COUNTY OF GREENE, PENNSYLVANIA

SINGLE AUDIT

2006

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

COUNTY OF GREENE, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2006

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Independent Auditor's Report

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have audited the accompanying government financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Greene, Pennsylvania, (County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Greene County Industrial Development Authority (Authority), which represents 43 percent, 31 percent, and 10 percent, respectively, of the assets, unrestricted net deficits, and revenues of the government-wide financial statements. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2006, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and pension information on pages i through xv and 43 through 44, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We

have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements of the County. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the financial statements of the County. Similarly, the accompanying schedule of DPW expenditures is presented for purposes of additional analysis as required by the Commonwealth of Pennsylvania Department of Public Welfare and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
October 31, 2007

COUNTY OF GREENE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2006

INTRODUCTION

The County of Greene (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, 2006. It should be read in conjunction with the accompanying basic financial statements and the notes to those statements.

Separate financial statements for the component units may be obtained by contacting the County.

FINANCIAL HIGHLIGHTS

- The County issued a General Obligation Bond Series in 2006 in the amount of $5,265,000. These bonds are being used to fund major projects within the County such as the Aquatics Park, the Greene River Trail, the expansion of the County Prison, and 17 different water and sewage projects.

- The County's net assets increased by $3,879,292 in 2006. Assets increased approximately $11.6 million while liabilities only increased $7.7 million.

- The County's General Fund revenues exceeded expenditures by $514,462. This increase in the fund balance is due to the State and federal governments reimbursing quicker on funded/mandated programs (a concern noted in the 2005 MD&A), a reimbursement from the Industrial Development Authority, and reduced spending within the General Fund itself.

- The Board of Commissioners maintained the real estate tax rates for General Fund, debt, and library for 2006 (and 2007) at the 04/05 level of 6.42 mills. This is the longest period of time in at least the last 15 years that tax rates have gone without an increase.

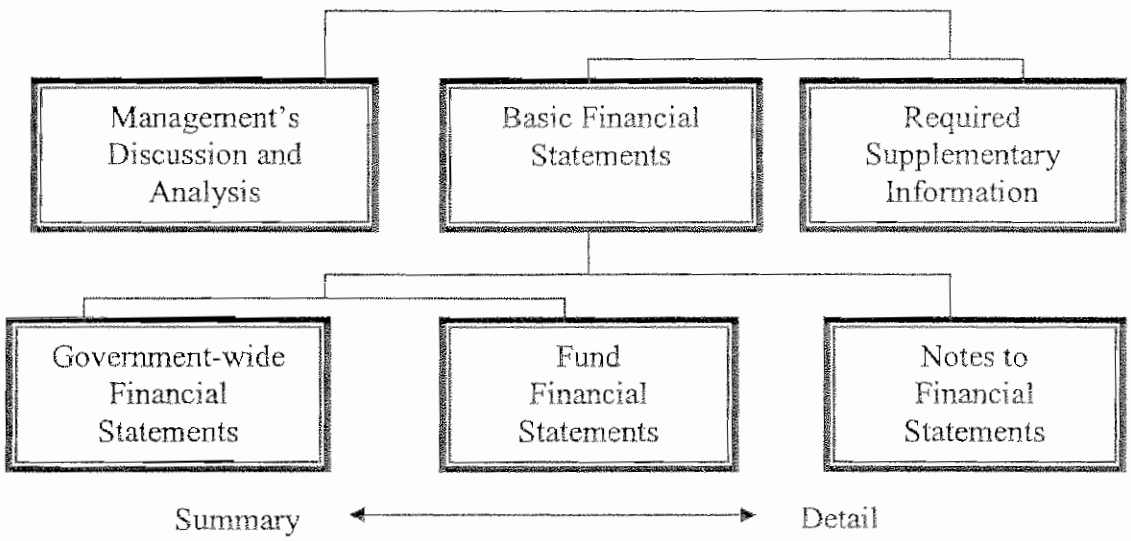
- The County initiated many of the projects connected to the Bond issue, and other State and Federal Grants, to include the New Tennis Courts, The Aquatics Park, Murtha Drive (Wal-Mart development access road), three of the proposed water/sewage projects, upgrades to the Monview Roller Rink, Curry Home renovations, the purchase of a new touch-screen voting system, and the expansion of the Greene River Trail.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole

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

REQUIRED COMPONENTS OF THE FINANCIAL STATEMENTS



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

- *Governmental fund 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 fund 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. In

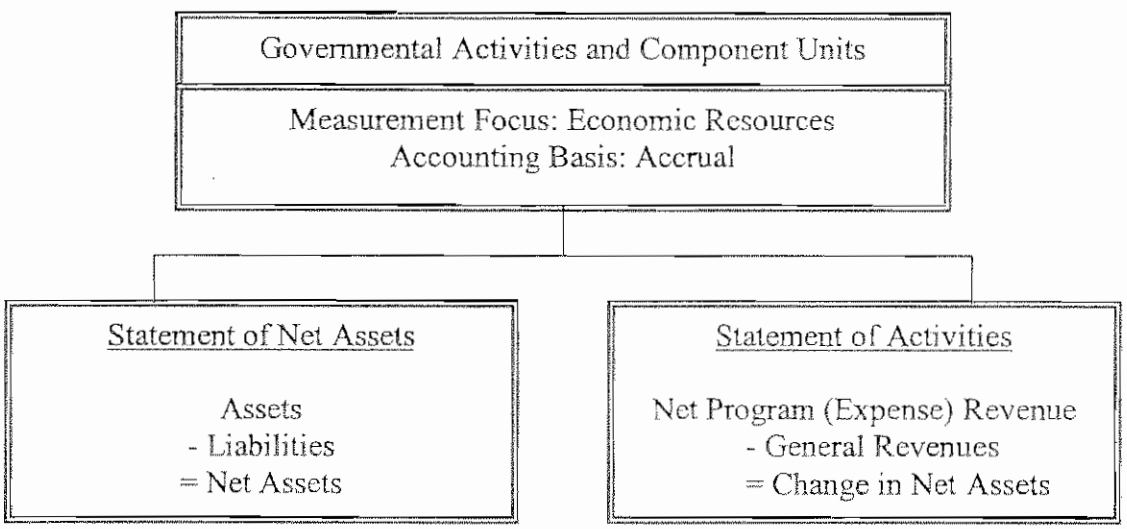
addition to these required elements, a section is included with detailed individual statements about non-major funds.

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:

GOVERNMENT-WIDE FINANCIAL STATEMENTS



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

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

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

- *Governmental activities* – include the County's basic services, segregated by type. General government activity is comprised of both administrative and judicial functions. This differs from the fund statements presentation which presents administrative government as general government, and judicial government is presented separately.

- *Component unit* – reflecting the activity of the Greene County Industrial Development Authority (IDA) which is a legally separate entity, but the County provides financial support and appoints Board members.

Statement of Net Assets
For the Years Ended December 31, 2006 and 2005

	Governmental Activities		Industrial Development Authority	
	2006	2005	2006	2005
Assets:				
Current and other assets	$ 15,721,034	$ 7,603,198	$ 29,958,320	$ 32,199,296
Capital assets	24,469,314	20,951,429	10,000	17,487
Total Assets	$ 40,190,348	$ 28,554,627	$ 29,968,320	$ 32,216,783
Liabilities:				
Current liabilities	$ 7,336,892	$ 4,409,100	$ 391,038	$ 384,010
Other liabilities	13,725,774	8,897,137	30,080,059	32,071,070
Total Liabilities	21,062,666	13,306,237	30,471,097	32,455,080
Net Assets:				
Invested in capital assets, net of related debt	15,292,934	12,771,629	-	-
Restricted	4,974,863	1,424,401	-	-
Unrestricted	(1,140,115)	1,052,360	(502,777)	(238,297)
Total Liabilities and Net Assets	$ 40,190,348	$ 28,554,627	$ 29,968,320	$ 32,216,783

The County, from the "Balance Sheet" perspective, is in very good financial condition. One major contributing factor to this is that the County owns over 80 bridges, infrastructure, with a net value of over $8 million. Historically, infrastructure has not been reported or depreciated in governmental financial statements. GASB Statement #34 requires that all capital assets,

including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statement. The County incurs no debt to have these bridges replaced and therefore shows no debt related to these assets.

The County also owns approximately $9 million in land and buildings. Some of these assets are maintained through the General Fund; other major projects are funded with bond proceeds. Other assets, such as vehicles, are funded through the General Fund with partial state or federal funding, again allowing the County to procure an asset while not expending the full amount for the asset.

The County's liabilities fall into two categories; long-term and short-term. Our long-term liabilities consist mainly of the 2006, 2003, and 1998 bonds. A specified portion of the collected taxes are paid into funds each year to make the payments on these bonds. To put these numbers into perspective consider the following:

1. A local lending institution in Waynesburg, when making a home loan, requires that a person's debt payments be less than 35% of what they make. The County allocates only 9% of its tax revenue for debt. With the issuance of the Bonds, the County will, in the near future, raise this percentage to cover the additional debt service but for 2006 the County was able to cover these costs with capitalized interest from the bond issue itself.

2. Pennsylvania law allows a County to incur debt up to 300% of its average annual revenues (based on the last 3 years). The County is 20 million dollars, or 60%, under this limit.

3. Leverage ratio's show debt-to-assets and are used to gauge the indebtedness of a county or company. The County's debt-to-asset percentage is 52% or approximately a 1:2 ratio. This means that for every $1 of asset the County owns we have only 52 cents in liabilities. Compared to 2005, the County has a higher debt-to asset rating for 2006 by 20% due to the issuance of the 2006 Bonds, yet over a 3 year period, this percentage has only increased 4%.

The County's short-term liabilities are accounts payable and items that are due, in some form or another, to another government unit. In many cases, these *Due To* are from the County's General Fund to a state funded program like Children and Youth Services or Human Services and are offset in part or in whole by a *Due From*. This can be seen more clearly, and will be explained in, the Fund Financial statements section.

The County's depreciated assets compared to the equity of the assets, in the Statement of Net Assets, provide an indication of how sensibly bond money is spent. For instance, consider the wisdom of taking out a 20 year loan on a car. After 7 years, the car falls apart and you would

still have to pay for it for 13 more years. The management policy of the County with regards to Bonds is to spend 20 year bond money on assets that last longer than 20 years and we keep those assets well maintained.

As an example, the above numbers show that overall the County takes out a 20 year "loan" on something that would remain useful for 33 years. This ratio has improved slightly over the last year.

Condensed Statement of Activities
For the Years Ended December 31, 2006 and 2005

	Governmental Activities		Industrial Development Authority	
	2006	2005	2006	2005
Revenues:				
Program Revenues:				
Charges for services	$ 2,652,523	$ 2,638,732	$ 1,617,565	$ 199,182
Operating grants and contributions	14,215,927	14,183,821	1,759,785	(12,280)
Capital grants and contributions	3,599,682	1,457,419	-	-
General Revenues:				
Property taxes	9,847,533	8,980,901	-	-
Investment earnings	692,535	524,907	4,851	9,634
Reimbursed expenses	518,012	80,548	-	-
Miscellaneous	235,245	8,206	-	-
Total revenues	31,761,457	27,874,534	3,382,201	196,536
Expenses:				
General government	7,262,324	6,868,988	-	-
Public safety	3,168,388	3,309,801	-	-
Public works	626,377	760,214	-	-
Human services	11,920,120	11,539,449	-	-
Culture and recreation	2,189,054	1,416,739	-	-
Community and economic development	1,883,852	2,178,614	3,646,681	-
Unallocated depreciation	136,171	119,309	-	-
Interest on long-term debt	695,879	409,134	-	-
Total expenses	27,882,165	26,602,248	3,646,681	-
Change in Net Assets	3,879,292	1,272,286	(264,480)	196,536
Net assets - beginning of year	15,248,390	14,325,401	(238,297)	(434,833)
Prior period adjustment	-	(349,297)	-	-
Net assets - end of year	$ 19,127,682	$ 15,248,390	$ (502,777)	$ (238,297)

The Statement of Activities shows that the County supported its operations with $11.2 million in general revenues, of which $9.8 million was tax revenue. It is important to note however that almost $18 million was given to the County for operations by the State and Federal Government.

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). These collections, totaling over $2.6 million, are shown under Charges for Service. This statement in its entirety can show what parts of County government are being funded with tax dollars and what parts are funded by user fees and grants.

Compared to last year, general revenues are up almost $2 million, and tax revenues up almost $1 million, without a tax increase, indicating an increase in the value of the county as a whole. State and Federal contributions and grants are also up $2.5 million, partially as a result of the reimbursements "catching up."

In this statement, the County's investments in capital assets are removed from the expenses and allocated across their useful life. Then, one year's portion of that capital cost is expensed in this statement each year until the asset has reached the end of its useful life.

While the County has experienced a series of positive Changes in Net Assets – 8% in 2003, 6.2% in 2004, and 6.4% in 2005 – this year's increase of over 25% is exceptional.

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:

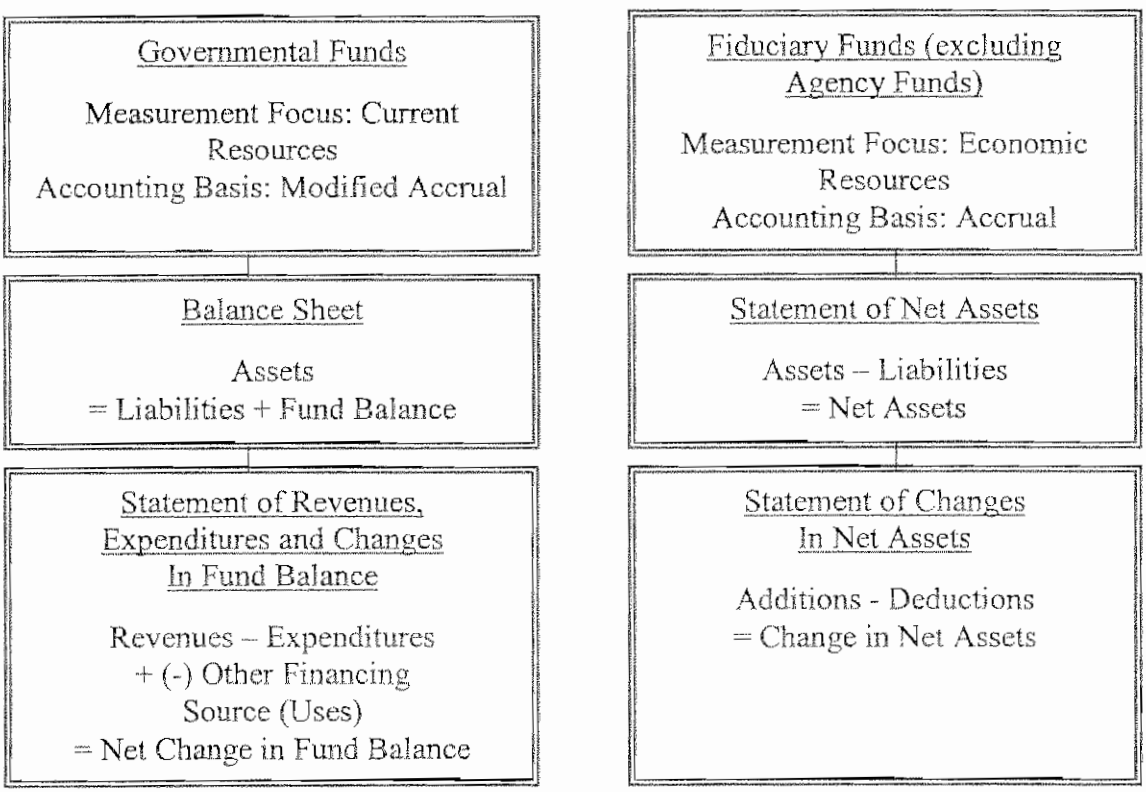
- *Governmental funds* – The County's basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance County programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. The County adopts an annual budget for the General Fund and the Liquid Fuels Tax Fund. Because it is considered one of the County's major funds, a budgetary comparison schedule is presented for the General Fund, reflecting the following: (1) the original budget; (2) the final amended budget; (3) actual revenues and expenditures, and; (4) the variance between the final budget and actual revenues and expenditures. The other County major funds rely on the availability

of federal and state support and in certain cases County support which is budgeted in the General Fund. For this reason, no budget is incorporated for these other major funds.

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

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

Fund Financial Statements



Governmental Funds

The County has three funds this year that are considered *Major* funds for the purpose of GASB #34 reporting; the General Fund, the Capital Projects Fund, and the Behavioral Health Fund. There are 26 *other* funds that make up the "Other Governmental Funds" on the Governmental Funds Balance Sheet and Statement of Revenues and Expenditures.

Major Funds Balance Sheet

The following statement is a condensed version of the major funds balance sheet. 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.

The General Fund Accounts Receivable is reasonable; funds due to the County are collected in a timely manner and late fees are charged when those balances are not paid. The County Accounts Payable is considerably more than normal but this is due to the many projects being undertaken by the County at this time. Bills paid by the County are paid in a timely fashion and in accordance with "Net 30" terms.

