

Lycoming County, Pennsylvania

**Comprehensive Annual
Financial Report**



Fiscal Year Ended December 31, 2014

Prepared by the Office of Fiscal Services

Lycoming County, Pennsylvania

**Comprehensive Annual
Financial Report**



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COUNTY OF LYCOMING, PENNSYLVANIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2014

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INTRODUCTORY SECTION

COUNTY OF LYCOMING, PENNSYLVANIA

Executive Plaza Building
48 West Third Street
Williamsport, PA 17701
www.lyco.org

COMMISSIONERS

Tony R. Mussare
Chairman

Ernest P. Larson
Vice-Chairman

Jeff. W Rauff
Secretary



Beth A. Johnston
Director Fiscal Services
Telephone 570-320-2104
Fax 570-320-2111

June 25, 2015

To the Citizens of the County of Lycoming, Pennsylvania:

I am pleased to present the 2014 Comprehensive Annual Financial Report (CAFR) for the County of Lycoming, Pennsylvania. The Comprehensive Annual Financial Report was prepared by the Department of Fiscal Services in conjunction with the independent certified public accounting firm of Baker Tilly Virchow Krause, LLP, whose opinion accompanies the basic financial statements contained in the Financial Section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the County in conformity with generally accepted accounting principles (GAAP).

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes the transmittal letter, a list of the County's principal officials, the County's organizational chart and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2013. The financial section includes the independent auditor's report, the Management Discussion and Analysis, the basic financial statements (county-wide and fund financial statements), required notes to the financial statements, as well as certain required and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

It is recommended that readers of the financial report, in addition to reviewing the basic financial statements, also review the County's Management Discussion and Analysis, which is intended to provide a narrative overview and analysis of the financial activities of the County for the year ended December 31, 2014.

This report includes all funds and activities of the County and reflects all services provided to the taxpayers of Lycoming County ranging from but not limited to general administration, judicial, public safety, public works, human services and cultural and recreational activities. This report also contains limited information on the various component units of the County.

County of Lycoming, Pennsylvania

Founded in 1795, the County of Lycoming operates under the County Code of Pennsylvania, a compilation of pertinent constitutional and statutory laws passed by the General Assembly of Pennsylvania. It is a fifth class county under the classification set forth in that code. The County's estimated 2014 population of 116,508 reflects a slight increase from the 2010 census count of 116,111. Geographically, Lycoming County is the largest county in the state covering 1,244 square miles.

The County of Lycoming operates under the elected Board of Commissioners form of government. Three commissioners are elected to serve a four-year term with no term limitations. The commissioners serve as managers and administrators of county government awarding contracts, setting salaries, preparing an annual budget and appointing individuals to various boards, commissions and authorities. They also appoint a county administrator (Chief Clerk) to assist them with administrative duties. Also assisting them in carrying out the various functions of county government are a number of elected officials (row offices) and numerous appointed deputies and directors.

Economic Condition and Outlook

Lycoming County was formed from Northumberland County on April 13, 1795. At the time it was formed the County was much larger than it is today. It took up most of the land that is now north central Pennsylvania. The following counties have been formed from land that was once part of Lycoming County: Armstrong, Bradford, Centre, Clearfield, Clinton, Indiana, Jefferson, McKean, Potter, Sullivan, Tioga, Venango, Warren, Forest, Elk and Cameron. Lycoming County was originally named Jefferson County in honor of Thomas Jefferson. This name proved to be unsatisfactory. The name change went through several steps. First a change to Lycoming County was rejected, next the name Susquehanna County was struck down as was Muncy County, before the legislature revisited and settled on Lycoming County for Lycoming Creek, the stream that was the center of the pre-revolutionary border dispute.

As of 2014, Lycoming County's population was 116,508 people. Since 2010, it has had a small population increase of 0.3%. The median age of a county resident is 41.2 years according to the U.S. Census Bureau.

Lycoming County's local economy is supported by the approximately 3,265 establishments that employ over 53,000 individuals.

The unemployment rate for the County as of December 2014 was 5.0%, compared to the state rate of 5.0% and the national rate of 5.6%.

The median value of a single-family home in Lycoming County is \$131,000. Renters make up 30.01% of the population. 12.24% of houses and apartments in Lycoming County are unoccupied.

The income per capita is \$22,987, which includes all adults and children. The median household income is \$45,430.

With our rich history and culture of Lycoming County's lumber heritage, we have evolved into a vibrant city with two unique colleges. Lycoming College dates back to 1812 and is one of the oldest colleges in the Commonwealth. Pennsylvania College of Technology enjoys an excellent reputation as one of the finest technical schools in the state and is an affiliate of the Pennsylvania State University.

Employment levels are supported by the presence of major employers in the government sector, healthcare services, education, retail and manufacturing industries. The County's ten largest employers include:

- Susquehanna Health Care Regional Alliance
- Pennsylvania College of Technology
- Weis Markets, Inc.
- Williamsport Area School District
- County of Lycoming
- West Pharmaceutical Services, Inc.
- Halliburton Energy Services, Inc.
- CS Group Payroll Services, LLC
- Wal-Mart Associates
- Hope Enterprises, Inc.

The Lycoming County area, located in the heart of Pennsylvania's forest playground, offers a wide range of year-round recreational opportunities. As part of the Pennsylvania Wilds, Lycoming County has every resource available for hikers, bikers or any type of outdoor enthusiast.

- More than 300,000 acres of public interest
- Pennsylvania's Fish Commission stocks three major county streams (totaling 158 miles) with trout and smallmouth bass
- Over 2,000,000 acres in north central Pennsylvania are open to hunters of deer, bear, and small game
- Cross-country skiing is available throughout the region
 - Downhill skiing at Ski Sawmill is 45 minutes away
 - Crystal Lake Ski Center and Lodge is 45 minutes away
 - Pocono Resort area is within 1 to 1 ½ hours
- Golf
 - White Deer Golf Course (Public Course) 36-hole course plus a 9-hole course
 - Williamsport Country Club

- West Branch of the Susquehanna River
 - 14-mile stretch of navigable water for motor boating and water skiing
 - Home to an old-fashioned paddle wheeler the Hiawatha
- USA Today has ranked the Pine Creek Rail Trail as one of the best hiking trails in the world
- Little League
 - Williamsport is the birthplace of Little League Baseball
 - 7 leagues with approximately 84 teams
 - Hosts International headquarters for 7,000 leagues throughout the United States and in 41 countries
 - Peter J. McGovern Little League Museum
 - Howard J. Lamade Memorial Field
 - Hosts the Little League World series annually during the third week of August

Long Term Financial Capital Financing

The County has developed a five-year capital improvement plan which is reviewed and updated annually. This allows the County the ability to develop a long range financial plan to finance major capital improvements.

Major Initiatives

The County continues to undertake major initiatives to provide a wide range of services to the citizens of Lycoming County.

For the Year 2014

INFORMATION SERVICES

#1: Expanded Web Access to Register & Recorder's Documents

Additional document scanning was completed to allow internet review and printing of deeds and mortgages from the 1950s back to the first on file in the County.

#2: Installation of New Prison Inmate Mugshot System

Purchased and installed a new inmate mugshot system to improve functionality over the prior system.

#3: Created a County-Wide Mass Text Messaging System

A program was developed to notify County employees of emergency situations via text messaging.

#4: Jury Selection System Enhancements

Information Services enhanced the capabilities of the jury selection system to include the scanning of prospective juror questionnaires and an online excuse module.

#5: District Magistrate Kemp Office Move

Network and phone systems were installed in the new building, as well as, video conferencing and computers.

#6: Voter Registration Office Move

Network and phone systems were installed in the new location. Computers, furniture, voting machines, and staff were moved as well.

PLANNING & COMMUNITY DEVELOPMENT

#1: Pathway to Health

Phase III funding was obtained.

#2: Muncy – Montoursville Regional Water System

The County continued to seek funding for a Fairfield Road water tank.

#3: Marcellus Shale Impact Studies

The transportation study was completed.

#4: PHARE Funds

Funds were secured for the Grove Street Commons project.

PUBLIC SAFETY

#1: Marcellus Shale Gas Well Safety Initiatives

The County continued to play an active role on the Gas Exploration Committee and in emergency responder training. The Department of Public Safety provided multiple training programs for emergency response personnel concerning the Marcellus Shale exploration and drilling activities, and played a role in the development and implementation of the Well Site Emergency Responder training type programs. The Department of Public Safety staff and first responders also attended multiple pipeline safety and awareness programs.

#2: Emergency Operation Center/9-1-1 Center Expansion

The Department of Public Safety utilized the Third Street Plaza emergency operations center to support multiple agency public safety operations during the 2014 Little League World Series. Construction of the back-up 9-1-1 center at that facility is ongoing.

#3: Exercises

The Department of Public Safety actively participated in several all hazards training exercises in 2014. The Department of Public Safety continues to promote realistic training programs and exercises to include Severe Weather Scenarios, Continuity of Operations tabletop exercises, and Mass Casualty/Triage system exercises among others.

#4: Emergency Medical Services Training

The Lycoming Tioga Sullivan Emergency Medical Services (LTS EMS) Council, a division of the Department of Public Safety, finalized planning and prepared to pilot a blended technology Emergency Medical Technician program in conjunction with the Pennsylvania College of Technology. This training incorporated remote learning programs combined with small group skill sessions with the goal of being able to reach more students in a more efficient manner. The project is ongoing.

RESOURCE MANAGEMENT SERVICES

#1: Landfill Expansion

The County constructed a 5.5 million gallon leachate storage tank to control leachate flows from all existing fields and additional flows from expansion fields 11 & 12. Testing of the tank for acceptance is ongoing. The County also constructed a new access roadway around future Field 12 in order to prepare for the installation of a five foot stormwater culvert. Excavation of the subgrade material from future Field 12 continued as well.

#2: Single Stream Recycling

The County completed the installation of the single stream recycling equipment. This equipment is now processing approximately 20 tons per hour of recycled material.

#3: Controlling Landfill Air Emissions

The County's design engineer developed drawings and bid documents to install a new gas skid and make repairs to the flares in accordance with the County's air quality permit.

#4: Fields 1-4 Closed

In 2014, the County completed capping of fields 1-4.

For the Future

INFORMATION SERVICES

#1: Install New Prison Inmate Telephone System and Complete Software Upgrade

Purchase and install new inmate telephone system and upgrade current offender management software to improve functionality over the present systems.

#2: Implement a County-Wide Police Records System

Install a system that will allow for sharing of offender information between participating police departments and County law enforcement related departments.

#3: New Retirement Payroll System

Purchase and install a new pension payroll system for retired employees.

#4: Expand the VMware System

Purchase hardware to more than double the available storage space of the County due to rapidly increasing data growth from County departments.

#5: Expand the County Computer Backup System

Purchase hardware to more than double the available storage space used to backup all county departments data. This system is critical to recovering County data should other systems fail.

#6: Department of Public Safety Network Replacement

Purchase hardware to replace all network equipment providing additional speed and better support for 9-1-1 needs.

PLANNING & COMMUNITY DEVELOPMENT

#1: Marcellus Shale Gas Exploration

Complete a Marcellus Shale impact study to assist the County Commissioners with decision making concerning Act 13 funds. Complete the social system study.

#2: Susquehanna Health Expansion

Pathway to Health – obtain funding for Phase IV.

#3: Timber Run Industrial Park

Complete design of transportation improvements in 2015.

#4: Risk Map Project

Complete the risk mapping project to improve flood mapping in Lycoming County.

#5: Water Tower at Fairfield Interchange of I-180

Work to secure funding for a water tower in 2015.

#6: Flood Buy Outs

Continue to process flood buy outs in 2015.

#7: Housing Initiatives

Seek PHARE funding for Muncy Greene Senior Housing Development. Initiate a supportive housing program.

PUBLIC SAFETY

#1: Marcellus Shale Gas Well Safety Initiatives

The Department of Public Safety will continue playing an active role on the Gas Exploration Committee and in emergency responder training. Pipeline systems and compressor station awareness programs will be an emphasis of training/awareness.

#2: Emergency Operation Center/911 Center Expansion

The County plans to place into operation the alternate/back-up 9-1-1 center at Third Street Plaza in late 2015. The Department of Public Safety will reuse the current 9-1-1 center consoles in the back-up center.

#3: Microwave System Needs Assessment

The Department of Public Safety is in the process of the multi-year project to replace the existing microwave system as part of the County's emergency communications/9-1-1 network. Via the state contract system the County plans to procure a 150 mps ethernet capable microwave system that will serve as the backbone of the County's network through the next 10-15 years.

#4: Exercises and Work Force Development

The Department of Public Safety will participate in exercises to test our response capabilities and resource allocation plans. These will include exercises on energy development, power plant/infrastructure protection, and severe weather.

RESOURCE MANAGEMENT SERVICES

#1: Landfill Expansion

Field 12 storm water infrastructure will be bid and constructed in 2015. Liner installation services will be bid for possible installation in 2016.

#2: Leachate Force Main

The County will enter into an agreement with Gregg Township Municipal Authority once DEP approves the Act 537 Sewage Facilities Plan Special Study for Brady Township. Resource Management Services has delayed deployment of a 17,000 foot leachate force main and has decided to instead split flows between the Gregg Township Municipal Sewer Authority and the West Branch Regional Sewer Authority. The county purchased capacity with the West Branch Regional Sewer Authority in 2013 and anticipates a successful Specific Special Study conclusion for splitting flows. The split flows will be based on the capacity designs of each plant and how much leachate each can tolerate without an upset of processes. Bid documents will be prepared and construction will most likely start and be completed in 2016 to tie into the Gregg Township Municipal Authority pipeline as it will coincide with the installation of the Federal Bureau of Prisons equalization tank to create flow volume for leachate in the existing pipeline to Gregg Township Municipal Authority.

Office of the Controller

Under provisions of the Fifth Class County Code, the Controller is an elected official and is independent of the executive or legislative branches of County government. The Controller's office serves in the capacity of the internal auditor for the County. During the year, the staff conducts financial and compliance audits on various departments and offices.

Internal Control

Management of the County of Lycoming is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of the costs and benefits require estimates and judgments by management.

Single Audit

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance

with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluations by management and internal and external audits performed on the County.

Budgeting Controls

The County maintains budgetary controls whose objectives are to ensure compliance with the legal provisions embodied in the annual appropriated budgets approved by the County Commissioners. Activities of all funds are included in the annual appropriated budget. As indicated in the financial section of this report, the County has complied with such budgetary controls for the year ended December 31, 2014.

Pension and other Postemployment Benefits

The County maintains a single employer contributory defined benefit pension plan with mandatory membership for all full-time County employees. Participants in the plan contribute from 6 to 8 percent of their gross pay, with an optional contribution of an additional 10 percent. Additional information on the County's pension arrangements and post-employment benefits can be found under Notes 17 and 18 in the notes to the financial statements.

Cash Management

Cash temporarily idle during the year was held in an interest-bearing demand deposit or invested in certificates of deposit, repurchasing agreements and government fund accounts. The County investment policy is to minimize credit and market risk while maintaining a competitive yield. Accordingly, deposits were either insured by the Federal Deposit Insurance Corporation or assignment of assets pursuant to Act 72 of the General Assembly of the Commonwealth of Pennsylvania.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, error and omissions, injuries to employees and natural disasters which in the past have been covered by a combination of private carriers and County self-insurance. In 1998, the County became a member of PCoRP (Pennsylvania Counties Risk Pool) which was created in the mid-1980s by the County Commissioners Association of Pennsylvania. Under this coverage, each member of PCoRP has its own maintenance deductibles; PCoRP self-insures the first \$100,000 before the specific excess coverages are utilized. The purpose is to self-insure the usual and expected losses while implementing strong risk management controls to contain those losses.

Each year member counties make their payment to PCoRP in June. The two major components of the payment are the insurance cost relating to provisions of the coverage through PCoRP, and a Loss Fund contribution. Loss Fund monies stay with PCoRP and are invested and used to pay claims up to the self-insured retention (SIR) limit of the loss fund which is currently \$100,000. Each member share of the Loss Fund

is determined based on their past year's claims history. Payments for amounts of claims above the \$100,000 layer are made by PCoRP's reinsurer. Also, the entire Loss Fund for each policy is reinsured for \$1,000,000. As of the latest PCoRP audited financial statement dated May 31, 2014, the County has had no additional assessments to the Loss Fund.

The County has had no environmental claims applied against the landfill.

The County has had no major insurance claims filed as of December 31, 2014.

Independent Audit

The accounting firm of Baker Tilly Virchow Krause, LLP was selected to perform an annual audit of the County's basic financial statements and determine the County's compliance with requirements of the Federal Single Audit Act Amendments of 1996, and related OMB Circular A-133. The goal of the audit was to provide reasonable assurance about whether the financial statements of the County for the year ended December 31, 2014, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; and evaluating the overall financial presentation. The auditor concluded there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented in the Financial Section of this report. The independent auditors' reports relating specifically to the Single Audit are presented in a separate report.

Director of Fiscal Services' Closing Remarks

This report is intended to provide the reader an all-inclusive picture of the financial position of the County. To continue to remain in a strong financial position during the past twelve months, County officials have undertaken a unified effort to improve management, organizational effectiveness, administrative systems, operating systems, and productivity. The County continues to follow prudent fiscal policies and management programs in order to provide vital governmental services to its citizens.

Certificate of Achievement for Excellence in Financial Reporting Award

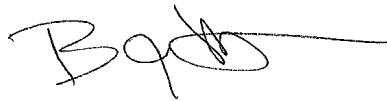
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lycoming County for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the twenty-third consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

I want to express my sincere appreciation and thanks to the Department of Fiscal Services, and the County's independent auditors, Baker Tilly Virchow Krause, LLP, for all of their dedicated hard work in preparing and presenting this report. Additionally, I would like to thank all county departments and organizations who have provided information to compile the report.

Beth A. Johnston
Director Fiscal Services

A handwritten signature in black ink, appearing to read "Beth Johnston", with a long horizontal line extending to the right.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

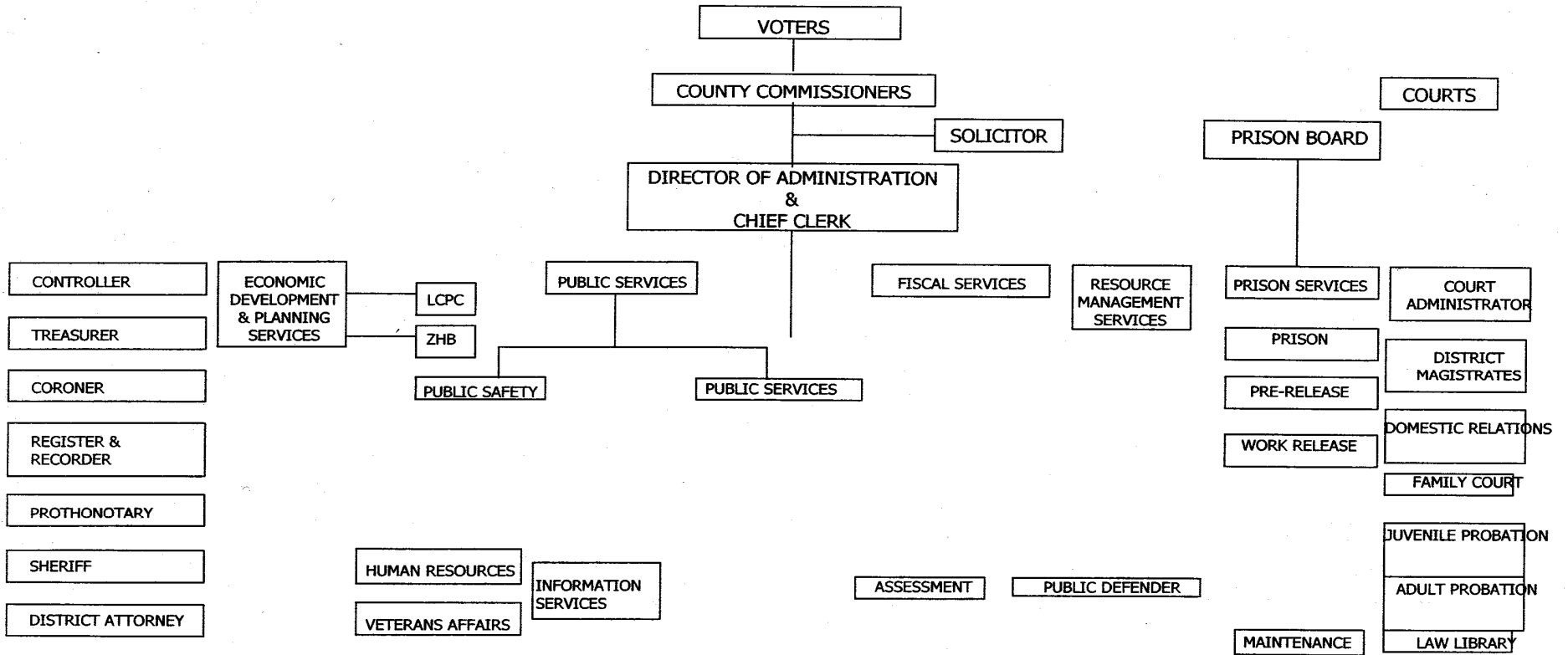
County of Lycoming
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

LYCOMING COUNTY ORGANIZATION CHART



LEGEND
 Support Lines
 Coordination

COUNTY OF LYCOMING, PENNSYLVANIA PRINCIPAL OFFICIALS

COMMISSIONERS

Tony R. Mussare, Chair
Ernest P. Larson
Jeff W. Rauff

ROW OFFICES

Eric R. Linhardt, District Attorney
Connie L. Rupert, Treasurer
Krista B. Rogers, Controller
Annabel R. Miller, Register & Recorder
Suzanne M. Fedele, Prothonotary
R. Mark Lusk, Sheriff
Charles Kiessling Jr., Coroner

JUDICIARY

Court of Common Pleas
Honorable Nancy L. Butts, President Judge
Honorable Dudley N. Anderson, Judge
Honorable Richard A. Gray, Judge
Honorable Marc F. Lovecchio, Judge
Honorable Joy Reynolds McCoy, Judge

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FINANCIAL SECTION



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Williamsport, PA 17701-5475
tel 570 323 6023
tel 800 267 9405
fax 888 264 9617
bakertilly.com

Independent Auditors' Report

Board of County Commissioners
County of Lycoming, Pennsylvania:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Lycoming, Pennsylvania (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lycoming County Industrial Development Authority, Lycoming County Recreation Authority, Williamsport Municipal Airport Authority, and Lycoming County Conservation District, which collectively represent 37%, 56%, and 56%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lycoming County Industrial Development Authority, Lycoming County Recreation Authority, Williamsport Municipal Airport Authority, and Lycoming County Conservation District, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



An Affirmative Action Equal Opportunity Employer

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Lycoming, Pennsylvania, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Act 13 Gas Impact Fees Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Notes 2 and 17 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25* in 2014 to conform to accounting principles generally accepted in the United States of America. The County expanded its note disclosures and required supplementary information related to its pension plan. Our opinion was not modified with respect to this matter.

As disclosed in Notes 2 and 13 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, in 2014 to conform to accounting principles generally accepted in the United States of America. The effect of this adoption decreased the County's ending governmental activities net position by \$3,700,000. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 22 through 36, the schedule of changes in the county's net pension liability and related ratios on page 117, the schedule of county contributions on page 118, schedule of investment returns on page 119, and the schedules of funding progress on page 120 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 evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section on pages 2 through 16, the combining and individual nonmajor fund financial statements and schedules of revenues, expenditures and changes in fund balances – budget to actual, on pages 122 through 171, the combining statement of changes in assets and liabilities – agency funds on pages 174 through 177, the schedule of changes in capital assets by function on page 178, and the statistical section on pages 179 through 203 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedules of revenues, expenditures and changes in fund balances – budget to actual, the combining statement of changes in assets and liabilities – agency funds and the schedule of changes in capital assets by function are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, schedule of revenues, expenditures and changes in fund balances – budget and actual, combining statement of changes in assets and liabilities – agency funds and schedule of changes in capital assets by function are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the County's internal control over financial reporting and compliance.

Baker Tilly Viechow Krause, LLP

Williamsport, Pennsylvania
June 25, 2015

County of Lycoming, Pennsylvania
Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) as presented by the County of Lycoming is intended to provide a narrative overview and analysis of the financial activities of the County for the year ended December 31, 2014. It is recommended that readers consider the information presented here in conjunction with the accompanying basic financial reports, notes to financial statements and the letter of transmittal to obtain a thorough understanding of the County's financial position at December 31, 2014. Unless otherwise noted, component units are not included in this discussion.

Financial Highlights

The overall assets of the County of Lycoming exceeded its liabilities at the close of the most recent fiscal year by \$77.2 million (*net position*). Of this amount, \$4.8 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

Assets of the governmental activities for the current year exceeded its liabilities by \$24.1 million while providing \$8.3 million in unrestricted net position. The total net position decreased by \$12.1 million from the previous year.

Assets of the business type activity for the current year also exceeded its liabilities by \$53.1 million. The total net position decreased by \$2.9 million from the previous year.

At the close of the current fiscal year the County of Lycoming's governmental funds reported a combined ending fund balance of \$48.9 million, a decrease of \$3.1 million from the previous year balance of \$52.0 million with unassigned fund balances of \$24.0 million. The general fund ended the year with a fund balance of \$34.6 million, a decrease of \$5.4 million from the previous year's balance of \$40.0 million with an unassigned fund balance of \$24.0 million.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the County of Lycoming's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in the net position may serve as an indicator of whether the financial position of the County is improving or deteriorating.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, human services, culture and recreation and conservation and development. The business-type activity of the County is a solid waste disposal and resource recovery facility.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate component units for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 39-41 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it's useful to compare the information presented for the governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues and expenditures, and changes in fund balances, provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

The County maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues and expenditures and changes in fund balance. For 2014, major funds include the general fund, and the special revenue Act 13 gas impact fee funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation captioned "Other Governmental Funds". Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all funds of the County. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 42-47 of this report.

Proprietary fund

The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses the enterprise fund to account for its solid waste and resource recovery operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 48-52 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The basic fiduciary fund financial statements can be found on pages 53-54 of this report.

Budgetary Highlights-General Fund

The 2014 final general fund budget of \$60.4 million in expenditures reflects an increase of \$2.5 million from the 2013 budget of \$57.9 million. The largest increase in 2014 of \$2.5 million was for the human services division.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 58-115 of this report.

Other information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information and certain other information which is designed to further enhance the reader's understanding of the financial report. Required and other supplementary information can be found on pages 116-178 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$77.2 million at the close of the most recent fiscal year.

The total net position of the County decreased by \$15.0 million (about 16.3%), from \$92.2 million to \$77.2 million, in 2014. The decrease in net position was a result of a decrease of \$12.1 million in net position of governmental activities and a decrease of \$2.9 million in net position related to its business-type activity; these decreases are addressed in the analysis that follows.

A large portion of the County's net position (51.0 percent) reflects its net investment in capital assets (i.e., land, buildings and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (42.7 percent) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the unrestricted net position (6.3 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

The following table presents the County's changes in net position for the years ended December 31, 2014, and 2013.

