

COUNTY OF GREENE, PENNSYLVANIA

WAYNESBURG, PENNSYLVANIA

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

COUNTY OF GREENE, PENNSYLVANIA
YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-16
Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	23
Statement of Fiduciary Net Position - Fiduciary Funds	24
Statement of Changes in Net Position - Fiduciary Funds	25
Notes to the Financial Statements	26-49
Required Supplemental Information:	
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios - Last Ten Years	51
Schedule of Plan Contributions and Investment Returns - Last Ten Years	52
Notes to Schedules of Required Supplementary Information	53
Other Supplementary Information:	
Combining Balance Sheet - Other Governmental Funds	55-57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Other Governmental Funds	58-60
Combining Balance Sheet - Agency Funds	61
Combining Statement of Changes in Assets and Liabilities - Agency Funds	62-64



Board of County Commissioners
County Controller
County of Greene, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Greene, Pennsylvania (County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2017, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Board of County Commissioners
County Controller
County of Greene, Pennsylvania
Independent Auditor's Report
Page 2

Adoption of GASB Statements

As described in Note 1 to the financial statements, in 2017 the County adopted the provisions of the Governmental Accounting Standards Board Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*", Statement No. 80, "*Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*", Statement No. 81, "*Irrevocable Split-Interest Agreements*", and Statement No. 82, "*Pension Issues – an amendment of GASB Statement No. 67, No. 68, and No. 73*". Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2018 on our consideration of the County of Greene, Pennsylvania'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 score of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Greene, Pennsylvania's internal control over financial reporting and compliance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information on pages 4 through 16 and 51 through 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

Experience. Expertise. Accountability.

Board of County Commissioners
County Controller
County of Greene, Pennsylvania
Independent Auditor's Report
Page 3

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and other governmental funds and agency funds financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and other governmental funds and agency funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
June 14, 2018

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets	Governmental Activities
Cash and cash equivalents	\$ 15,779,014
Investments	1,745,727
Receivables:	
Taxes receivable, net of allowance	1,532,422
Due from other governments	3,208,850
Accounts receivable	358,090
Other assets	20,628
Net pension asset	60,803
Capital assets not being depreciated	12,030,771
Capital assets, net of accumulated depreciation	<u>38,573,027</u>
Total Assets	<u>73,309,332</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows of resources for pension	<u>1,502,246</u>
<u>Liabilities</u>	
Accounts payable	1,664,797
Accrued liabilities and withholdings	718,940
Accrued interest payable	45,534
Due to other governments	11,297
Unearned revenue	6,133,653
Accrued compensated absences	467,611
Bonds and lease payable:	
Amount due within one year	844,405
Amount due in more than one year	<u>7,989,148</u>
Total Liabilities	<u>17,875,385</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows of resources for pension	<u>839,358</u>
<u>Net Position</u>	
Net investment in capital assets	41,770,245
Restricted for:	
Debt service	1,328,368
Capital projects	3,155,785
Other purposes	5,468,890
Unrestricted	<u>4,373,547</u>
Total Net Position	<u>\$ 56,096,835</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 12,079,357	\$ 2,249,616	\$ 1,284,155	\$ 668,725	\$ (7,876,861)
Public safety	5,388,093	1,632,238	1,404,112	-	(2,351,743)
Public works	975,902	207,601	150,766	2,523,231	1,905,696
Human services	10,088,718	1,088,635	9,555,988	-	555,905
Culture and recreation	2,878,090	616,880	320,372	-	(1,940,838)
Conservation and economic development	2,689,719	363,498	1,716,125	930,945	320,849
Unallocated depreciation	137,356	-	-	-	(137,356)
Interest and amortization	186,462	-	-	-	(186,462)
Total governmental activities	\$ 34,423,697	\$ 6,158,468	\$ 14,431,518	\$ 4,122,901	\$ (9,710,810)
General revenues:					
Property taxes, levied for general purposes					11,199,469
Property taxes, levied for debt service					1,072,303
Property taxes, levied for library expenditures					108,226
Interest					85,820
Rental income					424,042
Gain (loss) on sale of assets					(76,482)
Reimbursement of prior period expenditures					277,189
Total general revenues					13,090,567
Change in Net Position					3,379,757
Net Position:					
Beginning of year					52,717,078
End of year					\$ 56,096,835

