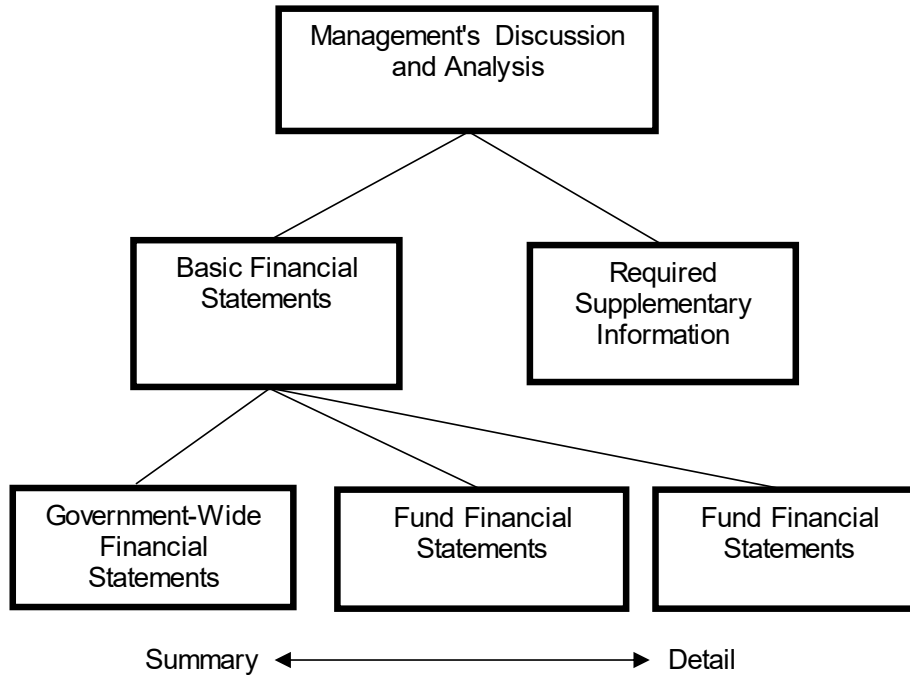


COUNTY OF GREENE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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REQUIRED COMPONENTS OF THE FINANCIAL STATEMENTS



The first two statements are government-wide financial statements that provide information about the County's overall financial status. 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:

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

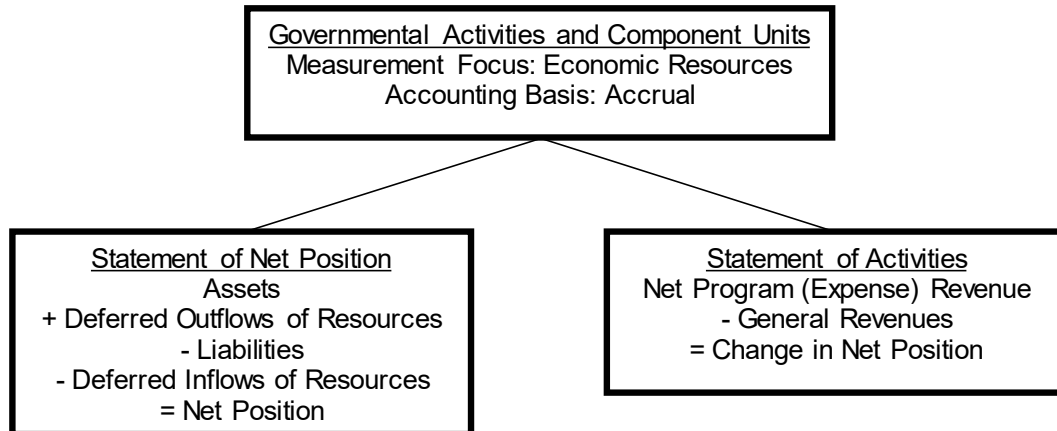
The financial statements also include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements as well as required supplementary information regarding the County's budget. In addition to these required 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.