	General	Capital Projects	Behavioral Health
Assets			
Current and other assets	$ 2,472,833	$ 2,533,242	$ 1,800,564
Investments	-	1,000,000	-
Due from other funds	2,754,776	-	105,791
Due from other governments	289,684	2,024,675	6,853
Taxes receivable	1,054,737	-	-
Accountants receivable	9,356	34,769	3,912
Other assets	-	-	146,803
Total Assets	$ 6,581,386	$ 5,592,686	$ 2,063,923
Liabilities and Fund Balance			
Accountant payable	$ 2,185,096	$ -	$ 1,402,384
Accrued liabilities & withholdings	426,226	-	-
Due to other funds	271,904	1,337,149	199,031
Due to other governments	883	-	-
Deferred revenue	1,526,497	-	462,508
Total Liabilities	4,410,606	1,337,149	2,063,923
Unreserved fund balance	2,170,780 (1)	4,255,537	-
Total Liabilities and Fund Balance	$ 6,581,386	$ 5,592,686	$ 2,063,923

The General Fund balance sheet shows the cash available at the end of 2006 for operations and the unreserved fund balance of $2.17 million [1]. 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*'s when the State or Federal Government is slow to reimburse the County for expenditures. The Fund Balance increased in 2006 by over $.5 million.

During 2002, the County utilized the fund balance to pay a principal payment for the IDA Revenue Bonds issued in 1997. The IDA informed the County in 2002 that they would not be able to make future payments and the County, as a guarantor on the bonds, was required to make payments. As a result of this, the County has a contingent liability for the IDA Debt Service.

This contingent liability will be in effect until 2017 or until the IDA shows the ability to make these payments on an ongoing basis. In 2004, the County started setting aside 1/5th of the next principal payment and an amount equal to the interest payments each year. If the IDA makes the interest payments, then that amount will be released back into the General Fund; the funds set aside for the principal payment are being paid into an escrow account and, if IDA is able to make the principal payment in 2007, may at that time be released back into the fund balance of the General Fund or will be held as a contingent liability escrow account until 2012, or possibly even 2017.

The Capital Projects Fund is a new addition to the major funds list for 2006 as a result of the Bond Issue. Due to the size of some of the Federal and State grants received for the Wal-Mart development, The Capital Projects Fund was used to balance cash flow for non-bond projects while awaiting reimbursements; thus the *Due From* line in the Balance Sheet.

The size of the Capital Projects Fund also removed several of the Human Services funds, which are normally considered *Major*, from the Major Funds list. As projects are completed and the bond money is spent, the determination will return to "normal" levels and those funds will, most likely, once again be seen as *Major*.

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 Balance for 2006. As the Behavioral Health Fund is represented in this report as an in/out entry, and as there is no fund balance to consider, it has been removed from this version of the statement and is considered later with in the *Other Funds* section.

The General Fund

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

The Other Financing Sources (Uses) section shows specifically *Transfers In, Other Sources,* and *Transfers Out. 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, and a portion of Adult Probation.

Other Sources include revenue from the sale of assets and prior period reimbursements, notably the repayment of a $450,000 investment in Fiber Optics by the Industrial Development Authority and State grants from prior periods ($40,000). Many smaller items are also in this section.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – 2006

	General	Capital Projects		Other Governmental Funds
Total Revenues	$ 12,959,849	$ 2,307,554	(2)	$ 9,873,222
Expenditures:			(4)	
Administration	6,907,049	152,246		685,422
Public safety	2,606,679	29,813		664,944
Public works	195,339	1,316,858		861,923
Human services	-	-		5,716,883
Culture & recreation	1,501,722	1,525,958		663,289
Conservation and economic development	1,283,347	6,570		432,457
Debt service	38,357	164,045	(5)	894,771
Total Expenditures	12,532,493	3,195,490		9,919,689
Other Financing Sources (Uses):				
Transfers in	401,184	-		558,992
Debt proceeds	-	5,161,519	(3)	103,481
Other sources from assets/ prior period remit	530,312	-		30,673
Transfers out	(682,912)	-		(293,603)
Other uses	(161,478)	(18,046)		-
Total Other Financing Sources (Uses)	87,106	5,143,473		399,543
Net Change in Fund Balance	514,462	4,255,537	(1)	353,076
Fund Balance Beginning of Year	1,656,318	-		1,349,803
Prior period adjustments	-	-		-
Fund Balance End of Year	$ 2,170,780	$ 4,255,537		$ 1,702,879

Transfers Out are payments made to various departments for required match on grants. These include Human Services, the Stop Grant, and Domestic Relations.

The IDA allocation in this statement is shown as *Other Use*.

The calculation of the fund balance increase (decrease) is shown at the bottom of this statement (1) and is then carried over to the Balance Sheet. While the Balance Sheet tells us what the fund balance is, the Revenue and Expense Statement tells us how it changed for 2006. This MD&A tells us *why* it changed.

The Capital Projects Fund

The Bond proceeds are not part of the revenue shown for Capital Projects. This revenue is from Federal ($1.3 Million) and State ($.6 million) Capital Grants in connection with various County projects as well as a charge for service and interest on the bond investments (2). The actual Bond proceeds are shown under *Other Financing Sources* (3).

This statement clearly shows the type of projects the Bond/Capital Grants are funding (4). The largest expenditure for 2006 is in *Culture and Recreation* and is related to the Tennis Courts and Aquatics Park projects, as well as the renovations to Monview and the County pools/parks in general. Next is *Public Works* which is related to the Wal-Mart development and Murtha Drive which connects it to Route 21.

In the Statement of Net Assets section, there was a statement with regards to not raising taxes in 2006 on debt service millage due to a payment made from capitalized interest. This payment is shown on the *Debt Service* line (5).

Unlike the General Fund, the Capital Projects Fund is a multi-year fund and does not "close out" at the end of the year. There are no deferred revenues with respect to the bond and the budget does not end until the bond money is spent or all the projects are complete. With this in mind, the *Fund Balance* (6) for the Capital Projects Fund simply reflects the remaining project funds at the end of the year.

Other Governmental Funds

This column shows that less was spent than was received for the 26 funds that make up this group. This aggregate number is comprised of various small gains and losses among the funds and represents normal activity.

Debt Service Fund

After making a planned balloon payment in this fund in 2003, the Debt Service Fund showed a small increase in fund balance for 2004 and then a small decrease for 2005. For 2006, this fund showed a modest gain of $145,174 due to the increased valuation of the county and the application of the Capitalized Interest from the Bond. The County, by law, must fully fund the Debt Service Fund and that is done; however, the timing of tax income and debt payments can cause cash flow issues for this fund and the financial management goal of the County, with regards to this fund, is to not borrow heavily from the General Fund to make debt service payments.

Liquid Fuels Fund

The Liquid Fuels Fund showed a small increase in fund balance for 2006 after a small reduction in fund balance for 2005. The Liquid Fuels Fund is intentionally *up* in one year and *down* in the next due to the County's cycle of bridge inspections and other mandates concerning that fund.

Human Services Funds

As discussed above, these funds are normally considered major but the size of the Capital Projects Fund has relegated them to the "other" category for 2006. These funds cannot by law have a fund balance at the end of the year but the combined Children and Youth, Human Services, and Drug and Alcohol Funds, along with the *Major* Fund of Behavioral Health, have combined expenditures of almost $12 million annually. As these departments are reimbursed by the State, cash flow for them, and swift reimbursement of expenditures, is critical to County operations.

Fiduciary Funds

The County reports 4 funds under the Statement of Fiduciary Net Assets. Of these, 3 are *Agency* Funds (the Deferred Compensation Plan, the Tax Claim Bureau, and Other Escrow Accounts) and, at the end of the year, the assets either equal the liabilities or the entire amount is held in trust.

The 4th fund in this group is a *Trust* fund; the County Pension Plan. The S&P 500 Index is an important indicator in relation to the health of the Pension Plan and this index has shown strong growth in 2006 of approximately 13.3%. The Net Assets Reserved for Pension Benefits grew 18.1% in 2006 versus a mediocre 6.1% in 2005.

The County regularly contributes to the Pension Fund when, as in the past few years, the investment performance is not sufficient to provide excess interest. This contribution is based on

an actuarial valuation and for 2006 the County contributed $454,000 dollars from the General Fund (partially reimbursed by state programs such as CYS, and Human Services) to the Pension Fund, up from $340,000 in 2005. Expected contributions for 2007 are budgeted at $451,000.

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

GENERAL FUND BUDGETARY HIGHLIGHTS And MANAGEMENT DISCUSSION & ANALYSIS SUMMARY

The County's budget process for any given year starts 5 months before the year begins and continues throughout the 12 months of that year. For 2006, when the preliminary budget was passed in 2005, the County did not yet have many of the benefit rates for the upcoming year, various assessment issues had not been finalized, and several grants for various departments were not yet guaranteed.

During the course of the year, as these issues were resolved, 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.

An increase in taxes of $599,157, due to an agreement between the County and the coal companies with regards to the permitting of coal, was the single major increase in the budget. Many changes were made to allocate benefits in January and February as well.

The difference between the original and final amended General Fund budget was increased revenues of $537,068 (compared to $111,189 in 2005) and increased expenditures of $117,069 (compared to $107,197 in 2005).

The actual General Fund revenue exceeded even the increased budget figures by $1,056,252 while the expenditures exceeded budget by $980,519. These "overages" are due to the fact that late year budget changes were not incorporated into the figures more than actual unplanned revenue and expenditures.

At the end of the year, the County General Fund was "in the black" by $514,462. As the Board of Commissioners have held firm on the tax rates, this addition to the Fund Balance will most likely be used in succeeding years to balance budgets but currently provides the County with the cash flow needed to manage the many projects and capital grants it has begun in 2006.

The many favorable financial ratios, strong positive growth of net assets, and the increasing and strong performance of the Pension Plan, coupled with a growth in the fund balance during a period of major development in the County, indicates that the County is in a strong position

financially and being well managed with respect to budget, policy, investment, control, and audit.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Greene County Controller's Office
Courthouse Square, Suite 403
93 East High Street
Waynesburg, PA 15370

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	Governmental Activities	Industrial Development Authority
Assets		
Cash and cash equivalents	$ 9,400,171	$ 386,489
Investments	1,066,853	-
Receivables:		
Taxes receivable, net of allowance	1,117,802	-
Due from other governments	3,560,219	2,483,611
Accounts receivable	199,731	-
Prepaid expenses/other assets	166,251	-
Deferred charges	210,007	-
Long-term notes receivable	-	27,088,220
Fixed assets not being depreciated	7,026,336	10,000
Fixed assets, net of accumulated depreciation	9,291,502	-
Infrastructure assets, net of accumulated depreciation	8,151,476	-
Total Assets	40,190,348	29,968,320
Liabilities		
Accounts payable	4,272,023	-
Accrued liabilities and withholdings	426,226	-
Accrued interest payable	225,002	-
Due to other governments	883	-
Unearned revenue	1,858,484	-
Net pension obligation	289,224	-
Accrued compensated absences	265,050	-
USDA Loan Program Reserve	-	391,038
Bonds, notes, and leases payable:		
Amount due within one year	477,385	16,050,000
Amount due in more than one year	13,247,613	14,030,059
Accrued bond issuance premium	776	-
Total Liabilities	21,062,666	30,471,097
Net Assets		
Invested in capital assets, net of related debt	15,292,934	-
Restricted for:		
Capital projects	4,255,537	-
Debt service	719,326	-
Other purposes	-	-
Unrestricted	(1,140,115)	(502,777)
Total Net Assets	$ 19,127,682	$ (502,777)

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Industrial Development Authority
Primary government:						
Governmental activities:						
General government	$ 7,262,324	$ 996,480	$ 1,192,577	$ 27,491	$ (5,045,776)	$ -
Public safety	3,168,388	754,365	567,047	40,000	(1,806,976)	-
Public works	626,377	162,978	226,792	1,905,253	1,668,646	-
Human services	11,920,120	206,671	11,225,609	62,000	(425,840)	-
Culture and recreation	2,189,054	384,309	318,540	1,478,247	(7,958)	-
Community and Economic Development	1,883,852	147,720	685,362	86,691	(964,079)	-
Unallocated depreciation	136,171	-	-	-	(136,171)	-
Interest on long-term debt	695,879	-	-	-	(695,879)	-
Total governmental activities	$ 27,882,165	$ 2,652,523	$ 14,215,927	$ 3,599,682	(7,414,033)	
Component unit:						
Industrial Development Authority	$ 3,646,681	$ 1,617,565	$ 1,759,785	$ -		(269,331)
General revenues:						
Property taxes, levied for general purpose					8,891,216	-
Property taxes, levied for debt purpose					867,547	-
Property taxes, levied for library purpose					88,770	-
Interest					692,535	4,851
Rental income					301,022	-
Special/miscellaneous revenues					-	-
Grants, subsidies, and contributions-not restricted					-	-
Gain (loss) on sale of assets					(65,777)	-
Reimbursement of prior period expenditures					518,012	-
Total general revenues					11,293,325	4,851
Change in net assets					3,879,292	(264,480)
Net Assets:						
Beginning of year					15,248,390	(238,297)
End of year					$ 19,127,682	$ (502,777)

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2006

	General Fund	Behavioral Health	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 2,472,833	$ 1,800,564	$ 2,533,242	$ 2,593,532	$ 9,400,171
Investments	-	-	1,000,000	66,853	1,066,853
Due from other funds	2,754,776	105,791	-	133,255	2,993,822
Due from other governments	289,684	6,853	2,024,675	1,239,007	3,560,219
Taxes receivable	1,054,737	-	-	63,065	1,117,802
Accounts receivable	9,356	3,912	34,769	41,786	89,823
Other assets	-	146,803	-	19,448	166,251
Total Assets	$ 6,581,386	$ 2,063,923	$ 5,592,686	$ 4,156,946	$ 18,394,941
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	$ 2,185,096	$ 1,402,384	$ -	$ 666,649	$ 4,254,129
Accrued liabilities and withholdings	426,226	-	-	-	426,226
Due to other funds	271,904	199,031	1,337,149	1,093,724	2,901,808
Due to other governments	883	-	-	-	883
Deferred revenue	1,526,497	462,508	-	693,694	2,682,699
Total Liabilities	4,410,606	2,063,923	1,337,149	2,454,067	10,265,745
Fund Balance:					
Reserved for:					
Capital Projects	-	-	4,255,537	-	4,255,537
Debt service	-	-	-	719,326	719,326
Unreserved, reported in:					
General Fund	2,170,780	-	-	-	2,170,780
Special Revenue Funds	-	-	-	983,553	983,553
Total Fund Balance	2,170,780	-	4,255,537	1,702,879	8,129,196
Total Liabilities and Fund Balance	$ 6,581,386	$ 2,063,923	$ 5,592,686	$ 4,156,946	$ 18,394,941

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

Total Fund Balance - Governmental Funds		$ 8,129,196
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, including infrastructure and construction in progress used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds.		24,469,314
The difference in net assets between full accrual accounting and modified accrual accounting due to differing revenue recognition criteria between the two methods.		824,215
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these accounts are deferred and amortized in the statement of activities.		209,231
Net Pension obligation is reflected in the statement of net assets but is not considered a use of available resource in the fund financial statements.		(289,224)
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	$ (265,050)	
GO Bonds/notes/leases	(13,724,998)	
Accrued interest on bonds	(225,002)	
		(14,215,050)
Total Net Assets - Governmental Activities		$ 19,127,682

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

	General Fund	Behavioral Health	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 8,830,667	$ -	$ -	$ 1,033,604	$ 9,864,271
Licenses and permits	43,144	-	-	-	43,144
Fines and forfeits	200,306	-	-	25,572	225,878
Intergovernmental	1,994,670	6,005,416	2,020,534	7,768,537	17,789,157
Charges for services	1,266,317	-	100,000	934,421	2,300,738
Interest	328,418	97,156	187,020	79,941	692,535
Rental income	287,377	-	-	13,645	301,022
Donations	8,950	-	-	17,502	26,452
Total revenues	12,959,849	6,102,572	2,307,554	9,873,222	31,243,197
Expenditures:					
General government - administration	4,610,618	-	152,246	36,206	4,799,070
General government - judicial	2,296,431	-	-	649,216	2,945,647
Public safety:					
Corrections	2,318,644	-	29,813	-	2,348,457
EMA/911	288,035	-	-	664,944	952,979
Public works:					
Highway and bridges	-	-	1,312,895	824,906	2,137,801
Sanitation/solid waste	70,841	-	3,963	37,017	111,821
Airport	124,498	-	-	-	124,498
Human services:					
Child/youth services	-	-	-	2,126,095	2,126,095
Drug and alcohol	-	-	-	624,710	624,710
Mental health/retardation	-	6,118,911	-	-	6,118,911
Other human services	-	-	-	2,966,078	2,966,078
Culture and recreation:					
Parks and recreation	1,501,722	-	1,525,958	372,343	3,400,023
Libraries	-	-	-	290,946	290,946
Conservation and economic development:					
Conservation/development	97,146	-	-	227,609	324,755
Housing/community development	288,124	-	6,570	90,895	385,589
Economic development	879,212	-	-	-	879,212
Tourist promotion	18,865	-	-	113,953	132,818
Debt service:					
Debt interest	5,044	-	-	469,559	474,603
Debt principal payments	33,313	-	-	425,212	458,525
Fiscal agent's fees	-	-	164,045	-	164,045
Total expenditures	12,532,493	6,118,911	3,195,490	9,919,689	31,766,583
Excess (Deficiency) of Revenues Over Expenditures	427,356	(16,339)	(887,936)	(46,467)	(523,386)
Other Financing Sources (Uses):					
Transfers in	401,184	105,599	-	558,992	1,065,775
Debt proceeds	-	-	5,161,519	103,481	5,265,000
Other sources from assets/prior period remit	530,312	-	-	30,673	560,985
Transfers out	(682,912)	(89,260)	-	(293,603)	(1,065,775)
Discount on bond issue	-	-	(18,046)	-	(18,046)
Other uses	(161,478)	-	-	-	(161,478)
Total other financing sources (uses)	87,106	16,339	5,143,473	399,543	5,646,461
Net Change in Fund Balance	514,462	-	4,255,537	353,076	5,123,075
Fund Balance:					
Begioning of year	1,656,318	-	-	1,349,803	3,006,121
End of year	$ 2,170,780	$ -	$ 4,255,537	$ 1,702,879	$ 8,129,196