COUNTY OF LYCOMING - Net Position
(amounts in thousands)

	Governmental activities		Business-type activity		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$56,337	\$59,308	\$83,965	\$90,529	\$140,302	\$149,837
Capital assets	34,250	36,182	52,553	49,937	86,803	86,119
Total Assets	<u>90,587</u>	<u>95,490</u>	<u>136,518</u>	<u>140,466</u>	<u>227,105</u>	<u>235,956</u>
Deferred outflows of resources	<u>764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764</u>	<u>-</u>
Long term liabilities outstanding	62,709	54,892	81,447	81,317	144,156	136,209
Other liabilities	4,536	4,365	1,974	3,188	6,510	7,553
Total Liabilities	<u>67,245</u>	<u>59,257</u>	<u>83,421</u>	<u>84,505</u>	<u>150,666</u>	<u>143,762</u>
Net position:						
Net investment in capital assets	3,925	6,992	35,448	34,595	39,373	41,587
Restricted	11,854	11,860	21,146	21,146	33,000	33,006
Unrestricted	8,327	17,380	(3,497)	220	4,830	17,601
Total net position	<u>\$24,106</u>	<u>\$36,232</u>	<u>\$53,097</u>	<u>\$55,961</u>	<u>\$77,203</u>	<u>\$92,194</u>

At the end of the current year the County is able to report positive balances in all three categories of net position for the County's governmental activities.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

The following table presents the County's changes in net position for the years ended December 31, 2014 and 2013.

COUNTY OF LYCOMING - Change in Net Position
(amounts in thousands)

	Governmental activities		Business-type activity		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 9,835	\$ 9,922	\$ 14,636	\$ 15,847	\$ 24,471	\$ 25,769
Operating grants and contributions	27,266	23,853	148	188	27,414	24,041
Capital grants and contributions	395	250	-	-	395	250
General revenues:						
Taxes	27,418	27,296	-	-	27,418	27,296
Unrestricted investment income/(loss)	375	396	1,583	(56)	1,958	340
Grants and contributions not restricted to specific programs	419	415	-	-	419	415
Total revenues	65,708	62,132	16,367	15,979	82,075	78,111
Expenses:						
General governmental	12,435	13,803	-	-	12,435	13,803
Judicial	13,173	12,335	-	-	13,173	12,335
Public safety	24,404	22,933	-	-	24,404	22,933
Public works	8,084	5,761	17,171	17,150	25,255	22,911
Human services	13,434	12,772	-	-	13,434	12,772
Culture & recreation	5,223	1,383	-	-	5,223	1,383
Conservation & development	1,356	1,609	-	-	1,356	1,609
Interest on long term debt	1,785	2,046	-	-	1,785	2,046
Total expenses	79,894	72,642	17,171	17,150	97,065	89,792
Increase (decrease) in net position before transfers	(14,186)	(10,510)	(804)	(1,171)	(14,990)	(11,681)
Transfers	2,060	4,175	(2,060)	(4,175)	-	-
Increase (decrease) in net position	(12,126)	(6,335)	(2,864)	(5,346)	(14,990)	(11,681)
Net position - beginning	36,232	42,567	55,961	61,307	92,193	103,874
Net position - ending	\$ 24,106	\$ 36,232	\$ 53,097	\$ 55,961	\$ 77,203	\$ 92,193

Governmental Activities Net Assets: In 2014, net position decreased \$12.1 million compared to a \$6.9 million decrease in 2013.

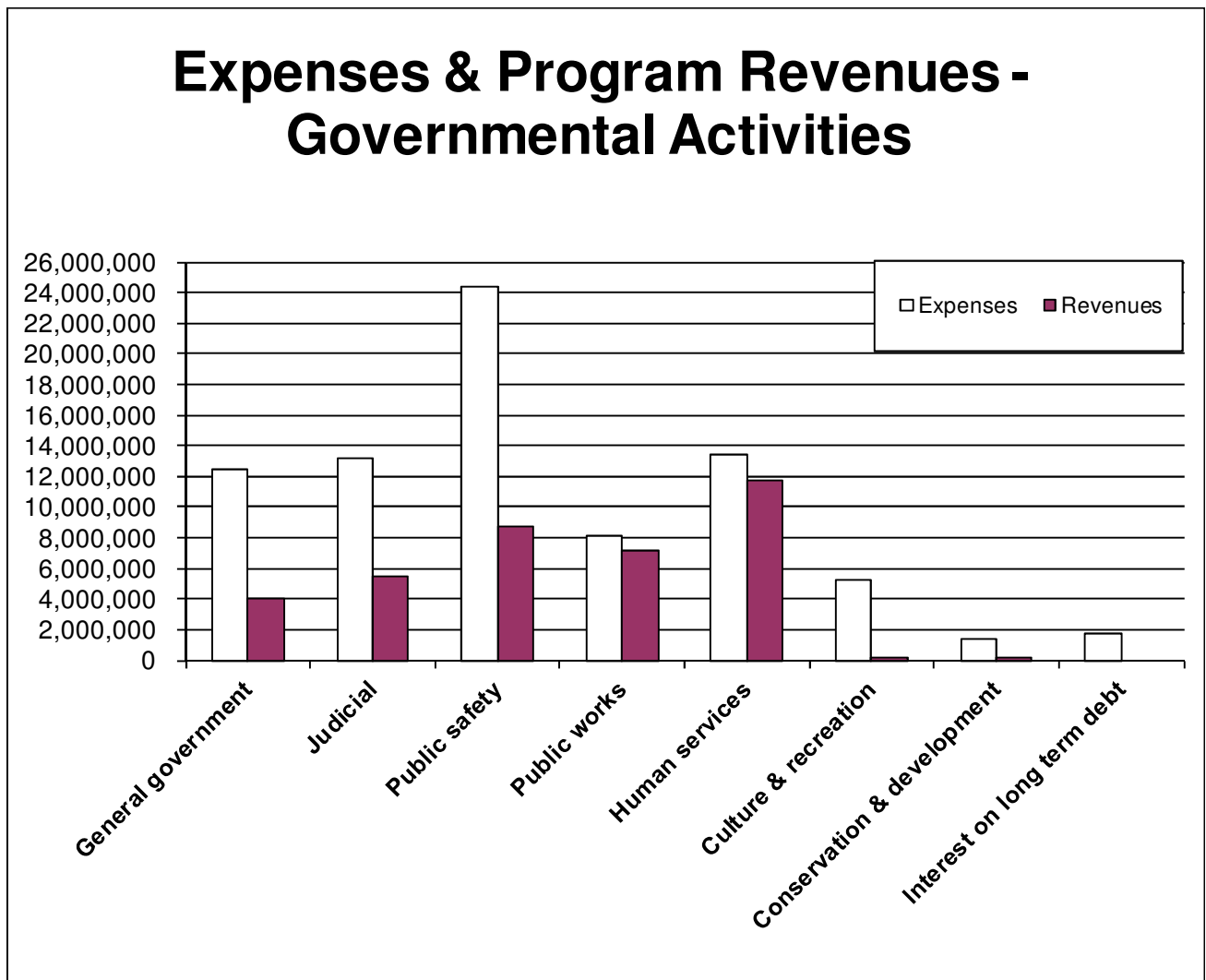
The increases (\$3.6 million) in revenues include but are not limited to the following major changes in revenues.

1. Operating Grants and contributions increased \$3.4 million
 - A. A one-time pass thru Federal Railroad Administration (FRA) grant of \$2.1 million for the SEDA COG Joint Rail Authority to replace the flood damaged railroad bridge over Loyalsock Creek.
 - B. \$2.6 million additional in state Title 148 funds.
 - C. \$1.2 million less in federal Title IV-E funds.

**County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)**

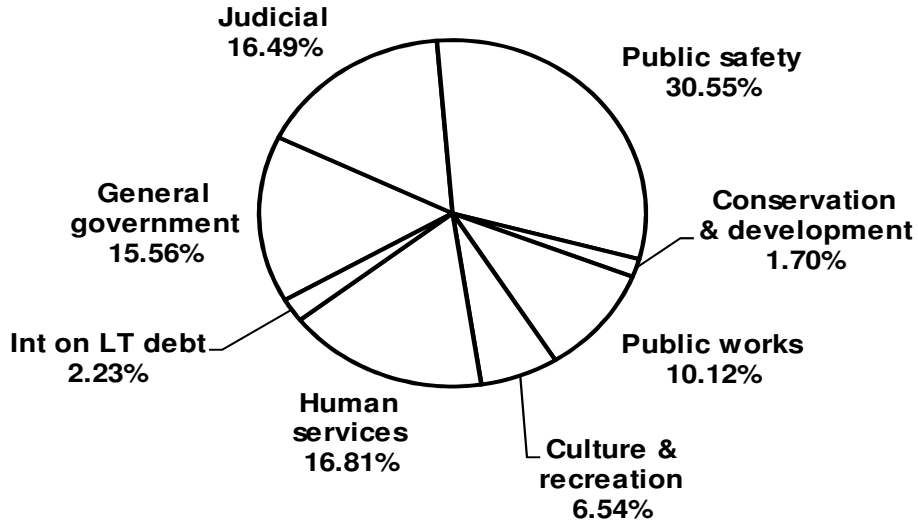
The increases \$7.3 million in expenses include but are not limited to the following major changes.

1. Public Safety increased by \$1.5 million due to increased spending in the prison, the addition of a re-entry center, and small increases over almost all remaining public safety departments.
2. Public Works increased by \$2.3 million due to the one-time pass thru FRA grant for the Loyalsock railroad bridge.
3. GASB Statement No. 70, which requires a government that extends a nonexchange financial guarantee to recognize a liability and expense when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment in the guarantee, was adopted adding \$3.7 million in expenses to Culture & Recreation.

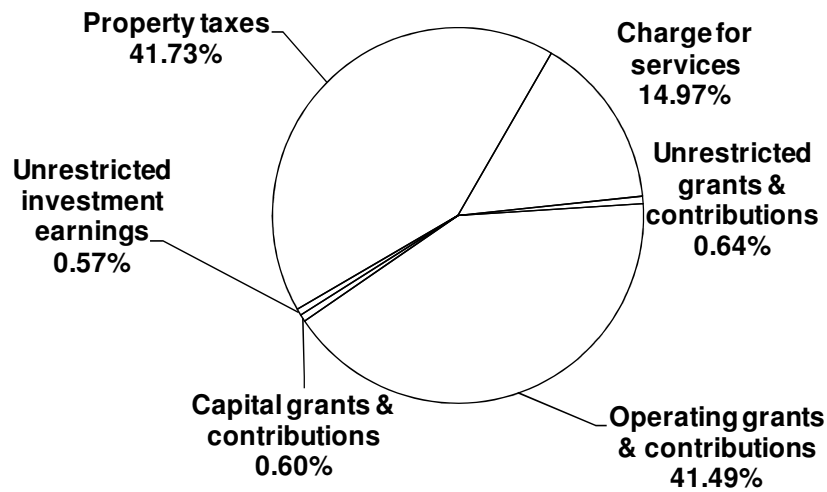


County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

Functional Expenses
Governmental Activities
Total Expenses: \$79.894 million



Source of Revenues
Governmental Activities
Total Revenues: \$65.708 million

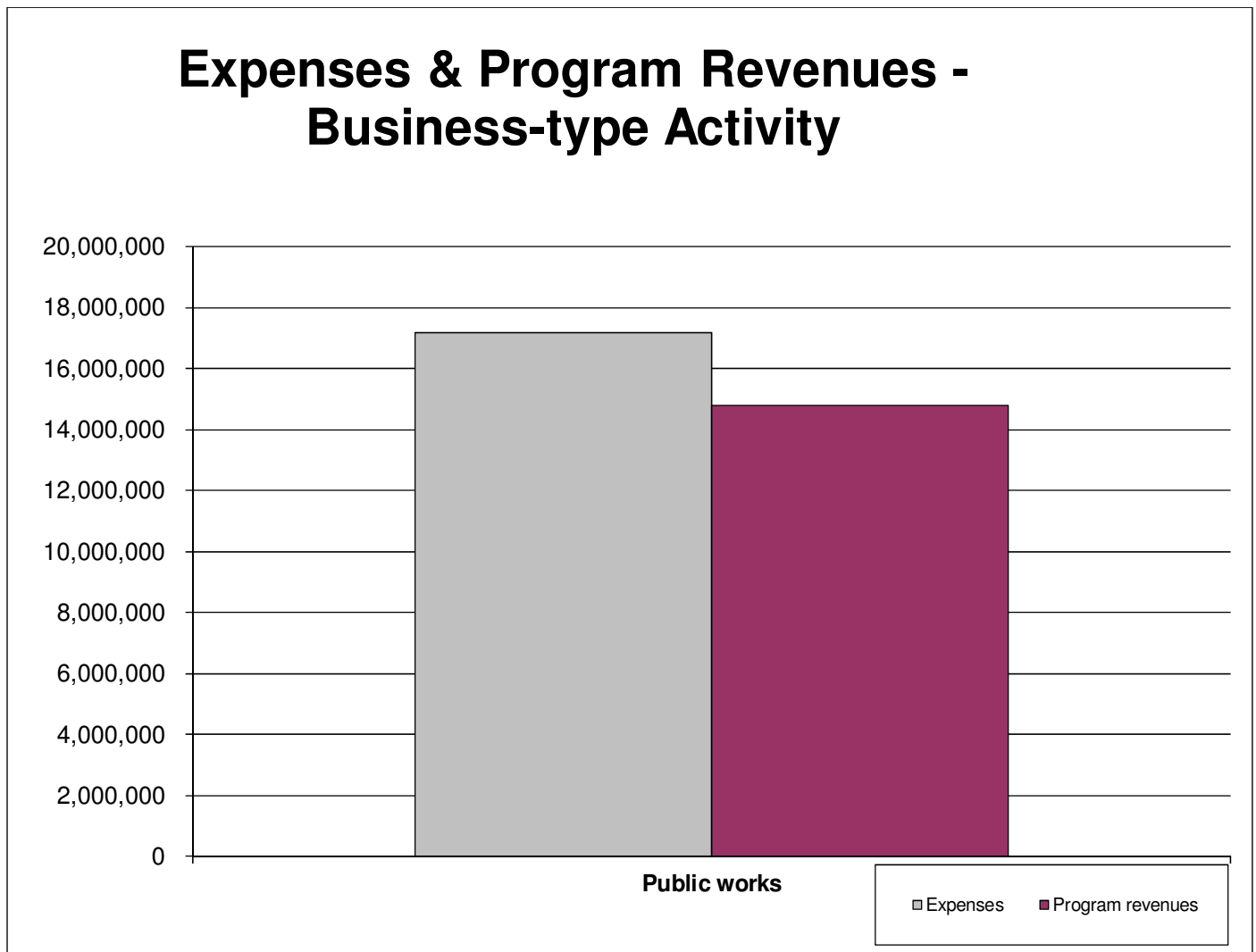


County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

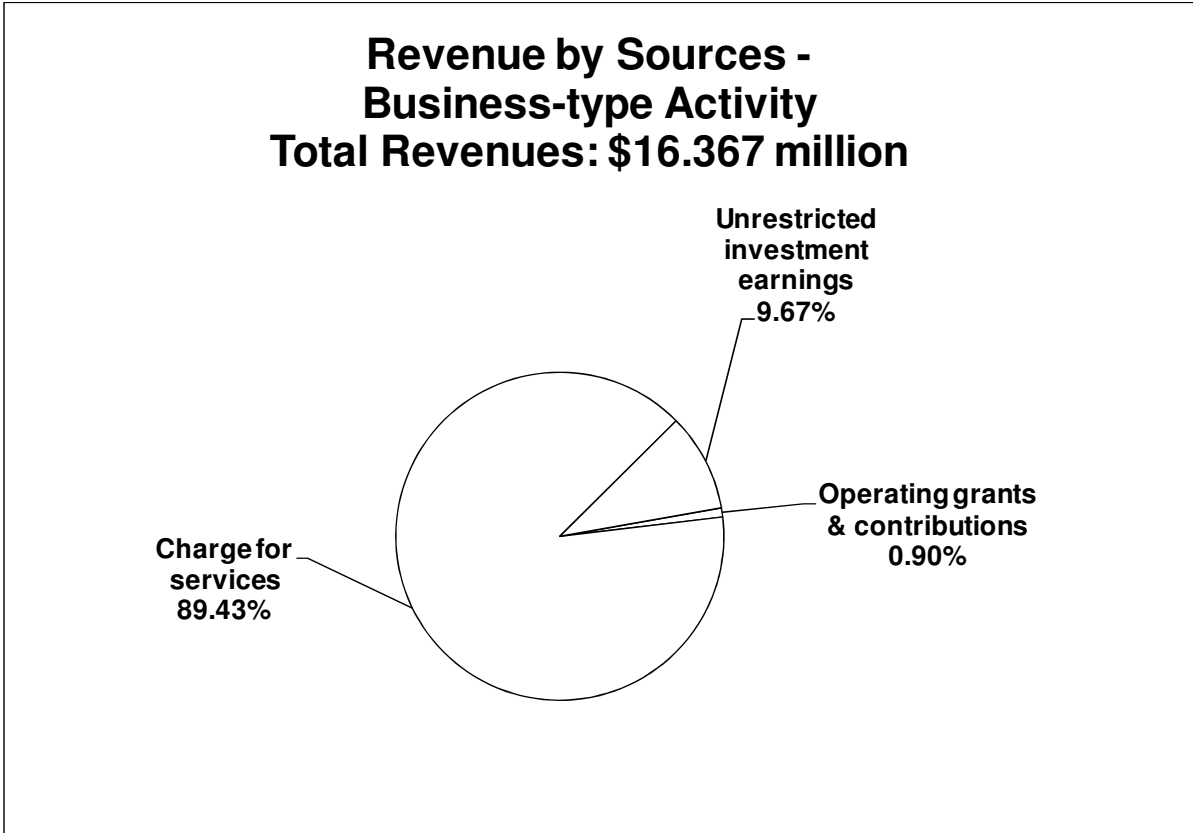
Business-type activity: In 2014, net position decreased \$2.9 million compared to a \$5.7 million decrease in 2013.

The increases (\$.4 million) in revenue can only be attributed to increases in investment income due to current market conditions.

Operating expenses decreased by \$21 thousand attributable to decreases in general operating expense of \$442 thousand and depreciation expense of \$383 thousand. They were offset by minimal increases in salaries, maintenance and repairs and fringe and indirect expenses.



County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)



Financial Analysis of the Government's Funds

As earlier noted, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$48.9 million, a decrease of \$3.1 million from the prior year. Of the total fund balance, \$24.0 million represents the unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved as follows to indicate that it is not available to meet current obligations:

- #1-Non-spendable \$9.0 million
- #2-Restricted \$15.0 million
- #3-Assigned \$0.9 million

Governmental fund revenues for the current fiscal period increased by \$3.9 million or 6.3 percent while expenditures increased over the same period by \$11.7 million or

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

17.0 percent. The increases in expenditures were a result of significantly more expenditure in the debt service category as a result of multiple bonds being refinanced. This large decrease was offset by decreases in general government, Conservation and development, miscellaneous, and capital outlay. For 2014, major funds included the general fund, and the special revenue act 13 gas impact fee fund.

Major Funds

Governmental Fund Types – General Fund

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$24.0 million, an increase of \$8.1 million from the prior year. The total fund balance decreased \$5.4 million from \$40.0 million to \$34.6 million in 2014. As a measure of the general fund liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.9 percent of the total general fund expenditures, exclusive of transfers out and other financing uses, while the total fund balance represents 61.0 percent of the same amount.

General fund revenues increased \$3.0 million from \$45.8 million to \$48.8 million or 6.5 percent over the prior year. Expenditures increased \$1.4 million from \$52.5 million to \$53.9 million or 2.6 percent.

The increases (\$3.0 million) in revenue can be attributed to \$2.4 million more in intergovernmental revenue. There were also modest increases in Property & Occupancy Taxes, Sale of Assets, Investment Earnings, Miscellaneous Income, and Cost and Fines.

The increases (\$1.4 million) in expenses included \$1.1 million more in Public Safety, \$2.5 million more in Human Services, and \$84 thousand more in Culture & Recreation. There were decreases of \$.6 million in General Government, \$.6 million in public works, \$.5 million in Capital Outlay, along with modest decreases in Judicial, Conservation and Development, and Miscellaneous.

Governmental Fund Types – Act 13 Gas Impact Fees

The County receives funds from the State's unconventional gas well impact fees. In 2014, a total of \$5.3 million was received from the State to be utilized for eligible projects.

Proprietary Fund Type – Resource Management Services

The County's proprietary fund (enterprise) provides the same type of information found in the business-type activity column of the government-wide financial statements.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

The unrestricted net position of the Lycoming County Resource Management Services at year-end amounted to a negative \$3.5 million. The change in net position for the fund was a decrease of \$2.9 million. Other factors concerning the finances of the fund have already been discussed in the analysis of the County's business type activity.

General Fund Budgetary Highlights

The difference of \$550 between the original budget of \$60.367 million and the final amended budget of \$60.368 million was a result of the transfers summarized below. Funds were transferred from the Domestic Relations IV-D fund to the General Fund toward the cost of a new taser. The transfer out of \$450 to the Coroner's Act 122 Fund was the result of a needed replacement projector.

	<u>General Fund</u>
<u>Transfer In</u>	
From Domestic Relations IV-D to cover purchase of a taser	\$ 1,000
<u>Transfer Out</u>	
To Act 122 to cover the purchase of a replacement projector	(450)
Total Transfers	\$ 550

Final budget to actual numbers showed favorable results in both revenues and expenditures. Revenues reflected a \$.4 million positive variance over the budgeted \$48.4 million coming in at \$48.8 million. The area showing the most significant increase was Cost & Fines resulting from better collections efforts in 2014.

Expenditures reflected a \$6.5 million positive variance as compared to the budgeted \$60.4 million coming in at \$53.9 million for the year. The area showing the largest variance was Capital Outlay coming in at \$1.7 million under budget due to budgeted Communications projects not being completed in 2014. Miscellaneous came in at \$1.6 million under budget due to \$1.6 million budgeted for fringe benefits not being spent. General Government and Public Works also came in well under budget.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental activities and business type activity as of December 31, 2014, net of accumulated depreciation amounted to \$86.8 million. This represents an increase of \$.7 million over the prior year total of \$86.1 million. For the current fiscal year governmental activities investment in capital assets decreased 5.34 percent and business-type increased 5.24 percent. Capital assets consist of land and improvements, Intangibles, buildings and improvements, machinery and equipment, construction under progress and infrastructure. The following is a summary of capital assets as of December 31, 2013 and 2014.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

COUNTY OF LYCOMING - Capital Assets
(net of depreciation)
(amounts in thousands)

	Governmental activities		Business-type activity		Total	
	2014	2013	2014	2013	2014	2013
Land	\$3,080	\$3,118	\$2,450	\$2,450	\$5,530	\$5,568
Intangibles	-	-	1,655	1,655	1,655	1,655
Improvements	1,090	1,154	14,792	16,745	15,882	17,899
Building & improvements	15,494	16,470	7,224	7,680	22,718	24,150
Machinery & equipment	7,179	8,313	11,354	12,093	18,533	20,406
Construction in progress	890	207	14,311	8,491	15,201	8,698
Infrastructure	6,518	6,920	767	823	7,285	7,743
Total Assets	<u>\$ 34,251</u>	<u>\$ 36,182</u>	<u>\$ 52,553</u>	<u>\$ 49,937</u>	<u>\$ 86,804</u>	<u>\$ 86,119</u>

For 2014, the major additions to capital assets were new office furniture for the 9-1-1 dispatch center, a new X-ray machine, and a few new vehicles. Business-type activity had increases in construction in progress due to continued work on the single stream recycling project.

More detailed information about the County's capital assets can be found under Note 9 of the notes to the financial statements.

Long-Term Debt

COUNTY OF LYCOMING - Outstanding Debt
General Obligation Bonds & Notes
(amounts in thousands)

	Governmental activities		Business-type activity		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$ 31,631	\$ 33,199	\$ 21,143	\$ 21,641	\$ 52,774	\$ 54,840
General Obligation Notes	4,940	3,245	-	-	4,940	3,245
	<u>\$ 36,571</u>	<u>\$ 36,444</u>	<u>\$ 21,143</u>	<u>\$ 21,641</u>	<u>\$ 57,714</u>	<u>\$ 58,085</u>

At December 31, 2014, the County had \$57.7 million of general obligation bonds and notes outstanding. This was a decrease of \$.3 million or .6 percent from the previous year.

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

Summary of General Obligation Debt

Beginning balance 12/31/13	\$ 58,085,020
Debt issued	9,021,700
Less principal payments	<u>9,392,687</u>
Ending balance 12/31/14	<u><u>\$ 57,714,033</u></u>

Standard & Poors has assigned the County an A+ long term bond rating.

More detailed information about the County's long-term debt can be found under Note 13 of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The economy in Lycoming County is expected to remain stable with minimal growth for the next year.

The unemployment rate for the County as of December 2014 was 5.0%, compared to the state rate of 5.0% and the national rate of 5.6%.

The adopted 2015 budget has overall expenditures decreasing from the 2014 budget of \$99.0 million to \$97.0 million, a decrease of \$2.0 million or 2.0 percent. The budget for the governmental fund types decreased \$2.5 million or 3.1 percent from \$79.9 million to \$77.4 million. The 2014 budget for the business-type activity increased \$0.5 million or 2.4 percent to \$19.6 million.

A major budget decrease in the governmental fund types for 2015 includes the Capital Outlay expense decrease of \$2.5 million.

2014 / 2015 Budget Comparisons

	2014 Approved Budget	2015 Approved Budget	Variance Increase (Decrease)	Percentage Increase (Decrease)
<u>Governmental Fund Types</u>				
General Fund	\$ 60,368,445	\$ 59,825,654	\$ (542,791)	-0.90%
Special Revenue Funds	15,836,826	13,949,358	(1,887,468)	-11.92%
Debt Service Funds	<u>3,684,154</u>	<u>3,655,551</u>	<u>(28,603)</u>	<u>-0.78%</u>
Total Governmental Funds	79,889,425	77,430,563	(2,458,862)	-3.08%
<u>Proprietary Fund Types</u>				
Enterprise Funds	<u>19,107,984</u>	<u>19,562,129</u>	<u>454,145</u>	<u>2.38%</u>
Total County Budget	<u><u>\$ 98,997,409</u></u>	<u><u>\$ 96,992,692</u></u>	<u><u>\$ (2,004,717)</u></u>	<u><u>-2.03%</u></u>

County of Lycoming, Pennsylvania
Management Discussion and Analysis (Continued)

In 2005, the County implemented the Fair Tax Review assessment and changed its assessed ratio from 75% to 100%. This reduced the millage from 4.90 mills to 4.75 mills.

The Tax rate for 2014 remains unchanged at 4.75 mills.