COUNTY OF GREENE, PENNSYLVANIA
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GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The primary features are reflected in the following diagram.



The Statement of Net Position includes all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, except fiduciary funds, with the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources reported as net position. 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 position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not generated by a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual method of accounting, which requires that revenues be supported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

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

The County's government-wide financials include the County's basic services, segregated by type. General government activity is comprised of both administrative and judicial functions. This differs from the fund statements presentation, which presents administrative government as general government, and judicial government is presented separately. On the next page, four years are shown for comparative purposes.

COUNTY OF GREENE, PENNSYLVANIA
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Statement of Net Position

	Governmental Activities			
	2017	2016	2015	2014
Assets:				
Current and Other Assets	\$22,705,534	\$21,838,415	\$22,951,148	\$19,168,702
Capital Assets	50,603,798	48,468,466	45,455,081	42,867,697
Total Assets	73,309,332	70,306,881	68,406,229	62,036,399
Deferred Outflows of Resources:				
Pension	1,502,246	1,627,568	2,158,388	-
Liabilities:				
Current Liabilities	9,418,626	9,792,453	7,929,337	6,272,672
Other Liabilities	8,456,759	9,415,247	9,741,422	10,702,240
Total Liabilities	17,875,385	19,207,700	17,670,759	16,974,912
Deferred Inflows of Resources:				
Pension	839,358	9,671	-	-
Net Position:				
Net Investment in Capital Assets	41,770,245	38,818,786	35,713,659	32,165,456
Restricted	9,953,043	4,160,427	4,174,089	4,931,683
Unrestricted	4,373,547	9,737,865	13,006,110	7,964,348
Total Net Position	\$56,096,835	\$52,717,078	\$52,893,858	\$45,061,487

The County owns approximately \$50.6 million in capital assets and the County debt directly related to these assets is \$8.8 million. The difference of \$41.8 million is the equity the County has in those assets. The chart below shows that for every dollar of debt the County has, it has \$5.73 of assets to match it. The Asset-to-Debt ratio shows a very positive increase in 2017, following another positive increase in 2016. The County's assets and liabilities increased at approximately the same rate, while unrestricted net position decreased.

	2017	2016	2015	2014
Asset-to-Debt Ratios	573%	502%	467%	401%

In the above statement, Deferred Outflows (Inflows) of Resources is defined as a consumption (acquisition) of net assets by the government that is applicable to a future reporting period and reflects the differences between projected and actual earnings on the County's pension plan investments. This will be covered in more detail in the section on Fiduciary funds.

The County's liabilities fall into two categories: long-term and short-term. Our long-term liabilities are the 2016 and 2014 bonds. A specified portion of the collected taxes are paid into funds each year to make the payments on these bonds. The full schedule of bonds can be seen in the notes accompanying the financial statements.

	2017	2016	2015	2014
Asset-to-Liability Ratios	410%	365%	387%	365%

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The short-term liabilities, generally speaking, can be divided into two categories: money the County has received for specific purpose, but not yet spent; and money the County owes, but has not yet paid out. The first category, *Unearned Revenue*, remained fairly consistent, with an increase of only 4.4% in 2017. The second category primarily consist of *Accounts Payable*. The chart below reflects the accounts payable levels over the past four years. The County has refined its payment terms to Net 28 and makes timely payments on all bill payments.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Accounts Payable	\$1,664,797	\$2,366,755	\$2,939,327	\$2,396,188

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

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

1. In the simplest terms, the Statement of Net Position shows what the County has in cash and the value of the properties it owns, what the County owes, and the difference between those two numbers. As an analogy, a person has their cash in the bank, their car and house, but they also have bills, a car loan, and a mortgage to pay. If the County were a person, he would have over four times more money in the bank than bills and loans to pay, and his house would be worth over five and a half times what was left to pay on the mortgage.
2. Greene County's asset-to-liability ratio is 4.10:1. This means that for every \$1 owed, we hold \$4.10 in cash or assets.
3. The County's asset-to-debt ratio is 5.73:1, which again means that for every \$1 of debt we have, we hold \$5.73 in assets.