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 4,468,647	\$ 1,665,682	\$ 62,216	\$ 2,024,402	\$ 7,558,067	\$ 15,779,014
Investments	-	-	-	1,311,846	433,881	1,745,727
Due from other funds	3,159,921	824,043	3,254	15,074	998,230	5,000,522
Due from other governments	570,438	71,253	1,656,158	-	911,001	3,208,850
Taxes receivable	1,513,558	-	-	-	18,864	1,532,422
Accounts receivable	150,093	1,000	1,953	1,800	122,281	277,127
Other assets	4,347	-	14,885	-	1,396	20,628
Total Assets	\$ 9,867,004	\$ 2,561,978	\$ 1,738,466	\$ 3,353,122	\$ 10,043,720	\$ 27,564,290
<u>Liabilities</u>						
Accounts Payable	\$ 454,910	\$ 463,703	\$ 454,165	\$ -	\$ 255,224	\$ 1,628,002
Accrued liabilities and withholdings	717,922	-	-	-	1,018	718,940
Due to other funds	461,803	1,069,212	1,109,286	197,337	2,118,716	4,956,354
Due to other governments	4,649	-	-	-	6,648	11,297
Unearned revenue	4,062,687	1,029,063	175,015	-	866,888	6,133,653
Total Liabilities	5,701,971	2,561,978	1,738,466	197,337	3,248,494	13,448,246
<u>Deferred Inflows of Resources</u>						
Unavailable revenues - property taxes	1,137,491	-	-	-	-	1,137,491
<u>Fund Balance</u>						
Non-spendable	4,347	-	-	-	-	4,347
Restricted	2,032	-	-	3,155,785	6,795,226	9,953,043
Committed	10,262	-	-	-	-	10,262
Assigned:						
Retirement	500,000	-	-	-	-	500,000
HSA/HRA	500,000	-	-	-	-	500,000
Unassigned	2,010,901	-	-	-	-	2,010,901
Total Fund Balance	3,027,542	-	-	3,155,785	6,795,226	12,978,553
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 9,867,004	\$ 2,561,978	\$ 1,738,466	\$ 3,353,122	\$ 10,043,720	\$ 27,564,290

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT
 OF NET POSITION
 DECEMBER 31, 2017

Total Fund Balance - Governmental Funds \$ 12,978,553

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

Capital assets, including infrastructure and construction in progress used in governmental activities, are not current financial resources and, therefore, not reported as assets in the governmental funds. 50,603,798

Property taxes receivable will be collected next year but are not considered available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds. 1,137,491

The actuarially accrued net pension asset, deferred outflows of and deferred inflows of resources for pension are not recorded on the fund financial statements. 723,691

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	(467,611)	
	GO bonds/leases	(8,833,553)	
	Accrued interest on bonds	<u>(45,534)</u>	
			<u>(9,346,698)</u>

Total Net Position - Governmental Activities \$ 56,096,835

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Behavioral Health	Children and Youth	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 11,259,811	\$ -	\$ -	\$ -	\$ 1,349,566	\$ 12,609,377
Licenses and permits	40,969	-	-	-	-	40,969
Fines and forfeits	176,187	-	-	-	-	176,187
Intergovernmental	829,769	2,517,554	4,336,164	1,593,384	9,248,417	18,525,288
Charges for service	4,743,641	-	66,715	-	968,363	5,778,719
Interest	29,269	4,626	1,636	14,211	36,078	85,820
Rental income	404,309	-	-	-	19,733	424,042
Donations	8,996	12,161	1,848	-	6,126	29,131
Total revenues	17,492,951	2,534,341	4,406,363	1,607,595	11,628,283	37,669,533
Expenditures:						
General government - administration	5,932,352	-	-	370,462	74,067	6,376,881
General government - judicial	4,704,633	-	-	20,863	719,986	5,445,482
Public safety:						
Corrections	3,752,604	-	-	70,642	-	3,823,246
EMA/911	180,209	-	-	9,628	1,043,356	1,233,193
Public works:						
Highways and bridges	-	-	-	209,893	1,725,793	1,935,686
Sanitation/solid waste	-	-	-	468,121	-	468,121
Airport	65,437	-	-	1,303,214	-	1,368,651
Human Services:						
Child/youth services	-	-	4,428,884	-	-	4,428,884
Drug and alcohol	-	-	-	-	567,251	567,251
Mental health/intellectual disability	-	2,601,616	-	-	-	2,601,616
Other human services	-	-	-	-	1,024,813	1,024,813
Transportation	-	-	-	-	1,232,073	1,232,073
Culture and recreation:						
Parks and recreation	1,770,844	-	-	149,100	303,900	2,223,844
Libraries	-	-	-	-	293,456	293,456
Conservation and economic development:						
Conservation/development	102,590	-	-	-	769,874	872,464
Housing/community development	59,700	-	-	-	838,968	898,668
Economic development	700,595	-	-	-	-	700,595
Tourist promotion	40,662	-	-	-	133,341	174,003
Debt service:						
Debt interest	-	-	-	-	187,686	187,686
Debt principal	86,127	-	-	-	730,000	816,127
Total expenditures	17,395,753	2,601,616	4,428,884	2,601,923	9,644,564	36,672,740
Excess (Deficiency) of Revenues Over Expenditures	97,198	(67,275)	(22,521)	(994,328)	1,983,719	996,793
Other Financing Sources (Uses):						
Transfers in	610,752	159,775	235,982	2,574	608,788	1,617,871
Other sources from sale of assets/ prior period reimbursement	202,427	-	-	-	74,762	277,189
Transfers out	(1,004,544)	(92,500)	(213,461)	-	(307,366)	(1,617,871)
Total other financing sources (uses)	(191,365)	67,275	22,521	2,574	376,184	277,189
Net Change in Fund Balance	(94,167)	-	-	(991,754)	2,359,903	1,273,982
Fund Balance:						
Beginning of year	3,121,709	-	-	4,147,539	4,435,323	11,704,571
End of year	\$ 3,027,542	\$ -	\$ -	\$ 3,155,785	\$ 6,795,226	\$ 12,978,553

The accompanying notes are an integral part of the 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
 FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balance - Governmental Funds \$ 1,273,982

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

	Capital outlays	3,846,072	
	Less: Depreciation expense	<u>(1,634,249)</u>	2,211,823