See accompanying notes to primary government 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, 2006

Net Change in Fund Balance - Governmental Funds		$ 5,123,075
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays are expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.		
Capital outlays	4,295,008	
Less: Depreciation expense	(668,373)	3,626,635
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.		66,025
This issuance of long term obligations (eg. Bonds, loans, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term obligations consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		(4,806,475)
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.		150,204
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 is interest accrued in the statement of activities over the amount due is shown here.		(220,974)
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net assets and offset against proceeds from the sale of capital assets resulting in a 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	(42,973)	
Gain (loss) on the sale of capital assets	(65,777)	(108,750)
The change in net pension obligation is reflected in the Statement of Activities but is not considered an available resource in the fund financial statements.		43,702
In the statement of activities, certain operating expenses-accumulated employee benefits (service and buy back of unused sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		5,850
Change in Net Assets of Governmental Activities		$ 3,879,292

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 7,899,580	$ 8,498,737	$ 8,830,667	$ 331,930
Licenses and permits	40,000	40,000	43,144	3,144
Fines and forfeits	170,000	170,000	200,306	30,306
Intergovernmental	1,313,871	1,251,782	1,994,670	742,888
Charges for services	1,379,298	1,379,298	1,266,317	(112,981)
Interest	270,789	270,789	328,418	57,629
Rental income	282,991	282,991	287,377	4,386
Donations	10,000	10,000	8,950	(1,050)
Total revenues	11,366,529	11,903,597	12,959,849	1,056,252
Expenditures:				
General government - administration	4,328,968	4,493,505	4,610,618	(117,113)
General government - judicial	2,342,117	2,276,996	2,296,431	(19,435)
Public safety:				
Corrections	2,243,925	2,247,338	2,318,644	(71,306)
EMA/911	261,413	261,887	288,035	(26,148)
Public works:				
Sanitation/solid waste	157,731	157,814	70,841	86,973
Airport	116,374	116,458	124,498	(8,040)
Culture and recreation:				
Parks and recreation	881,211	882,043	1,501,722	(619,679)
Conservation and economic development:				
Conservation/development	70,680	70,864	97,146	(26,282)
Housing/community development	125,076	125,076	288,124	(163,048)
Economic development	855,742	868,242	879,212	(10,970)
Tourist promotion	13,311	13,394	18,865	(5,471)
Debt service:				
Debt interest	5,044	5,044	5,044	-
Debt principal payment	33,313	33,313	33,313	-
Total expenditures	11,434,905	11,551,974	12,532,493	(980,519)
Excess (Deficiency) of Revenues Over Expenditures	(68,376)	351,623	427,356	75,733
Other Financing Sources (Uses):				
Transfers in	540,355	540,355	401,184	(139,171)
Other sources from assets/prior period reimbursement	57,016	57,016	530,312	473,296
Transfers out	(767,494)	(767,494)	(682,912)	84,582
Other	(151,500)	(151,500)	(161,478)	(9,978)
Total other financing sources (uses)	(321,623)	(321,623)	87,106	408,729
Net Change in Fund Balance	(389,999)	30,000	514,462	484,462
Fund Balance:				
Beginning of year	1,656,318	1,656,318	1,656,318	-
End of year	$ 1,266,319	$ 1,686,318	$ 2,170,780	$ 484,462

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

DECEMBER 31, 2006

	Pension Trust Fund	Tax Claim Bureau	Escrow Accounts	Total
Assets				
Cash and cash equivalents	$ 507,300	$ 124,129	$ 564,694	$ 1,196,123
Investments	9,991,270	-	-	9,991,270
Due from other funds	15,755	-	2,139	17,894
Accountants receivable	58,330	-	-	58,330
Total Assets	10,572,655	124,129	566,833	11,263,617
Liabilities				
Due to other funds	-	-	109,908	109,908
Due to other governments	-	124,129	456,925	581,054
Total Liabilities	-	124,129	566,833	690,962
Net Assets				
Net Assets Held in Trust for Pension Benefits	$ 10,572,655	$ -	$ -	$ 10,572,655

See accompanying notes to primary government financial statements.

COUNTY OF GREENE, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2006

Additions:	
Contributions:	
County	$ 454,000
Plan member	407,833
Total contributions	861,833
Investment income:	
Appreciation in fair value of investments	707,991
Interest and dividends	413,657
Total investment income	1,121,648
Total additions	1,983,481
Deductions:	
Pension benefits	148,782
Refund of contributions	125,444
Administrative expenses	86,053
Total deductions	360,279
Change in Net Assets	1,623,202
Net Assets Held in Trust for Pension Benefits:	
Beginning of year	8,949,453
End of year	$ 10,572,655

See accompanying notes to primary government financial statements.

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14, *"Defining the Governmental Reporting Entity,"* established the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. A component unit is a legally separate entity that meets any one of the following criteria: 1) the primary government appoints the voting majority of the board, and is able to impose its will on the component unit, or is in a relationship of financial benefit or burden with the component unit; 2) the component unit is fiscally dependent on the primary government, or 3) the financial statements of the primary government would be misleading if data from the component unit was not included. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The discretely presented component unit is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government.

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

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

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

- Greene County Industrial Development Authority

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

- Greene County Food Bank Greene
- Greene County Memorial Hospital Authority
- Washington-Greene Community Action Corporation
- Washington-Green Job Training Council
- Greene County Housing Authority

- Greene County Industrial Developments, Inc.

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

B. Basis of Presentation

The financial statements of the County are prepared in accordance with generally accepted accounting principles, 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. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model, the focus is either on the County as a whole (which includes component units) or major individual funds within the fund financial statements.

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

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

County does not allocate indirect expenses. Capital grants column reflect capital-specific grants.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. 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 resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

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

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

The *Behavioral Health* accounts for expenditures and reimbursement of Commonwealth of Pennsylvania Medical Assistance revenue related to the provision of a mandatory Behavioral Managed Care Program. Includes expenditures and reimbursement of revenue related to providing treatment services to individuals whom suffer from mental disabilities.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary fund.

The County also reports the following other governmental funds:

Special Revenue Funds

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

Debt Service Fund

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

Additionally, the County reports the following fund types:

Fiduciary Funds

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

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

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

C. Basis of Accounting

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied to the extent collectible. Hotel/motel taxes passed through the County are reported net of the related expenditures to be consistent with budget reporting. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met.

D. Budgets and Budgetary Accounting

Budgets and Budgetary Accounting

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

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

1. Starting in August and September, the Budget Director prepares a budget package that is sent to each department and row officer. The department or agency heads use this budget package to develop financial projections for their programs for the ensuing year, which are then submitted to the budget staff.

2. The budget staff enters this information into budget spreadsheets. The Chief Clerk then reviews the information that is obtained, accumulates questions, and schedules a meeting to discuss the proposed budget with the department heads and row officers.

3. Once the budget staff is satisfied with the department's budget numbers, the budget is presented in preliminary form to the County 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 no significant supplemental appropriations enacted. Budget transfers did occur between accounts within funds. The statement of revenues, expenditures, and changes in fund balance - budget and actual, reflects the originally adopted budget and the originally adopted budget adjusted for budget transfers. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

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

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds, are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities but serve as authorization or expenditures in the subsequent year. As of December 31, 2006, the County had no such material encumbrances.

F. Cash and Cash Equivalents

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

G. Investments

All investments of the County are carried at cost, except for the investments of the County's pension plan and deferred compensation plan agency fund, which are stated at market. 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 investment from the various funds was allocated back to the fund that made the investment.

H. Interfund 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.

Fund	Due From	Due To
Governmental - General	$ 2,754,776	$ 271,904
Governmental - Capital Projects	-	1,337,149
Special Revenue - HHS	8,801	210,510
Special Revenue - GCCYS Fund	83,108	596,671
Special Revenue - Child Support Fund	-	135,568
Special Revenue - BHS-MH/MR	105,791	199,031
Special Revenue - BHS D&A	12,858	61,761
Special Revenue - 911 Fund	5,500	54,194
Special Revenue - Tourism Fund	498	12,067
Special Revenue - Liquid Fuels Fund	12,500	593
Special Revenue - Conservation Fund	-	11,304
Special Revenue - Clerk of Courts Automation	185	-
Special Revenue - Community Service Fee Fund	567	289
Special Revenue Prothonotary Automation	220	-
Special Revenue - Affordable Housing Fund	2,240	3,950
Special Revenue - Records & Improvement - County	864	-
Special Revenue - Records & Improvement - R&R	1,296	-
Special Revenue - Probation Supervision	4,618	-
Special Revenue - Election Grant Fund	-	6,817
Special Revenue - Pension Fund	15,755	-
Trust Agency - Escrow	2,139	109,908
Total	$ 3,011,716	$ 3,011,716

I. Inventories

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

J. Fixed Assets

Capital outlays are recorded as expenditures in the fund financial statements and as assets in the government-wide financial statements to the extent the County's capitalization threshold of $5,000 is met.

To the extent the County's capitalization threshold of $5,000 is met, capital outlays are recorded as fixed assets and 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 fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their fair market value on the date donated.

K. Deferred Revenues

Deferred revenues represent amounts received, which will be included in revenues of future fiscal years. In the General Fund and Special Revenue Funds, deferred revenues consist of carry-over balances of various federal and state operating grants

L. Accrued Compensated Absences

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

Amount for potential sick day buy-backs non-retirement eligible	$ 96,050
Amount for sick day buy-backs retirement eligible	29,000
Amount for severance pay	140,000
	$ 265,050

M. Reporting Groups

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

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, 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, Domestic Relations

3. Public Safety-Corrections – Includes the Jail, Adult Probation, Juvenile Probation, Community Service

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Reserved

Reserved is used to denote that portion of fund balance that is not available for expenditure appropriation or is legally segregated for a specific purpose.

Unreserved

Unreserved is used to denote that portion of the fund balance that is available for appropriation.

O. Net Assets

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

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

2. Cash and Cash Equivalents and Investments

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

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

The deposit and investment policy of the County adheres to state statutes and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits, savings accounts, and/or certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the County.

GASB Statement No. 40, *"Deposit and Investment Risk Disclosures,"* requires disclosures related to the following deposits and investment risks: credit risks (including custodial credit

risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the County's deposit and investment risk:

Custodial Credit Risk - For a deposit, custodial credit risk is 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, 2006, $400,000 of the County's $10,149,992 bank balance was insured by the Federal Depository Insurance Corporation. The remaining bank balance of $9,749,992 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of $9,400,171 as of December 31, 2006 and are classified as cash and cash equivalents in the statement of net assets.

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

The County's cash equivalent investments are held with a state investment pool (PLGIT). The fair value of the County's position in the external investment pool is the same as the value of the pool shares. The underlying security in this pool is held by either the counterparty or its custodial agent in a nominee name for the pool. These investments are not evidenced by specific securities relating to the County's shares or units in the pool. All investments in PLGIT, which are not SEC-registered, are subject to oversight by the Commonwealth of Pennsylvania. As of December 31, 2006, the bank balance of the investment in PLGIT is $21,781. The carrying value of the investment in PLGIT of $21,781 is considered to be a cash equivalent for presentation on the statement of net assets and governmental fund balance sheet.

Concentration of Credit Risk - The County places no limit on the amount the County may invest in any one issuer. At December 31, 2006, the County has no investments of greater than 5% with one issuer.

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2006, the County's investments in PLGIT have received an AAA rating from Standards & Poor's.

Interest Rate Risk - The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments in PLGIT have an average maturity of less than one year.

Agency Fund

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net assets. Receipts and disbursements for these programs were $3,446,828, and $3,345,237, respectively, for the year ended December 31, 2006. The carrying amount of deposits for the row offices and other County offices was $688,823 and the bank balance was $6,787,334. Of the bank balance, $356,905 was covered by federal depository insurance. The remaining balance of $430,429 was 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.

Pension Trust Fund

The Pension Trust Funds' investments are held separately from those of other County Funds. Investments were consistent with those authorized.

As of December 31, 2006, the County had the following cash and investments in its Pension Trust Funds:

		Investment Maturities (In Years) from December 31, 2006				
Cash or Investment Type	**Fair Market Value**	Less than 1 year	1-5 Years	6 -10 Years	15-Nov Years	16 or more Years
U.S Treasuries	$ 754,834	$ 123,115	$ 299,398	$ 97,070	$ 130,648	$ 104,603
U.S. Government Agency Obligations	959,714	99,844	172,969	558,039	-	128,862
U.S.Government CMO/POOL	336,380	-	-	-	229,251	107,129
Municipal Bonds & Notes-Taxable	102,189	-	51,063	-	-	51,126
Corporate Bonds	1,273,246	151,752	494,390	316,684	110,128	200,292
Corporate CMO's & Remics	115,437	-	-	-	-	115,437
Total debt securities	3,541,800	$ 374,711	$ 1,017,820	$ 971,793	$ 470,027	$ 707,449
Cash and cash equivalents	1,654,683					
Common Stock Equities	5,302,087					
Total cash and other investments	6,956,770					
Total cash and investments reported on statement of pension net assets	$ 10,498,570					

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

Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds have no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2006, the Pension Trust Funds' investments in fixed income bonds have received the following ratings from Moody's:

Credit Quality Distribution for Securities with Credit Exposure

Investment Type	Standard and Poor's Rating	Percentage of Total Pension Trust Fund Cash & Investments
Governmental Bonds	AAA	20.02%
Governmental Bonds	AA2	0.49%
Corporate Bonds	AAA	1.10%
Corporate Bonds	A1	3.45%
Corporate Bonds	A2	4.85%
Corporate Bonds	A3	0.33%
Corporate Bonds	AA1	0.92%
Corporate Bonds	AA2	0.67%
Corporate Bonds	AA3	0.46%
Corporate Bonds	BAA2	0.50%
Corporate Bonds	WR	0.95%
Governmental & Corporate Bonds	Unrated	66.00%
		100%

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Funds will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The Pension Trust Funds do not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2006, the County's entire pension investment balance of $10,498,570 (bank and book balance) was exposed to custodial credit risk.

Concentration of Credit Risk - The County places no limit on the amount the County may invest in any one issuer. At December 31, 2006, the County had 11% of pension funds invested in Dreyfus Funds with a market value of $1,065,088.

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

3. Real Estate Taxes

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on April 1. The County Treasurer collects these taxes under the Venango Act. Taxes paid through May 31 are given a 2% discount. Amounts paid after July 31 are assessed a 10% penalty.

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 balance sheet of Governmental Funds contains the amount of taxes that will be collected within 60 days of year's end. Since this amount represents actual collections, it contains no allowance for uncollectible taxes.

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

The balances for the General Fund are calculated as follows:

Year Tax is Levied	Amount of Unpaid Tax	Percentage of Tax Believed to be Uncollectible	Taxes Receivable Net of Allowance for Uncollectible
1943-2001	$ 122,549	20.0%	$ 98,039
2002-2003	38,430	1.0%	38,046
2004-2005	339,987	0.3%	338,967
2006	579,685	0.0%	579,685
	$ 1,080,651		$ 1,054,737

5. Due From Other Governments

Amounts due from other governments represent receivables for revenues earned by the County or collections made by another governmental unit on behalf of the County. Most

significant are carry-forward receivable balances on various federal and state operating programs.

6. Fixed Assets

Following is summary disclosures of changes in general fixed assets by major class. The following table illustrates the changes in general fixed assets as they have occurred in fiscal year 2006.