These ratios are exceptional and have remained stable, or increased positively, over several years.

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COUNTY OF GREENE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Statement of Activities

When the benefit of a service provided by the County goes to an individual or a corporation, the county charges a fee to the individual (fines are also included in this same line item) and this is known as program revenue. The Statement of Activities requires program revenue, and any operating or capital grants and contributions, to be associated with the major department that generated the revenue and also shows separately stated general revenues. Expenses for the departments are shown as well and this statement therefore shows what parts of County government are being funded with tax dollars and what parts are funded by user fees and grants. The statement below is condensed to allow comparative year data to be shown.

Functions/Programs	2017			2016		
	Expenses	Program Revenues	General Revenue Required (Provided)	Expenses	Program Revenues	General Revenue Required (Provided)
Primary government:						
Governmental activities:						
General government	\$ 12,079,357	\$ 4,202,496	\$ (7,876,861)	\$ 11,781,824	\$ 6,222,160	\$ (5,559,664)
Public safety	5,388,093	3,036,350	(2,351,743)	5,100,358	1,185,006	(3,915,352)
Public works	975,902	2,881,598	1,905,696	788,548	1,569,817	781,269
Human services	10,088,718	10,644,623	555,905	9,513,311	8,497,633	(1,015,678)
Culture and recreation	2,878,090	937,252	(1,940,838)	2,747,209	1,017,501	(1,729,708)
Conservation and econ dev	2,689,719	3,010,568	320,849	3,220,301	1,480,384	(1,739,917)
Unallocated depreciation	137,356	-	(137,356)	150,325	-	(150,325)
Interest and amortization	186,462	-	(186,462)	215,413	-	(215,413)
Total activities	\$ 34,423,697	\$ 24,712,887	\$ (9,710,810)	\$ 33,517,289	\$ 19,972,501	\$ (13,544,788)
General Revenues:						
Property taxes, levied for general purposes			11,199,469			11,467,031
Property taxes, levied for debt service			1,072,303			1,098,420
Property taxes, levied for library expenditures			108,226			111,300
Interest			85,820			65,305
Rental income			424,042			379,141
Gain (loss) on sale of assets			(76,482)			(190,830)
Reimbursement of prior period expenditures			277,189			437,641
Total general revenues			13,090,567			13,368,008
Change in Net Position			3,379,757			(176,780)
Net Position:						
Beginning of year			52,717,078			52,893,858
End of year			<u>\$ 56,096,835</u>			<u>\$ 52,717,078</u>

The Statement of Activities shows that the County supported its operations with \$13 million in general revenues, of which \$12.4 million was general tax revenue. Tax revenues (not rates) and program revenues decreased slightly, while expenses increased overall though some areas did have decreases. It is important to note that Act 13 funds are considered program revenue, not tax revenue, and therefore, as the County focuses those resources in different departments over the years, large swings in the program revenue can occur.

COUNTY OF GREENE, PENNSYLVANIA
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Program Revenue Source	2017	2016	2015
Charges for Services	\$ 6,158,468	\$ 5,464,798	\$ 7,093,042
Grants and Contributions	14,431,518	14,172,218	11,689,643
Capital Grants and Contributions	4,122,901	335,485	3,286,282
Total Program Revenue	<u>\$ 24,712,887</u>	<u>\$ 19,972,501</u>	<u>\$ 22,068,967</u>

As the above chart shows, revenue streams have been unstable over the last few years. The County has been able to normalize its cash flows with the revenue received from Act 13 (Unconventional Gas Well Impact Fees) revenue. Generally, the County has seen a steady increase in its net for position over the long term, and in 2017, we have experienced an increase of 6%.