The governmental funds recorded revenue when it is available and measureable, whereas these revenues are recorded when earned in the statement of activities. This is the difference in revenue recognition between the two methods. (66,785)

The issuance of long-term obligations (e.g., bonds, loans, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 816,127

Governmental funds recognize interest on long-term obligations as an expenditure when it is due and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The change in interest accrued in the statement of activities over the amount due is shown here. 1,215

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

	Proceeds from the sale of capital assets	34,395	
	Gain (loss) on the sale of capital assets	<u>(110,877)</u>	(76,482)

In the statement of activities, certain operating expenses-accumulated employee benefits (pensions, service and buy-back of unused sick days) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. (780,123)

Change in Net Position of Governmental Activities \$ 3,379,757

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues:</u>				
Taxes	\$11,145,678	\$11,145,678	\$ 11,259,811	\$ 114,133
Licenses and permits	35,700	35,700	40,969	5,269
Fines and forfeits	210,000	210,000	176,187	(33,813)
Intergovernmental	722,900	727,334	829,769	102,435
Charges for services	7,421,921	7,441,905	4,743,641	(2,698,264)
Interest	9,500	9,500	29,269	19,769
Rental income	299,295	295,032	404,309	109,277
Donations	5,900	5,900	8,996	3,096
Total revenues	<u>19,850,894</u>	<u>19,871,049</u>	<u>17,492,951</u>	<u>(2,378,098)</u>
<u>Expenditures:</u>				
General government - administration	7,184,039	5,498,967	5,932,352	(433,385)
General government - judicial	3,662,175	4,430,629	4,704,633	(274,004)
Public safety:				
Corrections	3,045,396	3,693,998	3,752,604	(58,606)
EMA/911	101,408	155,508	180,209	(24,701)
Public works:				
Airport	63,600	63,600	65,437	(1,837)
Culture and recreation:				
Parks and recreation	1,433,002	1,643,638	1,770,844	(127,206)
Conservation and economic development:				
Conservation/development	105,058	100,097	102,590	(2,493)
Housing/community development	105,072	105,072	59,700	45,372
Economic development	557,723	665,251	700,595	(35,344)
Tourism	31,899	34,206	40,662	(6,456)
Debt service:				
Debt principal	-	-	86,127	(86,127)
Total expenditures	<u>16,289,372</u>	<u>16,390,966</u>	<u>17,395,753</u>	<u>(1,004,787)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,561,522</u>	<u>3,480,083</u>	<u>97,198</u>	<u>(3,382,885)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers in	505,185	565,400	610,752	45,352
Other sources from sale of assets/prior period reimburse	126,000	219,530	202,427	(17,103)
Transfers out	(4,691,829)	(4,691,829)	(1,004,544)	3,687,285
Total other financing sources (uses)	<u>(4,060,644)</u>	<u>(3,906,899)</u>	<u>(191,365)</u>	<u>3,715,534</u>
Net Change in Fund Balance	<u>\$ (499,122)</u>	<u>\$ (426,816)</u>	<u>\$ (94,167)</u>	<u>\$ 332,649</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

<u>Assets</u>	<u>Employees Pension Plan</u>	<u>Tax Claim Bureau</u>	<u>Escrow Accounts</u>
Cash and cash equivalents	\$ 73,381	\$ 2,380,664	\$ 959,563
Cash investments	1,367,581	-	-
Equity funds	2,569,294	-	-
Common stock equities	12,138,713	-	-
Debt securities	10,792,501	-	-
Due from other funds	35,717	-	1,078
Accounts receivable	100,174	-	-
 Total Assets	 <u>27,077,361</u>	 <u>2,380,664</u>	 <u>960,641</u>
 <u>Liabilities</u>			
Due to other governments	-	2,380,664	879,678
Due to other funds	-	-	80,963
 Total Liabilities	 <u>-</u>	 <u>2,380,664</u>	 <u>960,641</u>
 <u>Net Position</u>			
Restricted for Pension Benefits	<u>\$ 27,077,361</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Additions:	Employees Pension Plan
Contributions:	
Employer	\$ 627,838
Employee	910,192
Total contributions	1,538,030
Investment earnings (loss):	
Net increase in fair value of investments	2,265,958
Interest and dividends	577,455
Net investment earnings (loss)	2,843,413
Total additions	4,381,443
Deductions:	
Pension benefits and refunds paid	1,019,758
Administrative expenses	201,278
Total deductions	1,221,036
Change in Net Position	3,160,407
Net Position Restricted for Pension Benefits:	
Beginning of year	23,916,954
End of year	\$ 27,077,361

The accompanying notes are an integral part of the financial statements.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

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

A. Reporting Entity

The County follows the criteria promulgated by the Governmental Auditing Standards Board ("GASB") Statement No. 61, "*The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*", for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Greene (the "Primary Government") and its Component Units. The County has determined there to be several blended component units.