Request for information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Lycoming County Office of Fiscal Services or Lycoming County Controller's Office
County of Lycoming, Pennsylvania
48 West Third Street
Williamsport, PA 17701

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BASIC FINANCIAL STATEMENTS

COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
ASSETS				
Cash and cash equivalents	\$ 33,433,991	\$ 23,088,853	\$ 56,522,844	\$ 2,595,752
Investments at cost	-	17,194,733	17,194,733	-
Investments at fair value	-	14,914,793	14,914,793	20,576
Receivables (net of allowances)				
Taxes	2,761,274	-	2,761,274	-
Taxes fees and costs	146,433	-	146,433	-
Accounts receivable trade	222,834	1,714,174	1,937,008	338,859
Accrued interest receivable	565,438	535,057	1,100,495	-
Cost & fines	4,760,678	-	4,760,678	-
Due from agency funds	11,500	-	11,500	-
Due from other governments	3,568,250	-	3,568,250	1,387,284
Due from component units	88,086	-	88,086	-
Loans	8,204,103	-	8,204,103	-
Inventory	18,842	-	18,842	84,943
Unfunded grant costs deferred	-	-	-	4,567
Prepaid items	868,676	-	868,676	153,851
Prepaid bond insurance & discount	682,719	493,214	1,175,933	92,933
Restricted assets				
Cash and cash equivalents	1,003,915	4,966,802	5,970,717	1,045,900
Investments at cost	-	203,795	203,795	-
Investments at fair value	-	20,853,345	20,853,345	-
Due from other governments	-	-	-	213,287
Capital assets (net of accumulated depreciation)				
Land	3,079,663	2,450,020	5,529,683	2,583,602
Intangibles	-	1,654,499	1,654,499	-
Improvements	1,090,358	14,792,102	15,882,460	712,400
Building & improvements	15,493,741	7,223,948	22,717,689	23,928,482
Machinery & equipment	7,178,738	11,354,307	18,533,045	3,594,482
Infrastructure	6,517,846	767,247	7,285,093	45,885,239
Construction in progress	890,187	14,310,793	15,200,980	1,784,447
Easements	-	-	-	818,268
Other assets	-	-	-	522,411
Total assets	<u>90,587,272</u>	<u>136,517,682</u>	<u>227,104,954</u>	<u>85,767,283</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized refunding charges	764,233	-	764,233	190,691
Total deferred outflows of resources	<u>764,233</u>	<u>-</u>	<u>764,233</u>	<u>190,691</u>

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014
(CONTINUED)

	Primary Government			Component Units
	Governmental Activities	Business-type Activity	Total	
LIABILITIES				
Accounts payable	\$ 3,195,090	\$ 1,591,252	\$ 4,786,342	\$ 979,151
Payroll and related payables	691,956	115,181	807,137	191,124
Accrued interest payable	530,182	267,445	797,627	1,032,107
Due to agency funds	5,036	-	5,036	-
Due to primary government	-	-	-	1,572,487
Due to other governments	-	-	-	45,525
Unearned revenues	91,491	-	91,491	1,461,302
Line of credit	-	-	-	299,890
Escrow funds payable	22,489	500	22,989	12,524
Long term liabilities				
Due within one year	2,349,920	605,117	2,955,037	1,534,832
Due in more than one year	34,941,264	20,698,323	55,639,587	39,320,543
Guarantee obligation	3,700,000	-	3,700,000	-
Estimated reclamation cost for field and final closure	-	56,860,977	56,860,977	-
Other long term liabilities				
Post employment benefits	21,717,471	3,282,114	24,999,585	-
Total liabilities	<u>67,244,899</u>	<u>83,420,909</u>	<u>150,665,808</u>	<u>46,449,485</u>
NET POSITION				
Net investment in capital assets	3,924,877	35,447,624	39,372,501	38,157,132
Restricted for				
Judicial	2,396,401	-	2,396,401	-
Public safety	427,198	-	427,198	-
Public works	7,809,862	21,146,160	28,956,022	72,960
Conservation & development	1,220,640	-	1,220,640	507,545
Unrestricted	8,327,628	(3,497,011)	4,830,617	770,852
Total net position	<u>\$ 24,106,606</u>	<u>\$ 53,096,773</u>	<u>\$ 77,203,379</u>	<u>\$ 39,508,489</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Function / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activity	Total	
Primary government								
Governmental activities								
General government	\$ 12,434,475	\$ 3,469,706	\$ 501,421	\$ 31,951	\$ (8,431,397)	-	\$ (8,431,397)	
Judicial	13,173,247	2,545,473	2,922,154	-	(7,705,620)	-	(7,705,620)	
Public safety	24,403,625	3,619,181	4,775,632	363,161	(15,645,651)	-	(15,645,651)	
Public works	8,083,405	78,256	7,066,794	-	(938,355)	-	(938,355)	
Human services	13,434,011	810	11,744,333	-	(1,688,868)	-	(1,688,868)	
Culture & recreation	5,223,251	448	183,000	-	(5,039,803)	-	(5,039,803)	
Conservation & development	1,356,323	121,052	72,436	-	(1,162,835)	-	(1,162,835)	
Interest on long-term debt	1,785,304	-	-	-	(1,785,304)	-	(1,785,304)	
Total governmental activities	79,893,641	9,834,926	27,265,770	395,112	(42,397,833)	-	(42,397,833)	-
Business-type activity								
Waste management	17,171,348	14,636,180	147,740	-	-	\$ (2,387,428)	(2,387,428)	
Total primary government	<u>\$ 97,064,989</u>	<u>\$ 24,471,106</u>	<u>\$ 27,413,510</u>	<u>\$ 395,112</u>	<u>(42,397,833)</u>	<u>(2,387,428)</u>	<u>(44,785,261)</u>	<u>-</u>
Component units:								
Governmental activities	\$ 1,087,936	\$ 91,945	\$ 421,700	\$ 625,000	-	-	-	\$ 50,709
Business-type activities	11,128,035	7,472,610	9,904	1,483,687	-	-	-	(2,161,834)
Total component units	<u>\$ 12,215,971</u>	<u>\$ 7,564,555</u>	<u>\$ 431,604</u>	<u>\$ 2,108,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,111,125)</u>
			General revenues:					
			Property taxes		27,417,561	-	27,417,561	-
			Unrestricted investment earnings (loss)		375,489	1,582,865	1,958,354	8,241
			Grants contributions and other revenues not restricted to specific programs		419,280	-	419,280	369,693
			Transfers		2,059,676	(2,059,676)	-	-
			Total general revenues and transfers		<u>30,272,006</u>	<u>(476,811)</u>	<u>29,795,195</u>	<u>377,934</u>
			Changes in net position		(12,125,827)	(2,864,239)	(14,990,066)	(1,733,191)
			Net position - beginning		<u>36,232,433</u>	<u>55,961,012</u>	<u>92,193,445</u>	<u>41,241,680</u>
			Net position - ending		<u>\$ 24,106,606</u>	<u>\$ 53,096,773</u>	<u>\$ 77,203,379</u>	<u>\$ 39,508,489</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>Act 13 Gas Impact Fees</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash & cash equivalents	\$ 18,118,979	\$ 9,601,927	\$ 5,713,085	\$ 33,433,991
Receivables				
Taxes	2,761,274	-	-	2,761,274
Accounts	4,958,001	-	171,944	5,129,945
Interest	565,438	-	-	565,438
Due from other funds	2,205,172	-	21,134	2,226,306
Due from other governments	1,520,584	-	2,047,666	3,568,250
Due from component units	88,086	-	-	88,086
Loans				
Interfund	11,500	-	-	11,500
Non-profit organizations	4,275,331	-	-	4,275,331
Component units	3,928,772	-	-	3,928,772
Inventory	18,842	-	-	18,842
Prepaid items	227,058	-	32,889	259,947
Restricted assets				
Cash & cash equivalents	1,003,915	-	-	1,003,915
Total assets	<u>\$ 39,682,952</u>	<u>\$ 9,601,927</u>	<u>\$ 7,986,718</u>	<u>\$ 57,271,597</u>
LIABILITIES				
Accounts payable	\$ 2,268,549	\$ 417,097	\$ 509,444	\$ 3,195,090
Payroll payable	691,491	-	465	691,956
Due to other funds	17,849	-	2,213,493	2,231,342
Unearned revenues				
Intergovernmental	-	-	91,491	91,491
Escrow funds	22,489	-	-	22,489
Total liabilities	<u>3,000,378</u>	<u>417,097</u>	<u>2,814,893</u>	<u>6,232,368</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - Taxes	2,101,795	-	-	2,101,795
	<u>2,101,795</u>	<u>-</u>	<u>-</u>	<u>2,101,795</u>
FUND BALANCES				
Nonspendable	8,984,969	-	-	8,984,969
Restricted	1,003,915	9,184,830	4,857,250	15,045,995
Assigned	609,487	-	314,575	924,062
Unassigned	23,982,408	-	-	23,982,408
Total fund balances	<u>34,580,779</u>	<u>9,184,830</u>	<u>5,171,825</u>	<u>48,937,434</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,682,952</u>	<u>\$ 9,601,927</u>	<u>\$ 7,986,718</u>	<u>\$ 57,271,597</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Total Fund Balance-Governmental Funds	\$ 48,937,434
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in the governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds.	34,250,533
Prepaid pension obligation used in the governmental activities is not a current financial resource and therefore is not reported as an asset in the governmental funds.	608,729
Deferred outflows are related to long-term debt and, therefore, are not reported in the funds.	764,233
Long-term liabilities, including bonds payable and guarantee obligations, are not due and payable in the current period and therefore are not reported in the funds. (Note 3)	<u>(60,454,323)</u>
Net position of governmental activities	<u>\$ 24,106,606</u>

See Notes to Financial Statements

COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General</u>	<u>Act 13 Gas Impact Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property & occupancy taxes	\$ 27,545,342	\$ -	\$ -	\$ 27,545,342
Licenses & permits	45,854	-	-	45,854
Intergovernmental revenues	13,075,606	5,285,941	9,672,761	28,034,308
Charge for services	3,986,520	-	2,201,636	6,188,156
Sale of county products	291,430	-	-	291,430
Investment earnings	368,239	12,946	7,250	388,435
Court cost & fines	1,914,503	-	32,199	1,946,702
Miscellaneous income	1,575,081	-	153,808	1,728,889
	<u>48,802,575</u>	<u>5,298,887</u>	<u>12,067,654</u>	<u>66,169,116</u>
EXPENDITURES				
Current				
General government	8,518,411	80,881	-	8,599,292
Judicial	7,356,094	1,027,700	446,646	8,830,440
Public safety	15,022,936	463,327	1,820,838	17,307,101
Public works	477,329	1,405,494	3,688,716	5,571,539
Human services	9,695,950	295,000	3,315,497	13,306,447
Culture & recreation	1,318,484	95,641	2,137,560	3,551,685
Conservation & development	992,248	-	99,621	1,091,869
Miscellaneous	9,246,793	-	-	9,246,793
Debt service	-	-	11,489,342	11,489,342
Capital outlay	1,276,255	-	-	1,276,255
	<u>53,904,500</u>	<u>3,368,043</u>	<u>22,998,220</u>	<u>80,270,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,101,925)</u>	<u>1,930,844</u>	<u>(10,930,566)</u>	<u>(14,101,647)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,199,618	-	11,742,228	13,941,846
Transfers out	(11,469,033)	-	(413,136)	(11,882,169)
Issuance of debt	9,021,700	-	-	9,021,700
Bond discount	(51,278)	-	-	(51,278)
	<u>(298,993)</u>	<u>-</u>	<u>11,329,092</u>	<u>11,030,099</u>
Net change in fund balances	(5,400,918)	1,930,844	398,526	(3,071,548)
Fund balances-beginning	39,981,697	7,253,987	4,773,299	52,008,983
Fund balances-ending	<u>\$ 34,580,779</u>	<u>\$ 9,184,831</u>	<u>\$ 5,171,825</u>	<u>\$ 48,937,435</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

Net change in fund balances-total governmental funds (page 44)	\$ (3,071,548)
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 and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period. (Note 3)	(1,598,017)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(333,198)
Revenues related to real estate taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(127,781)
The issuance of long-term debt (e.g., bonds & leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. (Note 3)	(98,388)
The County adopted GASB Statement number 70 as of year end 12/31/14, as a result, the County was required to record a guarantee obligation.	(3,700,000)
Governmental funds report the effect of bond insurance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	19,797
Deferred refunding charges are capitalized and amortized over the life of the debt in the statement of net position	764,233
Interest expenses reported in the statement of activities do not require the use of current financial resources and, therefore, they are not reported as expenditures in the governmental funds.	72,874
The net effect of the County's funding requirements for its retirement and post employment benefit funding in the statement of activities that do not provide current financial resources and are not reported in the Governmental funds.	(4,053,798)
Change in net position of governmental activities (page 41)	<u>\$ (12,125,827)</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 28,298,734	\$ 28,298,734	\$ 27,545,342	\$ (753,392)
Licenses & permits	41,000	41,000	45,854	4,854
Intergovernmental	12,921,121	12,921,121	13,075,606	154,485
Charge for services	4,289,974	4,289,974	3,986,520	(303,454)
Sale of county products	113,800	113,800	291,430	177,630
Investment earnings	334,488	334,488	368,239	33,751
Cost & fines	920,535	920,535	1,914,503	993,968
Micellaneous	1,464,973	1,464,973	1,575,081	110,108
Total revenues	<u>48,384,625</u>	<u>48,384,625</u>	<u>48,802,575</u>	<u>417,950</u>
EXPENDITURES				
Current				
General government	10,357,009	9,938,046	8,518,411	1,419,635
Judicial	7,964,277	8,149,600	7,356,094	793,506
Public safety	14,566,397	14,870,235	15,022,936	(152,701)
Public works	1,794,622	1,795,218	477,329	1,317,889
Human services	9,306,796	9,330,384	9,695,950	(365,566)
Culture & recreation	1,223,536	1,318,484	1,318,484	-
Conservation & development	1,228,681	1,175,966	992,248	183,718
Miscellaneous	10,864,322	10,817,358	9,246,793	1,570,565
Capital outlay	3,062,255	2,973,154	1,276,255	1,696,899
Total expenditures	<u>60,367,895</u>	<u>60,368,445</u>	<u>53,904,500</u>	<u>6,463,945</u>
Excess (deficiency) of revenues over expenditures	<u>(11,983,270)</u>	<u>(11,983,820)</u>	<u>(5,101,925)</u>	<u>6,881,895</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	2,531,200	2,531,200	2,199,618	(331,582)
Transfer out	(3,573,918)	(3,573,918)	(11,469,033)	(7,895,115)
Proceeds from debt	-	-	9,021,700	9,021,700
Bond discount	-	-	(51,278)	(51,278)
Total other financing sources (uses)	<u>(1,042,718)</u>	<u>(1,042,718)</u>	<u>(298,993)</u>	<u>743,725</u>
Net change in fund balance	(13,025,988)	(13,026,538)	(5,400,918)	7,625,620
Fund balances-beginning	37,281,197	33,892,188	39,981,697	6,089,509
Fund balances-ending	<u>\$ 24,255,209</u>	<u>\$ 20,865,650</u>	<u>\$ 34,580,779</u>	<u>\$ 13,715,129</u>

Budgets are prepared on the modified accrual basis of accounting
See Notes to Financial Statements

COUNTY OF LYCOMING, PENNSYLVANIA
ACT 13 GAS IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 4,563,500	\$ 4,563,500	\$ 5,285,941	\$ 722,441
Investment earnings	3,575	3,575	12,946	9,371
Total revenues	<u>4,567,075</u>	<u>4,567,075</u>	<u>5,298,887</u>	<u>731,812</u>
EXPENDITURES				
General government	60,500	80,881	80,881	-
Judicial	200,000	1,027,701	1,027,700	1
Public safety	1,914,400	1,676,318	463,327	1,212,991
Public works	2,310,000	1,700,000	1,405,494	294,506
Human services	330,000	330,000	295,000	35,000
Culture & recreation	183,000	183,000	95,641	87,359
Total expenditures	<u>4,997,900</u>	<u>4,997,900</u>	<u>3,368,043</u>	<u>1,629,857</u>
Excess (deficiency) of revenues over expenditures	(430,825)	(430,825)	1,930,844	2,361,669
Fund balance at beginning of year	3,200	3,200	7,253,987	7,250,787
Fund balance at end of year	<u>\$ (427,625)</u>	<u>\$ (427,625)</u>	<u>\$ 9,184,831</u>	<u>\$ 9,612,456</u>

Budgets are prepared on the modified accrual basis of accounting
See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
ENTERPRISE FUND
DECEMBER 31, 2014**

		Resource Management Services
ASSETS		
Current assets		
Cash and cash equivalents	\$	23,088,853
Investments at cost		17,194,733
Investments at fair value		14,914,793
Receivables (net of allowances)		
Accounts receivable - trade		1,714,174
Accrued interest receivable		535,057
Total current assets		57,447,610
Noncurrent assets		
Prepaid bond insurance & discount		493,214
Restricted assets		
Cash and cash equivalents		4,966,802
Investments at cost		203,795
Investments at fair value		20,853,345
Total restricted assets		26,023,942
Capital assets (net of accumulated depreciation)		
Land		2,450,020
Intangibles		1,654,499
Improvements		14,792,102
Building and improvements		7,223,948
Machinery and equipment		11,354,307
Infrastructure		767,247
Construction in progress		14,310,793
Total capital assets		52,552,916
Total noncurrent assets		79,070,072
Total assets		136,517,682

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
ENTERPRISE FUND
DECEMBER 31, 2014
(CONTINUED)

	Resource Management Services
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,591,252
Payroll	115,181
Escrow funds payable	500
Compensated absences payable	102,105
Current interest payable	267,445
Long term debt	503,012
Total current liabilities	2,579,495
Long term liabilities	
Compensated absences payable	58,089
Other post employment benefits obligation	3,282,114
Estimated reclamation cost for field and final closure	56,860,977
Long term debt	20,640,234
Total long term liabilities	80,841,414
Total liabilities	83,420,909
NET POSITION	
Net investment in capital assets	35,447,624
Restricted for:	
Closure requirements	21,146,160
Unrestricted	(3,497,011)
Total net position	\$ 53,096,773

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Resource Management Services
OPERATING REVENUES	
Charge for services	\$ 10,522,155
Sales	3,808,310
Miscellaneous revenues	306,810
	14,637,275
Total operating revenues	14,637,275
OPERATING EXPENSES	
Salaries and wages	3,252,747
Material and supplies	326,847
General operating	3,874,515
Maintenance and repairs	1,959,339
Depreciation expense	3,856,368
Fringe & indirect expense	2,510,217
Other post employment benefit expense	662,216
Total operating expenses	16,442,249
Operating income (loss)	(1,804,974)
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	1,582,865
Intergovernmental revenues	147,740
Net gain (loss) on sale of assets	(1,095)
Issuance costs	(19,239)
Interest expense	(709,860)
Total non-operating revenues (expenses), net	1,000,411
Income (loss) before transfers	(804,563)
Transfer - out	(2,059,676)
Total transfers	(2,059,676)
Change in net position	(2,864,239)
Total net position-beginning	55,961,012
Total net position-ending	\$ 53,096,773

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Resource Management Services</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 14,205,075
Payments to suppliers	(8,012,684)
Payments to employees	(5,156,915)
Net cash provided by operating activities	<u>1,035,476</u>
 Cash Flows From Noncapital Financing Activities	
Subsidies to other funds	(2,059,675)
Federal & State operating grants	147,740
Net cash provided (used) by noncapital financing activities	<u>(1,911,935)</u>
 Cash Flows From Capital and Related Financing Activities	
Proceeds from sale of capital assets	6,000
Acquisition of capital assets	(6,429,079)
Principal paid on capital debt	(497,717)
Interest paid on capital debt	(712,008)
Net cash provided (used) by capital and related financing activities	<u>(7,632,804)</u>
 Cash Flows From Investing Activities	
Interest and dividends	1,588,229
Sales of investments	20,863,039
Purchase of investments	(9,336,350)
Net cash provided (used) by investing activities	<u>13,114,918</u>
 Net increase (decrease) in cash and cash equivalents	4,605,655
 Cash and cash equivalents (including restricted) beginning of year	<u>23,450,000</u>
Cash and cash equivalents end of year	<u><u>\$ 28,055,655</u></u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	<u>Resource Management Services</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ (1,804,974)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities	
Depreciation expense	3,856,368
Changes in assets and liabilities	
(Increase) decrease accounts receivable trade	(432,201)
Increase (decrease) accounts payable	(1,227,862)
Increase (decrease) accrued payroll	16,546
Increase (decrease) compensated absences payable	9,701
Increase (decrease) post employment benefit payable	662,216
Increase (decrease) escrow funds payable	(44,318)
Total adjustments	<u>2,840,450</u>
Net cash provided (used) by operating activities	<u>\$ 1,035,476</u>
Non-cash investing, capital and financing activities:	
Net increase (decrease) in fair value of investments	<u>\$ (51,269)</u>

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2014**

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,838,527	\$ 2,866,175
Investments at fair value		
Long-term CDs	2,346,072	
U.S. treasury/government	7,840,791	-
Corporate bonds	7,783,010	-
Municipal bonds	828,245	-
Common stocks	36,397,494	-
Mutual funds	34,753,987	-
Real estate funds	9,576,985	-
Receivables (net of allowance)		
Accounts receivable	-	5,248
Delinquent taxes (non-county)	-	4,027,556
Cost & fines (non-county)	-	10,593,791
Interest receivable	147,082	-
Due from other funds	-	5,201
Total assets	101,512,193	17,497,971
LIABILITIES		
Accounts payable	93,445	273,654
Due to other funds	-	166
Due to other governments	-	1,366,565
Escrow	-	15,846,086
Interfund loans	-	11,500
Total liabilities	93,445	17,497,971
NET POSITION		
Restricted for pensions	\$ 101,418,748	\$ -

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2014**

	Pension Trust Fund
ADDITIONS	
Contributions	
Employees	\$ 2,133,972
Employer	2,146,876
Total contributions	4,280,848
Investment earnings	
Net increase in fair value of investments	5,965,539
Interest & dividends	1,644,630
	7,610,169
Less: Investment management fees	(724,027)
Total investment income - net	6,886,142
Total additions	11,166,990
 DEDUCTIONS	
Benefit payments	4,479,122
Refunds of employee contributions	261,485
Total deductions	4,740,607
Net increase in net position	6,426,383
Plan net position at beginning of year	94,992,365
Plan net position at end of year	\$ 101,418,748

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>			<u>Total</u>
	<u>Soil Conservation</u>	<u>Industrial Development Authority</u>	<u>Recreation Authority</u>	<u>Water & Sewer Authority</u>	<u>Airport Authority</u>	
ASSETS						
Cash and cash equivalents	\$ 443,544	\$ 4,080	\$ 6,087	\$ 1,771,221	\$ 370,820	\$ 2,595,752
Investments at fair value	-	-	20,576	-	-	20,576
Receivables (net of allowances)						
Accounts receivable	-	-	-	324,386	14,473	338,859
Due from other governments	599,785	625,000	-	162,499	-	1,387,284
Inventory	-	-	69,304	15,639	-	84,943
Unfunded grant costs deferred	4,567	-	-	-	-	4,567
Prepaid items	-	-	18,871	46,142	88,838	153,851
Prepaid bond insurance & discount	-	-	92,933	-	-	92,933
Restricted assets						
Cash and cash equivalents	-	-	353,094	197,246	495,560	1,045,900
Due from other governments	-	-	-	-	213,287	213,287
Capital assets						
Land	-	-	-	1,377,557	1,206,045	2,583,602
Improvements	-	-	-	-	712,400	712,400
Building & improvements	-	-	-	19,758,828	4,169,654	23,928,482
Machinery & equipment	-	-	563,095	1,898,863	1,132,524	3,594,482
Infrastructure	-	-	-	27,167,265	18,717,974	45,885,239
Construction in progress	-	-	-	541,912	1,242,535	1,784,447
Easements	-	-	-	818,268	-	818,268
Other assets	-	-	-	34,748	487,663	522,411
Total assets	1,047,896	629,080	1,123,960	54,114,574	28,851,773	85,767,283
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized refunding charges	-	-	190,691	-	-	190,691
Total deferred outflows of resources	-	-	190,691	-	-	190,691

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2014
(CONTINUED)

	Governmental Activities		Business-Type Activities			Total
	Soil Conservation	Industrial Development Authority	Recreation Authority	Water & Sewer Authority	Airport Authority	
LIABILITIES						
Accounts payable	-	625,000	133,644	108,351	112,156	979,151
Payroll and related payables	-	-	135,286	33,367	22,471	191,124
Accrued interest payable	-	-	365,050	667,057	-	1,032,107
Due to primary government	47,115	-	1,525,372	-	-	1,572,487
Due to other governments	-	-	-	45,525	-	45,525
Unearned revenues	710,903	-	318,438	14,704	417,257	1,461,302
Line of credit	-	-	299,890	-	-	299,890
Escrow funds payable	-	-	-	-	12,524	12,524
Long term liabilities						
Due within one year	-	-	277,056	1,244,618	13,158	1,534,832
Due in more than one year	-	-	4,621,103	34,596,708	75,116	39,292,927
Compensated absences	-	-	-	27,616	-	27,616
Total liabilities	758,018	625,000	7,675,839	36,737,946	652,682	46,449,485
NET POSITION						
Net investment in capital assets	-	-	(4,141,772)	15,297,698	27,001,206	38,157,132
Restricted for:						
Public works	-	-	-	72,960	-	72,960
Conservation & development	154,451	-	353,094	-	-	507,545
Unrestricted	135,427	4,080	(2,572,510)	2,005,970	1,197,885	770,852
Total net position	\$ 289,878	\$ 4,080	\$ (6,361,188)	\$ 17,376,628	\$ 28,199,091	\$ 39,508,489

See Notes to Financial Statements

**COUNTY OF LYCOMING, PENNSYLVANIA
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Function / Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Soil Conservation	Industrial Development Authority	Recreation Authority	Water & Sewer Authority	Airport Authority	Total
Governmental activities										
Conservation & development										
Soil Conservation	\$ 456,226	\$ 84,445	\$ 421,700	\$ -	\$ 49,919	\$ -	\$ -	\$ -	\$ -	\$ 49,919
Industrial Development Authority	631,710	7,500	-	625,000	-	790	-	-	-	790
Total governmental activities	<u>1,087,936</u>	<u>91,945</u>	<u>421,700</u>	<u>625,000</u>	<u>49,919</u>	<u>790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,709</u>
Business-type activities										
Recreation Authority	1,999,232	1,536,880	-	-	-	-	(462,352)	-	-	(462,352)
Water & Sewer Authority	6,424,728	4,612,037	-	678,851	-	-	(1,133,840)	-	-	(1,133,840)
Airport Authority	2,704,075	1,323,693	9,904	804,836	-	-	-	-	(565,642)	(565,642)
Total business-type activities	<u>11,128,035</u>	<u>7,472,610</u>	<u>9,904</u>	<u>1,483,687</u>	<u>-</u>	<u>-</u>	<u>(462,352)</u>	<u>(1,133,840)</u>	<u>(565,642)</u>	<u>(2,161,834)</u>
Total component units	<u>\$ 12,215,971</u>	<u>\$ 7,564,555</u>	<u>\$ 431,604</u>	<u>\$ 2,108,687</u>	<u>49,919</u>	<u>790</u>	<u>(462,352)</u>	<u>(1,133,840)</u>	<u>(565,642)</u>	<u>(2,111,125)</u>

General revenues:									
Unrestricted investment earnings				296	16	1,822	5,732	375	8,241
Grants, contributions and other revenues not restricted to specific programs				-	-	351,380	-	18,313	369,693
Total general revenues and transfers				<u>296</u>	<u>16</u>	<u>353,202</u>	<u>5,732</u>	<u>18,688</u>	<u>377,934</u>
Changes in net position				<u>50,215</u>	<u>806</u>	<u>(109,150)</u>	<u>(1,128,108)</u>	<u>(546,954)</u>	<u>(1,733,191)</u>
Net position - beginning									
As previously reported				239,663	3,274	(6,252,038)	18,024,667	28,746,045	40,761,611
Effect of merger							480,069		480,069
As adjusted				<u>239,663</u>	<u>3,274</u>	<u>(6,252,038)</u>	<u>18,504,736</u>	<u>28,746,045</u>	<u>41,241,680</u>
Net position - ending				<u>\$ 289,878</u>	<u>\$ 4,080</u>	<u>\$ (6,361,188)</u>	<u>\$ 17,376,628</u>	<u>\$ 28,199,091</u>	<u>\$ 39,508,489</u>

See Notes to Financial Statements

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

1. Summary of Significant Accounting Policies

The financial statements of the County of Lycoming, Pennsylvania (the "County") have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The following notes to the combined financial statements are an integral part thereof and are presented to assist the reader in understanding the financial statements.

A. Financial Reporting Entity

Primary Government - The County was organized in 1795 and operates under the Fifth Class County Code adopted by the Commonwealth of Pennsylvania State Legislature in 1970. The County is governed under the Commissioner form of government consisting of a three-member Board of Commissioners who performs the executive and legislative functions of the County. The County provides a wide range of services for its citizens in the areas of public safety, human services, cultural and recreation, and public works including solid waste disposal and resource recovery facilities.