Governmental Activities:	Balance at January 1, 2006	Increases	Decreases	Balance at December 31, 2006
Fixed assets not being depreciated:				
Land	$ 1,778,949	$ -	$ -	$ 1,778,949
Construction in progress	2,098,946	3,509,460	361,019	5,247,387
Total fixed assets not being depreciated	3,877,895	3,509,460	361,019	7,026,336
Fixed assets being depreciated:				
Buildings and improvements	10,999,769	38,160	-	11,037,929
Vehicles	1,455,975	48,464	125,549	1,378,890
Furniture and equipment	1,933,837	698,924	242,350	2,390,411
Total fixed assets being depreciated	14,389,581	785,548	367,899	14,807,230
Less accumulated depreciation for:				
Buildings and improvements	3,538,519	241,471	-	3,779,990
Vehicles	678,174	110,999	105,984	683,189
Furniture and equipment	1,019,143	186,571	153,165	1,052,549
Total accumulated depreciation	5,235,836	539,041	259,149	5,515,728
Total fixed assets being depreciated, net of accumulated depreciation	9,153,745	246,507	108,750	9,291,502
Infrastructure assets	9,161,894	361,019	-	9,522,913
Less accumulated depreciation	1,242,105	129,332	-	1,371,437
Infrastructure assets, net of accumulated depreciation	7,919,789	231,687	-	8,151,476
Governmental activities fixed assets, net	$20,951,429	$ 3,987,654	$ 469,769	$ 24,469,314

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

Governmental Activities:	
General government	$ 401,137
Public safety	112,368
Public works	33,999
Human services	84,326
Culture and recreation	36,543
Total depreciation expense - governmental activities	$ 668,373

7. Pension Plan

Plan Description

The County contributes to the Greene County Employee Pension Plan ("the Plan"), a single employer defined benefit public employee retirement system, which is self-administered by the County. The Plan was established January 1, 1993, with its most recent amendment dated January 1, 1999. The latest actuarial valuation is dated January 1, 2006.

Substantially, all full-time employees of the County are participants in the Plan. The County's payroll for employees covered by the Plan as of January 1, 2006 was $7,402,541.

All full-time employees, with 1,000 hours of service, are eligible to participate in the Plan. Benefits vest 100% after 5 years of credit service.

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

At January 1, 2006, the date of the most recent valuation, participants in the Plan were as follows:

Participants:	
Retirees and beneficiaries	57
Deferred vested	10
Active plan members	248
Total	315

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

Summary of Significant Accounting Policies

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

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

Contributions and Funding Policy

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

As a condition of participation, employees are to contribute between x% to xx% (currently 5%) of their salary as stipulated in the Act. Interest is credited to employee accounts each year at the annual rate of 5.5% as voted upon by the County Retirement Board. Employees who terminate prior to retirement eligibility receive their accumulated member contributions plus credited interest through the date of termination. The rate was 4.0% through December 31, 1995 and 5.0% through December 31, 1997. The rate became 5.5% starting January 1, 1998.

Employer contributions for funding of normal costs of $426,300, or 6.590% of covered payroll, were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation dated January 1, 2006. Actual employer contributions amounted to $454,000.

Required Government Accounting Standards Board Statement No. 25 & 27 Disclosures

Prior Year Annual Pension Cost and Net Pension Obligation

	2002	2003	2004	2005	2006
Annual Required Contribution ARC	$ 275,097	$ 288,851	$ 371,827	$ 390,418	$ 426,300
Interest on NPO	27,097	34,645	27,376	26,197	24,969
Adjustment of the ARC	(42,560)	(54,414)	(44,920)	(42,986)	(40,971)
Annual Pension Cost APC	259,634	269,082	354,283	373,629	410,298
Contributions Made	(159,000)	(366,000)	370,000	390,000	454,000
Change in NPO	100,634	(96,918)	(15,717)	(16,371)	(43,702)
NPO Beginning of Year	361,298	461,932	365,014	349,297	332,926
NPO End of Year	$ 461,932	$ 365,014	$ 349,297	$ 332,926	$ 289,224

Accounting Information

A. Development of the Annual Required Contribution [ARC]*

1. Total actuarial present value of benefits	$13,079,354
2. Actuarial value of assets	(8,821,934)
3. Actuarial present value future employer normal costs	4,257,420
4. Actuarial present value future salary	63,080,717
5. Employer normal costs percentage	6.749%
6. 2004 Annualized covered payroll	6,316,486
7. ARC for 2006	426,300

*This calculation is performed the same as the funding normal cost, except that the excess interest reserve is not deducted from the actuarial value of the assets. This approach is intended to comply with the parameters of GASB statements 25 & 27.

B. Years Expected Average Future Service (for use in calculating the ARC adjustment in the 2006 annual pension costs) - 13 years.

C. Annual pension costs for the year beginning January 1, 2006:

Annual Required Contribution	$426,300
Interest on NPO	24,969
Adjustment to the ARC	(40,971)
Annual pension cost	$410,298
Other disclosure information:	
Actuarial cost method	Aggregate (% Pay)
Asset valuation method	Fair value
Amortization method	N/A**
Amortization remaining amortization period	N/A**
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.00%
Underlying inflation rate	3.00%

**The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities

Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
12/31/2004	$ 354,283	104.4%	$ 349,297
12/31/2005	373,629	104.4%	332,926
12/31/2006	410,298	110.7%	289,224

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, 2006, are as follows.

	At December 31, 2005	Borrowings	Repayments	At December 31, 2006
G. O. Refunding 1998	$ 6,745,000	$ -	$ 35,000	$ 6,710,000
G. O. Refunding 2003	2,020,000	-	385,000	1,635,000
G. O. Bond 2006	-	5,265,000	-	5,265,000
Note Payable	-	21,386	1,897	19,489
Capital Leases	132,137	-	36,628	95,509
Total	$ 8,897,137	$ 5,286,386	$ 458,525	$ 13,724,998

The costs associated with the issuance of bonds are to be amortized over the life of related debt. As of December 31, 2006, $78,418 of deferred bond issue costs are recognized as an asset on the statement of net assets.

General Obligations Bonds

During 1998, the County issued the $6,935,000 G.O. Refunding Series of 1998 for the purpose of the advance refunding of the County's G.O. Bond Series of 1997. These bonds have interest rates ranging from 3.8% to 5.5% with final maturity to occur in 2021. The proceeds of the 1998 refunding bond issue were placed in an irrevocable trust and used to purchase securities of the U.S. Government at various interest rates and with maturities sufficient to meet the debt service requirements of the 1997 refunded debt. These are administered by a trustee and are restricted for the retirement of the 1997 refunded debt. Neither the trust, which has a sufficient amount on deposit to retire the 1997 Bonds at maturity, nor the obligation are included on the County's statements of net assets. As of December 31, 2006 there were no defeased bonds outstanding. The 1998 bonds are scheduled to mature as follows:

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 35,000	$ 319,549	$ 354,549
2008	35,000	318,018	353,018
2009	40,000	316,358	356,358
2010	40,000	314,567	354,567
2011	485,000	302,755	787,755
2012-2016	2,790,000	1,150,613	3,940,613
2017-2021	3,285,000	397,516	3,682,516
Total	$ 6,710,000	$ 3,119,376	$ 9,829,376

During 2003, the County issued general obligation refunding bonds (G.O. Bond Series 2003) to currently refund G.O. Bond Series 1993. The $2,827,846 issuance proceeds were used primarily to advance refund the G.O. Bond Series 1993, and provide $233,761 for capital projects. Bond proceeds were deposited into an irrevocable trust to provide for the future debt service of the 1993 Bonds. Neither the trust, which has a sufficient amount on deposit to retire the 1993 Bonds at maturity, nor the obligation are included on the County's statements of net assets. As of December 31, 2006 there were no defeased bonds outstanding. Series 2003 Bonds bear interest rates ranging from 2.1% to 3.0% and are scheduled to mature as follows:

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 395,000	$ 36,690	$ 431,690
2008	400,000	28,140	428,140
2009	415,000	18,145	433,145
2010	425,000	6,375	431,375
Total	$ 1,635,000	$ 89,350	$ 1,724,350

During 2006, the County issued general obligation bonds (G.O. Bond Series 2006) bearing interest rates ranging from 3.6% to 4.3%. The Sale Proceeds of the Bonds, $5,246,954, (representing the par amount of the Bonds less net original issue discount of $18,046) were used primarily to provide for capital projects.

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 5,000	$ 224,328	$ 229,328
2008	5,000	224,148	229,148
2009	5,000	223,968	228,968
2010	5,000	223,788	228,788
2011	5,000	223,608	228,608
2012-2016	25,000	1,115,090	1,140,090
2017-2021	300,000	1,104,260	1,404,260
2022-2026	4,485,000	589,176	5,074,176
2027	430,000	9,245	439,245
Total	$ 5,265,000	$ 3,937,611	$ 9,202,611

Notes Payable

During 2006, the County signed a Note with First National Bank in the amount of $21,386 with an interest rate of 5.22% for a period of 60 months for the purpose of purchasing a vehicle. This note is scheduled to mature as follows:

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 3,951	$ 931	$ 4,882
2008	4,169	713	4,882
2009	4,392	490	4,882
2010	4,627	255	4,882
2011	2,350	91	2,441
Total	$ 19,489	$ 2,480	$ 21,969

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

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 438,951	$ 581,498	$ 1,020,449
2008	444,169	571,019	1,015,188
2009	464,392	558,961	1,023,353
2010	474,627	544,985	1,019,612
2011	492,350	526,454	1,018,804
2012-2016	2,815,000	2,265,703	5,080,703
2017-2021	3,585,000	1,501,776	5,086,776
2022-2026	4,485,000	589,176	5,074,176
2027	430,000	9,245	439,245
Total	$ 13,629,489	$ 7,148,817	$ 20,778,306

Capital Lease One

During 2004, the County signed a lease with Dollar Bank leasing in the amount of $170,293 with an interest rate of 4.78% for a period of 60 months for the purpose of leasing 16 copiers. The payments on the lease are due as follows:

Year Ending December 31,	Principal Amount	Interest Amount	Total
2007	$ 34,940	$ 3,417	$ 38,357
2008	36,647	1,710	38,357
2009	15,792	189	15,981
Total	$ 87,379	$ 5,316	$ 92,695

Capital Lease Two

During 2004, the County signed a lease agreement with Dollar Bank Leasing in the amount of $16,842 with an interest rate of 5.28% for a period of 60 months for the purpose of leasing 1 copier. The payments on the lease are due as follows:

Year Ending 12/31	Principal Amount	Interest Amount	Total
2007	$ 3,494	$ 346	$ 3,840
2008	3,684	156	3,840
2009	952	8	960
Total	$ 8,130	$ 510	$ 8,640

10. Short Term Debt Obligations

The County utilizes short-term financing, when needed, in the form of a Tax Anticipation Note (TAN). The TAN is secured to finance general operations through periods of uneven property tax collection, so that cash flows are not restricted. The County received a TAN on January 4, 2006 for $4,900,000, with an interest rate of 3.48%, and subsequently paid off the balance on December 30, 2006.

	Beginning Balance	Draws	Repayments	Ending Balance
Tax Anticipation Note	$ -	$ 4,900,000	$ 4,900,000	$ -

11. Contingent Liabilities

A. Grant Programs

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

B. Litigation

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

C. Guaranty by the County of Greene – Meadow Ridge Industrial Park Bond Issue

On December 30, 1997, the Green County Industrial Authority issued an $850,000 GCIDA Guaranteed Revenue Bond Series of 1997 for the purpose of developing the Meadow Ridge Industrial Park in Perry Township (Mount Morris), PA. Under a separate guaranty

agreement, the County guaranteed full and prompt payment of any principal and interest due on these bonds in the event that the Authority lacked sufficient funds to make such debt service payments. The plan was for Regional Industrial Development Corporation (RIDC) to purchase and develop the land and for the Authority to sell parcels of the land located in the developed industrial park in sums sufficient enough to make the debt service payments. As of the date of this report, very few parcels were sold and the first principal payment in the amount of $195,000 was to be due on December 1, 2002. In the fall of 2002, the Authority informed the County that due to lack of lot sales in Meadow Ridge Industrial Park, and also due to a lack of Authority operating funds, the Authority would be unable to make the required principal portion of the debt service payment. The Authority requested that the County made the $195,000 principal payment on the bonds which was due on December 1, 2002. Since 2002, the County has made all interest payments for the Authority. Under the above referenced Guarantee Agreement, the County is obligated to make such payment and will continue to do so.

In the development agreement mentioned above, Section VI – Sale of Land states the following:

6.1 Minimum Sale Price of Land: The Authority and RIDC will establish a price per acre of land, as improved, which shall recognize market conditions but which shall in all events be, at least, sufficient to cover the PIDA Release Price. The land price shall be fixed so as to be sufficiently attractive to encourage development and to promote the industrial park.

6.2 Application of Proceeds on Sale: The proceeds of any sale of any Development Parcel shall be applied as:

a) The first $11,000 per acre or 40% of the sale of any Development Parcel, whichever is higher, shall be applied to reduce either the PIDA Loan or the Construction Loan, whichever is then outstanding.
b) The balance of any sale price of and Development Parcel shall be paid to the Authority.

COMPONENT UNIT:
GREENE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

1. NATURE OF OPERATIONS

Greene County Industrial Development Authority (Authority) was formed by the County of Greene, (County) Pennsylvania for the purpose of financing industrial development projects

in the County. These projects are generally operated/implemented by private companies in conjunction with either long-term lease or long-term note obligations to the Authority.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Authority were prepared using the accural method of accounting.

Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2006

Fixed Assets

Fixed assets are reflected at cost. Repairs and minor replacements are changed to operating expense when incurred. Depreciation expense at December 31, 2006, was $7,487. Depreciation is calculated using the straight-line method for equipment with a useful life of 5 to 10 years.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

3. Fixed Assets

Fixed assets consist of the following December 31, 2006:

	Balance as of 12/31/2005	Additions	(Deletions)	Balance as of 12/31/2006
Land	$ 10,000	$ -	$ -	$ 10,000
Equipment purchased	61,398	-	-	61,398
Subtotal	71,398	-	-	71,398
Less accumulated deprecation	(53,911)	(7,487)	-	(61,398)
Fixed assets - net	$ 17,487	$ -	$ -	$ 17,487

4. Notes Receivable and Bonds Payable

To finanice larger industrial projects the Authority issues bonds. These obligations are then offset by long-term notes receivable between the Authority and the related entity. Following is a summary of outstanding projects by bond issues:

Hatfield Ferry Project / 1998 Bond Refinancing

To fund the Hatfield Ferry Project, the Authority issued pollution control revenue bonds in the principal amount of $27,495,000 on February 1, 1977. In conjunction with this agreement, the Authority also issued a pollution control note between itself and the Monongahela Power Company, the Potomac Edison Company, and the West Penn Power Company. The agreement stipulates that principal and interest, in an amount equivalent to that due in accordance with the revenue bonds stated above, be paid pursuant to the scheduled time parameters as stipulated in the original bond indenture agreement.

During the year ended December 31, 1998, the Monongahela Power Company refinanced the bond issue mentioned above and the associated note receivable with the 1998 Series-B Issue in the amount of $6,060,000, which bears interest at rates ranging from 4.35% to 5.10%. The bonds mature annually through 2012.

During the year ended December 31, 1998, the Potomac Edison Company refinanced the bond issue mentioned above and the associated note receivable with the 1998 Series-B Issue in the amount of $3,200,000, which bears an interest rate of 4.35%. The bonds matured annually through 2002.

During the year ended December 31, 1998, the West Penn Power Company refinanced the bond issue mentioned above and the associated note receivable with the Allegheny Power

Company 1998 Series-B Issue in the amount of $14,435,000, which bears an interest rate of 4.75%. The bonds mature annually through 2007.

Beverly Enterprises-Franklin Care Center Project

During the year ended December 31, 1998, the former Greene Health Care Associates Project was refinanced by the issuance of a bond issue through Harris Bank and the associated note receivable with the Beverly Enterprises 1998 Series-Bond Issue in the amount of $2,750,000, which bears an average interest rate of 5.69%. Interest is payable semi-annually and principal is due annually with the final payment due in 2013. However, during the year ended December 31, 2006, Beverly Enterprises – Franklin Care Center facility was sold to another health care provider. As a part of the sale, the remaining balance on this debt in the amount of $1,895,000 was paid off in its entirety.

Health Care Facility First Mortgage Revenue Bonds

Pursuant to Trust Indenture dated January 1, 1995 between the Authority and The Bank of New York as Trustee, the 1995 Series A and 1995 Series B bonds were issued. The 1995 bonds were issued to acquire land and build a nursing facility in Franklin Township, Green County. The bonds will accrue and pay interest at various rates ranging form 8.375% to 10.5%. Series A will mature from 2004 to 2025. The 1995 bonds are limited obligations of the Authority; payable form the gross receipts of the facility and mortgaged property.

Meadow Ridge Public Infrastructure Project

This project (1997) is being financed by the issuance of Guaranteed Revenue Bonds, Series of 1997, in the principal amount of $850,000. The proceeds are to be used to construct certain public infrastructure improvements in the Meadow Ridge Business Park located in Mt. Morris, Perry Township, Greene County. The bonds are guaranteed by the County with interest at rates ranging from 5.2% to 5.55%, and will be redeemed beginning in 2002 until final maturity in 2017.

Kyowa America Corporation Project

During the year ended December 31, 1998, the Kyowa American Corporation financed a major addition to their Greene County manufacturing facility by the issuance of their $4,655,000 Manufacturing Facilities Revenue Bonds, Series D 1998, and the associated note receivable. This bond issue bears a variable rate demand interest rate which is payable monthly for the life of the bonds. Principal payments are due annually with the final payment due in 2014.

CWS Company Project

During the year ended December 31, 2005, the CWS Company financed the construction of a manufacturing facility to be located in Green County, by the issuance of their $2,000,000 Multi-Option Adjustable Rate Industrial Development Revenue Bonds, Series of 1999, and an associated note receivable. This bond issue bears an adjustable rate of interest which is payable on the first day of September for the life of the bonds. Principal payments are due annually with the final payment due in 2014.