Blended Component Units

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government, and the individual financial statements may be obtained by contacting the County Controller's Office. The following agencies were reviewed and were determined to be blended component units of the County and are included as other governmental funds:

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

Related Organizations

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

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

Upon review, it was determined that these agencies are either not fiscally dependent on the County, the County does not appoint the majority of the governing board, or are joint ventures in which the County has no equity interest.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., statement of net position, and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which direct expenses of a given function, or segment, are affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1.) Charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2.) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, the proprietary fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liability, rather than as expenditures.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of the year end to be deemed available. Expenditures generally are recorded when a liability is

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The county reports the following major governmental funds:

- The General Fund is the primary government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court system, and health and welfare services.
- The Children and Youth Services Fund is used to account for proceeds of revenue received from various federal, state, and local sources. This fund is restricted for the provisions of the specified social services to eligible recipients.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The Behavioral Health Fund accounts for expenditures and reimbursement of Commonwealth of Pennsylvania Medical Assistance revenue related to the provision of a mandatory Behavioral Health Managed Care Program. The Fund includes expenditures and reimbursement of revenue related to providing treatment services to individuals who suffer from mental disabilities or with drug and alcohol issues.
- The Capital Projects Fund is used to account for financial resources for the acquisition or construction of major capital facilities.

Additionally, the County reports the following fiduciary fund types:

- The Employee's Pension Plan (Plan) is issued to account for the pension plan for the County employees. The Plan is accounted for in essentially the same manner as a proprietary fund, since capital maintenance is critical.
- The Tax Claim Bureau and Escrow Accounts are custodial in nature and do not involve measurement of results of operations. The Escrow Accounts are used to account for cash collected by elected row officers (Register of Wills, Recorder of Deeds, Prothonotary, Sheriff, Clerk of Courts, and District Magistrates) and other County offices that are subsequently disbursed to the County General Fund, other governments, or individuals for whom it was collected.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

Investments of the County are reported at fair value. Investments that do not have an established market value are reported at estimated values.

3. Interfund Transactions

The County affects a variety of transactions between funds to finance operations. Certain interfund transactions have not been paid or received as of December 31, 2017, and appropriate interfund receivables or payables have been established accordingly.

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

4. Capital Assets (Continued)

Capital assets, which include property, plant and equipment, are reported in the governmental activity column in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. The County adopted the provisions of GASB 34 related to infrastructure on the retroactive basis. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the County are depreciated using the straight line method over the following intended useful lives:

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

5. Allowance for Doubtful Accounts

Taxes receivable have been reported net of allowance for doubtful accounts of \$53,581.

6. Long-Term Obligations

In the government-wide financial statements, long-term debts are reported as liabilities in the Statement of Net Position and bond discounts and premiums are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

7. Compensated Absences

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

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

7. Compensated Absences (Continued)

62 years of age. Severance pay is accrued as employees approach service limits. The balances of accrued employee benefits are as follows:

Amount for potential sick day buy-backs non-retirement eligible	\$ 84,200
Amount for sick day buy-backs retirement eligible	58,350
Amount for severance pay	295,000
Amount for compensated absences for non-exempt and union	<u>30,061</u>
 Total Compensated Absences Liability	 <u>\$ 467,611</u>

8. Inventories

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

9. Unearned Revenues

Unearned revenues are reported in the government-wide, enterprise fund, and governmental fund financial statements. Unearned revenues represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 365 days of year end to be available with the exception of property taxes which must be received within 60 days of year end to be deemed available.

10. Deferred Inflows and Outflows of Resources Related to Pensions

The net difference between projected and actual investment earnings, changes in assumptions and the difference between expected and actual experience are recorded as a deferred inflow or outflow of resources related to pensions on the government-wide financial statements. These amounts are determined based on the actuarial valuation performed for the County. The differences noted above are recognized over 5.7 years for deferred outflows of resources related to the net difference between projected and actual investment earnings, 7.7 years for deferred inflows of resources related to the difference between expected and actual experience, and 5.5 years for deferred outflows of resources related to differences between projected and actual investment earnings. Note 8 presents additional information about the Pension Plan.

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

11. Net Position/Fund Balances

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation
 - *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

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

- Non-spendable – This classification consists of accounts that cannot be spent because they are not in spendable form.
- Restricted – This classification consists of amounts that are restricted to specific purposes. The County's restricted fund balances consist of external enabling legislation for the state, federal, or local government.
- Committed – This classification consists of amounts used for specific purposes imposed by formal action of the County's Board of Commissioners. The removal or modification of the use of committed funds can only be accomplished by a formal action of the Commissioners prior to fiscal year end.
- Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The County Commissioners have delegated the authority to assign fund balance for specific purposes to the Chief Clerk and the County Controller.
- Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

11. Net Position/Fund Balances (Continued)

- Fund. The General Fund is the only fund permitted to report a positive unassigned fund balance.

E. Pending Changes in Accounting Principles

In June 2015, the GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The County is required to adopt statement No. 75 for its calendar year 2018 financial statements.

In November 2016, the GASB issued Statement No. 83, "*Certain Asset Retirement Obligations*". The County is required to adopt Statement No. 83 for its fiscal year 2019 financial statements.

In January 2017, the GASB issued Statement No. 84, "*Fiduciary Activities*". The County is required to adopt Statement No. 84 for its fiscal year 2019 financial statements.

In March 2017, the GASB issued Statement No. 85, "*Omnibus 2017*". The County is required to adopt Statement No. 85 for its fiscal year 2018 financial statements.

In May 2017, the GASB issued Statement No. 86, "*Certain Debt Extinguishment Issues*". The County is required to adopt Statement No. 86 for its fiscal year 2018 financial statements.

In June 2017, the GASB issued Statement No. 87, "*Leases*". The County is required to adopt Statement No. 87 for its fiscal year 2020 financial statements.