Changes in	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position	6%	0%	12%	11%	11%	11%	0%	7%

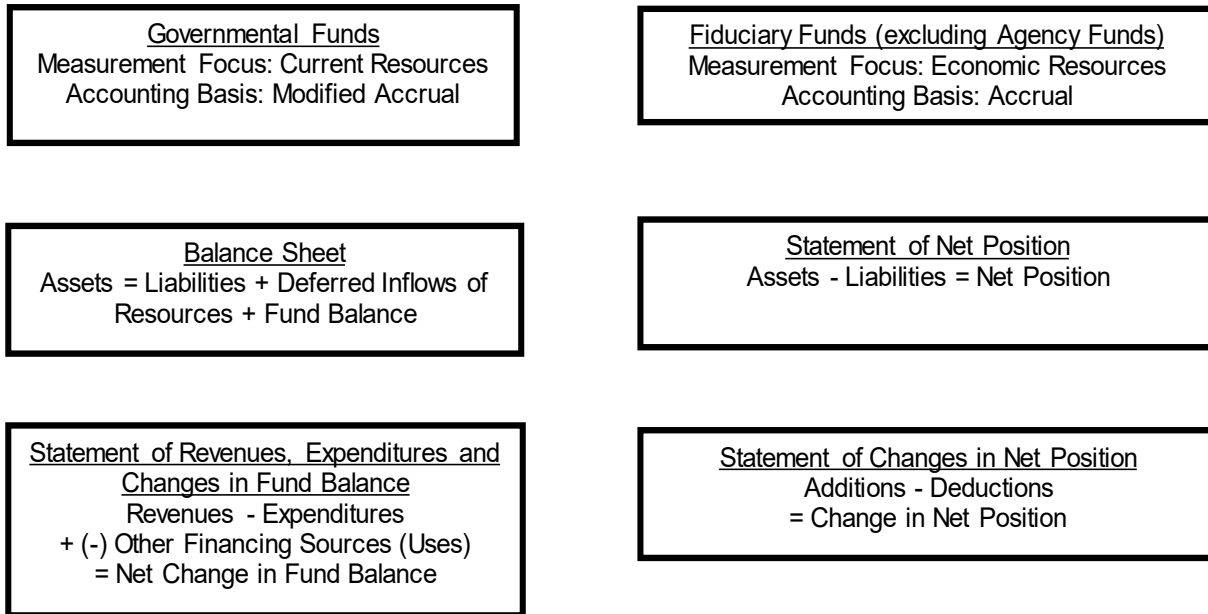
FUND FINANCIAL STATEMENTS

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:

1. *Governmental funds* – The County's basic services are included in governmental funds, which focus on: (1) the in and out flow of cash and other financial assets that can be readily converted into cash, and; (2) the balance left at year-end that is available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance County programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follow 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, reflected 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.
2. *Fiduciary funds* – The County is the trustee, or fiduciary, for the Employee's Retirement System. In addition, the County is also responsible for certain agency funds, which are clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance operations.

COUNTY OF GREENE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following diagram presents the major features of the fund financial statements, including the information contained therein.



Governmental Funds

Greene County has four funds this year that are considered *Major* funds for the purpose of GASB #34 reporting; the General Fund, Capital Projects Fund, Children and Youth Services Fund, and the Behavioral Health Fund. There are 23 *other* funds that make up the "Other Governmental Funds" on the Governmental Funds Balance Sheet and Statement of Revenue and Expenditures.

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COUNTY OF GREENE, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Major Funds Balance Sheet

The following statement is the major funds balance sheet in its entirety. The General Fund is the primary fund for the County as a whole; it is the fund where property taxes are reported and where most of the non-human services/capital expenditures are recorded.

