10,655,940
Expenditures:							
Administration:							
General government	-	-	-	-	6,071	104	22,817
Judicial	-	-	-	-	-	-	690,466
Public safety:							
EMA/911	-	-	-	-	-	-	493,644
Public works:							
Highways and bridges	-	-	-	-	-	-	2,367,640
Human services:							
Child/youth services	-	-	-	-	-	-	-
Drug and alcohol	-	-	513,666	-	-	-	513,666
Other human services	-	-	-	911,259	-	-	911,259
Transportation	1,149,730	-	-	-	-	-	1,149,730
Culture and recreation:							
Parks and recreation	-	375,268	-	-	-	-	375,268
Libraries	-	-	-	-	-	-	273,213
Community and economic development:							
Conservation/development	-	-	-	-	-	-	511,778
Housing/community development	-	-	-	-	-	-	488,324
Tourist promotion	-	-	-	-	-	-	272,228
Debt service:							
Debt interest	-	-	-	-	-	273,378	273,378
Debt principal	-	-	-	-	-	745,000	745,000
Bond issuance costs	-	-	-	-	-	-	-
Total expenditures	1,149,730	375,268	513,666	911,259	6,071	1,018,482	9,088,411
Excess (Deficiency) of Revenues Over Expenditures	400,635	23,210	(4,730)	-	(3,441)	88,408	1,567,529
Other Financing Sources (Uses):							
Transfers in	-	-	9,230	-	-	-	205,077
Proceeds of refunding bonds	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-	-	-
Other sources from sale of assets/ prior period reimbursement	(357,398)	2,168	-	-	-	-	(279,092)
Transfers out	(43,237)	(75,000)	(4,500)	-	-	-	(565,610)
Total other financing sources (uses)	(400,635)	(72,832)	4,730	-	-	-	(639,625)
Net Change in Fund Balance	-	(49,622)	-	-	(3,441)	88,408	927,904
Fund Balance:							
Beginning of year	-	323,948	-	-	7,144	791,404	3,401,325
End of year	\$ -	\$ 274,326	\$ -	\$ -	\$ 3,703	\$ 879,812	\$ 4,329,229

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2015

	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	\$ 269,381	\$ 223,195	\$ -	\$ 49,628	\$ 95,800	\$ 10,679	\$ 11,336	\$ 13,328	\$ 14,779
Due from other funds	-	3,752	-	-	-	-	-	-	-
Total Assets	\$ 269,381	\$ 226,947	\$ -	\$ 49,628	\$ 95,800	\$ 10,679	\$ 11,336	\$ 13,328	\$ 14,779
Liabilities									
Liabilities:									
Due to other governments	\$ 269,381	\$ 200,855	\$ -	\$ 12,813	\$ 95,800	\$ 6,701	\$ 7,104	\$ 8,688	\$ 14,779
Due to other funds	-	26,092	-	36,815	-	3,978	4,232	4,640	-
Total Liabilities	\$ 269,381	\$ 226,947	\$ -	\$ 49,628	\$ 95,800	\$ 10,679	\$ 11,336	\$ 13,328	\$ 14,779
Assets									
	Sheriff-Validation System	Prothonotary	Prothonotary - Escrow Accts	Jail	Airport Security	Domestic Relations	Fire Damage Escrow	Children and Youth	Commonwealth Treasurer
Cash and cash equivalents	\$ 671	\$ 65,974	\$ 41,406	\$ 97,451	\$ 5,936	\$ 13,464	\$ 67	\$ 25,870	\$ 24,404
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	\$ 671	\$ 65,974	\$ 41,406	\$ 97,451	\$ 5,936	\$ 13,464	\$ 67	\$ 25,870	\$ 24,404
Liabilities									
Liabilities:									
Due to other governments	\$ 671	\$ 62,309	\$ 41,406	\$ 96,301	\$ 5,936	\$ 13,464	\$ 67	\$ 25,870	\$ 24,404
Due to other funds	-	3,665	-	1,150	-	-	-	-	-
Total Liabilities	\$ 671	\$ 65,974	\$ 41,406	\$ 97,451	\$ 5,936	\$ 13,464	\$ 67	\$ 25,870	\$ 24,404
Assets									
	District Attorney	Farmland Preservation	Human Services - M. Howard	PA Court of Common Pleas - 13th Judicial District	Wire Transfer Account	Total			
Cash and cash equivalents	\$ 21,037	\$ 37,828	\$ 1,678	\$ 92,442	\$ 20	\$ 1,116,374			
Due from other funds	-	-	-	-	-	3,752			
Total Assets	\$ 21,037	\$ 37,828	\$ 1,678	\$ 92,442	\$ 20	\$ 1,120,126			
Liabilities									
Liabilities:									
Due to other governments	\$ 21,037	\$ 29,434	\$ 1,678	\$ 92,442	\$ 20	\$ 1,031,160			
Due to other funds	-	8,394	-	-	-	88,966			
Total Liabilities	\$ 21,037	\$ 37,828	\$ 1,678	\$ 92,442	\$ 20	\$ 1,120,126			