In April 2018, the GASB issued Statement No. 88, "*Certain Disclosures related to Debt, Including Direct Borrowings and Direct Placements*". The County is required to adopt Statement No. 88 for its fiscal year 2019 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

F. Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 80, "*Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*." The adoption of this statement had no effect on previously reported amounts.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Adoption of Governmental Accounting Standards Board Statements (Continued)

The County adopted the provisions of GASB Statement No. 81, "*Irrevocable Split-Interest Agreements*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 82, "*Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*". The adoption of this statement had no effect on previously reported amounts.

NOTE 2: BUDGETARY DATA

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 and 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 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 then schedules a meeting to discuss the proposed budget with the department heads and row officers.
3. Once the budget staff is satisfied with the department's budget numbers, the budget is presented in preliminary form to the County Board of Commissioners (Commissioners). The County Commissioners can interview department or agency heads to discuss their budgets if deemed necessary.
4. Upon consolidation of the department and agency expenditure projections, the County Commissioners ascertain the most viable method of financing them.
5. Subsequently, the Budget Director assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned County Commissioners' review.
6. By early December, the final budget is presented to the County Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 2: BUDGETARY DATA (CONTINUED)

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.

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

NOTE 3: DEPOSITS AND INVESTMENTS

Governmental Activities

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however they do allow the pooling of governmental funds for investments 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., “*Deposit and Investment Risk Disclosures*”, requires disclosures related to the following deposits and investment risks: credit risks (including custodial credit risk and concentrations of credit risk), and interest rate risk. The following is a description of the County’s deposit and investment risks:

Custodial Credit Risk – The risk that, in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2017, \$1,003,790 of the County’s \$16,153,757 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$15,149,967 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

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Governmental Activities (Continued)

an approved custodian in the institution's name. These deposits have a carrying value of \$15,779,014 as of December 31, 2017 and are classified as cash and cash equivalents in the statement of net position.

The County also has investments of \$1,745,727 invested in certificates of deposit at local financial institutions. These accounts are recorded as an investment on the statement of net position and the governmental funds balance sheet. As of December 31, 2017, \$132,395 of the bank balance of \$1,745,727 was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$1,613,332 was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

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

Agency Funds

The County maintains bank accounts for the elected row officers, other County offices, and tax claim. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$959,563 and the bank balance was \$1,020,712. The carrying amount of deposits for the Tax Claim Bureau was \$2,380,664 and the bank balance was \$2,356,188. The bank balances were not covered by federal depository insurance; however, they were collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and has the collateral held by an approved custodian in the institution's name.

Employees' Pension Plan

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

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

As of December 31, 2017, the County had the following investments in the Plan:

Cash or Investment Type	Investment Maturities (In Years) from December 31, 2017					
	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	11-15 Years	16 or More Years
U.S. Treasuries	\$ 3,059,507	\$ 719,019	\$ 917,470	\$ 986,455	\$ -	\$ 436,563
U.S. Government Agency Obligations	366,498	57	4,133	-	334,227	28,081
Municipal Bonds and Notes	1,338,046	77,471	466,140	715,748	78,687	-
Foreign Bonds	239,511	150,810	88,701	-	-	-
Corporate Bonds	5,788,939	731,051	2,802,698	1,406,531	222,719	625,940
Total debt securities	10,792,501	\$ 1,678,408	\$ 4,279,142	\$ 3,108,734	\$ 635,633	\$ 1,090,584
Cash investments	1,367,581					
Equity funds	2,569,294					
Common stock equities	12,138,713					
Total cash investments, and other investments	16,075,588					
Total cash, cash equivalents, and investments reported on statement of net position	\$ 26,868,089					

The County's categorize its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County's Plan has the following recurring fair value measurements at December 31, 2017:

Investments by Fair Value Level:	December 31, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 3,059,507	\$ 3,059,507	\$ -	\$ -
U.S. Government Agency Obligations	366,498	366,498	-	-
Municipal Bonds and Notes	1,338,046	1,338,046	-	-
Foreign Bonds	239,511	239,511	-	-
Corporate Bonds	5,788,939	5,788,939	-	-
Equity Funds	2,569,294	2,569,294	-	-
Common Stock	12,138,713	12,138,713	-	-
Cash investments	1,367,581	1,367,581	-	-
Total investments measured at fair value	\$ 26,868,089	\$ 26,868,089	\$ -	\$ -

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

The following is a description of the Plan deposit and investment risks:

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Plan has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2017, the Plan investments in fixed income bonds have received the following ratings from Standard & Poor's:

Credit Quality Distribution for Securities with Credit Exposure		
Investment Type	Rating	Percentage of Total Plan Debt Securities
Municipal Bonds	AAA	3.56%
Municipal Bonds	AA+	1.41%
Municipal Bonds	AA	6.67%
Municipal Bonds	A+	1.02%
Municipal Bonds	A	2.43%
Municipal Bonds	A-	0.78%
Municipal Bonds	BBB+	1.43%
Government Agencies	AA+	4.32%
Government Agencies	Unrated	0.42%
Foreign Bonds	BBB	1.80%
Foreign Bonds	Unrated	1.30%
Corporate Bonds	AAA	1.61%
Corporate Bonds	AA+	3.98%
Corporate Bonds	AA-	1.34%
Corporate Bonds	A+	7.21%
Corporate Bonds	A	11.99%
Corporate Bonds	A-	16.31%
Corporate Bonds	BBB+	13.26%
Corporate Bonds	BBB	9.77%
Corporate Bonds	BBB-	6.53%
Corporate Bonds	BB+	1.39%
Corporate Bonds	B+	1.34%
Corporate Bonds	Unrated	0.13%
		100.00%

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Plan will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The Plan does not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2017, the County's entire pension investment balance was exposed to custodial credit risk.