Assets	General Fund	Behavioral Health	Children and Youth	Capital Projects
Cash and cash equivalents	\$4,468,647	\$1,665,682	\$ 62,216	\$2,024,402
Investments	-	-	-	1,311,846
Due from other funds	3,159,921	824,043	3,254	15,074
Due from other governments	570,438	71,253	1,656,158	-
Taxes receivable	1,513,558	-	-	-
Accounts receivable	150,093	1,000	1,953	1,800
Other assets	4,347	-	14,885	-
Total Assets	<u>\$9,867,004</u>	<u>\$2,561,978</u>	<u>\$1,738,466</u>	<u>\$3,353,122</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts Payable	\$ 454,910	\$ 463,703	\$ 454,165	\$ -
Accrued liabilities and withholdings	717,922	-	-	-
Due to other funds	461,803	1,069,212	1,109,286	197,337
Due to other governments	4,649	-	-	-
Unearned revenue	4,062,687	1,029,063	175,015	-
Total Liabilities	<u>5,701,971</u>	<u>2,561,978</u>	<u>1,738,466</u>	<u>197,337</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	1,137,491	-	-	-
Fund Balance:				
Non-spendable	4,347	-	-	-
Restricted	2,032	-	-	3,155,785
Committed	10,262	-	-	-
Assigned:	-	-	-	-
Retirement	500,000	-	-	-
HSA/HRA	500,000	-	-	-
Unassigned	2,010,901	-	-	-
Total Fund Balance	<u>3,027,542</u>	<u>-</u>	<u>-</u>	<u>3,155,785</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$9,867,004</u>	<u>\$2,561,978</u>	<u>\$1,738,466</u>	<u>\$3,353,122</u>

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The General Fund balance sheet shows the cash available at the end of 2017 for operations in the unassigned fund balance of \$2 million. This fund balance allows County operations 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 and regulate cash flow. The fund balance is also used to cushion accounts receivable and *due from* when the state or federal government is low to reimburse the County for expenditures.

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

The General Fund total fund balance remained relatively stable, and only decreased in 2017 by \$94,164. As will be noted in the Budget section of this report, when Act 13 revenue is brought into the General Fund and either spent or deferred into the following year, large swings in Assets, Liabilities, Revenues, Expenses, and the budget occur. The County is moving to correct this by bringing Act 13 revenue into the Capital Projects fund in the future. The intent of the Act 13 Impact Fee is to address impacts to the County with respect to the Marcellus Shale drilling industry and to do that the County must spend this revenue. In previous years we were not able to spend more than we brought in, but in 2017 and 2016 the County did indeed spend more of the Impact Fee than we received in both the General Fund and Capital Projects fund.

As was noted above, the General Fund balance is used in part to regulate cash flow. This can be seen in the *due from other funds* line for the General Fund, which directly correlates to the *due to other funds* for the 27 other County funds (4 major, 23 other).

The Capital Projects Fund remained on the major funds list for 2017, as assets decreased by \$1,282,192, and fund balance decreased by \$991,754.

The Behavioral Health Fund and the Children and Youth Fund show no fund balance as, by law, it cannot “carry” funds from one year to the next. Unspent monies are not sent back to the issuing agency, but are instead shown as unearned revenue.

Revenue, Expenditures, and Changes in Fund Balance (R&E)

This statement below is a condensed version of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances for 2017. This statement shows the four major funds, what revenues they generated, what expenditures were incurred, any other activity, and then the change in fund balance from the previous year.

The General Fund

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

The sixth allocation of monies generated by Act 13 was in the amount of \$3,794,373. This money was earmarked for Emergency Management upgrades within the County (\$48,000), Environmental and Recreation (\$947,000), Law & Order Services (\$1,700,000), Infrastructure (\$79,373) and the delivery of Human Services (\$1,020,000).

A portion was transferred out to the Capital Projects fund (amount earmarked for infrastructure). The remaining balance was then deferred for projects within the General Fund for 2018. While revenue decreased slightly in the General Fund from 2016 to 2017, expenditures increased 2%, with the biggest increase in the judicial expense category.