Component Units – Consistent with the guidelines contained in Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by GASB Statement No. 39 and GASB Statement No. 61), "The Financial Reporting Entity", the County has evaluated all related entities (Authorities, Boards, Councils and etc.) to determine the financial accountability for possible inclusion in the financial report. In determining financial accountability in a given case, the County reviews the following criteria:

The County is financially accountable for:

1. Organizations that make up the legal County Entity.
2. Legally separated organizations for which the County officials appoint a voting majority of the organization's governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County as defined below.

Impose its Will – If the County can significantly influence the programs, projects, or activities of, or the level of service performed or provided by, the organization.

Financial Benefit or Burden – Exists if the County (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

3. Organizations fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the County.

Based on the preceding criteria, the reporting entity has been defined to include all the fund types for which the County is financially accountable or for which there is a significant relationship. Specific information on the nature of the various potential components units and a

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

description of how the aforementioned criteria have been considered in the determination of whether to include or exclude such units in the County's financial statements is provided in the following paragraphs. Separately published audit reports of the component units and joint ventures are available for inspection in the Controller's office.

Discretely Presented Component Units

Component units which are not blended as part of the primary government are discretely presented, which entails reporting component units financial data in a section / column separate from the financial data of the primary government. The component units presented in this way are the following:

Lycoming County Industrial Development Authority

#1 County officials appoint a voting majority of the organization's governing body

#2 Financial Benefit or Burden

Lycoming County Recreation Authority

#1 County officials appoint a voting majority of the organization's governing body

#2 Impose its Will-The County is obligated in some manner for the debt of the organization.

Williamsport Municipal Airport Authority

#1 County officials appoint a voting majority of the organization's governing body

#2 Financial Benefit or Burden

Lycoming County Conservation District

#1 County officials appoint a voting majority of the organization's governing body

#2 Financial Benefit or Burden

Lycoming County Water & Sewer Authority

#1 County officials appoint a voting majority of the organization's governing body

#2 Impose its Will-The County is obligated in some manner for the debt of the organization.

Information on the above entities is contained under Notes to the Basic Financial Statements, Component Units.

Request for financial reports or questions concerning any of the following component unit's financial information should be directed to:

Lycoming County Recreation Authority
352 Allenwood Camp Lane
Montgomery, Pa. 17752

Lycoming County Water & Sewer Authority
380 Old Cement Road
Montoursville, Pa. 17754

Lycoming County Conservation District
2130 County Farm Road
Montoursville, Pa. 17754

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Lycoming County Industrial Development Authority
100 West Third Street
Williamsport, Pa. 17701

Williamsport Municipal Airport Authority
Williamsport Regional Airport
Montoursville, Pa. 17754

Related Organizations

The County Commissioners appoint a voting majority of the following organizations' Board of Directors, but accountability does not extend beyond appointment. The related organizations are as follows:

Lycoming County Authority
Lycoming County Housing Authority
Lycoming County Library System Board
Lycoming County Planning Commission
Lycoming County Zoning Hearing Board
Agricultural Land Preservation Board

The County Commissioners are also responsible for appointing members to several other boards, but the County's accountability for these organizations does not extend beyond making appointments and the organization's financial activity associated with the County is not significant. These boards include:

Private Industrial Council
SEDA-COG
Local Emergency Planning Committee
Endless Mountains RCED Executive Council
Aging Advisory Board
Children & Youth Advisory Board

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on user fees and charges for support. Likewise, the primary government is reported separately from certain separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

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 as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds and major individual enterprise funds 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 is the proprietary fund. The fiduciary fund financial statements have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue 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.

Government fund financial statements are reported using the current financial resource 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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, hotel tax, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Government reports the following major Governmental Funds:

The General Fund and the Special Revenue Act 13 Gas Impact Fee Fund

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government not accounted for in another fund.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

The County Act 13 Gas Impact Fee Fund Accounts for funds received from the State's unconventional gas well impact fees.

The Government reports the following major Proprietary Funds:

The Enterprise Fund is the only major Proprietary Fund.

The Enterprise Fund accounts for the activity of the Solid Waste Disposal and Resource Recovery Facility operated by the County (Resource Management Services).

As a general rule, the effects of inter-fund activity have been eliminated from the government-wide financial statements, although inter-fund services provided and used are not eliminated in the process of consolidation. Elimination of these charges prevents the distortion of direct cost and program revenues reported for the various functions concerned. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The County has included indirect costs as part of the program expenses reported for each of the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the enterprise fund include the charges to customers for tipping fees and the sale of recyclable items. Operating expenses for the enterprise fund includes the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds account for assets held by the County as the agent for individuals, private organizations and other government units or other funds. The following is a description of the County's fiduciary funds:

Trust and Agency Funds - Includes the Pension Trust Fund, which accounts for the activity of the Lycoming County Employees' Retirement System, and the Agency Funds, which account for funds held by the County on behalf of others. The Pension Trust Fund is presented on the accrual basis of accounting. The Agency Funds are custodial in nature (assets equal liabilities) and are used to account for assets held by elected row officers (the Register and Recorder, Prothonotary, Treasurer, and Sheriff) that are combined in the financial statements. Additionally the County maintains cash on behalf of Prison and Pre-Release Commissary, Delinquent and Municipal Taxes, Cost and Fines, Escheats, Domestic Relations, Lycoming County Health Care Plan, Welfare Burial, Public Relations, Adult Restitution, and Juvenile Restitution. Additional details can be found in the other supplemental information section under agency funds.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

2. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows, the government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. The County utilizes a government cash management system to maximize its earnings.

The County maintains investments in long-term certificates of deposit which are recorded at cost, and participating interest earning investment contracts which are recorded at fair value. Premiums and discounts on the Pension Trust Fund bonds and notes are not amortized and are not material except for government mortgage securities, which are amortized. Except for the Pension Trust Fund, all investments are certificates of deposit, or investments in federal or state instruments with financial institutions. The County's investment policies are discussed further in Note 6.

Receivables and Payables

Activities between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of the inter-fund loan) or, "advances to / from other funds" (i.e., the noncurrent portion of the inter-fund loan). All other outstanding balances between funds are reported as "due to / from other funds".

All trade, property tax and cost and fines receivables are shown net of an allowance for uncollectibles.

The Solid Waste and Resource Recovery Facilities provide for an allowance for uncollectible accounts based upon past experience computed using a percentage of sales. Cost and Fines allowance is based upon estimated collection percentages of past due accounts determined by the number of years outstanding.

Property taxes levied each year are based on the assessed value of the property and are divided into three billing periods (current year and two interim billings). The first interim billing is in February and is for properties not billed in the prior year. The second interim billing is in August and captures any new properties not on the current year assessments billed in March.

Inventories and Prepaid Items

All inventories of the County are valued at cost using the first-in / first-out (FIFO) method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of the governmental fund types are equally offset by a non-spendable fund balance, which indicates that the inventories do not constitute "available, spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

items of the governmental funds are recorded as expenditures when consumed rather than when purchased.

Inter-fund Transactions

In the course of the County operation there exist a variety of transactions between funds to finance operations. Accordingly, to the extent that certain inter-fund transactions have not been paid or received as of December 31, 2014, the appropriate inter-fund receivables or payables have been established.

Restricted Assets

Restricted assets represent amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The largest share of restricted assets resides in the enterprise fund and is set aside for closure and insurance requirements established by the state.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of 18 months. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value as of the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

The governmental activities utilize the straight-line method of calculating annual depreciation, while the proprietary fund uses a combination of straight-line (SL) and units of production (UOP) to calculate annual depreciation.

	<u>Governmental</u>	<u>Proprietary</u>	
Improvements	15-40 Years	15-40 Years	SL
Improvements to fields		1,035,000-8,750,800	UOP
Buildings	40 years	40 years	SL
Building and improvements	25 years	25 years	SL
Equipment	1.5 – 15 years	1.5 – 15 years	SL
Infrastructure	50-100 years	50-100 years	SL

Compensated Absences

County employees under the pooled leave / long term sick policy are allocated, based on years of service, pooled and long term sick days each year. At the beginning of each year the employees receive their allocation of long-term sick days while earning pooled leave on a monthly basis. At the end of each year, employees are allowed to carry forward ten pooled leave days with any excess being transferred to long-term sick. Upon termination or retirement,

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

employees with one or more years of service are reimbursed for their remaining pooled leave time. Employees terminated with five or more years of service will also be reimbursed for unused long-term sick time prorated, based on the number of years of service, up to a maximum of \$1,200. Employees who retire will also be reimbursed for unused long-term sick time but at a larger percentage than those who terminate.

<u>Sick Days</u>	<u>Termination Ratio</u>	<u>Retirement Ratio</u>
0-100	14:1	12:1
101-200	11:1	9:1
201-261	8:1	6:1

The estimates on current and long-term usage are based on prior years' experience.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund types statement of net position. Bond premiums and discounts, as well as insurance cost, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as insurance cost, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are recorded as other financing uses. Insurance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Use of Estimates

The preparation of the financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
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Fund Equity

The following is the established fund balance classification that comprises a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resource reported in the governmental funds. The existing governmental fund type definitions improve comparability and allow for better understanding of the purposes for which a government has chosen to use particular funds for financial reporting.

When multiple resources are available for use, it is the government's policy to use the restricted assets first, committed second, assigned next and then unassigned resources as needed.

#1 NONSPENDABLE FUND BALANCES

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It can also include the long term portions of loans and notes receivables as well as property acquired for resale. However, if the proceeds from the receivables or sale of property are restricted, committed or assigned, then they should be included in the appropriate fund balance classification.

#2 RESTRICTED FUND BALANCE

The restricted fund balance is used when constraints placed on the use of the resources are either (a) externally imposed by creditors, grantors, contributors, laws or regulations, or other governments or (b) imposed by law through constitutional provision or enabling legislation.

The term enabling legislation, as used in this statement, authorizes the government to access, levy or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used for the specific purpose stipulated in the legislation. Legally enforceable means that a government can be compelled by an external party, such as citizens groups or the judiciary, to use the resources created by enabling legislation only for the purpose specified by the legislation.

#3 COMMITTED FUND BALANCE

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government itself using its highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government takes the same highest level action (for example, legislation, resolution, or ordinance) to remove or change the constraint.

In the County of Lycoming, the Commissioners are the government's highest level of decision making authority. For a fund balance to be committed, a public meeting must be held where

County of Lycoming, Pennsylvania
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the Commissioners take formal action and approve a resolution to commit, modify committal, or reverse committal of a portion of the fund balance for a specific project.

#4 ASSIGNED FUND BALANCE

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Intent can be expressed by the governing body or by an official to whom the governing body delegates the authority.

In the County of Lycoming, the County Commissioners are the only ones authorized to assign fund balances. This is normally done verbally to the Department of Fiscal Services and no additional action is required to remove the assignment.

#5 UNASSIGNED FUND BALANCE

The unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed or assigned and is available for any purpose. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund balance. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund balance line.

The following General Fund Non-Spendable fund balances totaling \$8,984,969 were established:

- Inventory - \$18,842
- Prepays - \$227,057
- Non-current loans - \$7,159,070
- Non-current A/R - \$1,580,000

The following General Fund Restricted fund balances totaling \$1,003,915 were established:

- Public Safety Investments - \$1,003,915

The following General Fund Assigned fund balances totaling \$609,487 were established:

- General Government agreements - \$479,584
- Judicial agreements - \$112,367
- Public Works agreements - \$17,536

County of Lycoming, Pennsylvania
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The following Special Revenue Restricted fund balances were established to restrict the use of the funds in accordance with Federal and State regulations:

Judicial – Restricted funds in the amount of \$5,157,597 are to support the operation and improvement of court offices. These include the Domestic Relations Fund, DA Investigative Fund, Register & Recorder Capital Improvement Fund, Act 13 and the Prothonotary Automation Fund.

Public Safety – Restricted funds in the amount of \$3,730,918 are used to support emergency services in the County. These include the Emergency Medical Services, Haz-Mat, 911 Wireline, 911 Wireless, Act 13 and EMA Grant.

Public Works – Restricted funds in the amount of \$3,278,162 are used to support the construction and maintenance of the County's roads and bridges as well as Act 13 projects.

Culture & Recreation – Restricted funds in the amount of \$1,875,403 are used to support the recreation needs of the County.

The following Special Revenue Assigned fund balances were established to denote the government's intention to use them for a specific purpose:

Conservation & Development – Assigned funds in the amount of \$314,575 are used to promote conservation practices that reduce nutrient run-off and preserve farm lands from development.

New Accounting Pronouncements

The County adopted GASB statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, for the year ended December 31, 2014. GASB No. 67 improves financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The County adopted the reporting requirements of GASB 67 as of January 1, 2014. The effect of this adoption expanded pension fund note disclosures and the supplementary information tables.

The County adopted GASB statement No. 69, *Government Combinations and Disposals of Government Operations*, for the year ended December 31, 2014. GASB No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The County implemented the accounting and reporting requirements of GASB No.

County of Lycoming, Pennsylvania
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69 as of January 1, 2014. The effect of this adoption did not materially change the County's accounting and reporting policies.

The County adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for the year ended December 31, 2014. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. The County implemented the accounting and reporting requirements of GASB No. 70 as of January 1, 2014. The effect of this adoption was to recognize a guarantee obligation and related expense in the amount of \$3,700,000 within the governmental activities statement of net position.

3. Reconciliation of Government-Wide and Fund Financial Statements

A: Explanation of Certain Differences Between the Total Fund Balance – Governmental Funds Balance Sheet and the Total Net Position – Governmental Activities and the Government-Wide Statement of Net Position.

The governmental funds balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statements of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$60,454,323 difference are as follows:

Bonds payable	\$36,570,787
Less: Deferred charges for prepaid insurance cost (to be amortized over the life of the debt)	(682,719)
Accrued interest payable	530,182
Guarantee obligation	3,700,000
Compensated absences	720,397
Other post employment benefit obligations	21,717,471
Unearned revenue - taxes	<u>(2,101,795)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u><u>\$60,454,323</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Change in Net Position - Government-Wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and

County of Lycoming, Pennsylvania
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changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,598,017 difference are as follows:

2014 capital asset purchases	\$ 1,276,255
2014 depreciation expense	<u>(2,874,272)</u>
Net adjustment to increase net change in fund balances-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (1,598,017)</u>

Another element of that reconciliation states “the issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any direct effect on net position. Also, governmental funds report the effect of the insurance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$98,388 difference are as follows:

Debt issued or incurred issuance general obligation bonds/notes	\$ (9,021,700)
Principal payments general obligation debt	8,894,970
Long term compensated absences	<u>28,342</u>
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (98,388)</u>

4. Budget and Budgetary Accounting

In accordance with the provisions of Public Law of the Commonwealth of Pennsylvania, the County prepares and adopts an annual budget each year for all its governmental and proprietary funds.

The budget process begins each year around the first week of August when department managers are supplied a budget packet containing materials and information used to update current year projections and request new appropriations. During September, the Office of Fiscal Services compiles a preliminary budget for review by the Commissioners. The Commissioners interview each department to discuss their budget request and determine the appropriate funding. The Office of Fiscal Services then assembles the revised projections of revenues and expenditures and develops a final budget which goes on public display for twenty (20) days before adoption prior to December 31st.

The County maintains budgetary control at the departmental level. Management, with the approval of Fiscal Services, may amend their departmental budgets as long as they do not

County of Lycoming, Pennsylvania
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exceed the approved budget for their departments. Transfers between departments or supplemental appropriations require Commissioner’s approval. Expenditures cannot legally exceed the appropriations at the budgetary control level described above. There were no additional supplemental budgetary appropriations for the overall budget for 2014. Appropriations lapse at the end of each year and must be re-appropriated.

The County utilizes encumbrance accounting for all its governmental fund types and proprietary funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as Assigned fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Budgets for the County are prepared on the modified accrual basis except for the Enterprise Fund, which is prepared on the accrual basis of accounting.

On occasion, unbudgeted funds may be created to meet special circumstances that have developed during the year. During 2014, one new unbudgeted fund was created, the Act 89 bridge fund.

5. Excess of Expenditures over Appropriations

For the year ended December 31, 2014, expenditures exceeded appropriations for the funds listed below. No remedial action was necessary or planned since fund resources were sufficient to provide for excess expenditures.

	<u>Budget</u>	<u>Actual</u>
Special Revenue Funds		
DA Investigative Fund	\$ 55,000	\$ 202,932
Prothonotary Automation Fund	\$ 3,970	\$ 57,495
911 Wireline	\$ 450,500	\$ 459,153
911 Wireless	\$ 716,954	\$ 736,142
EMA Grant	\$ 11,376	\$ 18,152
Liquid Fuels	\$ 384,150	\$ 447,630
Act 44 Bridge Fund	\$ 4,000	\$ 189,840
CDBG	\$ 487,060	\$ 489,468
EDPS Flood Mitigation Projects	\$ 1,265,789	\$ 1,592,993
EDPS Environmental Projects	\$ 9,000	\$ 263,739
EDPS Economic Development Projects	\$ 428,661	\$ 655,046
Debt Service Funds	\$ 3,684,154	\$ 11,489,342

6. Cash and Investments

GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” requires disclosures related to the following deposit and investment risk: Credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following is a description of the County’s deposit and investment risk:

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

A. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investments including U.S. Treasury Bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposits. The deposit and investments policy of the County adheres to State statutes. Deposits of the governmental funds are either maintained in demand deposit accounts, certificate of deposits or invested in U.S. Treasury Bills or other U.S. and Pennsylvania government obligations.

Deposit – Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County’s deposit may not be returned. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2014, the County had total deposits of \$59,754,097 with various financial institutions, which differs from the book balance of \$62,493,561 due to outstanding checks and deposits in transit. Of that balance \$326,211 was insured by the Federal Depository Insurance Corporation leaving \$59,427,886 uninsured and exposed to custodial credit risk of which \$43,590,815 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. The remaining balance of \$15,837,071 was held in various uninsured money market accounts, however, the funds are held in Federal money markets in the nominee’s name.

Investments

The County maintains a mix of restricted and unrestricted investments in both the General and Proprietary funds to maximize earnings and comply with State statutes for State and County closure of its solid waste facility.

As of December 31, 2014, the Statement of Net Position had the following investments:

Cash or Investment Type	Value	Investment Maturities from December 31, 2014			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 years
Investments at Cost					
Long-Term CDs	\$ 12,438,528	\$ 1,955,762	\$ 10,482,766	\$ -	\$ -
Guaranteed investment contracts	4,960,000	-	-	4,960,000	-
Total investments at cost	<u>17,398,528</u>	<u>1,955,762</u>	<u>10,482,766</u>	<u>4,960,000</u>	<u>-</u>
Investments at Fair Value					
Participating Interest Earning					
Investment Contracts at fair value	2,393,941	741,736	1,535,610	116,595	-
Government and agency debt	33,374,197	3,731,515	8,318,366	10,112,618	11,211,698
Total investments at fair value	<u>35,768,138</u>	<u>4,473,251</u>	<u>9,853,976</u>	<u>10,229,213</u>	<u>11,211,698</u>
Total investments	<u>\$ 53,166,666</u>	<u>\$ 6,429,013</u>	<u>\$ 20,336,742</u>	<u>\$ 15,189,213</u>	<u>\$ 11,211,698</u>

The following is a description of the County’s Investment risk:

Credit risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligation is called credit risk. The County has no formal investment policy that would limit its

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

investment choices based on credit ratings by nationally recognized statistical rating organizations.

#1 The County currently has \$38,334,197 in U.S. Treasury bills and related agency debt. This includes a carrying amount of \$4,960,000 of guaranteed investment contracts.

#2 Under the terms of the Guaranteed Investment contract, eligible securities are limited to non-callable obligations of the United States of America, Department of the Treasury.

#3 The County currently has \$14,832,469 in long-term certificates of deposit with local banking institutions. Of that amount, \$1,686,000 is covered by FDIC Insurance with the balance being collateralized in accordance with Act 72 of the Pennsylvania Legislature.

Custodial risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the fund will not be able to recover the value of collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the County of Lycoming, and are held by either the counterparty or the counterparty's trust department or agent but not in the name of the County of Lycoming.

The County of Lycoming has established an Agent/Custodian relationship with C&N Trust and Financial Management Group, an authorized and registered trust department operating under the laws of the Pennsylvania Department of Banking. The Agent/Custodial agreements provide for C&N Trust and Financial Management Group to serve as master custodian bank and to maintain custody of the County of Lycoming assets. C&N Trust and Financial Management Group, as the master custodian bank, may hold County of Lycoming property in the name of its nominee, bearer form, or in book entry form, so long as the Custodian's records clearly indicate that such property is held as part of the County of Lycoming accounts. All underlying securities held as custodian for the County of Lycoming are legal investments and are either federally insured or backed by the full faith and credit of the United States of America Government.

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

Interest Rate Risk – The County has no formal investment policy that limits investment maturities as a means of managing its exposure to the fair value losses arising from increasing interest rates.

Agency Fund Deposits

The County maintains bank accounts for various escrowed funds. As of December 31, 2014, the bank balance was \$5,422,092, which differs from the book balance of \$2,866,175 due to outstanding checks and deposits in transit, with \$500,000 being insured by the Federal Depository Insurance Corporation. The remaining balance \$4,922,092 was exposed to custodial risk, with \$4,793,096 being collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the institutions to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name leaving \$128,996 in uninsured I.O.L.T.A. accounts.

County of Lycoming, Pennsylvania
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Pension Trust Fund Deposits and Investments

The Pension Trust Fund's investments are held separately from those of other County funds. Assets in the pension trust fund are stated at fair value. Any premiums or discounts are recognized as a gain or loss upon disposition. The Retirement Board has adopted an investment policy that summarizes the investment philosophy of the Board and sets forth investment targets and performance objectives for the Pension Fund.

As of December 31, 2014, the Retirement Board had the following cash and investments in its Pension Trust Fund:

Cash or Investment Type	Value	Investment Maturities from December 31, 2014			
		Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
Fixed Income Securities	\$ 7,840,791	\$ 1	\$ 1,027,008	\$ 1,725,928	\$ 5,087,855
Mutual Funds	34,753,987	-	34,753,987	-	-
Corporate Bonds	7,783,010	-	3,898,341	2,365,716	1,518,953
Municipal Bonds	828,245	60,268	328,393	58,179	381,405
Long-Term CDs	2,346,072	48,021	2,298,052	-	-
Real Estate Funds	9,576,985	-	9,576,985	-	-
Total Debt Securities	<u>\$ 63,129,090</u>	<u>\$ 108,290</u>	<u>\$ 51,882,765</u>	<u>\$ 4,149,823</u>	<u>\$ 6,988,213</u>
Cash & cash equivalents	\$ 1,838,527				
Equity Securities	36,397,494				
Total cash and other investments	<u>\$ 38,236,021</u>				
Total cash and investment reported on the Pension Trust Fund Statement of Net Position	<u>\$ 101,365,111</u>				

The following is a description of the Pension Trust Fund's 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 Retirement Board has authorized its investment managers to invest the Pension Funds into the following:

#1 Fixed income securities – This includes domestic fixed and variable rate bonds and notes issued by the U.S. Government and its Agencies, U.S. Corporations, debt obligations of publicly traded REITS, Yankee bonds and notes (bonds or notes issued by non-U.S. based corporations and governments but traded in the U.S.), securitized mortgages (e.g. GNMA's FNMA's, FHLMC's, Commerical Mortgage Back Securities), collateralized mortgage obligations, asset backed securities, taxable municipal bonds and preferred stock. Private placement issues are prohibited.

#2 Equity securities – Domestic securities include common stock, real estate securities, and securities convertible into common stock of U.S. based companies. International securities include sponsored and unsponsored American Deposit Receipts (ADR's) or American

County of Lycoming, Pennsylvania
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Depository Shares (ADS's) or other depository securities of non-U.S. based companies traded in the U.S. and closed-end country funds. All convertible securities purchased must be U.S. dollar denominated securities and should be rated "B" (or its equivalent) at the time of purchase by a nationally recognized statistical rating agency.

The investment guidelines require that fixed income securities (except for those listed below) should be rated "BBB-" (or its equivalent) or higher at the time of purchase by a nationally recognized statistical rating agency. The minimum market value-weighted average quality rating of the portfolio is "A". Asset-backed securities, mortgage-backed securities, and CMOs should be rated "AA" (or its equivalent) at the time of purchase by a nationally recognized statistical rating agency. The Pension Trust Fund's December 31, 2014, investments in corporate bonds have received the following ratings from Standard and Poor's:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of the Total Corporate Bonds

<u>Investment Type</u>	<u>Standards & Poor's Rating</u>	<u>Percentage of Total Pension Trust Fund Corporate Bonds</u>
Corporate Bonds	AAA	14.29%
Corporate Bonds	AA+	3.01%
Corporate Bonds	AA	5.26%
Corporate Bonds	AA-	8.27%
Corporate Bonds	A+	12.78%
Corporate Bonds	A	18.80%
Corporate Bonds	A-	15.79%
Corporate Bonds	BBB+	7.52%
Corporate Bonds	BBB	4.51%
Corporate Bonds	BBB-	1.50%
Corporate Bonds	Unrated (by S&P)	8.27%
		<u>100.00%</u>

Custodial Credit Risk – Cash and Cash equivalents – For deposits, custodial risk is the risk that in the event of bank failure, the fund's deposits may not be returned. Cash reserves should be held in the custodian's money market fund, short-term maturity Treasury securities, or insured instruments of commercial banks and savings and loans.

As of December 31, 2014, the book value and bank balance of the Pension Trust Fund's cash and deposits was \$1,838,527. Of the M&T bank balance, \$100,000 was covered by SIPC, \$1,738,527 was covered by a Certificate of Protection through First City underwritten by Lloyds of London up to a maximum of \$1,900,000.

Custodial Credit Risk – Investments – For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity except for \$400,000 that would be insured by SIPC. The pension trust fund does not have a formal

County of Lycoming, Pennsylvania
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investment policy to mitigate custodial credit risk. However, to reduce investment risk, the Board's investment guidelines do set targets and range assets allocations for all investments. The total plan target and range allocation are as follows:

	<u>Target Avg.</u>	<u>Range</u>
Large Capitalization Value Equities	20%	15% - 25%
Large Capitalization Growth Equities	20%	15% - 25%
Small/Mid Capitalization Equities	15%	12% - 18%
International Equities	10%	7% - 13%
Private Equity	5%	3% - 7%
Real Estate	10%	7% - 13%
Total Equity Securities	80%	59% - 101%
Fixed Income Securities	20%	15% - 25%
	100%	

Concentration of Risk – The Retirement Board's investment guidelines do not set total fund diversification guidelines. However, they do attempt to minimize the impact of substantial loss in any specific industry or issue by establishing specific limits for the portfolios of each of the investment managers.

Equity investment managers:

1. To provide for diversification in the portfolio, investments in any one individual equity security should not exceed approximately 8% of the market value of the equity portion of the investment manager's portfolio.
2. The equity portion of each portfolio should be broadly diversified by market capitalization.
3. From time-to-time, the investment manager may invest in U.S. dollar denominated equities of non U.S. companies that otherwise conform to the provisions of this investment policy. In as much as the Plan has retained a separate global equity investment manager, investments in these foreign securities is expected to be limited.
4. Holdings of any single issue in this portfolio should not exceed more than 5% of the total outstanding market capitalization on the common stock of any company.