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Employees' Pension Plan (Continued)

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

Interest Rate Risk – The Plan does not have a formal deposit or investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 4: REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on April 1. Taxes paid through May 31 are given a 2% discount. Amounts paid after July 31 are assessed a 10% penalty. The assessed value, upon which the 2017 levy was based, was \$1,574,816,754. The tax rate to finance General Government Services, Debt Services, and Library Services for the year ended December 31, 2017 was 6.77 mills, 0.695 mills, and .07 mills, respectively.

NOTE 5: REAL ESTATE TAXES RECEIVABLE

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

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

The General Fund taxes receivable balance is calculated as follows:

<u>Year Tax Levied</u>	<u>Amount of Unpaid Tax</u>	<u>Percentage of Tax Believed to be Uncollectible</u>	<u>Taxes Receivable Net of Allowance for Uncollectible</u>
1943-2011	\$ 256,194	20.0%	\$ 204,955
2012-2014	100,203	1.0%	99,201
2015-2016	446,707	0.3%	445,367
2017	<u>764,035</u>	0.0%	<u>764,035</u>
	<u>\$ 1,567,139</u>		<u>\$ 1,513,558</u>

NOTE 6: DUE FROM OTHER GOVERNMENTS

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

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: CAPITAL ASSETS

The following table illustrates the changes in capital assets as they have occurred during 2017:

	Balance at January 1, 2017	Additions	Deletions	Balance at December 31, 2017
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 2,459,894	\$ -	\$ -	\$ 2,459,894
Construction in progress	8,097,820	3,555,579	2,082,522	9,570,877
Total capital assets not being depreciated	<u>10,557,714</u>	<u>3,555,579</u>	<u>2,082,522</u>	<u>12,030,771</u>
Capital assets being depreciated:				
Buildings and improvements	21,695,584	25,736	-	21,721,320
Vehicles	2,210,467	90,054	273,497	2,027,024
Furniture and equipment	4,400,507	174,703	-	4,575,210
Infrastructure assets	24,997,201	2,082,522	-	27,079,723
Total capital assets being depreciated	<u>53,303,759</u>	<u>2,373,015</u>	<u>273,497</u>	<u>55,403,277</u>
Less accumulated depreciation for:				
Buildings and improvements	7,815,728	565,932	-	8,381,660
Vehicles	913,986	178,237	197,005	895,218
Furniture and equipment	2,612,069	515,102	-	3,127,171
Infrastructure assets	4,051,223	374,978	-	4,426,201
Total accumulated depreciation	<u>15,393,006</u>	<u>1,634,249</u>	<u>197,005</u>	<u>16,830,250</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>37,910,753</u>	<u>738,766</u>	<u>76,492</u>	<u>38,573,027</u>
Governmental capital assets, net	<u>\$ 48,468,467</u>	<u>\$ 4,294,345</u>	<u>\$ 2,159,014</u>	<u>\$ 50,603,798</u>

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 7: CAPITAL ASSETS (CONTINUED)

Included in equipment above is \$447,649 of assets purchased under a capital lease. These assets have a net value of \$278,553.

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

<u>Governmental Activities:</u>	
General government	\$ 322,173
Public safety	353,301
Public works	439,944
Human services	123,359
Culture and recreation	251,940
Community and economic development	6,185
Unallocated depreciation	<u>137,356</u>
Total depreciation expense - governmental activities	 <u>\$ 1,634,258</u>

NOTE 8: PENSION PLAN

Plan Description

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

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

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

At December 31, 2017, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	114
Inactive plan members entitled to but not yet receiving benefits	20
Active plan members	<u>279</u>
Total plan members	<u><u>413</u></u>

Summary of Significant Accounting Policies

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

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 8: PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies (Continued)

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

Benefits Provided

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

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

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

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

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

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 8: PENSION PLAN (CONTINUED)

Contributions and Funding Policy

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

As a condition of participation, employees are to currently contribute 7% of their salary as stipulated in the Plan. Interest is credited to employee accounts each year at the annual rate of 4.5% as voted upon by the Board. Employees who terminate prior to retirement eligibility receive their accumulated member contributions plus credited interest through the date of termination. The rate was 4.0% through December 31, 1995, 5.0% through December 31, 1997, and 5.5% through December 31, 2008. The rate became 4.5% starting January 1, 2009.

The County's actuarially determined contribution to the Plan for 2017 was \$627,838, which was also the County's contribution.