Following is an analysis of bonds payable as of December 31, 2006:

	Balance as of 12/31/2005	Issued	Retired	Balance as of 12/31/2006
Monogahela Power Company	$ 4,000,000	$ -	$ -	$ 4,000,000
Allegheny/West Penn Power Company	14,435,000	-	-	14,435,000
Health Care Facility: Series A	6,090,000	-	120,000	5,970,000
Meadow Ridge	655,000	-	-	655,000
Kyowa America	1,465,000	-	140,000	1,325,000
Beverly Enterprises	2,055,000	-	2,055,000	-
CWS Company	1,340,000	-	125,000	1,215,000
Total	$ 30,040,000	$ -	$ 2,440,000	$ 27,600,000

Scheduled maturities and redemptions of bonds payable are as follows:

For year ended December 31,	
2007	$ 16,050,000
2008	430,000
2009	455,000
2010	480,000
2011	505,000
Thereafter	9,680,000
Total	$ 27,600,000

5. Interest Income

Interest income represents the revenue received from the parties listed under long-term notes receivables and is used to pay bond principal and interest.

6. Grant Agreements

During the year ended December 31, 2006, the Authority received the following Federal and state grants:

Mather Study Grant	$ 50,000
Mather Gob Pile Reclamation – Federal	289,312
Mather Gob Pile Environmental Study	32,227
PA DCED Grants	121,055
LEDA Grant	25,171
BIOS Grant – Evergreene	967,434
RACP Grant – Evergreene	28,164
SCP – BREP Grant	11,724
Other Grants – Miscellaneous Local	58,500
Total	$ 1,583,587

7. USDA Revolving Loans Receivable

During the year ending December 31, 1998, the Authority obtained federal funding through the U.S. Department of Agriculture Revolving Loan Program (Rural Development Mission Area Program – CFDA No. 10.769). Those federal funds were drawn down by the Authority and then loaned to eligible small businesses in Greene County for economic development purposes. The repayment to the Authority of principal and interest is deposit into a separate revolving loan bank account and may then be re-loaned to other qualified businesses. The balance of the long-term USDA Revolving Loans Receivable as December 31, 2006 was as follows:

Name	Interest Rate	Balance
Waynesburg Floral	5.00%	$ 6,831
Washington Street Café	5.00%	36,276
County of Greene	5.00%	10,548
Circle L Trucking	5.00%	22,654
Sandra Jefferies	5.00%	(5,159)
Walt's Auto	4.50%	557
Pat's Pub	6.75%	37,450
Buddy's Inc. – Refinanced	8.50%	34,553
Roberts O&P	5.00%	3,163
Michael's Auto	5.00%	34,078
Waynesburg Muffler – I	5.00%	22,041
Nature's Remedies	5.00%	20,126
CNJ Automotives Enterprises	5.00%	7,622
Howard Country Cottage	5.00%	19,271
Waynesburg Petals & Gifts	5.00%	10,000
BCI Sign & Design, Inc.	5.00%	11,921
Subtotal		271,932
Less: Reserve for Bad Debts		(128,712)
Total		$ 143,220

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF GREENE , PENNSYLVANIA
EMPLOYEES RETIREMENT FUND

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND
OTHER CONTRIBUTING ENTITIES
FOR THE PENSION TRUST FUND

Annual Calendar Year	Annual Required Contributions	Percentage Contributed
2000	$ 129,367	0%
2001	179,254	0%
2002	275,097	58%
2003	288,851	127%
2004	371,827	100%
2005	390,418	100%
2006	426,300	106%

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

See accompanying note to supplementary schedules.

COUNTY OF GREENE, PENNSYLVANIA

NOTE TO SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2006

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

Actuarial valuation date	1/1/2006
Actuarial cost method	Aggregate* (% Pay)
Asset valuation method	Fair Value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.00%
Underlying inflation rate	3.00%

* Plans that use the aggregate actuarial cost method are not required to present a schedule of funding progress. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

Additional Information

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2006

	Special Revenue Funds									
	Law Library	Slater Poor Fund	Election Grant Fund	DA Grant Fund	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	Prothonotary Automation
Assets										
Cash and cash equivalents	$ 17,859	$ 1,864	$ 6,875	$ -	$ 102,957	$ 40,796	$ 9,875	$ 6,356	$ 9,607	$ 12,067
Investments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	2,240	4,618	-	567	185	220
Due from other governments	-	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total Assets	$ 17,859	$ 1,864	$ 6,875	$ -	$ 105,197	$ 45,414	$ 9,875	$ 6,923	$ 9,792	$ 12,287
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	6,817	-	3,950	-	-	289	-	-
Deferred revenues	-	-	58	-	-	-	-	-	-	-
Total Liabilities	-	-	6,875	-	3,950	-	-	289	-	-
Fund Balance:										
Reserved for:										
Debt service	-	-	-	-	-	-	-	-	-	-
Unreserved fund balance	17,859	1,864	-	-	101,247	45,414	9,875	6,634	9,792	12,287
Total Fund Balance	17,859	1,864	-	-	101,247	45,414	9,875	6,634	9,792	12,287
Total Liabilities and Fund Balance	$ 17,859	$ 1,864	$ 6,875	$ -	$ 105,197	$ 45,414	$ 9,875	$ 6,923	$ 9,792	$ 12,287

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2006
(Continued)

	Special Revenue Funds									
	Adoption Counseling	RI Fund County	RI Fund R&R	Conservation District	Community Development	Child Support Enforcement	911 & Hazmat	Liquid Fuels	Tourism	Library System
Assets										
Cash and cash equivalents	$ 699	$ 34,932	$ 33,618	$ 354,004	$ 47,623	$ 346	$ 155,591	$ 64,221	$ 37,260	$ 50,267
Investments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	864	1,296	-	-	-	5,500	12,500	498	-
Due from other governments	-	-	-	45,333	-	135,222	-	216,589	-	-
Taxes receivable	-	-	-	-	-	-	-	-	12,885	5,414
Accounts receivable	-	-	-	-	-	-	29,356	-	-	-
Other assets	-	-	-	-	-	-	15,100	-	-	-
Total Assets	$ 699	$ 35,796	$ 34,914	$ 399,337	$ 47,623	$ 135,568	$ 205,547	$ 293,310	$ 50,643	$ 55,681
Liabilities and Fund Balance										
Liabilities:										
Accounts payable	$ -	$ -	$ -	$ 295	$ -	$ -	$ 265	$ 221,273	$ 740	$ 6,432
Due to other funds	-	-	-	11,304	-	135,568	54,194	593	12,067	-
Deferred revenues	-	-	-	111,106	47,623	-	-	-	-	-
Total Liabilities	-	-	-	122,705	47,623	135,568	54,459	221,866	12,807	6,432
Fund Balance:										
Reserved for:										
Debt service	-	-	-	-	-	-	-	-	-	-
Unreserved fund balance	699	35,796	34,914	276,632	-	-	151,088	71,444	37,836	49,249
Total Fund Balance	699	35,796	34,914	276,632	-	-	151,088	71,444	37,836	49,249
Total Liabilities and Fund Balance	$ 699	$ 35,796	$ 34,914	$ 399,337	$ 47,623	$ 135,568	$ 205,547	$ 293,310	$ 50,643	$ 55,681

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2006
(Continued)

	Special Revenue Funds						
	Children and Youth	Human Services	Fair Board	BHS D&A	Coroner	Debt Service	Total Other Governmental Funds
Assets							
Cash and cash equivalents	$ 74,236	$ 669,127	$ 42,310	$ 144,177	$ 2,305	$ 674,560	$ 2,593,532
Investments	-	-	66,853	-	-	-	66,853
Due from other funds	83,108	8,801	-	12,858	-	-	133,255
Due from other governments	581,944	168,691	-	91,228	-	-	1,239,007
Taxes receivable	-	-	-	-	-	44,766	63,065
Accounts receivable	3,030	869	5,107	3,424	-	-	41,786
Other assets	-	-	4,348	-	-	-	19,448
Total Assets	$ 742,318	$ 847,488	$ 118,618	$ 251,687	$ 2,305	$ 719,326	$ 4,156,946
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	$ 145,647	$ 240,807	$ -	$ 51,190	$ -	$ -	$ 666,649
Due to other funds	596,671	210,510	-	61,761	-	-	1,093,724
Deferred revenues	-	396,171	-	138,736	-	-	693,694
Total Liabilities	742,318	847,488	-	251,687	-	-	2,454,067
Fund Balance:							
Reserved for:							
Debt Service	-	-	-	-	-	719,326	719,326
Unreserved fund balance	-	-	118,618	-	2,305	-	983,553
Total Fund Balance	-	-	118,618	-	2,305	719,326	1,702,879
Total Liabilities and Fund Balance	$ 742,318	$ 847,488	$ 118,618	$ 251,687	$ 2,305	$ 719,326	$ 4,156,946

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

	Special Revenue Funds									
	Law Library	Slater Poor Fund	Election Grant Fund	DA Grant Fund	Affordable Housing Trust	Probation Supervision	Probation DUI	Community Service	Clerk of Courts Automation	Prothonotary Automation
Revenues:										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeits	-	-	-	-	-	-	18,735	6,837	-	-
Intergovernmental	-	-	17,334	13,501	-	-	-	-	-	-
Charges for service	6,848	-	-	-	29,770	68,368	-	-	3,734	3,920
Interest	81	84	218	217	1,318	103	463	227	42	51
Rental income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Total revenues	6,929	84	17,552	13,718	31,088	68,471	19,198	7,064	3,776	3,971
Expenditures:										
Administration:										
General government	-	-	17,553	-	-	-	-	-	-	-
Judicial	26,442	-	-	13,718	-	-	16,214	14,874	640	-
Public safety:										
EMA/911	-	-	-	-	-	-	-	-	-	-
Public works:										
Highways & bridges	-	-	-	-	-	-	-	-	-	-
Sanitation/solid waste	-	-	-	-	-	-	-	-	-	-
Human services:										
Child/youth services	-	-	-	-	-	-	-	-	-	-
Drug & alcohol	-	-	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parks & recreation	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Community and economic development:										
Conservation/Nat recourses	-	-	-	-	-	-	-	-	-	-
Housing/community development	-	-	-	-	4,204	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	-	-
Debt service:										
Debt interest	-	-	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-	-	-
Total expenditures	26,442	-	17,553	13,718	4,204	-	16,214	14,874	640	-
Excess (Deficiency) of Revenues Over Over Expenditures	(19,513)	84	(1)	-	26,884	68,471	2,984	(7,810)	3,136	3,971
Other Financing Sources (Uses):										
Transfers in	19,500	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-	-
Other sources from assets/prior period remit	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(67,691)	-	-	-	-
Total other financing sources (uses)	19,500	-	-	-	-	(67,691)	-	-	-	-
Net Change in Fund Balance	(13)	84	(1)	-	26,884	780	2,984	(7,810)	3,136	3,971
Fund Balance:										
Beginning of year	17,872	1,780	1	-	74,363	44,634	6,891	14,444	6,656	8,316
End of year	$ 17,859	$ 1,864	$ -	$ -	$ 101,247	$ 45,414	$ 9,875	$ 6,634	$ 9,792	$ 12,287

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

(Continued)

	Special Revenue Funds									
	Adoption Counseling	RI Rund County	RI Rund R&R	Conservation District	Community Development	Child Support Enforcement	911 & Hazmat	Liquid Fuels	Tourism	Library System
Revenues:										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,763	$ 88,265
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	280,449	123,708	497,327	310,306	849,612	14,104	211,847
Charges for service	-	11,986	17,979	39,085	-	5,861	354,202	1,710	13,448	-
Interest	11	186	137	3,186	-	333	1,271	2,914	1,210	482
Rental income	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	16,512
Total revenues	11	12,172	18,116	322,720	123,708	503,521	665,779	854,236	111,525	317,106
Expenditures:										
Administration:										
General government	-	14,045	4,608	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	577,328	-	-	-	-
Public safety:										
EMA/911	-	-	-	-	-	-	664,944	-	-	-
Public works:										
Highways & bridges	-	-	-	-	-	-	-	824,906	-	-
Sanitation/solid waste	-	-	-	-	37,017	-	-	-	-	-
Human services:										
Child/youth services	-	-	-	-	-	-	-	-	-	-
Drug & alcohol	-	-	-	-	-	-	-	-	-	-
Other human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation:										
Parks & recreation	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	290,946
Community and economic development:										
Conservation/Nat recourses	-	-	-	227,609	-	-	-	-	-	-
Housing/community development	-	-	-	-	86,691	-	-	-	-	-
Tourist promotion	-	-	-	-	-	-	-	-	113,953	-
Debt service:										
Debt interest	-	-	-	-	-	-	-	-	-	-
Debt principal payments	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	14,045	4,608	227,609	123,708	577,328	664,944	824,906	113,953	290,946
Excess (Deficiency) of Revenues Over Over Expenditures	11	(1,873)	13,508	95,111	-	(73,807)	835	29,330	(2,428)	26,160
Other Financing Sources (Uses):										
Transfers in	-	-	-	-	-	117,764	5,500	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-	-
Other sources from assets/prior period remit	-	-	-	-	-	-	-	25,130	-	-
Transfers out	-	-	-	-	-	(43,957)	(2,574)	(11,087)	(1,713)	-
Total other financing sources (uses)	-	-	-	-	-	73,807	2,926	14,043	(1,713)	-
Net Change in Fund Balance	11	(1,873)	13,508	95,111	-	-	3,761	43,373	(4,141)	26,160
Fund Balance:										
Beginning of year	688	37,669	21,406	181,521	-	-	147,327	28,071	41,977	23,089
End of year	$ 699	$ 35,796	$ 34,914	$ 276,632	$ -	$ -	$ 151,088	$ 71,444	$ 37,836	$ 49,249

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2006

(Continued)

	Special Revenue Funds						
	Children and Youth	Human Services	Fair Board	BHS D&A	Coroner	Debt Service	Totals
Revenues:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 862,576	$ 1,033,604
Fines and forfeits	-	-	-	-	-	-	25,572
Intergovernmental	1,785,713	2,942,958	169,146	552,532	-	-	7,768,537
Charges for service	100,721	28,623	187,284	58,592	2,290	-	934,421
Interest	10,720	28,769	1,940	7,812	15	18,151	79,941
Rental income	-	-	13,645	-	-	-	13,645
Donations	-	990	-	-	-	-	17,502
Total revenues	1,897,154	3,001,340	372,015	618,936	2,305	880,727	9,873,222
Expenditures:							
Administration:							
General government	-	-	-	-	-	-	36,206
Judicial	-	-	-	-	-	-	649,216
Public safety:							
EMA/911	-	-	-	-	-	-	664,944
Public works:							
Highways & bridges	-	-	-	-	-	-	824,906
Sanitation/solid waste	-	-	-	-	-	-	37,017
Human services:							
Child/youth services	2,126,095	-	-	-	-	-	2,126,095
Drug & alcohol	-	-	-	624,710	-	-	624,710
Other human services	-	2,966,078	-	-	-	-	2,966,078
Culture and recreation:							
Parks & recreation	-	-	372,343	-	-	-	372,343
Libraries	-	-	-	-	-	-	290,946
Community and economic development:							
Conservation/Nat recourses	-	-	-	-	-	-	227,609
Housing/community development	-	-	-	-	-	-	90,895
Tourist promotion	-	-	-	-	-	-	113,953
Debt service:							
Debt interest	-	525	-	-	-	469,034	469,559
Debt principal payments	1,897	3,315	-	-	-	420,000	425,212
Total expenditures	2,127,992	2,969,918	372,343	624,710	-	889,034	9,919,689
Excess (Deficiency) of Revenues Over Over Expenditures	(230,838)	31,422	(328)	(5,774)	2,305	(8,307)	(46,467)
Other Financing Sources (Uses):							
Transfers in	347,947	8,007	-	10,274	-	50,000	558,992
Debt proceeds	-	-	-	-	-	103,481	103,481
Other sources from assets/prior period remit	-	5,543	-	-	-	-	30,673
Transfers out	(117,109)	(44,972)	-	(4,500)	-	-	(293,603)
Total other financing sources (uses)	230,838	(31,422)	-	5,774	-	153,481	399,543
Net Change in Fund Balance	-	-	(328)	-	2,305	145,174	353,076
Fund Balance:							
Beginning of year	-	-	118,946	-	-	574,152	1,349,803
End of year	$ -	$ -	$ 118,618	$ -	$ 2,305	$ 719,326	$ 1,702,879

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2006

	Clerk of Courts Criminal	Clerk of Courts-Flower Fund	Orphan's Court	Register and Recorder	Magistrate 13-03-01	Magistrate 13-03-02	Magistrate 13-03-03	Sheriff
Assets								
Cash	$ 86,856	$ 1,906	$ 977	$ 30,857	$ 4,577	$ 12,549	$ 8,501	$ 48,668
Liabilities and Fund Balance								
Liabilities:								
Due to litigants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,668
Due to other governments	86,856	1,906	977	30,857	4,577	12,549	8,501	-
Due to other	-	-	-	-	-	-	-	-
Total Liabilities	$ 86,856	$ 1,906	$ 977	$ 30,857	$ 4,577	$ 12,549	$ 8,501	$ 48,668