Fixed income managers:

1. Fixed income securities (except for those listed below) should be rated "BBB-"(or its equivalent) or higher at the time of purchase by a nationally recognized statistical rating agency. The minimum market value-weighted average quality rating of the portfolio is "A". Asset-backed securities, mortgage-backed securities, and CMOs should be rated "AA" (or its equivalent) at the time of purchase by a nationally recognized statistical rating agency.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

2. Fixed income securities of a single issuer, issue, or asset pool, with the exception of U.S. Government and Agency securities, are limited to no more than 10% of the market value of the investment manager's portfolio.
3. No more than 30% of the market value of an investment manager's portfolio may be invested in a single sector of the corporate fixed income market, (e.g. Industrials, Financials, and Utilities).
4. The maximum effective maturity of any single fixed income security is 30 years. There is no constraint on the dollar weighted average effective duration of the portfolio.
5. Mortgage backed securities may be purchased on a "when issued" or "TBA" basis (a forward contract transaction for mortgage backed issues that are to be issued in the near term). A short-term investment can back a "when issued" commitment as long as its effective duration does not exceed 180 days. These short-term investments should be considered within the fixed income allocation of the portfolio.
6. Collateralized mortgage obligations are limited to securities that are currently paying interest, receiving principal pay downs and do not contain leverage. Collateralized mortgage backed securities are limited to 10% of the market value of the fixed income portion of the investment manager's portfolio.
7. Purchases of mortgage securities whose payment represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pay no principal (e.g. interest only securities) are prohibited. Similarly, the purchase of mortgage securities whose payment represents the principal payments on the outstanding principal balance of the underlying mortgage-backed security and pays no interest (e.g. principal only securities) is also prohibited.
8. A purchase of mortgage securities whose payment of interest is determined by an index opposite to the changes in a market index (e.g. inverse floaters) is prohibited.

Interest Rate Risk – The Retirement Board's investment guidelines do not set total fund guidelines that limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Primary benchmark: The performance of the portfolios will be measured verses a passive index as described in the table below. On an absolute basis, it is expected that the total return (net of manager fees) of the combined portfolio will equal or exceed the actuarial assumed interest rate (currently 7.00%) over three-to five-year rolling time periods.

Secondary performance target: The portfolio is expected to meet or exceed the returns of their respective indices and rank at or above median in a universe of similar style managers over 3 to 5 year investment horizons.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Primary Policy Index Standards

Domestic Equity:

Large Cap Value Manager - Russell 1000 Value Index
Large Cap Growth Manager - Russell 1000 Growth Index
Small/Mid Cap Equity Manager - Russell 2500 Index

International Equity:

International Equity Manager - MSCI ACWI ex US Index

Fixed Income:

Domestic Government/Corporate Manager - Barclays Aggregate Index

Real Estate:

The overall return objective of the Fund's real estate commitment is to outperform the NCREIF ODCE index net of all fees

Private Equity:

Publicly Traded Equity Indices (S&P 500, Russell 3000, etc.) plus
Liquidity Premiums

C. Restricted assets

Collateral bonds held by the State of Pennsylvania

The Department of Environmental Protection regulation Title 25, Section 2711 requires all landfills to post a bond with the Treasurer of the Commonwealth of Pennsylvania. The purpose of the bond is to ensure that there will be money available to close the landfill if the operator does not fulfill closure requirements. In 2014, the County closure requirements for the landfill remained at \$19,801,860, and the transfer station remained at \$8,459. Under the current state regulations the transfer station must be funded at the minimum bonding requirement of \$10,000. The County currently has \$21,801,148 (fair value) on deposit with the state.

The Department of Environmental Protection also required the County to post a bond with the Treasurer of the Commonwealth of Pennsylvania to cover a wood grinding operation in the amount of \$162,000.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

As of December 31, 2014, the total collateral bonds held by the State are as follows:

<u>Current Funding</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Fair Value</u>
<u>Landfill</u>			
Cash		\$ 922,750	\$ 922,750
Certificate of Deposit	5/27/2015	12,286	12,286
US Treasury Note	3/1/2027	700,000	755,762
US Treasury Note	8/15/2023	3,923,760	4,053,608
US Treasury Note	1/1/2022	845,000	898,666
US Treasury Note	8/1/2026	1,465,000	1,585,789
US Treasury Note	2/15/2026	1,000,000	1,117,250
US Treasury Note	11/1/2027	1,635,000	1,815,550
US Treasury Note	7/15/2015	2,401,580	2,409,085
US Treasury Note	11/15/2031	300,000	319,998
US Treasury Note	11/15/2021	750,000	839,776
US Treasury Note	12/1/2021	500,000	588,845
US Treasury Note	5/1/2025	110,000	119,413
US Treasury Note	11/15/2025	400,000	474,848
US Treasury Note	12/1/2025	60,000	68,697
US Treasury Note	1/1/2026	500,000	522,360
US Treasury Note	2/15/2026	550,000	614,488
US Treasury Note	3/1/2027	850,000	917,711
US Treasury Note	7/15/2027	450,000	455,022
US Treasury Note	6/1/2028	120,000	132,116
US Treasury Note	6/1/2029	240,000	265,601
US Treasury Note	2/15/2024	500,000	526,133
US Treasury Note	12/1/2038	105,000	110,463
US Treasury Note	6/1/2039	500,000	549,960
US Treasury Note	6/1/2039	440,000	489,751
US Treasury Note	12/1/2040	545,000	579,182
US Treasury Note	12/1/2041	585,000	643,272
		20,410,376	21,788,382
<u>Transfer Station</u>			
Certificate of Deposit	9/5/2016	12,766	12,766
<u>Wood Grinding</u>			
Certificate of Deposit	3/12/2015	178,743	178,743
	Total	\$ 20,601,885	\$ 21,979,891

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

Growing Greener Trust

With the enactment of the Environmental Stewardship and Watershed Protection Act (Act 68), all funds deposited previously into the state closure trust fund now come under new regulations. The County can utilize the trust for funding of the County Conservation District, protecting farmlands, acid mine drainage cleanup, rehabilitation of state parks and forests, improving water quality and waste water treatment. During 2014, the County expended \$23,194 on projects leaving a balance as of December 31, 2014, of \$909,288.

7. Receivables

Receivables as of year-end for the governmental and business-type activities, including the applicable allowance for uncollectible accounts of \$6,375,541 are as follows:

	Governmental Activities	Business- type Activity	Total
Receivables, net:			
Taxes	\$ 2,761,274	\$ -	\$ 2,761,274
Accounts			
County Cost & Fines	4,760,678		4,760,678
Solid Waste Trade Accounts		1,714,174	1,714,174
Miscellaneous	369,267	-	369,267
Interest	565,438	535,057	1,100,495
Component Units	88,086	-	88,086
Intergovernmental	3,568,250	-	3,568,250
Loans	8,204,103	-	8,204,103
Total receivables	\$ 20,317,096	\$ 2,249,231	\$ 22,566,327

Lycoming County has provided interest and non-interest bearing loans to component unit government and non-profit organizations. As of December 31, 2014, the balances of the loans are as follows:

Loans Receivable

General Fund:

Non-Profit Organizations:

Tiadaghton Gardens	\$69,800
Lycoming County Nursing Home Association	1,305,000
SEDA-COG Joint Rail Authority	2,900,531

Component Units:

Recreation Authority	130,000
Lycoming County Water & Sewer Authority	3,798,772
Total Loans	\$ 8,204,103

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

8. Property Taxes

The County's property tax is levied by resolution of the Board of Commissioners on real property located in the County. Assessed value of real property is generally 100% of the market value as determined by the Lycoming County Bureau of Assessment.

The estimated value of taxable real estate for 2014 was \$5,599,004,260 and the total assessed value was \$5,599,004,260.

The County is permitted by the Fifth Class County Code to levy real estate taxes up to 20 mills on every dollar of adjusted valuation for general County purpose exclusive of the requirement for payment of interest and principal on funded debt. The 2014 real estate millage was set at 4.75 mills, which means a property owner will pay \$4.75 for every \$1,000 of assessed valuation.

Property taxes for 2014 are attached as an enforceable lien on property as of January 1, and are levied on March 1. The County bills these taxes which are collected by the County and elected tax collectors. Taxes are payable as follows: 2% discount March through April 30; face amount May 1 through June 30; and a 10% penalty thereafter. The County also prepares interim billings, one in February and the other in August to collect on new properties assessed during the interim period.

The County also collects delinquent taxes on behalf of itself and other taxing bodies through the Tax Claim Bureau. Tax liens are filed on related property as soon as taxes become delinquent in the subsequent year. In 2014, tax liens exist for 2013, 2012 and 2011 delinquent taxes.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

9. Capital Assets

Capital assets activity for the year ended December 31, 2014 are as follows:

A. Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 3,079,663	\$ -	\$ -	\$ 3,079,663
Land held for sale	38,420	-	(38,420)	-
Buildings held for sale	157,780	-	(157,780)	-
Construction in progress	206,617	853,548	(169,979)	890,186
Total capital assets not being depreciated	<u>3,482,480</u>	<u>853,548</u>	<u>(366,179)</u>	<u>3,969,849</u>
Capital assets being depreciated:				
Buildings	36,088,893	209,601	(566,102)	35,732,392
Improvements other than buildings	1,643,912	-	-	1,643,912
Machinery & equipment	20,556,341	383,567	(416,827)	20,523,081
Infrastructure	11,745,586	-	-	11,745,586
Total capital assets being depreciated	<u>70,034,732</u>	<u>593,168</u>	<u>(982,929)</u>	<u>69,644,971</u>
Less accumulated depreciation for:				
Buildings	19,776,660	1,028,092	(566,102)	20,238,650
Improvements other than buildings	489,907	63,647	-	553,554
Machinery & equipment	12,243,635	1,381,443	(280,735)	13,344,343
Infrastructure	4,825,263	402,477	-	5,227,740
Total accumulated depreciation	<u>37,335,465</u>	<u>2,875,659</u>	<u>(846,837)</u>	<u>39,364,287</u>
Total capital assets, being depreciated, (net)	<u>32,699,267</u>	<u>(2,282,491)</u>	<u>(136,092)</u>	<u>30,280,684</u>
Governmental activities capital assets (net)	<u>\$36,181,747</u>	<u>\$ (1,428,943)</u>	<u>\$ (502,271)</u>	<u>\$ 34,250,533</u>

Analysis of the increase in accumulated depreciation for the year.

Depreciation for the current year	\$ 2,874,272
Transfer of equipment from business type activity	1,387
Total increases in accumulated depreciation	<u>\$ 2,875,659</u>

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activity				
Capital assets not being depreciated:				
Land	\$ 2,450,020	\$ -	\$ -	\$ 2,450,020
Intangibles	1,654,499	-	-	1,654,499
Construction in progress	8,491,284	5,819,509	-	14,310,793
Total capital assets not being depreciated	<u>12,595,803</u>	<u>5,819,509</u>	<u>-</u>	<u>18,415,312</u>
Capital assets being depreciated:				
Buildings	18,186,044	-	-	18,186,044
Improvements other than buildings	53,247,555	-	-	53,247,555
Machinery & equipment	27,312,563	659,777	(105,570)	27,866,770
Infrastructure	1,892,707	-	-	1,892,707
Total capital assets being depreciated	<u>100,638,869</u>	<u>659,777</u>	<u>(105,570)</u>	<u>101,193,076</u>
Less accumulated depreciation for:				
Buildings	10,506,397	455,699	-	10,962,096
Improvements other than buildings	36,502,563	1,952,890	-	38,455,453
Machinery & equipment	15,219,401	1,391,538	(98,476)	16,512,463
Infrastructure	1,069,219	56,241	-	1,125,460
Total accumulated depreciation	<u>63,297,580</u>	<u>3,856,368</u>	<u>(98,476)</u>	<u>67,055,472</u>
Total capital assets, being depreciated, (net)	<u>37,341,289</u>	<u>(3,196,591)</u>	<u>(7,094)</u>	<u>34,137,604</u>
Business-type activity capital assets (net)	<u>\$ 49,937,092</u>	<u>\$ 2,622,918</u>	<u>\$ (7,094)</u>	<u>\$ 52,552,916</u>

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

Governmental activities:	
General government	\$1,091,867
Judicial	144,768
Public safety	1,102,366
Public works	363,263
Human services	61,781
Culture & recreation	65,613
Conservation & development	44,614
	<u> </u>
Total depreciation expense- governmental activities	<u>\$2,874,272</u>
Business-type activity:	
Waste disposal	<u>\$3,856,368</u>

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

B. Component Units Capital Assets

Water & Sewer Authority

Property, plant and equipment by category at December 31, 2014, are as follows:

	<u>2014</u>
Land	\$ 1,377,557
Easements	818,268
Armstrong Twp.	1,136,273
Booster stations	1,843,555
Buildings	21,172,482
Capitalized interest	1,595,841
Collection & conveyance systems	16,728,180
Laboratory equipment	29,725
Land improvements	4,560,216
Office equipment	373,716
Pre-development and loan costs	18,339
Processing & other equipment	2,925,243
Vehicles	619,280
Water filtration plant and system	643,701
Water system	<u>10,484,880</u>
	64,327,256
Construction in progress	<u>541,912</u>
	64,869,168
Less: Accumulated Depreciation	<u>(13,306,475)</u>
	<u><u>\$ 51,562,693</u></u>

Depreciation expense for the year ending December 31, 2014, was \$1,905,677.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

A summary of changes in capital assets is as follows:

	Balance 12/31/2013	Additions	Transfers / Deletions	Balance 12/31/2014
Capital assets not being depreciated:				
Land	\$ 1,377,557	\$ -	\$ -	\$ 1,377,557
Easements	420,155	398,113	-	818,268
Construction in progress	514,319	405,639	378,046	541,912
Total capital assets not being depreciated	<u>2,312,031</u>	<u>803,752</u>	<u>378,046</u>	<u>2,737,737</u>
Capital assets being depreciated:				
Armstrong Twp.	1,136,273	-	-	1,136,273
Booster stations	1,828,760	14,795	-	1,843,555
Buildings	20,945,012	63,097	(164,373)	21,172,482
Capitalized interest	1,322,473	71,357	(202,011)	1,595,841
Collection & conveyance systems	16,723,895	4,285	-	16,728,180
Laboratory equipment	52,830	-	23,105	29,725
Land improvements	4,560,216	-	-	4,560,216
Office equipment	357,889	16,871	1,044	373,716
Pre-development and loan costs	18,339	-	-	18,339
Processing & other equipment	3,187,236	101,991	363,984	2,925,243
Vehicles	619,280	-	-	619,280
Water filtration plant and system	643,701	-	-	643,701
Water system	10,469,396	15,484	-	10,484,880
Total capital assets being depreciated	<u>61,865,300</u>	<u>287,880</u>	<u>21,749</u>	<u>62,131,431</u>
Less accumulated depreciation	<u>11,635,307</u>	<u>1,905,677</u>	<u>234,509</u>	<u>13,306,475</u>
Total capital assets, being depreciated, (net)	<u>50,229,993</u>	<u>(1,617,797)</u>	<u>(212,760)</u>	<u>48,824,956</u>
Business-type activities capital assets (net)	<u>\$ 52,542,024</u>	<u>\$ (814,045)</u>	<u>\$ 165,286</u>	<u>\$ 51,562,693</u>

Recreation Authority

Property, plant and equipment by category at December 31, 2014, are as follows:

Leasehold improvements	\$ 442,060
Equipment	1,692,316
Total	<u>2,134,376</u>
Accumulated Depreciation	<u>(1,571,281)</u>
Capital Assets, net	<u>\$ 563,095</u>

Depreciation expense for the year ending December 31, 2014, was \$81,349.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
Leasehold improvements	\$ 398,038	\$ 44,022	\$ -	\$ 442,060
Equipment	1,673,832	18,484	-	1,692,316
Total	2,071,870	62,506	-	2,134,376
Accumulated Depreciation	(1,489,932)	(81,349)	-	(1,571,281)
Capital Assets, net	<u>\$ 581,938</u>	<u>\$ (18,843)</u>	<u>\$ -</u>	<u>\$ 563,095</u>

In November, 2006, the Authority transferred ownership of the White Deer Golf Course to the County of Lycoming in consideration of the County contributing \$3,835,000 to the refunding of the Authority's 1998 Revenue Bonds. The transfer included the land, land improvements and the building thereon.

Williamsport Municipal Airport Authority

At December 31, 2014, property, equipment and accumulated depreciation consist of the following:

	Cost	Accumulated Depreciation	Book Value
Land & improvements	\$ 29,970,955	\$ 9,334,536	\$ 20,636,419
Building improvements	6,612,114	2,442,460	4,169,654
Furniture, fixtures and equipment	3,393,391	2,260,867	1,132,524
Construction in progress	1,242,535	-	1,242,535
	<u>\$ 41,218,995</u>	<u>\$ 14,037,863</u>	<u>\$ 27,181,132</u>

Depreciation expense for the year ended December 31, 2014, was \$1,400,217.

Property and equipment by category at December 31, 2014, are as follows:

	Balance 12/31/2013	Additions	Transfers / Deletions	Balance 12/31/2014
Land & improvements	\$ 29,812,815	\$ 158,140	\$ -	\$ 29,970,955
Building improvements	6,612,114	-	-	6,612,114
Furniture, fixtures and equipment	2,692,649	5,482	695,260	3,393,391
Construction in progress	1,252,066	685,729	(695,260)	1,242,535
	<u>\$ 40,369,644</u>	<u>\$ 849,351</u>	<u>\$ -</u>	<u>\$ 41,218,995</u>

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

10. Interfund Receivables, Payables and Transfers

Interfund receivables and payables balances as of December 31, 2014, are as follows:

Due To / From Other Funds Fund	Due From Other Funds	Due To Other Funds
Major Funds:		
General Fund	\$ 2,205,172	\$ 17,849
Non-Major Funds:		
Domestic Relations IV-D	12,782	22,314
E.M.S.	-	16,460
911 Phone Tariff	-	444,900
Highway Safety	-	35,414
PCCD JAIBG / Aftercare	-	375
Liquid Fuels	31	9,830
Community Development Block Grant	-	1,000
EDPS Flood Mitigation	-	1,493,610
EDPS Environmental Projects	75	37,390
EDPS Economic Development Projects	6,464	119,236
Growing Greener	1,782	75
Debt Service Fund	-	32,889
Trust and Agency Funds	5,201	166
Total	<u>\$ 2,231,508</u>	<u>\$ 2,231,508</u>

Advances To / From Other Funds Fund	Advances From Other Funds	Advances To Other Funds
Major Funds:		
General Fund	\$ 11,500	\$ -
Non-Major Funds:		
Trust and Agency Funds	-	11,500
Total	<u>\$ 11,500</u>	<u>\$ 11,500</u>

Component Units To / From Other Funds Fund	Due From Other Funds	Due To Other Funds
Primary Government:		
General Fund	\$ 88,086	\$ -
Component Units:		
Soil Conservation	-	88,086
Total	<u>\$ 88,086</u>	<u>\$ 88,086</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursement of expenditures occur, (2) transactions are recorded in the accounting system and payment between funds are made.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Interfund Transfer & Other Financing Sources & Uses

Other Financing Sources / Uses Interfund Transfers	Transfer In	Transfer Out
Funds		
Major Funds:		
General Fund	\$ 2,199,618	\$ 11,469,033
Resource Management Services	-	2,059,676
Non-Major Funds:		
911 Wireline	34,650	250,000
911 Wireless		139,942
J.A.I.B.G. / Aftercare	72,135	-
EDPS Flood Mitigation	53,668	-
EDPS Environmental Fund	36,383	-
EDPS Economic Development Fund	6,050	-
Growing Greener	-	23,194
Farm Easement Program	50,000	-
Debt Service Funds	11,489,341	-
Total	<u>13,941,845</u>	<u>13,941,845</u>
Debt Proceeds	9,021,700	-
Bond Issuance Discount		51,278
Total	<u>\$ 22,963,545</u>	<u>\$ 13,993,123</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenue collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

11. Commitments

1: County Operating Leases

The County currently leases building space for three of its District Magistrates.

All of these leases are classified as operating leases with expiration dates extending from 2014 through 2017.

The following is a schedule of future minimum payments for operating leases with initial or remaining terms in excess of one year as of December 31, 2014.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Year Ended December 31, 2014

2015	\$	20,048
2016		20,048
2017		16,707
2018		-
2019		-
		\$ 56,803

2: The County has entered into the following additional agreements:

1. With Larson Design Group to design repairs to County Farm Road for \$24,000.
2. With Maximus Consulting Services for the purchase of cost allocation plan software in the amount of \$15,000.
3. With Modular Genius for the Route 405 building with \$55,564 remaining at year end.
4. With Delta Development for \$156,400 as a Planning and Community Development department consultant.
5. With Arraya in the amount of \$63,184 for a maintenance agreement renewal.
6. With Contrast Communications in the amount of \$150,000.
7. With Tetra Tech for \$95,000 as a Planning and Community Development department consultant.

12. LEASES

On November 2, 2006, the County entered into a lease agreement with the Lycoming County Recreation Authority for the lease of the White Deer Golf Course. The lease is for 30 years and is payable annually. The lease expense for the current year ending December 31, 2014, was \$245,653. The County of Lycoming currently receives lease income from eighteen cancelable and non-cancelable leases with varying cancellation clauses, expiration dates and monthly leases. Future minimum rents receivable that have initial or remaining terms in excess of one year are:

Summary of County Leases

	<u>County Office</u> <u>Buildings</u>	<u>White Deer</u> <u>Golf Course</u>	<u>Total</u>
2015	1,024,241	242,053	1,266,294
2016	472,528	243,427	715,955
2017	167,289	244,542	411,831
2018	156,399	245,418	401,817
2019	46,133	240,818	286,951
2020-2024	-	1,205,890	1,205,890
2025-2029	-	1,216,330	1,216,330
2030-2034	-	1,211,950	1,211,950
2035-2036	-	489,538	489,538
	\$ 1,866,588	\$ 5,339,966	\$ 7,206,554

The cost and carrying value of the leased facilities is \$10,715,809 and the depreciation expense is \$306,814.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

13. Long-Term Liabilities

A. General Obligation Bonds and Notes

The County issues general obligation bonds and notes to provide for the acquisition and construction of major facilities. General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government.

1. 2003 General Obligation Bonds – Proceeds used to refund the 1993 General Obligation Bonds.
2. 2007 General Obligation Bonds -
Series B in the amount of \$13,840,000 was used to repay the 2006 General Obligation Note used to purchase the T&C Plaza. \$5,070,000 of the remaining balance of the 2007 General Obligation Bonds, Series B of 2007 was advance refunded through the General Obligation Bonds, Series of 2014. The advance refunding reduced the County's total debt service payments by \$846,537, resulting in a net economic gain of approximately \$858,161. The bonds will be called on August 15, 2016.
3. 2009 General Obligation Bonds – Proceeds used to do a partial refunding of the 1998 General Obligation Bonds and cover the issuance costs of the Bonds. The outstanding balance of the 2009 General Obligation Bonds was refunded through the Huntington Bank Note. The current refunding reduced the County's total debt service payments by \$80,111, resulting in a net economic gain of approximately \$83,922. This bond was paid off in 2014.
4. 2010 General Obligation Bonds – Proceeds used to construct 3 telecommunication towers, to purchase auxiliary/ancillary system equipment for the towers, complete the Halls Station water program, complete the TRIP water and sewer project, to expand the Emergency Operation Center, complete a leachate force main at the county landfill, and complete a gas flare and piping project at the county landfill.
5. 2012 General Obligation Bonds-
Series A in the amount of \$12,420,000 will be used to finance the cost of acquiring and constructing infrastructure improvements at the county landfill, such as, but not limited to, land acquisition, buildings and additional fields.
Series B in the amount of \$4,995,000 was used to refund the 2006 General Obligation Bonds.
Series C in the amount of \$8,095,000 was used to refund the 2007 General Obligation Bonds, Series A.
6. Pennsylvania Infrastructure Bank (PIB) Note – On February 21, 2012, the County entered into an agreement with the Commonwealth of Pennsylvania, Department of Transportation for a PIB loan in the amount of \$12,627,593. The Department has structured the loan as a line of credit and committed the above amount to the County. The loan will be used to assist in funding the Airport Terminal-Loyalsock Railroad Bridge replacement project. To

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

date the County has passed-through \$3.5 million to the SEDA-COG Joint Rail Authority. The County has entered into an agreement with the SEDA-COG JRA where they are solely responsible for the principal and interest payments on what the County draws down for their cost share. The outstanding balance as of December 31, 2014, was \$2,900,531.

7. 2014 General Obligation Bonds – Proceeds used to partially refund the 2007 General Obligation Bonds, Series B.
8. Huntington Bank Note – On November 15, 2014, the County entered into an agreement with Huntington Bank for a loan in the amount of \$2,191,700. The proceeds of the note were used to refund the 2009 General Obligation Bonds.

County of Lycoming General Obligation Bonds & Notes

	Interest Rates	Final Maturity	Amount of Original Issue	Outstanding Balance 12/31/2014
Governmental activities				
2003 Bond Issue	5.00	2016	\$ 6,610,000	\$ 1,305,000
2007 Bond Issue-Series B	5.375 - 6.625	2038	13,840,000	7,465,000
2010 Bond Issue	5.099 - 6.599	2040	10,645,289	10,364,019
2012 Bond Issue-Series B	2.00 - 3.875	2036	4,995,000	4,685,000
2012 Bond Issue-Series C	1.00 - 3.25	2038	1,283,867	1,196,637
2014 Bond Issue	0.45-4.00	2038	6,830,000	6,615,000
Huntington Bank Note	2.05	2022	2,191,700	2,039,600
PIB Note	1.637	2022	3,500,000	2,900,531
			<u>\$ 49,895,856</u>	<u>\$ 36,570,787</u>
Business-type activity				
2010 Bond Issue	5.099 - 6.599	2040	\$ 2,979,711	\$ 2,894,883
2012 Bond Issue-Series A	2.00 - 4.00	2042	12,420,000	11,900,000
2012 Bond Issue-Series C	1.00 - 3.25	2038	6,811,133	6,348,363
			<u>\$ 22,210,844</u>	<u>\$ 21,143,246</u>

B. Changes in Long Term Debt

The following summary reflects the changes in the long-term obligations payable for the year ended December 31, 2014.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

	Balance 12/31/2013	Additions	Reductions/ Reallocations	Balance 12/31/2014	Due Within One Year
Governmental activities:					
Bonds & Note payable:					
2003 Bond Issue	\$ 1,910,000	\$ -	\$ 605,000	\$ 1,305,000	\$ 635,000
2007 Bond Issue-Series B	12,675,000	-	5,210,000	7,465,000	145,000
2009 Bond Issue	2,100,000	-	2,100,000	-	-
2010 Bond Issue	10,434,336	-	70,317	10,364,019	78,131
2012 Bond Issue-Series B	4,845,000	-	160,000	4,685,000	160,000
2012 Bond Issue-Series C	1,234,701	-	38,064	1,196,637	38,857
2014 Bond Issue	-	6,830,000	215,000	6,615,000	205,000
Huntington Bank Note	-	2,191,700	152,100	2,039,600	236,000
PIB Note	3,245,020	-	344,489	2,900,531	350,128
Total bonds & note payable	<u>36,444,057</u>	<u>9,021,700</u>	<u>8,894,970</u>	<u>36,570,787</u>	<u>1,848,116</u>
Compensated absences	748,739	2,463,656	2,491,998	720,397	501,804
Subtotal	<u>37,192,796</u>	<u>11,485,356</u>	<u>11,386,968</u>	<u>37,291,184</u>	<u>2,349,920</u>
Post employment benefits	<u>17,699,717</u>	<u>4,017,754</u>	<u>-</u>	<u>21,717,471</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 54,892,513</u>	<u>\$ 15,503,110</u>	<u>\$ 11,386,968</u>	<u>\$ 59,008,655</u>	<u>\$ 2,349,920</u>

	Balance 12/31/2013	Additions/ Reallocations	Reductions	Balance 12/31/2014	Due Within One Year
Business-type activity:					
2010 Bond Issue	\$ 2,920,664	\$ -	\$ 25,781	\$ 2,894,883	\$ 21,869
2012 Bond Issue-Series A	12,170,000	-	270,000	11,900,000	275,000
2012 Bond Issue-Series C	6,550,299	-	201,936	6,348,363	206,143
Total bonds payable	<u>21,640,963</u>	<u>-</u>	<u>497,717</u>	<u>21,143,246</u>	<u>503,012</u>
County Vacation/ Holiday Accrual	150,494	417,501	407,801	160,194	102,105
Subtotal	<u>21,791,457</u>	<u>417,501</u>	<u>905,518</u>	<u>21,303,440</u>	<u>605,117</u>
Post employment benefits	<u>2,619,899</u>	<u>662,215</u>	<u>-</u>	<u>3,282,114</u>	<u>-</u>
Long term Post & Field Closure liabilities	56,905,296	871,290	915,609	56,860,977	-
Business-type activities long-term liabilities	<u>\$ 81,316,652</u>	<u>\$ 1,951,006</u>	<u>\$ 1,821,127</u>	<u>\$ 81,446,531</u>	<u>\$ 605,117</u>

Compensated absences and post-employment benefits are generally liquidated by the general fund for governmental activities and the enterprise fund for business activities.