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2017 were as follows:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances as of December 31, 2016	\$ 24,069,588	\$ 23,916,954	\$ 152,634
Changes for the year:			
Service cost	1,449,454	-	1,449,454
Interest	1,873,415	-	1,873,415
Changes in benefit terms	203,237	-	203,237
Differences between expected and actual	440,622	-	440,622
Contributions - employer	-	627,838	(627,838)
Contributions - employee	-	910,192	(910,192)
Net investment income (loss)	-	2,843,413	(2,843,413)
Benefit payments, including refunds	(1,019,758)	(1,019,758)	-
Administrative expense	-	(201,278)	201,278
Net Changes	<u>2,946,970</u>	<u>3,160,407</u>	<u>(213,437)</u>
Balances at December 31, 2017	<u>\$ 27,016,558</u>	<u>\$ 27,077,361</u>	<u>\$ (60,803)</u>
Plan fiduciary net position as a percentage of the total pension liability			<u>100.23%</u>

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 8: PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset) (Continued)

Actuarial Assumptions – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2017, and rolled forward to December 31, 2017, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial assumptions:

Investment rate of return	7.5%
Projected salary increases	4.5%
Underlying inflation rate	3.0%

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

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

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

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

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan target asset allocation as of December 31, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40% - 60%
International equity	Included in above
Fixed income	35% - 55%
Real estate/Alternative	0%
Cash	0% - 10%

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2017, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 11.80%.

Concentrations – The Plan had no individual investments in excess of 5% of the Plan's fiduciary net position at December 31, 2017.

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 8: PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset) (Continued)

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	\$ 2,991,625	\$ (60,803)	\$ (2,185,890)

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

For the year ended December 31, 2017, the County recognized pension expense of approximately \$1,336,379. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

<u>Deferred Outflows of Resources:</u>	
Differences between expected and actual experience	\$ 644,484
Net difference between projected and actual earnings on pension plan investments	857,762
Total deferred outflows of resources	\$ 1,502,246
 <u>Deferred Inflows of Resources:</u>	
Differences between expected and actual experience	\$ 7,974
Net difference between projected and actual earnings on pension plan investments	831,384
Total deferred inflows of resources	\$ 839,358

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 8: PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)

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

Year ending December 31,

2018	\$ 356,401
2019	356,399
2020	(18,526)
2021	(77,407)
2022	<u>46,021</u>
Total	<u>\$ 662,888</u>

NOTE 9: 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.

NOTE 10: LONG-TERM DEBT OBLIGATIONS

The changes in long-term obligations payable during the year ended December 31, 2017 are as follows:

	<u>At December 31, 2016</u>	<u>Repayments</u>	<u>At December 31, 2017</u>	<u>Due Within One Year</u>
G. O. Bond 2014	\$ 3,505,000	\$ (725,000)	\$ 2,780,000	\$ 750,000
G. O. Bond 2016	5,780,000	(5,000)	5,775,000	5,000
Capital Lease	<u>364,680</u>	<u>(86,127)</u>	<u>278,553</u>	<u>89,405</u>
	<u>\$ 9,649,680</u>	<u>\$ (816,127)</u>	<u>\$ 8,833,553</u>	<u>\$ 844,405</u>

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED)

General Obligation Bonds

During January 2014, the County issued \$5,400,000 in General Obligation Bonds to currently refund the 2008 series bond issuance. Interest payments are payable semi-annually on January 15 and July 15, with rates ranging from .32% to 2.40%.

Year Ending December 31,	Principal Amount	Interest Amount	Total
2018	\$ 750,000	\$ 50,920	\$ 800,920
2019	755,000	35,870	790,870
2020	760,000	20,340	780,340
2021	515,000	6,180	521,180
Total	<u>\$ 2,780,000</u>	<u>\$ 113,310</u>	<u>\$ 2,893,310</u>

During February 2016, the County issued \$5,780,000 in General Obligation Bonds to currently refund the 2011 series bond issuance. Interest payments are payable semi-annually on January 15, and July 15 with rates ranging from 1.00% to 2.375%. The cash flow savings and economic gain approximated \$370,000.

Year Ending December 31,	Principal Amount	Interest Amount	Total
2018	\$ 5,000	\$ 121,963	\$ 126,963
2019	85,000	121,081	206,081
2020	110,000	119,131	229,131
2021	380,000	114,231	494,231
2022	915,000	101,281	1,016,281
2023-2027	4,280,000	216,965	4,496,965
Total	<u>\$ 5,775,000</u>	<u>\$ 794,652</u>	<u>\$ 6,569,652</u>

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

Year Ending December 31,	Principal Amount	Interest Amount	Total
2018	\$ 755,000	\$ 172,883	\$ 927,883
2019	840,000	156,951	996,951
2020	870,000	139,471	1,009,471
2021	895,000	120,411	1,015,411
2022	915,000	101,281	1,016,281
2023-2027	4,280,000	216,965	4,496,965
Total	<u>\$ 8,555,000</u>	<u>\$ 907,962</u>	<u>\$ 9,462,962</u>

COUNTY OF GREENE, PENNSYLVANIA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 10: LONG-TERM DEBT OBLIGATIONS (CONTINUED)

Capital Lease

During 2016, the County entered into a lease with Ford Business Machines in the amount of \$447,649 with an interest rate of 3.74% for a period of 60 months for copiers. The payments on the lease are due as follows:

Year Ending December 31,	Principal Amount	Interest Amount	Total
2018	\$ 89,405	\$ 8,899	\$ 98,304
2019	92,808	5,496	98,304
2020	96,340	1,964	98,304
Total	<u>\$ 278,553</u>	<u>\$ 16,359</u>	<u>\$ 294,912</u>

NOTE 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.