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	General Fund	Behavioral Health	Children and Youth	Capital Projects
<u>Revenues:</u>				
Taxes	\$ 11,259,811	\$ -	\$ -	\$ -
Intergovernmental	829,769	2,517,554	4,336,164	1,593,384
Charges for service, fines, & permits	4,960,797	-	66,715	-
Interest	29,269	4,626	1,636	14,211
Rental income	404,309	-	-	-
Donations	8,996	12,161	1,848	-
Total revenues	<u>17,492,951</u>	<u>2,534,341</u>	<u>4,406,363</u>	<u>1,607,595</u>
<u>Expenditures:</u>				
Administration	5,932,352	-	-	370,462
Judicial	4,704,633	-	-	20,863
Public safety	3,932,813	-	-	80,270
Public works	65,437	-	-	1,981,228
Human services	-	2,601,616	4,428,884	-
Culture & recreation	1,770,844	-	-	149,100
Conservation & economic development	903,547	-	-	-
Debt service	86,127	-	-	-
Total expenditures	<u>17,395,753</u>	<u>2,601,616</u>	<u>4,428,884</u>	<u>2,601,923</u>
Excess (Deficiency) of Revenues Over Expenditures	97,198	(67,275)	(22,521)	(994,328)
<u>Other Financing Sources (Uses):</u>				
Transfers in	610,752	159,775	235,982	2,574
Other sources from sale of assets/ prior period reimbursement	202,427	-	235,982	-
Transfers out	(1,004,544)	(92,500)	(213,461)	-
Total other financing sources (uses)	<u>(191,365)</u>	<u>67,275</u>	<u>258,503</u>	<u>2,574</u>
Net Change in Fund Balance	(94,167)	-	235,982	(991,754)
Beginning of year	3,121,709	-	-	4,147,539
End of year	<u>\$ 3,027,542</u>	<u>\$ -</u>	<u>\$ 235,982</u>	<u>\$ 3,155,785</u>

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

The calculation of the fund balance decrease is shown at the bottom of this statement and is then carried over to the Balance Sheet. For 2017, the fund balance decreased \$94,167 for the General Fund and \$991,754 for the Capital Projects Fund. While the Balance Sheet tells us what the fund balance is at the end of the year, the Revenue and Expense Statement tells us where the money was spent, and who paid for it.

COUNTY OF GREENE, PENNSYLVANIA
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Behavioral Health & Children and Youth Services Funds

These funds cover the Mental Health and Intellectual & Developmental Disabilities programs and the Children and Youth Services program. The revenue section shows that the majority of the funding for these programs comes from state and federal sources. Expenditures basically match revenue and, as noted above in the Balance Sheet section, these funds are not allowed to show a fund balance, i.e., they have no "equity", only money that they are given to spend that they may have not spent in the current year. The *other financing sources (uses)* section of this statement shows the County contribution to these programs (*transfers in*) and the reimbursement from the programs to the County for services (*transfers out*).

The Capital Projects Fund and ACT 13 Impact Fee Projects

Expenditures from the Capital Projects Fund include Act 13 funds from all 5 annual allocations the County has received to date. Expenses under *Administration* in the amount of \$370,462, are mainly related to renovations of County buildings, IT, HR, GIS, and Records Management upgrades as well as other smaller projects.

Projects under *Judicial* in the amounts of \$20,863, included upgrades for the Courthouse.

Public Safety projects in the amount of \$80,270 included upgrades to the County prison, and new radios for the Sheriff's Department.

Public Works projects in the amount of \$1,981,228 consisted primarily of renovations at the Greene County Airport and County Bridges.

Culture and Recreation contains \$149,100 for upgrades to the fairgrounds, as well as a recreational bike trail drainage survey.

Many Act 13 projects are ongoing and cross over fiscal years. Unlike the General Fund, the Capital Projects Fund is a multi-year fund and does not "close out" at the end of the year. There are no deferred revenues with respect to Act 13 (through there are deferred revenues with respect to the grants) and the budget does not end until that money is spent or all the grant projects are complete.