C. Amortization of General Obligation Bonds and Notes

The requirements to amortize the County general obligation bonds and notes outstanding as of December 31, 2014, including interest payments for the next five years and for five year periods thereafter are as follows:

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Year Ending December 31	Governmental Activities		Business-type Activity	
	Principal	Interest	Principal	Interest
2015	\$ 1,848,116	\$ 1,428,073	\$ 503,012	\$ 695,727
2016	1,912,948	1,370,879	508,012	687,445
2017	1,271,080	1,307,839	519,106	679,046
2018	1,296,688	1,276,978	532,520	668,368
2019	1,331,526	1,245,758	540,800	658,977
2020-2024	6,209,585	5,688,872	3,031,737	2,791,722
2025-2029	5,968,259	4,632,190	3,706,741	2,639,222
2030-2034	7,386,508	3,200,853	4,393,492	1,974,359
2035-2039	8,150,679	1,307,761	5,159,321	1,122,038
2040-2042	1,195,398	46,841	2,248,504	225,567
Total	<u>\$ 36,570,787</u>	<u>\$ 21,506,044</u>	<u>\$ 21,143,246</u>	<u>\$ 12,142,471</u>

Governmental Activities

Years	2003 Bonds Principal	2007 Bonds Principal	2010 Bonds Principal	2012 Bonds Principal	2014 Bonds Principal	PIB Note	Huntington Bank Note
2015	\$ 635,000	\$ 145,000	\$ 78,131	\$ 198,857	\$ 205,000	\$ 350,128	\$ 236,000
2016	670,000	155,000	78,131	198,857	210,000	355,860	245,100
2017	-	165,000	82,037	203,857	210,000	361,686	248,500
2018	-	170,000	82,037	210,443	215,000	367,608	251,600
2019	-	185,000	93,757	210,443	215,000	373,626	253,700
2020-2024	-	1,090,000	937,567	1,125,696	1,160,000	1,091,623	804,700
2025-2029	-	1,455,000	1,855,601	1,327,658	1,330,000	-	-
2030-2034	-	1,985,000	2,265,786	1,560,722	1,575,000	-	-
2035-2039	-	2,115,000	3,695,575	845,104	1,495,000	-	-
2040-2042	-	-	1,195,398	-	-	-	-
Total	<u>\$ 1,305,000</u>	<u>\$ 7,465,000</u>	<u>\$ 10,364,019</u>	<u>\$ 5,881,637</u>	<u>\$ 6,615,000</u>	<u>\$ 2,900,532</u>	<u>\$ 2,039,600</u>

Governmental Activities

Years	2003 Bonds Interest	2007 Bonds Interest	2010 Bonds Interest	2012 Bonds Interest	2014 Bonds Interest	PIB Note Interest	Huntington Bank Interest
2015	\$ 65,250	\$ 471,588	\$ 415,237	\$ 181,881	\$ 207,763	\$ 44,542	\$ 41,812
2016	33,500	463,794	412,668	178,293	206,840	38,810	36,974
2017	-	455,463	410,098	174,705	202,640	32,984	31,949
2018	-	446,594	407,399	170,627	198,440	27,063	26,855
2019	-	437,456	404,700	166,721	194,140	21,044	21,697
2020-2024	-	2,008,481	1,963,321	756,560	901,120	26,075	33,315
2025-2029	-	1,639,781	1,679,865	575,179	737,365	-	-
2030-2034	-	1,111,675	1,271,361	330,552	487,265	-	-
2035-2039	-	361,394	738,445	55,722	152,200	-	-
2040-2042	-	-	46,841	-	-	-	-
Total	<u>\$ 98,750</u>	<u>\$ 7,396,226</u>	<u>\$ 7,749,935</u>	<u>\$ 2,590,240</u>	<u>\$ 3,287,773</u>	<u>\$ 190,518</u>	<u>\$ 192,602</u>

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Business-type activity

Years	2010 Bonds Principal	2012 Bonds Principal	2010 Bonds Interest	2012 Bonds Interest
2015	\$ 21,869	\$ 481,143	\$ 115,869	\$ 579,858
2016	21,869	486,143	115,150	572,296
2017	22,963	496,143	114,412	564,634
2018	22,963	509,557	113,657	554,712
2019	26,243	514,557	112,847	546,130
2020-2024	262,433	2,769,304	493,343	2,298,379
2025-2029	519,399	3,187,342	470,209	2,169,013
2030-2034	634,214	3,759,278	355,865	1,618,494
2035-2039	1,034,425	4,124,896	206,697	915,341
2040-2042	328,504	1,920,000	19,667	205,900
Total	<u>\$ 2,894,883</u>	<u>\$ 18,248,363</u>	<u>\$ 2,117,716</u>	<u>\$ 10,024,755</u>

D. Guaranty Agreement

In November 2011, the County guaranteed the 17 year, \$4.525 million 2011 Guaranteed Revenue Bond issuance of the Lycoming County Recreation Authority (Recreation Authority). The bonds mature annually through December 15, 2027, with semiannual interest payments. In the event that the Recreation Authority is unable to make a payment, the County is required to make that payment. As a result of the Recreation Authority's inability to pay the debt service payment, the County concluded during 2014 that it was more likely than not that it would be required to pay the remaining portion of the Recreation Authority's debt service payments based on this guarantee. Prior to 2014, the County made certain payments on this obligation on the Recreation Authority's behalf; however, at that time County management deemed such activity as temporary, as Recreation Authority management had turn around plans in place that eventually failed to materialize. The County has paid \$542,529 in principal and \$271,917 in interest on the guarantee through December 31, 2014. The amount of the liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee.

The liability recognized for nonexchange financial guarantees by the County at December 31, 2014, is as follows:

<u>Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
\$ -	\$ 3,700,000	\$ -	\$ 3,700,000

E. Advance and current refundings

The County has defeased its General Obligation Bonds, Series A of 2007, by placing the proceeds of the General Obligation Bonds, Series C of 2012, in a sinking fund with earnings sufficient to call the remaining bonds on the redemption date. The County has also partially defeased its General Obligation Bonds, Series B of 2007, by placing the proceeds of the General Obligation Bonds, Series of 2014, in a sinking fund with earnings sufficient to call the

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

remaining bond on the redemption date of August 15, 2016. For financial reporting purposes, both bonds are considered defeased and the liability for those bonds has been removed from the County's statement of net position.

<u>Refunded Bond Series</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
2007 Bond, Series A	\$1,033,610	\$5,481,390
2007 Bond, Series B	\$4,975,000	

In addition, the County entered into a note with Huntington Bank in the amount of \$2,191,700 during 2014 for a current refunding of \$2,100,000 of the outstanding General Obligation Bonds, Series of 2009.

F. Legal debt limit

The County's legal debt margin at December 31, 2014, computed in accordance with the Commonwealth of Pennsylvania's Local Government Unit Debt Act of 1972, as amended, is approximately \$154,216,407 for general obligation bonds. The County is in compliance with all applicable debt covenants at December 31, 2014.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

G. Component unit debt

Lycoming County Water & Sewer Authority

The following is a summary of changes in long-term debt for the year ended December 31, 2014.

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014	Due Within One Year
PennWorks	\$ 1,472,488	\$ -	\$ 97,355	\$ 1,375,133	\$ 99,321
Guaranteed Sewer					
Revenue Bonds					
Series of 2009	8,890,000	-	8,890,000	-	-
Series of 2011	14,555,000	-	90,000	14,465,000	95,000
Series A of 2014	-	9,325,000	685,000	8,640,000	925,000
Series B of 2014	-	4,140,000	-	4,140,000	5,000
C&N Bank term loan	-	3,053,299	-	3,053,299	-
PennVest loan	171,136	-	38,750	132,386	36,463
Woodlands Bank loan	211,936	41,392	16,592	236,736	21,793
Santander Bank term loan	731,600	768,400	1,500,000	-	-
Subtotal	<u>26,032,160</u>	<u>17,328,091</u>	<u>11,317,697</u>	<u>32,042,554</u>	<u>1,182,577</u>
Excess Capacity Agreement					
Principal	3,874,467	-	3,874,467	-	-
Subtotal	<u>3,874,467</u>	<u>-</u>	<u>3,874,467</u>	<u>-</u>	<u>-</u>
Due to Primary Government					
2007-2010 Regional Water System Loan	909,811	-	31,373	878,438	31,373
2010 Strategic Planning Loan	96,667	-	3,333	93,334	3,333
2011 Loan	2,827,000	-	-	2,827,000	27,335
Subtotal	<u>3,833,478</u>	<u>-</u>	<u>34,706</u>	<u>3,798,772</u>	<u>62,041</u>
Total due to primary government	<u>7,707,945</u>	<u>-</u>	<u>3,909,173</u>	<u>3,798,772</u>	<u>62,041</u>
Total	<u>\$ 33,740,105</u>	<u>\$ 17,328,091</u>	<u>\$ 15,226,870</u>	<u>\$ 35,841,326</u>	<u>\$ 1,244,618</u>

Excess Capacity Agreement – On June 5, 1997, the County and the Authority entered into a capital contribution and capacity purchase agreement whereby the County would make a capital contribution of \$3,690,000 towards the construction of the Montoursville Regional Sewer System in order to reserve and purchase capacity for future expansion within the County. The excess capacity reservation entitled the County to direct the use of the excess capacity as set forth in the agreement.

In July 2012, the Authority and the County amended the Agreement, whereby the County released its remaining capacity in the Authority’s treatment plant, and forgave the interest that accrued from 1997 to 2011, in the amount of \$2,185,593. In addition, the Authority agreed to make semi-annual payments to the county to repay the principal contribution, with the balance of the original loan to be repaid at the next call date (November 15, 2014) of the County’s bonds. Interest accrues monthly on the outstanding loan balance at rates ranging from 4.5% to 5% per annum.

The obligation was refinanced in 2014 through the issuance of the Authority’s Guaranteed Sewer Revenue Bonds, Series B of 2014.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

PennWorks Loan – Halls Station Water Loan – In 2007, the Authority entered into an agreement with the Pennsylvania Water Supply and Wastewater Infrastructure Program (“PennWorks”) with a maximum loan amount available of \$2,269,886. The proceeds of this note were used for the construction of a water system for the supply, treatment, storage or distribution of water. The loan is due in monthly payments of \$10,493 including principal and interest at 2.00% per annum through April 1, 2027, secured by a pledge of all Authority revenues and receipts generated from or by this project.

Guaranteed Sewer Revenue Bonds, Series of 2009 – In 2009, the Authority issued its Guaranteed Sewer Revenue Bonds, Series of 2009, in the face amount of \$12,555,000, bearing interest at rates ranging from 3.00% to 4.20% per annum, maturing on November 15, 2023, guaranteed by the County. The proceeds from the sale of the Bonds were used for the purposes of (1) retiring a loan in the outstanding principal amount of \$11,165,000 made by the County of Lycoming, Pennsylvania to the Authority in 1998, and redeeming related general obligation bonds of the County of Lycoming, Pennsylvania, (2) retiring a short term loan to the Authority from Sovereign Bank in the outstanding principal amount of \$757,000; (3) retiring an outstanding loan to the Authority from PennVest in the outstanding principal amount of \$75,500; (4) making improvements to public sanitary sewer facilities of the Authority, including the acquisition of land; and (5) paying the costs of issuing the Bonds.

This Bond series was refinanced in 2014 through the issuance of the Authority’s Guaranteed Sewer Revenue Bonds, Series A of 2014.

Guaranteed Sewer Revenue Bonds, Series of 2011 – In 2011, the Authority issued its Guaranteed Sewer Revenue Bonds, Series of 2011, in the face amount of \$14,735,000, bearing interest at rates ranging from 2.00% to 5.00% per annum, maturing on November 15, 2041, guaranteed by the County. Of the \$14,735,000 face amount of the bonds, \$13,660,000 are term bonds due in various installments between 2025 and 2041. The proceeds from the sale of the Bonds were used for the purposes of (1) construction of improvements to the Montoursville Regional Wastewater Treatment Plant owned and operated by the Authority; (2) construction of a new office/garage/storage building for the Authority’s operations; (3) paying capitalized interest on the Bonds; and (4) paying the costs of issuing the Bonds.

Santander Term Loan – In 2013, the Authority entered into a promissory note agreement with Santander Bank, N.A. with a maximum principal balance of \$1,500,000, due in monthly payments of accrues interest at a variable rate equal to the 1-month London Interbank Offered Rate (“LIBOR”) plus 2.35% (2.51% at December 31, 2014) on the outstanding balance, with a final payment of all outstanding principal and accrued interest on January 31, 2015.

This loan was refinanced in full with the Citizens & Northern Bank term loan in 2014.

Citizens & Northern Bank Term Loan – In 2014, the Authority entered into a Guaranteed Water Revenue Note, Series of 2014 with Citizen’s and Northern Bank with a maximum principal balance of \$3,725,000 (only \$3,053,299 was drawn at December 31, 2014), on a revolving line of credit basis through December 1, 2019, due in quarterly payments of accrued interest (beginning March 1, 2015) at a fixed rate of 1.98% per annum on the outstanding balance.

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

Beginning December 1, 2019, no further draws shall be available, the interest rate becomes variable equivalent to 68% of Prime less 0.5%, and principal and interest will be paid quarterly through December 1, 2044 (the maturity date), when the outstanding principal and accrued interest is to be paid in full.

Guaranteed Sewer Revenue Bonds, Series A of 2014 – In 2014, the Authority issued its Guaranteed Sewer Revenue Bonds, Series A of 2014 in the face amount of \$9,325,000, bearing interest at rates ranging from 1.00% to 2.60% per annum, maturing on November 15, 2023, guaranteed by the County. The proceeds from the sale of the Bonds, together with other available funds, were/will be applied to (1) refund all of the Authority’s Guaranteed Sewer Revenue Bonds, Series of 2009 in the outstanding principal amount of \$8,890,000 plus accrued interest, to a redemption date of November 15, 2014; (2) undertake improvements to the Montoursville Regional Sewer System (“MRSS”) facilities; and (3) pay the costs of issuing the Bonds.

The refunding reduced the Authority’s total debt service payments over the next 9 years by approximately \$235,000, resulting in a net economic gain of approximately \$205,000.

Guaranteed Sewer Revenue Bonds, Series B of 2014 – In 2014, the Authority issued its Guaranteed Sewer Revenue Bonds, Series B of 2014 in the face amount of \$4,140,000, bearing interest at rates ranging from 2.00% to 3.30% per annum, maturing on November 15, 2030, guaranteed by the County. The proceeds from the Bonds, together with other available funds, were applied to (1) finance the repayment to the County of certain contractual obligations owed to the County related to the acquisition and purchase of sewage treatment plant capacity, pursuant to Second Amendment to Amended and Restated Capital Contribution Capacity Purchase Agreement dated July 12, 2012, between the Authority and the County; and (2) pay the costs of issuing the Bonds.

PennVEST Term Loan – On January 1, 2014, the Authority assumed a loan agreement with the Pennsylvania Infrastructure Investment Authority (“PennVEST”), following its merger with Limestone Township Municipal Water Authority (“Limestone”), with an original principal balance of \$581,650, due in monthly installments of \$3,327 including principal and interest at a rate of 2.90% per annum. The loan is secured by future revenues of Limestone’s water revenues and a lien position thereto.

Woodlands Bank Term Loan – On January 1, 2014, the Authority assumed a loan agreement with Woodlands Bank, following its merger with Limestone, with an original principal balance of \$250,000, due in monthly installments of \$2,517 including principal and interest at a rate of 3.83% per annum.

Due To Primary Government – During 2007 and 2009, the County and the Authority entered into various agreements, whereby certain funds were advanced to the Authority by the County in the aggregate amount of \$349,184. Also, in 2010, the County and the Authority entered into a “Muncy Montoursville Regional Water System and Implementation Activities for 2010” agreement, whereby the County loaned the Authority \$592,000 in order to advance the design of various future phases of the Authority’s public water system. At the time these agreements

County of Lycoming, Pennsylvania
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were written, there were no stated interest rates or repayment terms. During 2012, the County and the Authority negotiated a new agreement that consolidated the 2007, 2009, and 2010 amounts into a single loan agreement in the amount of \$941,184, due in monthly installments of \$2,614, maturing in December 2042.

During 2010, the County loaned the Authority \$100,000 to continue development of the Authority's strategic plan to enable the Authority to provide additional services to municipalities throughout Lycoming County. There are no formal repayment terms on this agreement and the note bears no interest. During 2012, the County and the Authority renegotiated this loan to specify formal repayment terms. The Authority will make monthly payments of principal of \$278 with no interest through maturity in December 2042.

In 2011, the County of Lycoming and the Authority entered into a "LCWSA Regional Water System Design and Implementation Activities" agreement, whereby the County loaned the Authority \$2,034,000 in order to advance the design of a regional water system. During 2012, the County and the Authority negotiated to specify formal repayment terms on this borrowing. Such terms increased the maximum amount of the loan to \$2,868,186 and include semi-annual payments of principal and interest at rates ranging from 5.099% to 6.599%, maturing in 2043. The Authority has recorded \$541,323 and \$426,672 as accrued interest on this loan as of December 31, 2014 and 2013, respectively.

The annual requirement to amortize long-term debt at December 31, 2014, is as follows:

Long Term Debt	Principal	Interest	Total
2015	\$ 1,244,618	\$ 1,194,267	\$ 2,438,885
2016	1,268,553	1,168,946	2,437,499
2017	1,299,039	1,143,055	2,442,094
2018	1,313,164	1,106,791	2,419,955
2019	1,414,893	1,064,432	2,479,325
2020-2024	7,713,748	4,850,660	12,564,408
2025-2029	8,657,286	3,612,455	12,269,741
2030-2034	7,673,580	1,985,217	9,658,797
2035-2039	3,759,970	567,425	4,327,395
2040-2044	1,496,475	379,232	1,875,707
Total	<u>\$ 35,841,326</u>	<u>\$ 17,072,480</u>	<u>\$ 52,913,806</u>

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

Recreation Authority

The following is a summary of changes in long-term debt for the year ended December 31, 2014

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014	Due Within One Year
Bonds payable	\$ 3,945,000	\$ -	\$ 245,000	\$ 3,700,000	\$ 245,000
Notes payable	1,225,904	-	27,745	1,198,159	32,056
Subtotal	<u>5,170,904</u>	<u>-</u>	<u>272,745</u>	<u>4,898,159</u>	<u>277,056</u>

The annual requirements to amortize long-term debt as of December 31, 2014, are as follows:

	Principal	Interest	Total
2015	\$ 277,056	\$ 105,352	\$ 382,408
2016	401,781	100,579	502,360
2017	255,000	95,155	350,155
2018	260,000	90,055	350,055
2019	265,000	84,530	349,530
2020-2024	1,440,000	312,268	1,752,268
2025-2027	980,000	70,492	1,050,492
Unspecified maturities	<u>1,019,322</u>	<u>-</u>	<u>1,019,322</u>
	<u>\$ 4,898,159</u>	<u>\$ 858,431</u>	<u>\$ 5,756,590</u>

The balance of long-term debt as of December 31, 2014, consists of:

Bonds payable:

Guaranteed Revenue Bonds, Series of 2011 – the Bonds are due in varying semi-annual installments including interest at 1.25% to 3.60% per annum, final maturity December 15, 2027. The outstanding balance as of December 31, 2014, is \$3,700,000.

Notes payable:

#1 Unsecured, non-interest bearing note payable to County of Lycoming, Pennsylvania, maturing November 2016 in the amount of \$130,000.

#2 Unsecured, non-interest bearing note payable to County of Lycoming, Pennsylvania, with an unspecified maturity date in the amount of \$1,019,322.

#3 Note payable to Muncy Bank & Trust Co., secured by golf carts and payable in monthly installments of \$1,196.55 including interest at 5.00% that matures in 2016. The outstanding balance as of December 31, 2014, is \$25,309.

#4 Note payable to Muncy Bank & Trust Co., secured by golf carts and payable in monthly installments of \$1,623.94 including interest at 5.50% that matures in 2016. The outstanding balance as of December 31, 2014, is \$23,528.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
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14. Estimated Reclamation Cost for Field and Post Closure

The Lycoming County landfill operations has a total estimated capacity of 11,796,000 tons with the total estimated capacity used of 9,862,500 tons (84%) leaving as of December 31, 2014, an estimated remaining tonnage of 1,933,500 tons or an estimated 6.3 remaining years per the consulting engineers' 2014 annual report for fields 1 through 11. The County is currently constructing Field 12 which will extend the useful life of the landfill to December 2028 and increase the remaining tonnage to 4,375,700.

A. Estimated Reclamation Cost for Landfill Field Closure

The estimated cost of reclamation in connection with landfill operations is accrued on the units-of-production method as the estimated landfill tonnage capacity is utilized. These reclamation costs are the capping expenses of fields 5 to 12, as fields 1 to 4 were capped in 2014, based on a three-foot native clay soil cover, topsoil and seeding as estimated by the consulting engineers.

State and Federal laws and regulations require that the County of Lycoming must place a final cover on fields 5 to 12 on or before site closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and a related liability are being recognized based on the future field closure cost that will be incurred near or after the date the landfill no longer accepts waste. Based on the 2014 engineer's report, the County will need an estimated \$22,650,000 to meet its field closure requirements. The estimated liability for landfill field closure as of December 31, 2014, is projected to be \$19,429,747 with the remaining balance of the liability estimated at \$3,220,253 to be recognized as field closure expenses between 2015 and the estimated site closure in 2028. The County currently uses the units of production method to record the annual liability and expense which is calculated at \$0.74 per ton of waste processed at the site using the estimated remaining tonnage of 4,375,700 tons of waste products.

The County is funding the field closure liability by utilizing a combination of user fees and investment earnings. As of the end of the current fiscal year, the County has accumulated funding of \$25,136,623 (fair value) toward field closure. The remaining portion of the overfunded liability in the amount of \$2,486,623 (fair value) will be used to cover increases over the remaining site life. Any additional costs that may arise from inflation or changes in field closure requirements will be covered by increases in future landfill user fees, taxpayer subsidies or both.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

<u>Field Closure Cost</u>	12/31/2014	
	Accrued Liability	Liability Funded At Fair Value
Required Liability / Funding to December 2028	\$ 22,650,000	\$ 22,650,000
Accrued Liability 12/31/14	<u>19,429,747</u>	<u>19,429,747</u>
Cash and Investments at 12/31/14		
County Closure Cash	-	6,857,183
County Closure Short Term C/D	-	2,798,523
County Closure U.S. Government Securities	-	10,163,961
County Closure Long Term C/D	-	5,316,956
Total Current G/L Balances 12/31/14	<u>-</u>	<u>25,136,623</u>
Over/(Under) as of 12/31/2014		<u>\$ 5,706,876</u>
Over/(Under) as of December 2028	<u>\$ (3,220,253)</u>	<u>\$ 2,486,623</u>

B. Estimated Post-Closure Maintenance Costs for the County Landfill

The estimated post closure maintenance cost for the County landfill represents the capital and operating expenses for the existing and re-permitted facility under the current Pennsylvania Department of Environmental Protection (DEP) and the Environmental Protection Agency (EPA) regulations. Post closure costs as estimated by the consulting engineers would include final cover excavation, transport, placement and revegetation of the entire site. Maintenance cost for the landfill after closure will include cover repair, soil and erosion control, terracing, revegetation, geosynthetic placement, leachate treatment and breakout repair.

State and Federal laws and regulations require that the County of Lycoming must maintain and monitor the landfill site for a period of thirty years after closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and a related liability are being recognized based on the future post closure costs that will be incurred near or after the date the landfill no longer accepts waste. Based on the 2014 engineer's report, the County will need an estimated \$40,680,000 to meet its future post closure requirements. The estimated liability for landfill post closure as of December 31, 2014, is projected to be \$37,431,231 with the excess balance of the liability estimated at \$3,248,769 to be recognized as post closure expenses between 2015 and the estimated site closure in 2021. The County uses the units of production method to record the annual liability and expense which is calculated at \$1.68 per ton of waste processed at the site using the estimated tonnage for fields 1 through 11 of 1,933,500 tons of waste products.

The County is funding the post closure liability by utilizing a combination of user fees and investment earnings. At the close of the current fiscal year, the County has accumulated \$40,556,622 (fair value) toward post closure. The remaining portion of the underfunded liability in the amount of \$123,378 (fair value) will be financed with investment earnings and user fees of \$0.06 per ton over the remaining site life. Any additional cost that may arise from inflation or changes in field closure requirements will be covered by increases in future landfill user fees, taxpayer subsidies or both.

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

<u>Post Closure Cost</u>	<u>12/31/2014</u>	
	<u>Accrued Liability</u>	<u>Liability Funded At Fair Value</u>
Required Liability / Funding to March 2021	\$ 40,680,000	\$ 40,680,000
Accrued Liability 12/31/14	<u>37,431,231</u>	<u>37,431,231</u>
Cash and Investments at 12/31/14		
Cash	-	2,436,389
Long Term C/Ds	-	10,856,981
County Closure 1997 GIC	-	5,010,675
State Closure C/D s	-	13,776
State Closure U.S. Government Securities	-	22,238,801
Total Current G/L Balances 12/31/14	<u>-</u>	<u>40,556,622</u>
Over/(Under) as of 12/31/2014		<u>\$ 3,125,391</u>
Over/(Under) as of March 2021	<u>\$ (3,248,769)</u>	<u>\$ (123,378)</u>

15. Joint Ventures

Lycoming-Clinton Mental Health and Intellectual Disabilities Joinder Board administers and coordinates mental health and intellectual disabilities programs to provide for treatment, care and vocational and social rehabilitation of the mentally ill and mentally retarded residents of Lycoming and Clinton Counties. Funding for the programs is provided largely by various Federal and State grants with the balance being made up through the County match and user charges. The governing body consists of the Board of Commissioners of Lycoming and Clinton Counties which allow each County 50% control.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
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Statement of Net Position as of 06/30/14

Assets:	
Cash and cash equivalents	\$ 5,095,720
Receivables (net of allowance)	6,306,732
Loan receivable	5,443
Other Assets	526,606
Capital assets (net of depreciation)	538,474
Total assets	<u>12,472,975</u>
Liabilities:	
Accounts payable	\$ 6,196,197
Payroll taxes payable	425,895
Unearned revenues	5,295,159
Long term liabilities	
Due within more than one year	393,832
Total liabilities	<u>12,311,083</u>
Net Assets	
Net investment in capital assets	538,474
Restricted	11,807
Unrestricted	(388,389)
	<u>\$ 161,892</u>

Financial statements for the MH/MR Joint Venture can be obtained at their administrative office Monday through Friday during normal working hours:

Administrative Office
Lycoming-Clinton Joinder Board
200 East Street
Williamsport, Pa. 17701

16. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission, injuries to employees and natural disasters which have in the past been covered by a combination of private carriers and County self-insurance. In 1998, the County became a member PCoRP (Pennsylvania County Risk Pool) which was created in the mid-1980's by the County Commissioners Association of Pennsylvania. Lycoming County coverage under PCoRP consists of the following:

1. Property/Inland Marine/Auto Physical Damage
2. General Liability
3. Law Enforcement Liability
4. Auto Liability
5. Public Officials Errors/Omissions Liability
6. Crime Coverage
7. Boiler and Machinery
8. Flood and Earthquake

County of Lycoming, Pennsylvania
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Under this coverage each member of PCoRP has its own maintenance deductible, and then PCoRP self-insures the first \$100,000 before the specific excess coverage is utilized. The purpose is to self-insure the usual and expected losses while implementing strong risk management controls to contain those losses.