	Sheriff-State Modernization	Sheriff-Validation System	Prothonotary	Prothonotary-Escrow Accts	Jail	Airport Security	Domestic Relations	Fire Damage Escrow
Assets								
Cash	$ 990	$ 192	$ 132,306	$ 8,898	$ 22,475	$ 5,536	$ 102,636	$ 53
Liabilities and Fund Balance								
Liabilities:								
Due to litigants	$ 990	$ 192	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments	-	-	132,306	8,898	22,475	-	102,636	-
Due to other	-	-	-	-	-	5,536	-	53
Total Liabilities	$ 990	$ 192	$ 132,306	$ 8,898	$ 22,475	$ 5,536	$ 102,636	$ 53

	Juvenile Probation	Children and Youth	Commonwealth Treasurer	District Attorney	Farmland Preservation	Human Services-M. Howard	Total
Assets							
Cash	$ 2,061	$ 6,053	$ 53,009	$ 32,448	$ 2,414	$ 732	$ 564,694
Liabilities and Fund Balance							
Liabilities:							
Due to litigants	$ -	$ -	$ -	$ -	$ -	$ -	$ 49,850
Due to other governments	-	6,053	53,009	32,448	2,414	732	507,194
Due to other	2,061	-	-	-	-	-	7,650
Total Liabilities	$ 2,061	$ 6,053	$ 53,009	$ 32,448	$ 2,414	$ 732	$ 564,694

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2006

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Clerk of Courts Criminal:				
Assets				
Cash	$ 64,015	$ 713,972	$ (691,131)	$ 86,856
Liabilities				
Due to other governments	$ 64,015	$ 713,971	$ (691,131)	$ 86,855
Clerk of Courts-Flower Fund:				
Assets				
Cash	$ 1,496	$ 460	$ (50)	$ 1,906
Liabilities				
Due to other governments	$ 1,496	$ 460	$ (50)	$ 1,906
Orphan's Court:				
Assets				
Cash	$ 2,095	$ 24,951	$ (26,069)	$ 977
Liabilities				
Due to other governments	$ 2,095	$ 24,951	$ (26,069)	$ 977
Register and Recorder:				
Assets				
Cash	$ 22,422	$ 329,777	$ (321,342)	$ 30,857
Liabilities	$ 22,422	$ 329,777	$ (321,342)	$ 30,857
Due to other governments				

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2006
(Continued)

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Magistrate 13-03-1:				
Assets				
Cash	$ 7,063	$ 180,567	$ (183,053)	$ 4,577
Liabilities				
Due to other governments	$ 7,063	$ 180,567	$ (183,053)	$ 4,577
Magistrate 13-03-2:				
Assets				
Cash	$ 15,002	$ 450,559	$ (453,012)	$ 12,549
Liabilities				
Due to other governments	$ 15,002	$ 450,559	$ (453,012)	$ 12,549
Magistrate 13-03-03:				
Assets				
Cash	$ 12,598	$ 298,959	$ (303,056)	$ 8,501
Liabilities				
Due to litigants	$ 12,598	$ 298,959	$ (303,056)	$ 8,501
Sheriff:				
Assets				
Cash	$ 55,614	$ 567,269	$ (574,215)	$ 48,668
Liabilities				
Due to litigants	$ 55,614	$ 567,269	$ (574,215)	$ 48,668

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2006
(Continued)

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Sheriff-State Modernization:				
Assets				
Cash	$ -	$ 1,592	$ (602)	$ 990
Liabilities				
Due to litigants	$ -	$ 1,592	$ (602)	$ 990
Sheriff-Validation System:				
Assets				
Cash	$ -	$ 400	$ (208)	$ 192
Liabilities				
Due to litigants	$ -	$ 400	$ (208)	$ 192
Prothonotary:				
Assets				
Cash	$ 87,839	$ 147,296	$ (102,829)	$ 132,306
Liabilities				
Due to other governments	$ 87,839	$ 147,296	$ (102,829)	$ 132,306
Prothonotary-Escrow Accts:				
Assets				
Cash	$ 9,361	$ 742	$ (1,205)	$ 8,898
Liabilities				
Due to other governments	$ 9,361	$ 742	$ (1,205)	$ 8,898

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2006
(Continued)

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Jail:				
Assets				
Cash	$ 16,518	$ 203,616	$ (197,659)	$ 22,475
Liabilities				
Due to other governments	$ 16,518	$ 203,616	$ (197,659)	$ 22,475
Airport Security:				
Assets				
Cash	$ 5,454	$ 82	$ -	$ 5,536
Liabilities				
Due to other	$ 5,454	$ 82	$ -	$ 5,536
Domestic Relations:				
Assets				
Cash	$ 92,970	$ 324,061	$ (314,395)	$ 102,636
Liabilities				
Due to other governments	$ 92,970	$ 324,061	$ (314,395)	$ 102,636
Fire Damage Escrow:				
Assets				
Cash	$ 52	$ 1	$ -	$ 53
Liabilities				
Due to other	$ 52	$ 1	$ -	$ 53
Juvenile Probation:				
Assets				
Cash	$ 2,346	$ 265	$ (550)	$ 2,061
Liabilities				
Due to other	$ 2,346	$ 265	$ (550)	$ 2,061
Children and Youth:				
Assets				
Cash	$ 8,416	$ 1,096	$ (3,459)	$ 6,053
Liabilities				
Due to other governments	$ 8,416	$ 1,096	$ (3,459)	$ 6,053

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

ALL AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

DECEMBER 31, 2006
(Continued)

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Commonwealth Treasurer:				
Assets				
Cash	$ 26,197	$ 192,856	$ (166,044)	$ 53,009
Liabilities				
Due to other governments	$ 26,197	$ 192,856	$ (166,044)	$ 53,009
District Attorney:				
Assets				
Cash	$ 33,645	$ 4,016	$ (5,213)	$ 32,448
Liabilities				
Due to other governments	$ 33,645	$ 4,016	$ (5,213)	$ 32,448
Farmland Preservation:				
Assets				
Cash	$ -	$ 2,414	$ -	$ 2,414
Liabilities				
Due to other governments	$ -	$ 2,414	$ -	$ 2,414
Human Services-M. Howard:				
Assets				
Cash	$ -	$ 1,877	$ (1,145)	$ 732
Liabilities				
Due to other governments	$ -	$ 1,877	$ (1,145)	$ 732

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2006

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Health and Human Services			
Passed Through the Pennsylvania Department of Public Welfare:			
Promoting Safe and Stable Families	93.556	ME 4100029243/4100034653	$ 311,902
Temporary Assistance for Needy Families-MH/MR	93.558		32,861
Temporary Assistance for Needy Families- CYF	93.558		37,963
Temporary Assistance for Needy Families-CCIS Daycare	93.558		7,170
Child Support Enforcement	93.563		419,280
Foster Care - Title IV-E	93.658		524,060
Child Welfare Services - State Grants	93.645		35,333
Social Services Block Grant - Title XX - Children and Youth	93.667		29,170
Social Services Block Grant - MH/MR	93.667		55,390
Social Services Block Grant -CCIS DayCare	93.667	DC06305336	69,448
Child Care and Development Block Grant	93.575		272,624
Community Based Child Abuse Prevention Grants	93.590		36,957
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		301,111
Adoption Assistance	96.659		91,647
Chafee Foster Care Independence Program	93.674		37,241
Medical Assistance Program - Mental Health/Mental Retardation	93.778		2,088,267
Medical Assistance Program	93.778		390,963
National Bioterrorism Hospital Preparedness Program	93.889		8,000
Block Grants for Community Mental Health Services	93.958		183,196
Passed Through the Pennsylvania Department of Health:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		69,452
Passed Through the YWCA of Greater Pittsburgh:			
Child Care and Development Block Grant	93.575		29,750
Passed Through the Pennsylvania Department of State:			
Voting Access for Individuals with Disabilities-Grant to States	93.617		444
Total U.S. Department of Health and Human Services			5,032,229
U.S. Department of Housing and Urban Development			
Passed-Through the PA Department of Community and Economic Development:			
Economic Development Initiative-Special Project, Neighborhood Initiative and Special Grants	14.251		198,200
Supportive Housing Program	14.235		38,400
Community Development Block Grants/State's	14.228		86,690
Home Investment Partnership's Program	14.239		242,212
Total U.S. Department of Housing and Urban Development			565,502
U.S. Department of Agriculture			
Passed Through Pennsylvania Department of Agriculture:			
Emergency Food Assistance Program (Administrative Costs)	10.568		8,246
Emergency Food Assistance Program (Food Commodities)	10.569		34,308
Total U.S. Department of Agriculture			42,554

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2006
(Continued)

Federal Grantor/Program Title (continued)	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation			
Passed Through the Pennsylvania Department of Transportation:			
Highway Planning and Construction	20.205		1,791,837
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		49,600
Total U.S. Department of Transportation			1,841,437
U.S. Department of Justice			
Passed Through the Pennsylvania Commission on Crime and Delinquency:			
Crime Victim Assistance	16.575		26,442
Edward Byrne Memorial Formula Grant Program	16.579		5,783
Violence Against Women Formula Grants	16.588		70,306
Total U.S. Department of Justice			102,531
U.S. Department of Homeland Security			
Passed Through the Pennsylvania Emergency Management Agency (PEMA):			
State Domestic Preparedness Equipment Support Program	97.004		10,901
Emergency Management Performance Grants	97.042		16,885
Total Federal Emergency Management			27,786
Elections Assistance Commission			
Passed Through the Pennsylvania Department of State:			
Help America Vote Act Requirements Payments	90.401		410,392
Total Federal Emergency Management			410,392
Department of Education			
Passed Through the Pennsylvania Department of Public Welfare:			
Special Education - Grants for Infants and Families with Disabilities	84.181		31,621
Passed Through the Pennsylvania Department Of Health:			
Safe and Drug-Free Schools and Communities-State Grants	84.186		4,200
			35,821
Federal Aviation Agency			
Passed Through the Pennsylvania Department of Transportation:			
Airport Improvement Program	20.106		13,720
Total Federal Aviation Agency			13,720
Appalachian Regional Commission			
Passed-Through the PA Department of Community and Economic Development			
Appalachian Area Development	23.002		5,000
General Services Administration			
Donation of Federal Surplus Personal Property	39.003		3,295
			8,295
Total Federal Financial Assistance			$ 8,080,267

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF PENNSYLVANIA DEPARTMENT OF PUBLIC WELFARE FINANCIAL ASSISTANCE

DECEMBER 31, 2006

Program	Combined Federal/ State Expenditures	
Child Support Enforcement Program	$ 419,280	
County Children and Youth Programs	1,865,464	
Medical Assistance Transportation Program	839,641	
Human Services Development Fund	184,847	
County Child Care Information Services for Subsidized Child Day Care	1,289,003	
Mental Health/Mental Retardation	6,287,268	*
Combined Homeless Assistance Program: Housing Assistance Program	71,340	
	$ 10,956,843	

* Denotes major programs for DPW testing purpose. The 2006 dollar threshold used to distinguish between type A and type B was $300,000. The amount expended under the major DPW program for the year ended December 31, 2006 was $6,287,268.

COUNTY OF GREENE, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2006

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the County of Greene and is presented on the modified accrual basis of accounting which is consistent with the basis of accounting used in the preparation of County's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, in or used in the preparation of, the financial statements of the County.

2. Subrecipients

The County did pass-through Federal funds to subrecipients during the year ended December 31, 2006. The County maintained contracts with their subrecipients, which contained appropriate audit provisions.

3. Required Disclosure for Pennsylvania Department of Community and Economic Development

	Receipts	Disbursements
CDBG	$ 86,690	$ 86,690
HOME	242,212	242,212
Appalachain Area Development	5,000	5,000
	$ 333,902	$ 333,902

COUNTY OF GREENE, PENNSYLVANIA

DPW – FUNDED FINANCIAL ASSISTANCE PROGRAM EXHIBITS

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

MAHER DUESSEL

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountant's Report on "Agreed-Upon Procedures" for Department of Public Welfare Funded Financial Assistance Programs, Schedules, and Exhibits

Board of Commissioners
County of Greene
Waynesburg, Pennsylvania

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

The procedures and associated findings are as follows:

a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for fiscal year June 30, 2006, have been accurately compiled and reflect the audited books and records of the County of Greene. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW Single Audit Supplement pertaining to this period.

Program Name	Schedules	
Child Support Enforcement	A-1 (a)	Comparison of Single Audit Expenditures with Reported Expenditures
Children and Youth	I	Schedule of Revenues and Expenditures
Medical Assistance Transportation	III	Schedule of Revenues and Expenditures
Mental Health Services	IV (a)	Schedule of Revenues, Expenditures, and Carryover Funds
	IV (b)	Report of Income and Expenditures Single Audit Supplement
Mental Retardation Services	IV (c)	Schedule of Revenues, Expenditures, and Carryover Funds
	IV (d)	Report of Income and Expenditures Single Audit Supplement
Community-Based Medicaid Initiatives	V (e)	Cost Settlement Report (CSR)
CCIS Daycare	VIII	Schedule of Child Care Information Services Recap for Fiscal Year 2006
	XVIII (a)	Schedule of Revenues and Expenditures - Administrative Budget - Fund A
	XVIII (b)	Schedule of Revenues and Expenditures - Administrative Budget - Fund C
	XVIII (c)	Year-to-Date Administrative Expenditures Fund A (screenshot)
	XVIII (d)	Year-to-Date Administrative Expenditures Fund C (screenshot)
	XVIII (e)	Recap Report Summary (CCMIS)
Human Services Development Fund	X	Schedule of Revenues and Expenditures
Combined Homeless Assistance	XIX	Revenues and Expenses

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

b. We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DPW for the period in question.

c. The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings.

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

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

Maher Duessel

Pittsburgh, Pennsylvania
October 31, 2007

COUNTY OF GREENE, PENNSYLVANIA

TITLE IV - D CHILD SUPPORT PROGRAM
COMPARISON OF SINGLE AUDIT EXPENDITURES WITH THE REPORTED EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Exhibit A-1 (a)

	Single Audit Expenditures				Report Expenditures				Single Audit Over (Under) Reported			
Quarter Ending: 9/30/2005	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid
1. Salary & Overhead	$ 178,244	$ 4,476	$ 173,768	$ 114,687	$ 178,244	$ 4,476	$ 173,768	$ 114,687	$ -	$ -	$ -	$ -
2. Fees & Costs	1	-	1	1	1	-	1	1	-	-	-	-
3. Interest & Program Income	1,160	10	1,150	759	1,160	10	1,150	759	-	-	-	-
4. Blood Testing Fees	865	-	865	779	865	-	865	779	-	-	-	-
5. Blood Testing Costs	1,426	-	1,426	1,283	1,426	-	1,426	1,283	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	$ 177,644	$ 4,466	$ 173,178	$ 114,431	$ 177,644	$ 4,466	$ 173,178	$ 114,431	$ -	$ -	$ -	$ -
Quarter Ending: 12/31/2005	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid
1. Salary & Overhead	$ 171,209	$ 3,967	$ 167,242	$ 110,380	$ 171,209	$ 3,967	$ 167,242	$ 110,380	$ -	$ -	$ -	$ -
2. Fees & Costs	1	-	1	1	1	-	1	1	-	-	-	-
3. Interest & Program Income	486	5	481	317	486	5	481	317	-	-	-	-
4. Blood Testing Fees	1,141	-	1,141	1,027	1,141	-	1,141	1,027	-	-	-	-
5. Blood Testing Costs	372	-	372	335	372	-	372	335	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	$ 169,953	$ 3,962	$ 165,991	$ 109,370	$ 169,953	$ 3,962	$ 165,991	$ 109,370	$ -	$ -	$ -	$ -
Quarter Ending: 3/31/2006	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid
1. Salary & Overhead	$ 171,882	$ 4,182	$ 167,700	$ 110,682	$ 171,882	$ 4,182	$ 167,700	$ 110,682	$ -	$ -	$ -	$ -
2. Fees & Costs	1	-	1	1	1	-	1	1	-	-	-	-
3. Interest & Program Income	819	7	812	536	819	7	812	536	-	-	-	-
4. Blood Testing Fees	916	-	916	824	916	-	916	824	-	-	-	-
5. Blood Testing Costs	-	-	-	-	-	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	$ 170,146	$ 4,175	$ 165,971	$ 109,321	$ 170,146	$ 4,175	$ 165,971	$ 109,321	$ -	$ -	$ -	$ -
Quarter Ending: 6/30/2006	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid	Total	Unallowable	Net	Amt Paid
1. Salary & Overhead	$ 150,093	$ 4,053	$ 146,040	$ 96,386	$ 150,093	$ 4,053	$ 146,040	$ 96,386	$ -	$ -	$ -	$ -
2. Fees & Costs	1	-	1	1	1	-	1	1	-	-	-	-
3. Interest & Program Income	702	10	692	457	702	10	692	457	-	-	-	-
4. Blood Testing Fees	1,501	-	1,501	1,351	1,501	-	1,501	1,351	-	-	-	-
5. Blood Testing Costs	2,170	-	2,170	1,953	2,170	-	2,170	1,953	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	$ 150,059	$ 4,043	$ 146,016	$ 96,530	$ 150,059	$ 4,043	$ 146,016	$ 96,530	$ -	$ -	$ -	$ -