With this in mind, the *fund balance* for the Capital Projects Fund simply reflects the remaining Act 13 money and grant funds at the end of the year. For the year ending 2017, that amount is \$3,155,785. The budget for each project is tracked by the County on an ongoing basis.

Other Governmental Funds

The 24 funds that make up this group are not shown on the above statements and are too numerous to list and discuss. Activity for all these funds can be seen in the accompanying financial statements and the notes to those statements.

Fiduciary Funds

The County reports three Fiduciary Funds. These Funds are holding accounts – they contain money that is being held, but not owned by, the County. At the end of the year, the assets will equal the liabilities.

COUNTY OF GREENE, PENNSYLVANIA
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Assets	Employees Pension Plan	Tax Claim Bureau	Escrow Accounts
Cash and cash equivalents	\$ 73,381	\$ 2,380,664	\$ 959,563
Investments	26,868,089	-	-
Due from other funds	35,717	-	1,078
Accounts receivable	100,174	-	-
Total Assets	27,077,361	2,380,664	960,641
Liabilities			
Due to other governments	-	2,380,664	879,678
Due to other funds	-	-	80,963
Total Liabilities	-	\$ 2,380,664	\$ 960,641
Net Position			
Restricted for Pension Benefits	\$ 27,077,361		

The first shown in the above chart is a *Trust* fund; the County Pension Plan. The chart below shows the growth and decline of the Pension Net Position in relation to the S&P 500 Index, as well as showing the County contribution to the fund over the past several years.

County Pension Plan:

	2017	2016	2015	2014	2013
S&P Index growth (decline)	19.45%	9.54%	-0.73%	11.39%	29.60%
Pension Net Position growth (decline)	13.21%	6.68%	-1.56%	9.43%	19.24%
County Contribution	\$627,838	\$385,000	\$329,082	\$550,000	\$556,000

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

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

The Greene County Pension Fund, on 1/1/2017 was determined to be 97.4% funded, and, due to good performance in the market, on 1/1/2018 our funded percentage rose to 100%. The pension plan assumes a 7.5% return on investment with respect to assets in the market. As seen in the above chart, the actual performance was 13.21%. The County contributed \$627,838 to the pension fund in 2017 and achieved its goal of obtaining a fully funded status.

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

The County budget process for any given year starts five months before the year begins and continues throughout the 12 months of that year. For 2017, when the preliminary budget was passed in 2016, the County did not yet have many of the benefit rates for the upcoming year, various assessment issues had not been finalized, The Act 13 allocation amount was unknown, and several grants for various departments were not yet guaranteed.

During the course of the year, these issues were resolved and the budget was amended to reflect these changes accurately. Additionally, unanticipated revenues and reductions in revenue were incorporated along with additions or reductions in spending in accordance with the County Code.

The Budget and Actual statement can be viewed on page 23 of the financial statements. During the course of the year, budget revisions incorporated changes into the budget as grant amounts were finalized and the actual amount of the 2017 Act 13 allocations became known.

In late 2017, the County decided on the use of the Act 13 Impact Fee's received during the year and as the Board of Commissioners decided to defer a substantial amount of that funding into the 2018 General Fund budget, the revenue received under *Charges for service* in 2017 was lowered, and the *transfer out* of those funds in the Capital Reserve fund that was anticipated did not take place.

Other notable Final-to-Actual variances were seen in higher than anticipated expenses in *General Government – Judicial* (\$274,004) due to increases in personnel and overtime in the courts system and a variance of \$433,385 in *General Government – Administration*, mainly due to the expenditures of Act 13 funds.

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

Summary

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

The County's finances remain strong; however, the decrease in the County's net position consecutive years with the General Fund and Capital Projects fund balance, taken in conjunction with rising unemployment in the County, mine closures, and the decline in the County population, requires the County to proceed carefully.

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

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