Each year member counties make their payments to PCoRP in June. The two major components of the payment are the insurance cost relating to provisions of coverage through PCoRP, and a loss fund contribution. Loss fund monies stay with PCoRP and are invested and used to pay claims up to the self-insure retention (SIR) limit of the loss fund, which is currently \$100,000. Each member's share of the loss fund is determined based on their past year's claims history. Payments for amounts of claims above the \$100,000 layer are made by PCoRP reinsurers. Also, the entire loss fund for each policy is reinsured for \$1,000,000.

There have been no significant reductions in insurance coverage over the last several years, and settled claims have not exceeded the commercial coverage in those years. As of the latest PCoRP financial statements dated December 31, 2014, the County has had no additional assessments to the loss fund. In the event PCoRP's assets are not sufficient to meet its obligations to pay its member's claims, PCoRP, as a public entity risk pool, has the ability to retroactively assess its member's additional premiums to cover any short fall.

The County has purchased from another insurance company Pollution and Remediation Legal Liability policy commencing December 1999 with a retroactive date of December 1998 with coverage of \$1,000,000 for each loss, remediation expense or legal defense expense for \$2,000,000 for all total loss, remediation expense, or legal defense expense with the self-insurance retention amounting to \$100,000 for each loss.

17. Retirement Benefits

A. Summary of Significant Accounting Policies

Basis of accounting. The financial statements of the Lycoming County Employees' Retirement System are prepared using an accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method used to value investments. All investments of the pension trust fund are reported by the custodian at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value.

B. Plan Description and Membership Information

Plan description. The Lycoming County Employees' Retirement System is a contributory, single employer defined benefit retirement plan that covers substantially all full-time employees

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

of the County and part-time employees of the County who work 1,000 or more hours per year. The plan provides retirement, disability and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania, the County Pension Law, as amended. The County does not issue a separately audited financial report for the plan.

Plan administration. Under the County Pension Law, the retirement plan is to be administered by a retirement board consisting of five members: the three County Commissioners, the County Controller, and the County Treasurer. Each member of the board is a trustee of the fund.

Plan membership. As of January 1, 2014, the date of the most recent actuarial valuation and December 31, 2014, the plan year end, the retirement system membership consisted of the following:

	1/1/2014	12/31/2014
Retirees and Beneficiaries Receiving Benefits	295	316
Terminated Members Entitled to Benefits but not yet receiving them	37	36
Active Plan Members	514	519
Total	846	871

Benefits provided. Monthly benefit payments under the retirement plan are determined for each individual according to the retirement option selected and the age and length of service at retirement. Under normal retirement (attaining the age of 60 or at age 55 with 20 years of service) the retirement benefit is equal to one of the following:

<u>Class</u>	<u>Percent</u>	<u>Effective Date</u>
1/100	1.000%	01/01/50
1/80	1.250%	01/01/68
1/70	1.429%	01/01/83

Monthly Pension

Class

1/100 - 1.000% of 1/12 of final average salary
multiplied by years of credited service on the 1/100th class

1/80 - 1.250% of 1/12 of final average salary
multiplied by years of credited service on the 1/80th class

1/70 - 1.429% of 1/12 of final average salary
multiplied by years of credited service on the 1/70th class

Cost-of-living adjustments are provided at the discretion of the Lycoming County Retirement Board.

Contributions. Pursuant to Act 96 of 1971, as amended, contribution requirements of the plan members and the County may be amended by the General Assembly of the Commonwealth of

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

Pennsylvania. Plan members depending on their date of employment with the County are required to contribute 6% to 8% of their annual covered salary and may elect to contribute up to an additional 10% of their salaries. Interest is credited to each member's account each year in an amount determined by the Lycoming County Retirement Board. Administrative costs of the plan are funded through an addition to the Plan's Annual Required Contribution. Investment expenses may be financed through investment earnings. The plan's funding policy provides for periodic employer contributions actuarially determined by an independent actuary. The actuarially determined contribution rate is the estimated amount necessary to finance the cost of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. For the year ended December 31, 2014, the average active member contribution rate was 8.0% of annual pay, and the County's average contribution rate was 9.55% of annual payroll.

C. Legally Required Reserves

Member Annuity Reserve Account - The balance of \$26,135,877 in this account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of January 1, 2014.

Retired Members' Reserve Account - This is the account that monthly retirement allowances including cost-of-living increases and death benefits are paid. The assets allocated to this reserve account as of January 1, 2014, amount to \$43,274,360.

County Annuity Reserve Account - The balance of \$25,582,129 in this account as of January 1, 2014, and the amounts expected to be credited in the future, plus investment earnings thereon, represents the reserves set aside for the payment of the County's share of the retirement allowance. This is the account that is credited with the realized investments earnings and which the regular interest is applied to the annuity reserve accounts. The excess of realized investment earnings over the required regular earnings may be used to offset administrative expenses, offset actuarial adjustments, offset future adverse investment experience, or may be used as a credit to fund the pension obligations of the County.

D. Annual Pension Cost and Net Pension Obligations

The County's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual Pension Cost - Three Year Trend Information

Year Ended	Annual Pension Cost	Annual Pension Contribution	Percentage of Annual Pension Cost Contributed	Pension Cost	Net Pension Asset
12/31/2012	1,514,291	1,479,209	97.68%	1,514,291	671,493
12/31/2013	2,296,855	2,270,135	98.84%	2,296,855	644,773
12/31/2013	2,182,920	2,146,876	98.35%	2,182,920	608,729

County of Lycoming, Pennsylvania
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Funded Status and Funded Progress

Actuarial value of assets	\$ 87,561,905
Actuarial accrued liability (1)	\$ 101,656,826
Unfunded actuarial	\$ 14,094,921
Funded Ratio	86.1%
Annual covered payroll	\$ 22,481,069
Unfunded actuarial liability as a % of covered payroll	62.7%

(1) For the purposes of this schedule, the actuarial accrued liability for the plan and the ARC are determined using the entry age normal actuarial cost method.

A schedule of funding progress is provided following the notes to the financial statements.

Accounting Procedures for Calculation of Net Pension Obligation (NPO)

(1) Year	(2) ARC	(3) Interest On NPO***	(4) ARC Adjust.**	(5) Pension Cost (2+3+4)	(6) Contribution	(7) Change in NPO (5-6)	(8) NPO Balance* (BB+7)
2012	1,479,209	(49,460)	84,542	1,514,291	1,479,209	35,082	(671,493)
2013	2,270,134	(47,005)	73,726	2,296,855	2,270,135	26,720	(644,773)
2014	2,146,876	(45,134)	81,178	2,182,920	2,146,876	36,044	(608,729)

* BB = Beginning balance for year

** ARC Adjustment = Amortization factor based upon level percentage of projected payroll.

*** Interest on the balance of the NPO at the beginning of the year using the investment return rate assumed in determining ARC.

E. Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of Pension Fund investment expense, was 7.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Net Pension Liability

The County's net pension liability was measured as of January 1, 2014, and the total pension liability at the fiscal year end was determined by rolling forward the liabilities from January 1, 2014. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The components of the net pension liability of the County at December 31, 2014, were as follows:

County of Lycoming, Pennsylvania
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Total pension liability	\$ 118,633,647
Plan fiduciary net position	<u>(101,418,749)</u>
County's net pension liability	<u><u>17,214,898</u></u>

Plan funded net position as a percentage of the total pension liability 85.49%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2014, was determined using the following economic assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	4.0% for 2014
Investment Return	7.0% including inflation

Mortality rates were based on the RP-2000 Mortality tables for males and females projected using Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of 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. Target allocations and best estimates of arithmetic real rates of return for each major asset class is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return	Contribution to Rate of Return
Domestic Stocks			
Large Cap Value	20.00%	6.00%	1.20%
Large Cap Growth	20.00%	5.50%	1.10%
Small/Mid Cap	15.00%	5.00%	0.75%
International Stocks	10.00%	6.00%	0.60%
Fixed Income	20.00%	1.00%	0.20%
Real Estate	10.00%	4.00%	0.40%
Private Equity	5.00%	6.00%	0.30%
Total	<u>100.00%</u>		<u>4.55%</u>
Inflation			<u>2.50%</u>
Long-Term Expected Rate of Return			<u><u>7.05%</u></u>

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the

County of Lycoming, Pennsylvania
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full funding of the entry age normal cost plus plan expenses, as well as an amortization of the unfunded liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate 6.00%	Current Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
Total Pension Liability	\$ 132,821,147	\$ 118,633,647	\$ 106,870,175
Plan Fiduciary Net Position	(101,418,749)	(101,418,749)	(101,418,749)
Net Pension Liability	<u>31,402,398</u>	<u>\$ 17,214,898</u>	<u>\$ 5,451,426</u>

G. The Lycoming County Employees' Retirement Report

The Lycoming County Employees' Retirement Report on 2014 actuarial valuation including determination of County's annual required contribution for 2014 is prepared by Municipal Finance Partners Inc. and is available in the Lycoming County Controller's Office.

18. Other Post-Employment Benefits (OPEB)

A. Plan Description

Under the terms of a County resolution, the County administers a single-employer defined benefit health care plan to retirees of the County who participate in the Lycoming County Employees' Retirement System on or after attaining age 60 or at age 55 with 20 years of creditable service with the County. The Plan is governed by Policy Number 503, Health Insurance Coverage for Retirees, as approved by the Lycoming County Commissioners. The calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. The actuarially determined amounts for the OPEB plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The Lycoming County Employees' Post-Retirement Benefits Plan Report is prepared annually by Municipal Finance Partners, Inc. and is available in the Lycoming County Controller's Office.

Membership of the Employees' Retirement System consisted of the following at January 1, 2014, the date of the latest actuarial valuation:

Retired and Vested Former Members	332
Active Members	510

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B. Funding Policy

The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees per County Policy Number 503, Health Insurance Coverage for Retirees, which can be amended by the Board of County Commissioners. These benefits are expensed when incurred and are financed on a pay-as-you-go basis. For fiscal year 2014, the County incurred \$1,508,989 for post-employment benefits other than pension benefits.

Once a retiree becomes eligible for Medicare, the County changes the insurance coverage to a Medicare supplemental insurance. The County continues to pay the premium for the retirees.

C. Costs and Obligations, Methods and Assumptions

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, actuarial liabilities or funding excess over a period not to exceed thirty years. The following tables show the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the County's net OPEB obligation for the healthcare benefits as well as the funded status and funded progress for the year:

Annual required contribution	\$	6,598,621
Interest on net OPEB obligation		812,785
Adjustment to annual required contribution		<u>(1,222,447)</u>
Annual OPEB cost		6,188,959
Contributions made		<u>(1,508,989)</u>
Increase (decrease) in net OPEB obligation		4,679,970
Net OPEB obligation, beginning of year		20,319,615
Net OPEB obligation, end of year	\$	<u><u>24,999,585</u></u>

Funded Status and Funded Progress

Actuarial value of assets	\$	-
Actuarial accrued liability (1)		\$ 68,428,137
Unfunded actuarial		\$ 68,428,137
Funded Ratio		0.0%
Annual covered payroll		\$ 22,481,069
Unfunded actuarial liability as a % of covered payroll		304.38%

(1) For the purposes of this schedule, the actuarial accrued liability for the plan and the ARC are determined using the entry age normal actuarial cost method.

A schedule of funding progress is provided following the notes to the financial statements.

County of Lycoming, Pennsylvania
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For the Year Ended December 31, 2014

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

For Year Ended December 31	Annual OPEB Cost	Annual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	5,094,846	1,171,004	22.98%	15,299,016
2013	6,236,095	1,215,496	19.49%	20,319,615
2014	6,188,959	1,508,989	24.38%	24,999,585

As of January 1, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial required contribution is up 1.1% from the 2013 ARC, due primarily to the underfunding of the ARC in prior years, and an update to the plan's mortality table to reflect longer life spans among the general population. The covered payroll (annual payroll of active employees covered by the plan) was \$22,481,069 and the ratio of the UAAL to the covered payroll was 304.38%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Actuarially determined amounts for the OPEB plan are subject to continual revision as results are compared to past expectations and new estimates are made about the future and reflect a long-term perspective.

The ARC for the current year was computed as of January 1, 2014, using the following actuarial assumptions: (1) actuarial valuation uses the Entry Age Normal Actuarial Cost Method; (2) expected long-term investment return rate of 4% on plan assets; (3) amortization period of 30 years; (4) mortality RP-2000 table; (5) medical inflation rate of 6%; (6) projected salary increases of 4.5% per year; (7) medical rates are based on the 2014 medical insurance rate renewal; (8) the annual expected medical claims are based on plan premiums; (9) the economic assumptions are based on an underlying inflation rate of 3.0%. The amortization method is level dollar and the amortization approach is closed.

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

19. Litigation

There are several pending lawsuits in which the County is involved. While the ultimate outcome of these issues cannot be predicted, the County believes that potential liability of these issues not covered by separate arbitration, awards or insurance could not materially affect the financial statements of the County. It is the County Solicitor's opinion that the aggregate amount of the potential claims resulting from pending or threatened litigation cannot presently be determined nor can a range of possible verdicts in the event of an unfavorable outcome be estimated.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

21. Pending Governmental Accounting Standards Board Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as well as the requirements of No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statement 25 and 50 remain applicable for pension plans that are not covered by the scope of this Statement. GASB 68 is effective for the County's calendar year 2015 financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. GASB 71 is effective for the County's calendar year 2015 financial statements.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. GASB 72 is effective for the County's calendar year 2016 financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This standard completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. GASB 73 is effective for the County's calendar year 2016 financial statements.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specific criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have not been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. GASB 74 is effective for the County's calendar year 2017 financial statements.

In June 2015, the GASB issued Statement No. 75, *Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability – the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and RSI about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. GASB 75 is effective for the County's calendar year 2018 financial statements.

County management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the financial reporting process.

County of Lycoming, Pennsylvania
Notes to the Financial Statements
For the Year Ended December 31, 2014

22. SUBSEQUENT EVENTS

In April 2015, the County issued its General Obligation Bonds, Series of 2015, in the face amount of \$8,375,000, for the purpose of refunding, on an advance basis, a pro-rata portion of each maturity of the County's General Obligation Bonds, Series B of 2007 and pay the costs of issuing the bonds. The bonds are due in varying annual installments plus interest at rates ranging from 1.10% to 4.375%, with final maturity scheduled for August 2038.

REQUIRED SUPPLEMENTARY INFORMATION

LYCOMING COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

	Fiscal Year <u>2014</u>
Total pension liability	
Service cost	\$ 2,546
Interest	7,916
Changes of benefits	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(4,741)</u>
Net change in total pension liability	<u>5,721</u>
Total pension liability - beginning	<u>112,912</u>
Total pension liability - ending (a)	<u><u>\$ 118,633</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 2,147
Contributions - member	2,134
Net investment income	6,939
Benefit payments, including refunds of member contributions	(4,741)
Administrative expense	(52)
Other	-
Net change in plan fiduciary net position	<u>6,427</u>
Plan fiduciary net position - beginning	<u>94,992</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 101,419</u></u>
County's net pension liability - ending (a) - (b)	<u><u>17,214</u></u>
Plan fiduciary net position as a percentage of the total pension liability	85.49%
Covered employee payroll	\$ 22,481
County's net pension liability as a percentage of covered employee payroll	76.57%

Notes to Schedule: During 2014, the County adopted GASB Statement No. 67. Prior balances were not available.

**LYCOMING COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS**

Last Ten Fiscal Years
(Dollar amounts in thousands)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contribution	\$ 2,147	\$ 2,270	\$ 1,479	\$ 974	\$ 520	\$ 555	\$ 226	\$ 121	\$ 9	\$ 59
Contributions in relation to the actuarially determined contribution	2,147	2,270	1,479	974	585	555	400	360	180	250
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (65)</u>	<u>\$ -</u>	<u>\$ (174)</u>	<u>\$ (239)</u>	<u>\$ (171)</u>	<u>\$ (191)</u>
Covered employee payroll	\$ 22,481	\$ 21,986	\$ 21,138	\$ 21,367	\$ 19,735	\$ 20,698	\$ 18,443	\$ 18,347	\$ 17,374	\$ 16,776
Contributions as a percentage of covered employee payroll	9.55%	10.32%	7.00%	4.56%	2.96%	2.68%	2.17%	1.96%	1.04%	1.49%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of January, 1, 2014.

Methods and Assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	12 years
Asset valuation method	5-year smoothed market
Inflation	Not applicable
Salary Increases	4.00%
Investment rate of return	7.00%
Retirement age	

Rates for retirement for members eligible for early or normal retirement are as follows:

Age	Rate of Retirement
55-59	7%
60-61	8%
62-64	15%
65	34%
66-70	23%
71-79	21%
80	100%

Mortality

RP-2000 table, projected using scale AA

LYCOMING COUNTY EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
(Dollar amounts in thousands)

	<u>2014</u>
Annual money weighted rate of return, net of investment expense	7.40%

Notes to Schedule: During 2014, the County adopted GASB Statement No. 67. Prior rates were not available.

**Lycoming County Employees' Retirement System
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ 79,041,152	\$ 89,785,876	\$ 10,744,724	88.03%	\$ 21,137,741	50.83%
1/1/2013	\$ 79,591,459	\$ 96,207,555	\$ 16,616,096	82.73%	\$ 21,986,104	75.58%
1/1/2014	\$ 87,561,905	\$ 101,656,826	\$ 14,094,921	86.13%	\$ 22,481,069	62.70%

**Lycoming County Employees' Other Postemployment Benefits Plan
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 56,491,450	\$ 56,491,450	0.00%	\$ 21,137,741	267.25%
1/1/2013	\$ -	\$ 68,439,569	\$ 68,439,569	0.00%	\$ 21,986,104	311.29%
1/1/2014	\$ -	\$ 68,428,137	\$ 68,428,137	0.00%	\$ 22,481,069	304.38%

The Lycoming County Employees' Retirement System and Post-Retirement Benefits Plan Reports are prepared annually by Municipal Finance Partners, Inc. and are available in the Lycoming County Controller's Office.

OTHER INFORMATION

**COUNTY OF LYCOMING, PENNSYLVANIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
ASSETS			
Cash & cash equivalents	\$ 5,713,085	\$ -	\$ 5,713,085
Receivables			
Accounts	171,944	-	171,944
Due from other funds	21,134	-	21,134
Due from other governments	2,047,666	-	2,047,666
Prepaid expense	-	32,889	32,889
Total assets	<u>\$ 7,953,829</u>	<u>\$ 32,889</u>	<u>\$ 7,986,718</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 509,444	\$ -	\$ 509,444
Payroll payable	465	-	465
Due to other funds	2,180,604	32,889	2,213,493
Unearned revenues	91,491	-	91,491
Total liabilities	<u>2,782,004</u>	<u>32,889</u>	<u>2,814,893</u>
Fund Balances (Deficits)			
Restricted for:			
Judicial	2,677,693	-	2,677,693
Public safety	837,697	-	837,697
Public works	430,865	-	430,865
Culture & recreation	910,995	-	910,995
Assigned for:			
Conservation & development	314,575	-	314,575
Total fund balances	<u>5,171,825</u>	<u>-</u>	<u>5,171,825</u>
Total liabilities and fund balances	<u>\$ 7,953,829</u>	<u>\$ 32,889</u>	<u>\$ 7,986,718</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Special Revenues</u>	<u>Debt Service</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues	\$ 9,672,761	\$ -	\$ 9,672,761
Charge for services	2,201,636	-	2,201,636
Investment earnings	7,250	-	7,250
Court cost & fines	32,199	-	32,199
Miscellaneous income	153,808	-	153,808
	<hr/>	<hr/>	<hr/>
Total revenues	12,067,654	-	12,067,654
EXPENDITURES			
Current			
General government	-	-	-
Judicial	446,646	-	446,646
Public safety	1,820,838	-	1,820,838
Public works	3,688,716	-	3,688,716
Human services	3,315,497	-	3,315,497
Culture & recreation	2,137,560	-	2,137,560
Conservation & development	99,621	-	99,621
Debt service	-	11,489,342	11,489,342
	<hr/>	<hr/>	<hr/>
Total expenditures	11,508,878	11,489,342	22,998,220
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>
	558,776	(11,489,342)	(10,930,566)
OTHER FINANCING SOURCES (USES)			
Transfer in	252,886	11,489,342	11,742,228
Transfer out	(413,136)	-	(413,136)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(160,250)	11,489,342	11,329,092
Net Change in fund balances	398,526	-	398,526
Fund balances at beginning of year	4,773,299	-	4,773,299
Fund balances at end of year	<u>\$ 5,171,825</u>	<u>\$ -</u>	<u>\$ 5,171,825</u>

GENERAL FUND

The General Fund is the primary operating fund of the County. It is used to account for all financial resources (except those accounted for in another fund).

**COUNTY OF LYCOMING, PENNSYLVANIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 28,298,734	\$ 27,545,342	\$ (753,392)
Licenses & permits	41,000	45,854	4,854
Intergovernmental	12,921,121	13,075,606	154,485
Charge for services	4,289,974	3,986,520	(303,454)
Sale of county products	113,800	291,430	177,630
Investment earnings	334,488	368,239	33,751
Cost & Fines	920,535	1,914,503	993,968
Miscellaneous	1,464,973	1,575,081	110,108
Total revenues	<u>48,384,625</u>	<u>48,802,575</u>	<u>417,950</u>
EXPENDITURES			
General government			
Commissioners	439,607	417,132	22,475
Solicitors	114,400	134,241	(19,841)
Executive Plaza	271,254	261,666	9,588
Courthouse	679,450	661,332	18,118
Lysock Complex	216,788	196,971	19,817
Route 405 Property	23,100	18,798	4,302
Third Street Plaza	827,228	824,599	2,629
Pre-Release Building	140,497	123,530	16,967
Voters Registration	192,363	190,495	1,868
Conduct of Elections	154,644	143,378	11,266
Tax Assessment	411,296	408,627	2,669
Re-Assessment	128,751	82,437	46,314
Treasurer	219,500	214,377	5,123
Controller	272,864	250,244	22,620
Fiscal Services	514,631	511,707	2,924
Tax Collector	156,293	139,481	16,812
Central Collections	549,391	510,493	38,898
Inventory Outlay	60,853	37,717	23,136
Contingency fund	1,066,227	5,025	1,061,202
Planning Commission	1,041,579	1,016,645	24,934
County Zoning	127,561	124,442	3,119
G.I.S.	173,060	170,723	2,337
Management Information	1,653,471	1,624,571	28,900
Central Telephone	51,982	45,136	6,846
Mail Services	41,837	39,788	2,049
Printing	93,320	81,183	12,137
Record Retention	1,758	12,022	(10,264)
Human Resources	314,341	258,674	55,667
Gen. Gov Agency	-	12,977	(12,977)
Total general government	<u>9,938,046</u>	<u>8,518,411</u>	<u>1,419,635</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Judicial			
Register & Recorder	\$ 398,179	\$ 393,808	\$ 4,371
Sheriff	837,582	820,427	17,155
Coroner	243,581	241,152	2,429
Prothonotary	362,895	358,563	4,332
Domestic Relations	1,027,614	991,660	35,954
Public Defenders	705,839	651,289	54,550
District Attorney	1,441,335	1,337,065	104,270
Narcotics Enforcement Unit	233,525	179,891	53,634
Courts	1,830,520	1,748,240	82,280
Constables	204,941	206,150	(1,209)
District Magistrate 29-1-01	144,641	140,709	3,932
District Magistrate 29-1-02	112,536	111,336	1,200
District Magistrate 29-3-04	152,625	152,573	52
District Magistrate 29-3-02	129,524	119,490	10,034
District Magistrate 29-3-03	179,198	174,983	4,215
District Magistrate 29-3-01	153,793	152,519	1,274
Inventory Outlay	(8,728)	(531,547)	522,819
Gen. Gov Agency	-	107,786	(107,786)
Total judicial	<u>8,149,600</u>	<u>7,356,094</u>	<u>793,506</u>
Public safety			
Adult Probation	1,335,864	1,281,273	54,591
Re-Entry Center	162,766	73,921	88,845
Juvenile Probation	1,566,461	1,606,376	(39,915)
Juvenile Placements	2,991,870	2,498,365	493,505
County Prison	5,581,695	5,432,388	149,307
Pre-Release Center	2,169,266	2,183,537	(14,271)
D.U.I Center	168,958	161,900	7,058
Act 198	50,000	63,125	(13,125)
Central Processing Center	52,367	41,625	10,742
Communications	691,452	943,111	(251,659)
Emergency Management Agency	266,677	257,646	9,031
Emergency Medical Services	40,685	23,432	17,253
Haz-Mat	20,913	16,708	4,205
Inventory Outlay	(239,739)	(180,369)	(59,370)
Gen. Gov Agency	-	608,898	(608,898)
Outside Agencies			
Lyc. Cnty. Fire Police	1,000	1,000	-
West Branch Firemen Assoc	10,000	10,000	-
Total public safety	<u>14,870,235</u>	<u>15,022,936</u>	<u>(152,701)</u>
Public works			
Inventory Outlay	(7,040)	(3,090)	(3,950)
E.D.P.S. Flood Mitigation	348,997	45,846	303,151
E.D.P.S. Economic Development	1,000,000	95,932	904,068
E.D.P.S. Environmental	150,775	36,155	114,620
Outside Agencies			
Airport	102,250	102,250	-
River Valley Transportation	100,000	100,000	-
Airport ATC Services	100,236	100,236	-
Total public works	<u>1,795,218</u>	<u>477,329</u>	<u>1,317,889</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Human services			
Children & Youth	\$ 8,829,556	\$ 9,370,602	\$ (541,046)
Military affairs	176,328	176,473	(145)
Outside Agencies			
Mental Health	210,000	84,375	125,625
Favors Forward Foundation	7,500	7,500	-
Camp Cadet	3,000	3,000	-
Senior Citizen	10,000	10,000	-
YMCA	50,000	-	50,000
C.A.P.P.A.	44,000	44,000	-
Total human services	<u>9,330,384</u>	<u>9,695,950</u>	<u>(365,566)</u>
Culture & Recreation			
Outside Agencies			
Library	1,218,484	1,218,484	-
Lycoming Historical Society	10,000	10,000	-
Community Arts Center	90,000	90,000	-
Total culture & recreation	<u>1,318,484</u>	<u>1,318,484</u>	<u>-</u>
Conservation & development			
County Farm	103,139	75,881	27,258
Cooperative Extension	154,701	143,794	10,907
Soil Conservation	68,341	109,178	(40,837)
Inventory Outlay	9,250	6,189	3,061
Outside Agencies			
S.E.D.A.	23,535	23,222	313
Industrial Development	7,000	6,500	500
Visitors Bureau	810,000	627,484	182,516
Total conservation & development	<u>1,175,966</u>	<u>992,248</u>	<u>183,718</u>
Miscellaneous expenditures			
Non government rev. & exp.	(301,468)	(569,923)	268,455
Employee benefits			
Employee fringe	14,026,657	13,342,791	683,866
Reimb. fringe benefits	(3,202,743)	(3,805,795)	603,052
Insurance	294,912	279,720	15,192
Total miscellaneous expenditures	<u>10,817,358</u>	<u>9,246,793</u>	<u>1,570,565</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Capital Outlay			
General Government	\$ 249,268	\$ 62,553	\$ 186,715
Judicial	45,411	645,578	(600,167)
Public Safety	2,661,547	551,196	2,110,351
Conservation & Development	16,928	16,928	-
Total capital outlay	<u>2,973,154</u>	<u>1,276,255</u>	<u>1,696,899</u>
Total expenditures	<u>60,368,445</u>	<u>53,904,500</u>	<u>6,463,945</u>
Excess (deficiency) revenues over expenditures	<u>(11,983,820)</u>	<u>(5,101,925)</u>	<u>6,881,895</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	2,531,200	2,199,618	(331,582)
Transfer out	(3,573,918)	(11,469,033)	(7,895,115)
Proceeds from debt	-	9,021,700	9,021,700
Bond discounts	-	(51,278)	(51,278)
Total other financing sources (uses)	<u>(1,042,718)</u>	<u>(298,993)</u>	<u>743,725</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(13,026,538)	(5,400,918)	7,625,620
Fund balance beginning of year	33,892,188	39,981,697	6,089,509
Fund balance at end of year	<u>\$ 20,865,650</u>	<u>\$ 34,580,779</u>	<u>\$ 13,715,129</u>