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2015

	<u>Balance</u> <u>January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2015</u>
Tax Claim				
Assets				
Cash and cash equivalents	\$ 234,069	\$ 3,825,067	\$ (3,789,755)	\$ 269,381
	<u>\$ 234,069</u>	<u>\$ 3,825,067</u>	<u>\$ (3,789,755)</u>	<u>\$ 269,381</u>
Liabilities				
Due to other governments	\$ 234,069	\$ 3,825,067	\$ (3,789,755)	\$ 269,381
	<u>\$ 234,069</u>	<u>\$ 3,825,067</u>	<u>\$ (3,789,755)</u>	<u>\$ 269,381</u>
Clerk of Courts - Criminal:				
Assets				
Cash and cash equivalents	\$ 178,925	\$ 905,305	\$ (861,035)	\$ 223,195
Due from other funds	1,218	3,752	(1,218)	3,752
	<u>\$ 180,143</u>	<u>\$ 909,057</u>	<u>\$ (862,253)</u>	<u>\$ 226,947</u>
Liabilities				
Due to other governments	\$ 165,485	\$ 882,965	\$ (847,595)	\$ 200,855
Due to other funds	14,658	26,092	(14,658)	26,092
	<u>\$ 180,143</u>	<u>\$ 909,057</u>	<u>\$ (862,253)</u>	<u>\$ 226,947</u>
Orphan's Court:				
Assets				
Cash and cash equivalents	\$ 1,857	\$ 27,873	\$ (29,730)	\$ -
	<u>\$ 1,857</u>	<u>\$ 27,873</u>	<u>\$ (29,730)</u>	<u>\$ -</u>
Liabilities				
Due to other governments	\$ 1,857	\$ 27,873	\$ (29,730)	\$ -
	<u>\$ 1,857</u>	<u>\$ 27,873</u>	<u>\$ (29,730)</u>	<u>\$ -</u>
Register and Recorder:				
Assets				
Cash and cash equivalents	\$ 84,350	\$ 849,757	\$ (884,479)	\$ 49,628
	<u>\$ 84,350</u>	<u>\$ 849,757</u>	<u>\$ (884,479)</u>	<u>\$ 49,628</u>
Liabilities				
Due to other governments	\$ 16,383	\$ 812,942	\$ (816,512)	\$ 12,813
Due to other funds	67,967	36,815	(67,967)	36,815
	<u>\$ 84,350</u>	<u>\$ 849,757</u>	<u>\$ (884,479)</u>	<u>\$ 49,628</u>
Register and Recorder (Local Realty Transfer):				
Assets				
Cash and cash equivalents	\$ 159,864	\$ 1,974,542	\$ (2,038,606)	\$ 95,800
	<u>\$ 159,864</u>	<u>\$ 1,974,542</u>	<u>\$ (2,038,606)</u>	<u>\$ 95,800</u>
Liabilities				
Due to other governments	\$ 159,864	\$ 1,974,542	\$ (2,038,606)	\$ 95,800
	<u>\$ 159,864</u>	<u>\$ 1,974,542</u>	<u>\$ (2,038,606)</u>	<u>\$ 95,800</u>

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2015
(Continued)

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
Magistrate 13-03-1:				
Assets				
Cash and cash equivalents	\$ 18,122	\$ 429,496	\$ (436,939)	\$ 10,679
Liabilities				
Due to other governments	\$ 13,581	\$ 425,518	\$ (432,398)	\$ 6,701
Due to other funds	4,541	3,978	(4,541)	3,978
	\$ 18,122	\$ 429,496	\$ (436,939)	\$ 10,679
Magistrate 13-03-2:				
Assets				
Cash and cash equivalents	\$ 10,068	\$ 324,617	\$ (323,349)	\$ 11,336
Liabilities				
Due to other governments	\$ 6,535	\$ 320,385	\$ (319,816)	\$ 7,104
Due to other funds	3,533	4,232	(3,533)	4,232
	\$ 10,068	\$ 324,617	\$ (323,349)	\$ 11,336
Magistrate 13-03-03:				
Assets				
Cash and cash equivalents	\$ 16,247	\$ 336,492	\$ (339,411)	\$ 13,328
Liabilities				
Due to other governments	\$ 11,493	\$ 331,852	\$ (334,657)	\$ 8,688
Due to other funds	4,754	4,640	(4,754)	4,640
	\$ 16,247	\$ 336,492	\$ (339,411)	\$ 13,328
Sheriff:				
Assets				
Cash and cash equivalents	\$ 19,338	\$ 335,261	\$ (339,820)	\$ 14,779
Liabilities				
Due to other governments	\$ 19,338	\$ 335,261	\$ (339,820)	\$ 14,779