COUNTY OF GREENE, PENNSYLVANIA

COUNTY CHILDREN AND YOUTH SOCIAL SERVICE PROGRAMS
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006

Exhibit I

	A	B	C	D	E	F	G	H	I	J	K
	Grand Total	Federal Title XX	Federal Title IV-E	Federal Title IV-B	Federal Other	Federal TANF	MA	Program Income	Net Total	State Act 148	Local Share
NET CHILD WELFARE EXPEND											
01. 100% Reimbursement	$ 32,474	$ -	$ 9,596	$ -	$ -	$ -	$ -	$ -	$ 22,878	$ 22,879	$ -
02. 90% Reimbursement	72,401	-	17,486	-	-	21,407	-	2,404	31,104	27,993	3,111
03. 80% Reimbursement	1,805,993	32,653	516,442	35,333	-	20,744	-	135,613	1,065,208	852,168	213,040
04. 60% Reimbursement	291,291	-	87,146	-	-	-	4,463	14,837	184,845	110,907	73,937
05. 50% Reimbursement	15,170	-	1,466	-	-	4,852	-	2,597	6,255	3,127	3,129
06. Other Reimbursement	-				-			-	-	-	-
07. **TOTAL (Lines 1 - 6)**	2,217,329	32,653	632,136	35,333	-	47,003	4,463	155,451	1,310,290	1,017,074	293,217
YDC/YFC PLACEMENT COSTS											
08. 80% DPW Participation	-							-	-	-	-
09. 60% DPW Participation	-							-	-	-	-
10. **TOTAL YDC/YFC COSTS**	-							-	-	-	-
11. **RESERVED**											
12. **NON ALLOWABLE EXPEND**	33,419	-	-	-	-	-	-	-	33,419		33,419
13. **TOTAL EXPENDITURES**	$ 2,250,748	$ 32,653	$ 632,136	$ 35,333	$ -	$ 47,003	$ 4,463	$ 155,451	$ 1,343,709	$ 1,017,074	$ 326,636

14. **Total HSDF Used for Child Welfare**	$ -	**15. Total Title IV-D Collections**	$ 33,345	**16. Total Title IV-D/Title IV-E Collections**	$ 9,498

a. **State Act 148 - Line 7**	$1,017,074	**b. State Act 148 Allocation**	$ 1,118,454	**c. Adjusted State Share (Lower of a or b)**	$ 1,017,074

COUNTY OF GREENE, PENNSYLVANIA

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit III

	Reported	Actual
Service Data:		
Expenditures:		
Group I clients	$ 692,966	$ 692,966
Group II clients	17,898	17,898
Total expenditures	$ 710,864	$ 710,864
Allocation Data:		
Revenues:		
Department of Public Welfare	$ 705,581	$ 705,581
Interest income	5,283	5,283
Total revenues	710,864	710,864
Funds expended:		
Operating costs	682,949	682,949
Administrative costs	27,915	27,915
Total funds expended	710,864	710,864
Excess Revenues over Expenditures	$ -	$ -

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (a) MH

Sources of DPW Funding	App	DPW Funds Available			Cost Eligible for DPW Participation	Balance of Funds	Grant Fund Adjustments	CSR State Grant Fund Adjustments	CSR - Promise Adjustments	TOTAL FUND BALANCE
		Carryover (1)	Allotment (2)	Total Allocation (3)	(4)	(5)	(6A)	(6B)	(6C)	(7)
A. MH Services	10248	$ 2,136	$ 796,264	$ 798,400	$ 797,582	$ 818	$ -	$ -	$ -	$ 818
B. Other State Funds										
1. Spec. Res.	10258	-	-	-	-	-	-	-	-	-
2. BH Initiative	10262	-	107,164	107,164	107,164	-	-	-	-	-
3. BH IGT	10262	-	78,312	78,312	78,312	-	-	-	-	-
4. Reserved	00001	-	-	-	-	-				
5. Total Other State		-	185,476	185,476	185,476	-	-	-	-	-
C. SSBG	70135	-	20,184	20,184	20,184	-	-	-	-	-
D. CMHSBG	70167	-	233,497	233,497	233,497	-	-	-	-	-
E. Other Federal Funds										
1. Max. Part. Project	70121	-	32,861	32,861	-	32,861	-	-	-	32,861
2. Reserved	70145	-	-	-	-	-				-
3. Path Homeless	70154	-	-	-	-	-	-	-	-	-
4. Capitalization of POMS	70522	-	-	-	-	-	-	-	-	-
5. COSIG Grant	70561	-	-	-	-	-	-	-	-	-
6. MH Systems Transformation	70589	-	-	-	-	-	-	-	-	-
7. Terrorism Related Disaster Relief	80168	-	-	-	-	-	-	-	-	-
8. Bioterrorism Hosp Prep/Pub Hth Prep Resp	80343	-	16,085	16,085	465	15,620	-	-	-	15,620
9. Immed & Reg Svs Crisis Counseling - Ivan	80401	-	-	-	-	-	-	-	-	-
10. Immed Svs Crisis Counseling - April Flood	80413	-	-	-	-	-	-	-	-	-
11. Reserved	00002	-	-	-	-	-	-	-	-	-
12. Reserved	00003	-	-	-			-	-	-	-
13. Total Other Federal		-	48,946	48,946	465	48,481	-	-	-	48,481
F. TOTAL		$ 2,136	$ 1,284,367	$ 1,286,503	$ 1,237,204	$ 49,299	$ -	$ -	$ -	$ 49,299

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (b) MH

		Admin Dvpt Training	Admin Mgmt	Admin Office	Community Employ Svcs	Crisis Intervention	Child Psych Rehab	Community Services	Community Trtmnt Teams	Day Trtmnt
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
II.	TOTAL EXPENDITURES	-	339,583	279,213	-	25,000	-	181,759	-	14,094
III.	COSTS OVER ALLOCATION									
	A. County Funded Eligible	-	-	-	-	-	-	-	-	-
	B. County Funded Ineligible	-	-	-	-	-	-	-	-	-
	C. Other Eligible	-	-	-	-	-	-	-	-	-
	D. Other Ineligible	-	-	-	-	-	-	-	-	-
	E. Total Costs Over Allocation	-	-	-	-	-	-	-	-	-
IV.	REVENUES									
	A. Program Service Fees	-	-	-	-	-	-	-	-	-
	B. Private Insurance Fees	-	-	-	-	-	-	-	-	-
	C. Medical Assistance	-	-	-	-	-	-	-	-	800
	D. Medical Assistance - MA 325	-	-	-	-	-	-	-	-	-
	E. Medical Assistance - Administrative Claims	-	-	-	-	-	-	-	-	-
	F. Room and Board	-	-	-	-	-	-	-	-	-
	G. Earned Interest	-	-	14,236	-	-	-	-	-	-
	H. Other	-	-	26,479	-	-	-	-	-	-
	I. Total Revenue	-	-	40,715	-	-	-	-	-	800
V.	DPW REIMBURSEMENT									
	A. Base Allocation 90%	-	141,351	157,910	-	-	-	44,606	-	-
	B. Base Allocation 100%	-	-	-	-	25,000	-	-	-	13,294
	C. DPW Categorical Funding 90% Subtotal	-	-	-	-	-	-	-	-	-
	D. DPW Categorical Funding 100% Subtotal	-	72,500	21,571	-	-	-	50,197	-	-
	E. SSBG 90% Adult	-	-	-	-	-	-	-	-	-
	SSBG 90% Child	-	-	-	-	-	-	-	-	-
	SSBG 100% Adult	-	-	-	-	-	-	-	-	-
	SSBG 100% Child	-	-	-	-	-	-	-	-	-
	F. CMHSBG 90%	-	-	-	-	-	-	-	-	-
	CMHSBG 100%	-	110,026	41,471	-	-	-	82,000	-	-
VI.	10% County Match	-	15,706	17,546	-	-	-	4,956	-	-
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	$ -	$ 339,583	$ 238,498	$ -	$ 25,000	$ -	$ 181,759	$ -	$ 13,294
VIII.	TOTAL CARRYOVER									

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (b) MH
(Continued)

		Emergency Services	Farm Based Services	Family Sup Services	Housing Support Svcs	Int Case Mgmt	Psychiatric Inpt Hosp	Outpatient
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -	$ -	$ -	$ -
II.	TOTAL EXPENDITURES	100,049	1,914	1,674	934	33,939	-	64,547
III.	COSTS OVER ALLOCATION							
	A. County Funded Eligible	-	-	-	-	-	-	-
	B. County Funded Ineligible	-	-	-	-	-	-	-
	C. Other Eligible	-	-	-	-	-	-	-
	D. Other Ineligible	-	-	-	-	-	-	-
	E. Total Costs Over Allocation	-	-	-	-	-	-	-
IV.	REVENUES							
	A. Program Service Fees	-	-	-	-	-	-	-
	B. Private Insurance Fees	-	-	-	-	-	-	-
	C. Medical Assistance	-	-	-	-	3,605	-	94
	D. Medical Assistance - MA 325	-	-	-	-	-	-	-
	E. Medical Assistance - Administrative Claims	-	-	-	-	-	-	-
	F. Room and Board	-	-	-	-	-	-	-
	G. Earned Interest	-	-	-	-	-	-	-
	H. Other	-	-	-	-	-	-	-
	I. Total Revenue	-	-	-	-	3,605	-	94
V.	DPW REIMBURSEMENT							
	A. Base Allocation 90%	51,961	-	1,507	841	-	-	28,655
	B. Base Allocation 100%	-	1,914	-	-	30,334	-	-
	C. DPW Categorical Funding 90% Subtotal	-	-	-	-	-	-	-
	D. DPW Categorical Funding 100% Subtotal	42,315	-	-	-	-	-	32,614
	E. SSBG 90% Adult	-	-	-	-	-	-	-
	SSBG 90% Child	-	-	-	-	-	-	-
	SSBG 100% Adult	-	-	-	-	-	-	-
	SSBG 100% Child	-	-	-	-	-	-	-
	F. CMHSBG 90%	-	-	-	-	-	-	-
	CMHSBG 100%	-	-	-	-	-	-	-
VI.	10% County Match	5,773	-	167	93	-	-	3,184
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	100,049	1,914	1,674	934	30,334	-	64,453
VIII	TOTAL CARRYOVER							

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL HEALTH PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (b) MH
(Continued)

		Other	Psychiatric Rehab	Comm Res Services	Resource Coordination	Social Rehab Services	Vocational Rehab	Totals
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,286,503
II.	TOTAL EXPENDITURES	-	-	155,354	16,891	89,770	28,594	1,333,315
III.	COSTS OVER ALLOCATION							
	A. County Funded Eligible	-	-	-	-	-	-	-
	B. County Funded Ineligible	-	-	-	-	-	-	-
	C. Other Eligible	-	-	-	-	-	-	-
	D. Other Ineligible	-	-	-	-	-	-	-
	E. Total Costs Over Allocation	-	-	-	-	-	-	-
IV.	REVENUES							
	A. Program Service Fees	-	-	-	-	-	-	-
	B. Private Insurance Fees	-	-	-	-	-	-	-
	C. Medical Assistance	-	-	-	1,059	-	-	5,558
	D. Medical Assistance - MA 325	-	-	-	-	-	-	-
	E. Medical Assistance - Administrative Claims	-	-	-	-	-	-	-
	F. Room and Board	-	-	-	-	-	-	-
	G. Earned Interest	-	-	-	-	-	-	14,236
	H. Other	-	-	-	-	-	-	26,479
	I. Total Revenue	-	-	-	1,059	-	-	46,273
V.	DPW REIMBURSEMENT							
	A. Base Allocation 90%	-	-	6,945	-	7,198	7,569	448,543
	B. Base Allocation 100%	-	-	-	15,832	-	-	86,374
	C. DPW Categorical Funding 90% Subtotal	-	-	-	-	-	-	-
	D. DPW Categorical Funding 100% Subtotal	-	-	147,637	-	81,772	-	448,606
	E. SSBG 90% Adult	-	-	-	-	-	-	-
	SSBG 90% Child	-	-	-	-	-	-	-
	SSBG 100% Adult	-	-	-	-	-	20,184	20,184
	SSBG 100% Child	-	-	-	-	-	-	-
	F. CMHSBG 90%	-	-	-	-	-	-	-
	CMHSBG 100%	-	-	-	-	-	-	233,497
VI.	10% County Match	-	-	772	-	800	841	49,838
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	-	-	155,354	15,832	89,770	28,594	1,287,042
VIII.	TOTAL CARRYOVER							$ 49,299

(Concluded)

COUNTY OF GREENE, PENNSYLVANIA

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

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (c) MR

Sources of DPW Funding	App	DPW Funds Available: Carryover (1)	DPW Funds Available: Allotment (2)	DPW Funds Available: Total Allocation (3)	Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6A)	CSR State Grant Fund Adjustments (6B)	CSR-Promise Adjustments (6C)	TOTAL FUND BALANCE (7)
A. MR Services										
1. Community (NR/Res)	10255	$ 216,183	$ 122,385	$ 338,568	$ 201,226	$ 137,342	$ -	$ -	$ -	$ 137,342
2. SSBG	70177	-	45,455	45,455	45,455	-	-	-	-	-
3. Reserved	00001	-	-	-	-	-	-	-	-	-
4. Subtotal MR Services		216,183	167,840	384,023	246,681	137,342	-	-	-	137,342
B. Waiver										
1. Cons. Waiver Services	10255/70175	41,597	3,386,455	3,428,052	3,428,052	-	41,464	-	-	41,464
2. Waiver Administration	10255/70175	-	43,116	43,116	43,116	-	-	-	-	-
3. P/FDS Waiver	10255/70175	49,335	322,725	372,060	265,135	106,925	-	-	-	106,925
4. Reserved	00002	-	-	-	-	-	-	-	-	-
5. Subtotal Waiver		90,932	3,752,296	3,843,228	3,736,303	106,925	41,464	-	-	148,389
C. Early Intervention										
1. State Early Intervention	10235	5,060	342,189	347,249	313,086	34,163	-	-	-	34,163
2. E.I. Administration	10235	-	26,859	26,859	26,859	-	-	-	-	-
3. Infants and Toddlers	70170	-	31,314	31,314	31,314	-	-	-	-	-
4. SSBG-E.I.	70178	-	5,857	5,857	5,857	-	-	-	-	-
5. ITF Waiver Services	10235/70184	1,504	149,508	151,012	151,012	-	-	-	-	-
6. ITF Waiver Administration	10235/70184	-	13,734	13,734	13,734	-	-	-	-	-
7. Reserved	00003	-	-	-	-	-	-	-	-	-
8. Reserved	00004	-	-	-	-	-	-	-	-	-
9. Subtotal Early Intervention		6,564	569,461	576,025	541,862	34,163	-	-	-	34,163
D. Other										
1. Elwyn	10236	-	-	-	-	-	-	-	-	-
2. Pennhurst Dispersal	10241	-	-	-	-	-	-	-	-	-
3. Pennhurst Dispersal (Cons Waiver)	10241/70175	-	-	-	-	-	-	-	-	-
4. Reserved	00005	-	-	-	-	-	-	-	-	-
5. Subtotal Other		-	-	-	-	-	-	-	-	-
E. TOTAL		$ 313,679	$ 4,489,597	$ 4,803,276	$ 4,524,846	$ 278,430	$ 41,464	$ -	$ -	$ 319,894

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (d) MR

		Admin Office	Community Hab	Community Res	Early Intervention
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -
II.	TOTAL EXPENDITURES	166,559	394,680	2,974,784	552,317
III.	COSTS OVER ALLOCATION				
	A. County Funded Eligible	-	-	-	-
	B. County Funded Ineligible	-	-	-	-
	C. Other Eligible	-	-	-	-
	D. Other Ineligible	-	-	-	-
	E. Total Costs Over Allocation	-	-	-	-
IV.	REVENUES				
	A. Program Service Fees	-	14,928	-	-
	B. Private Insurance Fees	-	-	-	-
	C. Medical Assistance	-	-	-	-
	D. Medical Assistance - MA EI	-	-	-	58,237
	E. Medical Assistance - Administrative Claims	-	-	-	-
	F. Room and Board	-	-	160,872	-
	G. Earned Interest	50,471	-	-	-
	H. Other	18,561	-	-	-
	I. Total Revenue	69,032	14,928	160,872	58,237
V.	DPW REIMBURSEMENT				
	A. Base Allocation 90%	9,750	-	-	-
	B. Base Allocation 100%	-	1,505	28,653	-
	C. DPW Categorical Funding 90% Subtotal	26,859	-	-	302,904
	D. DPW Categorical Funding 100% Subtotal	56,850	366,726	2,750,173	151,012
	E. SSBG 90% Adult	-	10,369	-	-
	SSBG 90% Child	-	-	-	5,857
	SSBG 100% Adult	-	-	35,086	-
	SSBG 100% Child	-	-	-	-
VI.	10% County Match	4,068	1,152	-	34,307
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	$ 97,527	$ 379,752	$ 2,813,912	$ 494,080
VIII.	TOTAL CARRYOVER				

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (d) MR
(Continued)