NOTE 12: RISK MANAGEMENT

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

NOTE 13: EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended December 31, 2017, the General Fund's total expenditures exceeded total appropriations by \$1,004,787. Fewer transfers out in the current year provide the funds for those over-expenditures.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 14: FUND BALANCE

Under GASB 54, fund balances are recorded as non-spendable, restricted, committed, assigned, and unassigned. The following restrictions are included in the fund financial statements:

<u>Fund</u>	<u>Fund Balance</u>	<u>Amount</u>
Major Funds:		
General Fund	Non-spendable:	
	These amounts are prepaid expenses.	\$ 4,347
	Restricted Funds:	
	These funds are restricted for the Slater Poor Fund.	2,032
	Committed Funds	
	These funds are committed for HRA expenses.	10,262
	Assigned Funds	
	These funds are assigned for retirement.	500,000
	These funds are assigned for 2019 HSA/HRA.	500,000
	Capital Projects	Restricted Funds:
	These funds are restricted for capital projects.	3,155,785
Non-Major Funds:		
Special Revenue Funds	Restricted Funds:	
	These funds are restricted within the departments of General Government	264,583
	These funds are restricted within the community and economic development programs.	3,070,884
	These funds are restricted within public safety programs.	943,291
	These funds are restricted within human services programs.	9,855
	These funds are restricted within culture and recreation programs.	401,395
	These funds are restricted with public works programs.	776,850
Debt Service	Restricted Funds:	
	These amounts are restricted for debt service.	1,328,368

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF GREENE, PENNSYLVANIA
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 YEARS ENDED DECEMBER 31
 LAST TEN YEARS*

	2014	2015	2016	2017
Total Pension Liability:				
Service cost	\$ 1,148,481	\$ 1,214,584	\$ 1,286,496	\$ 1,449,454
Interest	1,397,336	1,527,102	1,688,060	1,873,415
Changes of benefit terms	-	-	-	203,237
Differences between expected and actual experience	86,973	(13,065)	435,273	440,622
Benefit payments, including refunds of member contributions	<u>(604,441)</u>	<u>(1,099,066)</u>	<u>(1,055,203)</u>	<u>(1,019,758)</u>
Net Changes in Total Pension Liability	2,028,349	1,629,555	2,354,626	2,946,970
Total Pension Liability - Beginning	<u>18,057,058</u>	<u>20,085,407</u>	<u>21,714,962</u>	<u>24,069,588</u>
Total Pension Liability - Ending (a)	<u>\$ 20,085,407</u>	<u>\$ 21,714,962</u>	<u>\$ 24,069,588</u>	<u>\$ 27,016,558</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 550,000	\$ 329,082	\$ 385,000	\$ 627,838
Contributions - member	716,276	758,236	840,823	910,192
Other income	-	-	2,698	-
Net investment income	1,473,162	(173,374)	1,497,491	2,843,413
Benefit payments, including refunds of member contributions	(604,441)	(1,099,066)	(1,055,203)	(1,019,758)
Administrative expense	<u>(172,137)</u>	<u>(171,005)</u>	<u>(170,793)</u>	<u>(201,278)</u>
Net Change in Plan Fiduciary Net Position	1,962,860	(356,127)	1,500,016	3,160,407
Plan Fiduciary Net Position - Beginning	<u>20,810,205</u>	<u>22,773,065</u>	<u>22,416,938</u>	<u>23,916,954</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,773,065</u>	<u>\$ 22,416,938</u>	<u>\$ 23,916,954</u>	<u>\$ 27,077,361</u>
Net Pension Liability (Asset) - Ending (a-b)	<u>\$ (2,687,658)</u>	<u>\$ (701,976)</u>	<u>\$ 152,634</u>	<u>\$ (60,803)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.38%	103.23%	99.37%	100.23%
Covered Employee Payroll	\$ 9,905,909	\$ 10,525,102	\$ 11,079,081	\$ 11,735,781
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-27.13%	-6.67%	1.38%	-0.52%

*Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

COUNTY OF GREENE, PENNSYLVANIA
 SCHEDULE OF PLAN CONTRIBUTIONS AND INVESTMENT RETURNS
 YEARS ENDED DECEMBER 31
 LAST TEN YEARS*

Schedule of Contributions	2014	2015	2016	2017
Actuarially determined contribution	\$ 299,640	\$ 329,082	\$ 460,892	\$ 627,838
Contributions in relation to the actuarially determined contribution	<u>550,000</u>	<u>329,082</u>	<u>385,000</u>	<u>627,838</u>
Contribution deficiency (excess)	<u>\$ (250,360)</u>	<u>\$ -</u>	<u>\$ 75,892</u>	<u>\$ -</u>
Covered employee payroll	\$ 9,905,909	\$ 10,525,102	\$ 11,079,081	\$ 11,735,781
Contributions as a percentage of covered employee payroll	5.55%	3.13%	3.48%	5.35%
<u>Investment Returns</u>				
Annual money-weighted rate of return, net of investment expense	6.45%	-1.79%	6.69%	11.80%

*Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

COUNTY OF GREENE, PENNSYLVANIA
NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2017

Actuarial Methods and Assumptions Used in Determining the Actuarially Determined Contribution

Actuarial valuation date	1/1/2017
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Asset method prescribed by Pennsylvania State Law, Act 44
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuity Mortality Table for males and females with no projected improvement

Benefit Changes

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

Change in Actuarial Assumptions

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