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2015
(Continued)

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2015</u>
Sheriff - Validation System:				
Assets				
Cash and cash equivalents	\$ 385	\$ 1,364	\$ (1,078)	\$ 671
Liabilities				
Due to other governments	\$ 385	\$ 1,364	\$ (1,078)	\$ 671
Prothonotary:				
Assets				
Cash and cash equivalents	\$ 164,418	\$ 126,103	\$ (224,547)	\$ 65,974
Liabilities				
Due to other governments	\$ 159,727	\$ 122,438	\$ (219,856)	\$ 62,309
Due to other funds	4,691	3,665	(4,691)	3,665
	\$ 164,418	\$ 126,103	\$ (224,547)	\$ 65,974
Prothonotary - Escrow Accts:				
Assets				
Cash and cash equivalents	\$ 41,284	\$ 122	\$ -	\$ 41,406
Liabilities				
Due to other governments	\$ 41,284	\$ 122	\$ -	\$ 41,406
Jail:				
Assets				
Cash and cash equivalents	\$ 93,842	\$ 298,366	\$ (294,757)	\$ 97,451
Liabilities				
Due to other governments	\$ 93,842	\$ 297,216	\$ (294,757)	\$ 96,301
Due to other funds	-	1,150	-	1,150
	\$ 93,842	\$ 298,366	\$ (294,757)	\$ 97,451

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2015
(Continued)

	<u>Balance</u> <u>January 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2015</u>
Airport Security:				
Assets				
Cash and cash equivalents	\$ 5,918	\$ 18	\$ -	\$ 5,936
Liabilities				
Due to other governments	\$ 5,918	\$ 18	\$ -	\$ 5,936
Domestic Relations:				
Assets				
Cash and cash equivalents	\$ 36,823	\$ 139,452	\$ (162,811)	\$ 13,464
Liabilities				
Due to other governments	\$ 36,823	\$ 139,452	\$ (162,811)	\$ 13,464
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	\$ 25,281	\$ 1,954	\$ (1,365)	\$ 25,870
Liabilities				
Due to other governments	\$ 25,281	\$ 1,954	\$ (1,365)	\$ 25,870
Commonwealth Treasurer:				
Assets				
Cash and cash equivalents	\$ 21,685	\$ 144,035	\$ (141,316)	\$ 24,404
Liabilities				
Due to other governments	\$ 21,685	\$ 144,035	\$ (141,316)	\$ 24,404

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2015
(Continued)

	Balance January 1, 2015	Additions	Deductions	Balance December 31, 2015
District Attorney:				
Assets				
Cash and cash equivalents	\$ 27,449	\$ 6,304	\$ (12,716)	\$ 21,037
Liabilities				
Due to other governments	\$ 27,449	\$ 6,304	\$ (12,716)	\$ 21,037
Farmland Preservation:				
Assets				
Cash and cash equivalents	\$ 22,990	\$ 14,838	\$ -	\$ 37,828
Liabilities				
Due to other governments	\$ 22,990	\$ 6,444	\$ -	\$ 29,434
Due to other funds	-	8,394	-	8,394
	\$ 22,990	\$ 14,838	\$ -	\$ 37,828
Human Services - M. Howard:				
Assets				
Cash and cash equivalents	\$ 2,884	\$ 1,616	\$ (2,822)	\$ 1,678
Liabilities				
Due to other governments	\$ 2,884	\$ 1,616	\$ (2,822)	\$ 1,678
PA Court of Common Pleas - 13th Judicial District:				
Assets				
Cash and cash equivalents	\$ -	\$ 185,126	\$ (92,684)	\$ 92,442
Liabilities				
Due to other governments	\$ -	\$ 185,126	\$ (92,684)	\$ 92,442
Wire Transfer Account				
Assets				
Cash and cash equivalents	\$ 20	\$ -	\$ -	\$ 20
Liabilities				
Due to other governments	\$ 20	\$ -	\$ -	\$ 20

(Concluded)