		Emp Services	FD/FS	Home & Community	Other	Pre-Voc
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -	$ -
II.	TOTAL EXPENDITURES	74,024	6,763	98,174	-	314,091
III.	COSTS OVER ALLOCATION					
	A. County Funded Eligible	-	-	-	-	-
	B. County Funded Ineligible	-	-	-	-	-
	C. Other Eligible	-	-	-	-	-
	D. Other Ineligible	-	-	-	-	-
	E. Total Costs Over Allocation	-	-	-	-	-
IV.	REVENUES					
	A. Program Service Fees	976	-	-	-	59,678
	B. Private Insurance Fees	-	-	-	-	-
	C. Medical Assistance	-	-	-	-	-
	D. Medical Assistance - MA EI	-	-	-	-	-
	E. Medical Assistance - Administrative Claims	-	-	-	-	-
	F. Room and Board	-	-	-	-	-
	G. Earned Interest	-	-	-	-	-
	H. Other	-	-	-	-	-
	I. Total Revenue	976	-	-	-	59,678
V.	DPW REIMBURSEMENT					
	A. Base Allocation 90%	-	-	-	-	-
	B. Base Allocation 100%	2,127	-	-	-	13,210
	C. DPW Categorical Funding 90% Subtotal	-	-	-	-	-
	D. DPW Categorical Funding 100% Subtotal	70,921	6,763	98,174	-	241,203
	E. SSBG 90% Adult	-	-	-	-	-
	SSBG 90% Child	-	-	-	-	-
	SSBG 100% Adult	-	-	-	-	-
	SSBG 100% Child	-	-	-	-	-
VI.	10% County Match	-	-	-	-	-
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	73,048	6,763	98,174	-	254,413
VIII.	TOTAL CARRYOVER					

(Continued)

COUNTY OF GREENE, PENNSYLVANIA

MENTAL RETARDATION PROGRAM
REPORT OF INCOME AND EXPENDITURES
SINGLE AUDIT SUPPLEMENT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit IV (d) MR
(Continued)

		Respite	Spec Supp	Supp Coor	Trans	Totals
I.	TOTAL ALLOCATION	$ -	$ -	$ -	$ -	$ 4,803,276
II.	TOTAL EXPENDITURES	1,200	24,640	278,285	136,801	5,022,318
III.	COSTS OVER ALLOCATION					
	A. County Funded Eligible	-	-	-	-	-
	B. County Funded Ineligible	-	-	-		-
	C. Other Eligible	-	-	-	-	-
	D. Other Ineligible	-	-	-		-
	E. Total Costs Over Allocation	-	-	-	-	-
IV.	REVENUES					
	A. Program Service Fees	-	-	-	-	75,582
	B. Private Insurance Fees	-	-	-	-	-
	C. Medical Assistance	-	-	45,926	-	45,926
	D. Medical Assistance - MA EI	-	-	32,062	-	90,299
	E. Medical Assistance - Administrative Claims	-	-	-	-	-
	F. Room and Board	-	-	-	-	160,872
	G. Earned Interest	-	-	-	-	50,471
	H. Other	-	-	-	-	18,561
	I. Total Revenue	-	-	77,988	-	441,711
V.	DPW REIMBURSEMENT					
	A. Base Allocation 90%	-	-	11,538	-	21,288
	B. Base Allocation 100%	-	-	-	3,414	48,909
	C. DPW Categorical Funding 90% Subtotal	-	-	134,568	-	464,331
	D. DPW Categorical Funding 100% Subtotal	1,200	24,640	37,957	133,387	3,939,006
	E. SSBG 90% Adult	-	-	-	-	10,369
	SSBG 90% Child	-	-	-	-	5,857
	SSBG 100% Adult	-	-	-	-	35,086
	SSBG 100% Child	-	-	-	-	-
VI.	10% County Match	-	-	16,234	-	55,761
VII.	TOTAL DPW REIMBURSEMENT AND COUNTY MATCH	1,200	24,640	200,297	136,801	4,580,607
VIII.	TOTAL CARRYOVER					$ 278,430

(Concluded)

DEPARTMENT OF PUBLIC WELFARE
COMMUNITY-BASED MEDICAID INITIATIVES
COST SETTLEMENT REPORT (CSR)

Exhibit V(e)

HEADER DATA:

COUNTY/JOINDER:	Greene	COUNTY	FISCAL YEAR:	2005-2006
PROVIDER NAME:	Greene County MH/MR	OPERATED	PROGRAM:	MR
PROVIDER TYPE:	32			
PROVIDER ID# (MPI):	100731993		SERVICE ACTIVITY:	TSM
PROV SVC LOC #:	0004		REVISION #	

	Actual Units	Budgeted Units	Budgeted Expenditures
1. Service Delivery Analysis			$ 89,298
a. MA (FFP) Eligible Units	4,228	4,500	Approved Billable Rate(s)
b. Non-MA (Non-FFP) Units	-	-	$ 19.84
c. Combined Units	4,228	4,500	

2. Expenditures		
a. Actual Expenditures	83,883	
b. Less: Retained Revenue Allowance	-	
c. Less: Other Expenses Not Allowable for Federal Reimbursement	-	
d. Expenditures Eligible for DPW State/Fed Participation		$ 83,883

3. Revenues			
(1) PROMISe Federal Revenue	45,926		
(2) Match Funds for 3(1)	37,957		
(3) Revenues Supporting Non-FFP Units	-		
a. Net Program Revenues (1+2+3)			$ 83,883
b. Revenues Supporting Expenditures from 2b & 2c	+	$ -	
c. Total Program Revenues		$ 83,883	

4. Expenditures Minus Revenues (2d - 3a)	Underpayment/(Overpayment)	$ -

5. Service Delivery	Actual Units		Actual Rate		Reconciled Revenues
a. MA (FFP) Eligible Units	4,228	x	19.8399	=	$ 83,883
b. Non-MA (Non-FFP) Units	-	x	(2d/5c Units)	=	$ -
c. Combined Units	4,228	x	(round to 4 dec.)	=	$ 83,883

6. Reconciliation

a. FFP	$ 83,883 (5a)	-	83,883 3(1) + 3(2)	=	$ -
b. Non-FFP	$ - (5b)	-	- 3(3)	=	$ -

7. State/Federal Split of Difference:

a. FFP	$ -	x .5505	=	- Federal - Underpayment (Overpayment)
b. FFP	$ -	x .4495	=	- State - Underpayment (Overpayment)
c. Non-FFP	$ -	x 1.0	=	- State - Underpayment (Overpayment)

DEPARTMENT OF PUBLIC WELFARE
COMMUNITY-BASED MEDICAID INITIATIVES
COST SETTLEMENT REPORT (CSR)

8. Reconciliation Recap

(Overpayment)

a. _____ PROMISe Gross Adjustment Requested $ _____ -

Underpayment

b. _____ PROMISe Gross Adjustment Requested to Initiate Payment Complete State Match Verification $ _____ -

c. _____ No PROMISe Gross Adjustment Requested; State match unavailable in currenty fiscal year.

STATE MATCH VERIFICATION

PROVIDER INFORMATION

Provider Name Greene County MH/MR	Greene County
Provider MA ID Number	100731993
Provider Location Number:	0004
Service Activity:	TSM
Service Dates:	July 1, 2005 through June 30, 2006
State Match Paid:	

Signature Title Date

Signature and Title of Person Completing CSR Name of Provider Date

Signature and Title of Person Reviewing or Accepting CSR Name of County/Joinder Date

I certify that the unaudited reconciliation of the rate negotiated for this Medicaid initiative for the period shown is true and correct to the best of my knowledge, and is reflective of accrued Medicaid revenues, and minimal service delivery requirements as prescribed by the Department.

County MH/MR Administrator Signature Date

CSR SUMMARY

A.	Total Reimbursable Expenditures (2a)		$ 83,883
B1.	PROMISe Federal Revenue Reported on line 3(1)	$ 45,926	
B2.	PROMISe Gross Adjustment Requested (Section 8)	-	
B3.	Total adjusted MA Revenue (B1+B2)		45,926
C.	Other Revenue (A minus B)		$ 37,957

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
SCHEDULE OF CHILD CARE INFORMATION SERVICES
RECAP FOR FISCAL YEAR 2006

Exhibit VIII

CONTRACTOR	Greene County Human Services	COUNTY	Greene
FEDERAL ID NO:	25-6001034	PREPARED BY	John Buchanan
CONTRACT NO:	DC05305336	PHONE NO.:	724-852-5277

	FUND A		FUND C		
	ADMIN	SERVICE	ADMIN	SERVICE	TOTAL
REVENUE					
DPW Funds	$ 192,290	$ 521,098	$ 17,022	$ 101,991	$ 832,401
Interest		704		118	822
Audit Adjustments	-		-		-
Penalties	-		-		-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
TOTAL REVENUE	192,290	521,802	17,022	102,109	833,223
EXPENDITURES					
Final Report Totals	191,990	521,703	16,603	99,756	830,052
		-		-	-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
TOTAL EXPENDITURES	191,990	521,703	16,603	99,756	830,052
TOTAL DUE DPW	$ 300	$ 99	$ 419	$ 2,353	$ 3,171

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
SCHEDULE OF REVENUES AND EXPENDITURES
ADMINISTRATIVE BUDGET - FUND A

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XVIII (a)

	Budget	Actual
Revenues:		
Pennsylvania Department of Public Welfare	$ 717,034	$ 714,092
Expenditures:		
Personnel:		
Salaries and wages	123,400	123,372
Employee benefits	32,000	31,927
Total personnel	155,400	155,299
Operations:		
Communications:		
Telephone	4,700	4,684
Advertising	780	780
Printing	3,900	3,888
Postage	2,200	2,150
Total communications	11,580	11,502
Supplies	9,844	9,748
Equipment (under $5,000)	9,100	9,093
Travel	1,100	1,091
Educational training	300	292
Audit	166	166
Other:		
County Service	524,744	521,703
Total other	524,744	521,703
Indirect costs	4,800	4,800
Total operations	561,634	558,395
Equipment (over $5,000)	-	-
Total expenditures	717,034	713,694
Excess (Deficiency) of Revenues Over Expenditures	$ -	$ 398

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
SCHEDULE OF REVENUES AND EXPENDITURES
ADMINISTRATIVE BUDGET - FUND C

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XVIII (b)

	Budget	Actual
Revenues:		
Pennsylvania Department of Public Welfare	$ 120,100	$ 119,131
Expenditures:		
Personnel:		
Salaries and wages	13,260	13,241
Employee benefits	3,762	3,362
Total personnel	17,022	16,603
Operations:		
Communications:		
Telephone	-	-
Advertising	-	-
Printing	-	-
Postage	-	-
Total communications	-	-
Supplies	-	-
Equipment (under $5,000)	-	-
Travel	-	-
Educational training	-	-
Other:		
County Service	103,078	99,756
	-	-
Total other	103,078	99,756
Indirect costs	-	-
Total operations	103,078	99,756
Equipment (over $5,000)	-	-
Total expenditures	120,100	116,359
Excess of Revenues Over Expenditures	$ -	$ 2,772

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
YEAR-TO-DATE ADMINISTRATIVE EXPENDITURES - FUND A
SCREENSHOT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XVIII (c)

Administration/Family Support Services Budget

Budget Category	Budget Amount	Expenditures YTD	Last Updated Date
Personnel			
Salaries	$123,400.00	$123,371.85	08/08/2006
Benefits	$32,000.00	$31,927.01	08/08/2006
Personnel SubTotal	**$155,400.00**	**$155,298.86**	
Communications			
Telephone	$4,700.00	$4,684.22	08/08/2006
Advertising	$780.00	$779.84	06/12/2006
Printing	$3,900.00	$3,888.06	07/14/2006
Postage	$2,200.00	$2,149.89	07/14/2006
Communications SubTotal	**$11,580.00**	**$11,502.01**	
Supplies	$9,844.00	$9,748.20	08/08/2006
Equipment	$9,100.00	$9,092.68	08/08/2006
Travel	$1,100.00	$1,090.50	07/14/2006
Training	$300.00	$291.56	06/12/2006
Audit	$166.00	$165.71	06/12/2006
Indirect Costs	$4,800.00	$4,800.00	07/14/2006
Totals YTD	**$192,290.00**	**$191,989.52**	

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
YEAR-TO-DATE ADMINISTRATIVE EXPENDITURES - FUND C
SCREENSHOT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XVIII (d)

Administration/Family Support Services Budget

Budget Category	Budget Amount	Expenditures YTD	Last Updated Date
Personnel			
Salaries	$13,260.00	$13,241.15	08/18/2006
Benefits	$3,762.00	$3,362.28	08/18/2006
Totals YTD	**$17,022.00**	**$16,603.43**	

NEW EXPENDITURES TRANSFERS HISTORY RETURN TO SUMMARY

COUNTY OF GREENE, PENNSYLVANIA

CCIS DAYCARE
RECAP REPORT SUMMARY (CCMIS)

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XVIII (e)

Administration/Family Support Services Allocation Information

Office Greene FY 2005-06 GO

CCIS	County	Funding Source	Admin/Fam Sup Svcs Allocation	Expenditures YTD
Greene	Greene	Low Income (Fund A)	$192,290.00	$191,989.52
		Former TANF (Fund C)	$17,022.00	$16,603.43

Page 1 of 1

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Production

COUNTY OF GREENE, PENNSYLVANIA

HUMAN SERVICES DEVELOPMENT FUND
SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit X

	Budget	Actual
Revenues:		
Pennsylvania Department of Public Welfare	$ 179,075	$ 179,075
Interest income	1,981	1,981
Other funds	-	-
Total revenues	181,056	181,056
Expenditures:		
Adult Services	18,690	18,690
Children and Youth	22,500	22,500
Generic	41,321	41,321
Service Coordination	82,946	82,946
County Administration	15,599	15,599
Total expenditures	181,056	181,056
Excess of Revenues Over Expenditures	$ -	$ -

COUNTY OF GREENE, PENNSYLVANIA

(COMBINED) HOMELESS ASSISTANCE PROGRAMS

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2006

Exhibit XIX

I. SOURCES OF FUNDING		TOTAL AVAILABLE FUNDS
DPW Allocation	A	70,638
Client Contributions	B	-
Other	C	-
Interest Earned	D	206
TOTAL HAP FUNDING	E	70,844

II. EXPENSES	Bridge Housing	Case Management	Rental Assistance	Emergency Shelter	Innovative Supportive Housing Services	TOTAL EXPENSES	
On Behalf of Clients	-		40,069	6,597	1,450	F	48,116
Personnel	-	12,864	-		-	G	12,864
Operating	-	2,445	-	-	-	H	2,445
Fixed Assets\Equipment	-	-	-		-	I	-
SUBTOTAL	-	15,309	40,069	6,597	1,450	J	63,425

County Administration	K	7,064
Total HAP Expenses	L	$ 70,489
Total Unexpended HAP Funds		$ 355

COUNTY OF GREENE, PENNSYLVANIA

INDEPENDENT AUDITOR'S REPORTS IN ACCORDANCE WITH OMB CIRCULAR A-133

YEAR ENDED DECEMBER 31, 2006

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

THREE GATEWAY CENTER - SIX WEST
PITTSBURGH, PA 15222

(412) 471-5500
FAX (412) 471-5508

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, 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, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 31, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated October 31, 2007.

* * * * * * * * * *

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

Maher Duessel

Pittsburgh, Pennsylvania
October 31, 2007

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

THREE GATEWAY CENTER - SIX WEST
PITTSBURGH, PA 15222

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal and Pennsylvania Department of Public Welfare (DPW) Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the DPW Compliance Supplement

Board of County Commissioners
County Controller
County of Greene, Pennsylvania

Compliance

We have audited the compliance of the County of Greene, Pennsylvania (County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the Pennsylvania Department of Public Welfare (DPW) *Compliance Supplement* that are applicable to each of its major federal and DPW programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County's major DPW programs are identified on the Schedule of DPW Financial Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and DPW programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the Pennsylvania Department of Public Welfare (DPW) *Compliance Supplement.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and DPW programs for the year ended December 31, 2006.

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

Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and DPW programs. In planning and performing our audit, we considered the County's internal control over compliance witb the requirements that could have a direct and material effect on a major federal and DPW program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in the entity's internal control over compliance that might be significant deficiencies or material weaknesses as defined above. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Maher Duessel

Pittsburgh, Pennsylvania
October 31, 2007

COUNTY OF GREENE, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2006

1. Summary of Auditor's Results:

   i. The auditor's report on the financial statements was an unqualified opinion.

   ii. There were no significant deficiencies in internal control that were disclosed by the audit of the financial statements.

   iii. The audit did not disclose any noncompliance which was material to the financial statements.

   iv. There were no significant deficiencies in internal control over each of its major federal programs that were disclosed by the audit.

   v. The auditor's report on compliance for each of its major federal programs was an unqualified opinion.

   vi. The audit did not disclose audit findings which the auditor is required to report as described below.

   vii. The major federal programs were:

a. Medical Assistance Program (includes Mental Health/Mental Retardation Program)	CFDA Number: 93.778
b. Help Americans Vote Act	CFDA Number: 90.401
c. Highway Planning and Construction	CFDA Number: 20.205

   viii. The dollar threshold used to distinguish between type A and type B programs was $300,000.

   ix. The County of Greene, Pennsylvania was considered to be a low risk auditee.

2. Findings related to primary government financial statements which are required to be reported in accordance with GAGAS.

   No matters were reported.

3. Findings and questioned costs for federal and DPW awards.

   No matters were reported.

COUNTY OF GREENE, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2006

None