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenues derived from specific grants or other restricted revenue sources primarily restricted to expenditures for specific purposes (except those accounted for in Debt Service, Capital Project, Proprietary or Trust Funds). The County's Special Revenue Funds consist of:

Domestic Relations IV-D

Accounts for Department of Public Welfare Incentive payments for child support enforcement

D.A. Investigative Fund

Accounts for funds received by the District Attorney through forfeitures and state grants to finance the District Attorney's drug task force

Register & Recorder Capital Improvement Fund

Accounts for funds received through user fees to finance capital improvements by the County and the Register & Recorder. Act 137 fees are to be used for housing and first time home buyers

Prothonotary Automation Fund

Accounts for funds used to support the automation of the Prothonotary office

Emergency Medical Services

Accounts for funds received to finance emergency services and coordinate other emergency services for a multiple county area

Haz-Mat

Accounts for federal, state and local grants as well as fees from local industries for dealing with hazardous materials

911 Wireline

Account for funds received from users to finance the operation and improvements of the County 911 telephone system

911 Wireless

Account for funds received from the State to finance the operation and improvements of the County 911 telephone system to include wireless phones

Emergency Management Agency

Account for funds received to support emergency planning and training for County emergencies

Highway Safety Grant

Accounts for funds from state grants used to promote public safety on the highways

J.A.I.B. Grant

Accounts for funds from the Federal grants to finance coordination of services provided in the juvenile justice system

Liquid Fuel Fund

Accounts for funds received to finance the improvements of roads and bridges

Act 44 Bridge Fund

Accounts for funds received to finance the construction and improvements of County bridges

Act 89 Bridge Fund

Accounts for funds received to finance the construction and improvements of County bridges

Community Development Block Grants

Accounts for funds received to finance community development projects within the County

EDPS Flood Mitigation Projects

Accounts for funds from Federal and State grants used to finance various flood mitigation projects within the County

EDPS Environmental Projects

Accounts for funds from Federal and State grants used to finance various environmental projects within the County

EDPS Economic Development Projects

Accounts for funds from Federal and State grants used to finance various economic and recreational projects within the County

Growing Greener Trust

Accounts for funds under the State Environmental Stewardship and Watershed Protection Act to be used for protecting and improving the environment

Farm Easement Program

Accounts for funds used to finance the purchase of farm easements throughout the County

Nutrient Trading Program

Accounts for funds used to promote conservation practices that reduce nutrient run-off

Miscellaneous Special Revenue Grants

Accounts for funds used to finance small miscellaneous special revenue projects

County Pass-Thru Grants

Accounts for Federal and State grants that the County has contracted with various outside agencies to administer the funds in accordance with the terms of the grant

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014**

	Domestic Relations IV-D	D.A. Investigative Fund	Register & Recorder Capital Fund	Prothonotary Automation Fund
ASSETS				
Cash and cash equivalents	\$ 2,358,011	\$ 76,211	\$ 183,121	\$ 43,078
Receivables (net of allowance)			-	
Accounts receivable trade	1,954	-	-	-
Interest receivable	-	-	-	-
Due from other funds	12,782	-	-	-
Due from other governments	24,963	-	-	-
Total assets	<u>\$ 2,397,710</u>	<u>\$ 76,211</u>	<u>\$ 183,121</u>	<u>\$ 43,078</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ -	\$ 113	\$ -	\$ -
Payroll payable	-	-	-	-
Due to other funds	22,314	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>22,314</u>	<u>113</u>	<u>-</u>	<u>-</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	2,375,396	76,098	183,121	43,078
Public safety	-	-	-	-
Public works	-	-	-	-
Culture & recreation	-	-	-	-
Total fund equity	<u>2,375,396</u>	<u>76,098</u>	<u>183,121</u>	<u>43,078</u>
Total liabilities and fund equity	<u>\$ 2,397,710</u>	<u>\$ 76,211</u>	<u>\$ 183,121</u>	<u>\$ 43,078</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	Emergency Medical Services	Haz-Mat	911 Wireline	911 Wireless
ASSETS				
Cash and cash equivalents	\$ 95,033	\$ 130,024	\$ 525,855	\$ 520,905
Receivables (net of allowance)			-	
Accounts receivable trade	-	-	85,076	-
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	959	-	-	-
Total assets	<u>\$ 95,992</u>	<u>\$ 130,024</u>	<u>\$ 610,931</u>	<u>\$ 520,905</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ 8,088	\$ -	\$ 2,745	\$ 1,000
Payroll payable	-	465	-	-
Due to other funds	16,460		444,900	-
Unearned revenues	17,824	35,753	-	-
Total liabilities	<u>42,372</u>	<u>36,218</u>	<u>447,645</u>	<u>1,000</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	-	-	-	-
Public safety	53,620	93,806	163,286	519,905
Public works	-	-	-	-
Culture & recreation	-	-	-	-
Total fund equity	<u>53,620</u>	<u>93,806</u>	<u>163,286</u>	<u>519,905</u>
Total liabilities and fund equity	<u>\$ 95,992</u>	<u>\$ 130,024</u>	<u>\$ 610,931</u>	<u>\$ 520,905</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	Emergency Management Agency	Highway Safety	J.A.I.B.G./ Aftercare Grant	Liquid Fuels
ASSETS				
Cash and cash equivalents	\$ 12,252	\$ -	\$ -	\$ 451,495
Receivables (net of allowance)				
Accounts receivable trade	-	-	-	-
Interest receivable	-	-	-	-
Due from other funds	-	-	-	31
Due from other governments	-	39,750	375	21,492
Total assets	<u>\$ 12,252</u>	<u>\$ 39,750</u>	<u>\$ 375</u>	<u>\$ 473,018</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ 587	\$ 4,032	\$ -	\$ 93,881
Payroll payable	-	-	-	-
Due to other funds	-	35,414	375	9,830
Unearned revenues	4,585	304	-	-
Total liabilities	<u>5,172</u>	<u>39,750</u>	<u>375</u>	<u>103,711</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	-	-	-	-
Public safety	7,080	-	-	-
Public works	-	-	-	369,307
Culture & recreation	-	-	-	-
Total fund equity	<u>7,080</u>	<u>-</u>	<u>-</u>	<u>369,307</u>
Total liabilities and fund equity	<u>\$ 12,252</u>	<u>\$ 39,750</u>	<u>\$ 375</u>	<u>\$ 473,018</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	Act 44 Bridge Fund	Act 89 Bridge Fund	Community Development Block Grants	EDPS Flood Mitigation
ASSETS				
Cash and cash equivalents	\$ 40,001	\$ 22,058	\$ 21,427	\$ -
Receivables (net of allowance)				
Accounts receivable trade	-	-	-	47,995
Interest receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	95,364	1,445,615
Total assets	<u>\$ 40,001</u>	<u>\$ 22,058</u>	<u>\$ 116,791</u>	<u>\$ 1,493,610</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ 501	\$ -	\$ 95,364	\$ -
Payroll payable	-	-	-	-
Due to other funds	-	-	1,000	1,493,610
Unearned revenues	-	-	20,427	-
Total liabilities	<u>501</u>	<u>-</u>	<u>116,791</u>	<u>1,493,610</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	39,500	22,058	-	-
Culture & recreation	-	-	-	-
Total fund equity	<u>39,500</u>	<u>22,058</u>	<u>-</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 40,001</u>	<u>\$ 22,058</u>	<u>\$ 116,791</u>	<u>\$ 1,493,610</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	EDPS Environmental Projects	EDPS Economic Development Projects	Growing Greener Trust	Farm Easement Program
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 909,288	\$ 268,534
Receivables (net of allowance)				
Accounts receivable trade	36,919	-	-	-
Interest receivable	-	-	-	-
Due from other funds	75	6,464	1,782	-
Due from other governments	196,570	172,029	-	-
Total assets	<u>\$ 233,564</u>	<u>\$ 178,493</u>	<u>\$ 911,070</u>	<u>\$ 268,534</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ 196,174	\$ 56,410	\$ -	\$ -
Payroll payable	-	-	-	-
Due to other funds	37,390	119,236	75	-
Unearned revenues	-	2,847	-	-
Total liabilities	<u>233,564</u>	<u>178,493</u>	<u>75</u>	<u>-</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture & recreation	-	-	910,995	-
Assigned for:				
Conservation & Development	-	-	-	268,534
Total fund equity	<u>-</u>	<u>-</u>	<u>910,995</u>	<u>268,534</u>
Total liabilities and fund equity	<u>\$ 233,564</u>	<u>\$ 178,493</u>	<u>\$ 911,070</u>	<u>\$ 268,534</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(CONTINUED)**

	Nutrient Trading Program	Special Projects	County Pass Thru Grants	Total
ASSETS				
Cash and cash equivalents	\$ 46,041	\$ 9,751	\$ -	\$ 5,713,085
Receivables (net of allowance)				
Accounts receivable trade	-	-	-	171,944
Due from other funds	-	-	-	21,134
Due from other governments	-	-	50,549	2,047,666
Total assets	<u>\$ 46,041</u>	<u>\$ 9,751</u>	<u>\$ 50,549</u>	<u>\$ 7,953,829</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 50,549	\$ 509,444
Payroll payable	-	-	-	465
Due to other funds	-	-	-	2,180,604
Unearned revenues	-	9,751	-	91,491
Total liabilities	<u>-</u>	<u>9,751</u>	<u>50,549</u>	<u>2,782,004</u>
Fund equity				
Fund balances				
Restricted for:				
Judicial	-	-	-	2,677,693
Public safety	-	-	-	837,697
Public works	-	-	-	430,865
Culture & recreation	-	-	-	910,995
Assigned for:				
Conservation & Development	46,041	-	-	314,575
Total fund equity	<u>46,041</u>	<u>-</u>	<u>-</u>	<u>5,171,825</u>
Total liabilities and fund equity	<u>\$ 46,041</u>	<u>\$ 9,751</u>	<u>\$ 50,549</u>	<u>\$ 7,953,829</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Domestic Relation IV-D	D.A. Investigative Fund	Register & Recorder Capital Fund	Prothonotary Automation Fund
REVENUES				
Intergovernmental revenues	\$ 241,483	\$ 102,900	\$ -	\$ -
Charge for services	-	-	158,745	27,310
Investment earnings	3,682	-	-	-
Court Cost, Fines & Forfeits	-	32,199	-	-
Miscellaneous income	-	27,652	-	-
Total Revenues	<u>245,165</u>	<u>162,751</u>	<u>158,745</u>	<u>27,310</u>
EXPENDITURES				
Current				
Judicial	90,283	202,932	85,155	57,495
Public safety	-	-	-	-
Public works	-	-	50,000	-
Culture & recreation	-	-	-	-
Conservation & development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>90,283</u>	<u>202,932</u>	<u>135,155</u>	<u>57,495</u>
Excess (deficiency) of revenues over expenditures	<u>154,882</u>	<u>(40,181)</u>	<u>23,590</u>	<u>(30,185)</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	154,882	(40,181)	23,590	(30,185)
Fund balance at beginning of year	2,220,514	116,279	159,531	73,263
Fund balance at end of year	<u>\$ 2,375,396</u>	<u>\$ 76,098</u>	<u>\$ 183,121</u>	<u>\$ 43,078</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	Emergency Medical Services	Haz-Mat	911 Wireline	911 Wireless
REVENUES				
Intergovernmental revenues	\$ 342,196	\$ 42,740	\$ -	\$ -
Charge for services	-	80,900	693,708	1,233,239
Investment earnings	73	10	363	618
Court Cost, Fines & Forfeits	-	-	-	-
Miscellaneous income	-	-	-	-
Total Revenues	<u>342,269</u>	<u>123,650</u>	<u>694,071</u>	<u>1,233,857</u>
EXPENDITURES				
Current				
Judicial	-	-	-	-
Public safety	340,684	90,145	459,153	736,142
Public works	-	-	-	-
Culture & recreation	-	-	-	-
Conservation & development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>340,684</u>	<u>90,145</u>	<u>459,153</u>	<u>736,142</u>
Excess (deficiency) of revenues over expenditures	<u>1,585</u>	<u>33,505</u>	<u>234,918</u>	<u>497,715</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	-	-	34,650	-
Transfer out	-	-	(250,000)	(139,942)
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>(215,350)</u>	<u>(139,942)</u>
Net change in fund balances	1,585	33,505	19,568	357,773
Fund balance at beginning of year	<u>52,035</u>	<u>60,301</u>	<u>143,718</u>	<u>162,132</u>
Fund balance at end of year	<u>\$ 53,620</u>	<u>\$ 93,806</u>	<u>\$ 163,286</u>	<u>\$ 519,905</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	Emergency Management Agency	Highway Safety	J.A.I.B.G./ Aftercare Grant	Liquid Fuels
REVENUES				
Intergovernmental revenues	\$ 14,972	\$ 89,376	\$ 15,051	\$ 458,740
Charge for services	-	-	-	-
Investment earnings	-	-	-	386
Court Cost, Fines & Forfeits	-	-	-	-
Miscellaneous income	1,250	-	-	-
Total Revenues	<u>16,222</u>	<u>89,376</u>	<u>15,051</u>	<u>459,126</u>
EXPENDITURES				
Current				
Judicial	-	-	-	-
Public safety	18,152	89,376	87,186	-
Public works	-	-	-	447,630
Culture & recreation	-	-	-	-
Conservation & development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>18,152</u>	<u>89,376</u>	<u>87,186</u>	<u>447,630</u>
Excess (deficiency) of revenues over expenditures	<u>(1,930)</u>	<u>-</u>	<u>(72,135)</u>	<u>11,496</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	-	-	72,135	-
Transfer out	-	-	-	-
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>72,135</u>	<u>-</u>
Net change in fund balances	(1,930)	-	-	11,496
Fund balance at beginning of year	9,010	-	-	357,811
Fund balance at end of year	<u>\$ 7,080</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,307</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	Act 44 Bridge Fund	Act 89 Bridge Fund	Community Development Block Grants	EDPS Flood Mitigation
REVENUES				
Intergovernmental revenues	\$ 31,188	\$ 22,056	\$ 489,468	\$ 1,488,292
Charge for services	-	-	-	-
Investment earnings	87	2	-	-
Court Cost, Fines & Forfeits	-	-	-	-
Miscellaneous income	-	-	-	51,033
Total Revenues	<u>31,275</u>	<u>22,058</u>	<u>489,468</u>	<u>1,539,325</u>
EXPENDITURES				
Current				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	189,840	-	489,468	1,592,993
Culture & recreation	-	-	-	-
Conservation & development	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>189,840</u>	<u>-</u>	<u>489,468</u>	<u>1,592,993</u>
Excess (deficiency) of revenues over expenditures	<u>(158,565)</u>	<u>22,058</u>	<u>-</u>	<u>(53,668)</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	-	-	-	53,668
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,668</u>
Net change in fund balances	(158,565)	22,058	-	-
Fund balance at beginning of year	198,065	-	-	-
Fund balance at end of year	<u>\$ 39,500</u>	<u>\$ 22,058</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	EDPS Environmental Projects	EDPS Economic Development Projects	Growing Greener Trust	Farm Easement Program
REVENUES				
Intergovernmental revenues	\$ 204,074	\$ 648,996	\$ -	\$ 17,391
Charge for services	-	-	-	7,734
Investment earnings	-	-	2,029	-
Court Cost, Fines & Forfeits	-	-	-	-
Miscellaneous income	23,282	-	-	-
Total Revenues	<u>227,356</u>	<u>648,996</u>	<u>2,029</u>	<u>25,125</u>
EXPENDITURES				
Current				
General gov	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	263,739	655,046	-	-
Human service	-	-	-	-
Culture & recreation	-	-	-	-
Conservation & development	-	-	-	61,658
Capital outlay	-	-	-	-
Total Expenditures	<u>263,739</u>	<u>655,046</u>	<u>-</u>	<u>61,658</u>
Excess (deficiency) of revenues over expenditures	<u>(36,383)</u>	<u>(6,050)</u>	<u>2,029</u>	<u>(36,533)</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	36,383	6,050	-	50,000
Transfer out	-	-	(23,194)	-
Total other financial sources (uses)	<u>36,383</u>	<u>6,050</u>	<u>(23,194)</u>	<u>50,000</u>
Net change in fund balances	-	-	(21,165)	13,467
Fund balance at beginning of year	-	-	932,160	255,067
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,995</u>	<u>\$ 268,534</u>

(Continued)

**COUNTY OF LYCOMING, PENNSYLVANIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014
(CONTINUED)**

	Nutrient Trading Program	Special Projects	County Pass Thru Grants	Total
REVENUES				
Intergovernmental revenues	\$ -	\$ 10,781	\$ 5,453,057	\$ 9,672,761
Charge for services	-	-	-	2,201,636
Investment earnings	-	-	-	7,250
Court Cost, Fines & Forfeits	-	-	-	32,199
Miscellaneous income	50,591	-	-	153,808
Total Revenues	<u>50,591</u>	<u>10,781</u>	<u>5,453,057</u>	<u>12,067,654</u>
EXPENDITURES				
Current				
General gov				-
Judicial	-	10,781	-	446,646
Public safety	-	-	-	1,820,838
Public works	-	-	-	3,688,716
Human services	-	-	3,315,497	3,315,497
Culture & recreation	-	-	2,137,560	2,137,560
Conservation & development	37,963	-	-	99,621
Capital outlay	-	-	-	-
Total Expenditures	<u>37,963</u>	<u>10,781</u>	<u>5,453,057</u>	<u>11,508,878</u>
Excess (deficiency) of revenues over expenditures	<u>12,628</u>	<u>-</u>	<u>-</u>	<u>558,776</u>
OTHER FINANCIAL SOURCES (USES)				
Transfer in	-	-	-	252,886
Transfer out	-	-	-	(413,136)
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,250)</u>
Net change in fund balances	12,628	-	-	398,526
Fund balance at beginning of year	33,413	-	-	4,773,299
Fund balance at end of year	<u>\$ 46,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,171,825</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
DOMESTIC RELATIONS IV-D
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 248,862	\$ 241,483	\$ (7,379)
Investment earnings	2,100	3,682	1,582
Total revenues	<u>250,962</u>	<u>245,165</u>	<u>(5,797)</u>
EXPENDITURES			
Judicial	<u>90,680</u>	<u>90,283</u>	<u>397</u>
Total expenditures	<u>90,680</u>	<u>90,283</u>	<u>397</u>
Excess (deficiency) of revenues over expenditures	160,282	154,882	(5,400)
Fund balance at beginning of year	2,000,005	2,220,514	220,509
Fund balance at end of year	<u>\$ 2,160,287</u>	<u>\$ 2,375,396</u>	<u>\$ 215,109</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
D.A. INVESTIGATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ 102,900	\$ 102,900
Court cost fines & forfeits	50,000	32,199	(17,801)
Miscellaneous revenues	5,000	27,652	22,652
Total revenues	<u>55,000</u>	<u>162,751</u>	<u>107,751</u>
EXPENDITURES			
Judicial	55,000	202,932	(147,932)
Total expenditures	<u>55,000</u>	<u>202,932</u>	<u>(147,932)</u>
Excess (deficiency) of revenues over expenditures	-	(40,181)	(40,181)
Fund balance at beginning of year	77,846	116,279	38,433
Fund balance at end of year	<u>\$ 77,846</u>	<u>\$ 76,098</u>	<u>\$ (1,748)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
REGISTER & RECORDER CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charge for service	\$ 197,000	\$ 158,745	\$ (38,255)
Total revenues	<u>197,000</u>	<u>158,745</u>	<u>(38,255)</u>
EXPENDITURES			
Judicial			
Capital improvement fund			
Register & Recorder	65,000	51,093	13,907
County	44,000	34,062	9,938
Total judicial	<u>109,000</u>	<u>85,155</u>	<u>23,845</u>
Public Works			
Act 137 A.H.E.	88,000	50,000	38,000
Total public works	<u>88,000</u>	<u>50,000</u>	<u>38,000</u>
Total expenditures	<u>197,000</u>	<u>135,155</u>	<u>61,845</u>
Excess (deficiency) of revenues over expenditures	-	23,590	23,590
Fund balance at beginning of year	576,779	159,531	(417,248)
Fund balance at end of year	<u>\$ 576,779</u>	<u>\$ 183,121</u>	<u>\$ (393,658)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
PROTHONOTARY AUTOMATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charge for service	\$ 3,970	\$ 27,310	\$ 23,340
Total revenues	<u>3,970</u>	<u>27,310</u>	<u>23,340</u>
EXPENDITURES			
Judicial	3,970	57,495	(53,525)
Total expenditures	<u>3,970</u>	<u>57,495</u>	<u>(53,525)</u>
Excess (deficiency) of revenues over expenditures	-	(30,185)	(30,185)
Fund balance at beginning of year	38,737	73,263	34,526
Fund balance at end of year	<u>\$ 38,737</u>	<u>\$ 43,078</u>	<u>\$ 4,341</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
EMERGENCY MEDICAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 380,842	\$ 342,196	\$ (38,646)
Investment earnings	100	73	(27)
Total revenues	<u>380,942</u>	<u>342,269</u>	<u>(38,673)</u>
EXPENDITURES			
Public safety	<u>410,342</u>	<u>340,684</u>	<u>69,658</u>
Total expenditures	<u>410,342</u>	<u>340,684</u>	<u>69,658</u>
Excess (deficiency) of revenues over expenditures	(29,400)	1,585	30,985
Fund balance at beginning of year	58,096	52,035	(6,061)
Fund balance at end of year	<u>\$ 28,696</u>	<u>\$ 53,620</u>	<u>\$ 24,924</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
HAZ-MAT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 44,643	\$ 42,740	\$ (1,903)
Charge for services	75,000	80,900	5,900
Investment earnings	85	10	(75)
Total revenues	<u>119,728</u>	<u>123,650</u>	<u>3,922</u>
EXPENDITURES			
Public safety	<u>119,936</u>	<u>90,145</u>	<u>29,791</u>
Total expenditures	<u>119,936</u>	<u>90,145</u>	<u>29,791</u>
Excess (deficiency) of revenues over expenditures	(208)	33,505	33,713
Fund balance at beginning of year	40,985	60,301	19,316
Fund balance at end of year	<u>\$ 40,777</u>	<u>\$ 93,806</u>	<u>\$ 53,029</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
911 WIRELINE
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charge for services	\$ 720,000	\$ 693,708	\$ (26,292)
Investment earnings	500	363	(137)
Total revenues	<u>720,500</u>	<u>694,071</u>	<u>(26,429)</u>
EXPENDITURES			
Public safety	<u>450,500</u>	<u>459,153</u>	<u>(8,653)</u>
Total expenditures	<u>450,500</u>	<u>459,153</u>	<u>(8,653)</u>
Excess (deficiency) of revenues over expenditures	270,000	234,918	(35,082)
OTHER FINANCING SOURCES (USES)			
Transfer in	-	34,650	-
Transfer out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(215,350)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	20,000	19,568	(432)
Fund balance at beginning of year	816,063	143,718	(672,345)
Fund balance (deficit) at end of year	<u>\$ 836,063</u>	<u>\$ 163,286</u>	<u>\$ (672,777)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
911 WIRELESS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charge for services	\$ 716,454	\$ 1,233,239	\$ 516,785
Investment earnings	500	618	118
Total revenues	<u>716,954</u>	<u>1,233,857</u>	<u>516,903</u>
EXPENDITURES			
Public safety	<u>716,954</u>	<u>736,142</u>	<u>(19,188)</u>
Total expenditures	<u>716,954</u>	<u>736,142</u>	<u>(19,188)</u>
Excess (deficiency) of revenues over expenditures	-	497,715	497,715
OTHER FINANCING SOURCES (USES)			
Transfer out	-	(139,942)	-
Total other financing sources (uses)	<u>-</u>	<u>(139,942)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	357,773	357,773
Fund balance at beginning of year	2,015,493	162,132	(1,853,361)
Fund balance at end of year	<u>\$ 2,015,493</u>	<u>\$ 519,905</u>	<u>\$ (1,495,588)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
EMERGENCY MANAGEMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 8,876	\$ 14,972	\$ 6,096
Miscellaneous revenues	2,500	1,250	(1,250)
Total revenues	<u>11,376</u>	<u>16,222</u>	<u>4,846</u>
EXPENDITURES			
Public safety	11,376	18,152	(6,776)
Total expenditures	<u>11,376</u>	<u>18,152</u>	<u>(6,776)</u>
Excess (deficiency) of revenues over expenditures	-	(1,930)	(1,930)
Fund balance at beginning of year	10,399	9,010	(1,389)
Fund balance at end of year	<u>\$ 10,399</u>	<u>\$ 7,080</u>	<u>\$ (3,319)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
HIGHWAY SAFETY GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 91,043	\$ 89,376	\$ (1,667)
Total revenues	<u>91,043</u>	<u>89,376</u>	<u>(1,667)</u>
EXPENDITURES			
Public safety			
2013-2014 Highway safety	67,783	66,768	1,015
2014-2015 Highway safety	<u>23,260</u>	<u>22,608</u>	<u>652</u>
Total public safety	<u>91,043</u>	<u>89,376</u>	<u>1,667</u>
Total expenditures	<u>91,043</u>	<u>89,376</u>	<u>1,667</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
P.C.C.D. J.A.I.B. / AFTERCARE GRANT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 25,153	\$ 15,051	\$ (10,102)
Total revenues	<u>25,153</u>	<u>15,051</u>	<u>(10,102)</u>
EXPENDITURES			
Public Safety			
J.A.I.B.G.	73,200	82,135	(8,935)
Motivational Interview	14,005	5,051	8,954
Total expenditures	<u>87,205</u>	<u>87,186</u>	<u>19</u>
Excess (deficiency) of revenues over expenditures	(62,052)	(72,135)	(10,083)
OTHER FINANCING SOURCES (USES)			
Transfer in	62,052	72,135	10,083
Total other financing sources (uses)	<u>62,052</u>	<u>72,135</u>	<u>10,083</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	(700)	-	700
Fund balance at end of year	<u>\$ (700)</u>	<u>\$ -</u>	<u>\$ 700</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
LIQUID FUELS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 414,000	\$ 458,740	\$ 44,740
Investment earnings	400	386	(14)
Total revenues	<u>414,400</u>	<u>459,126</u>	<u>44,726</u>
EXPENDITURES			
Public works			
Administration, inspections and repairs	199,150	293,636	(94,486)
Approved projects	<u>185,000</u>	<u>153,994</u>	<u>31,006</u>
Total public works	<u>384,150</u>	<u>447,630</u>	<u>(63,480)</u>
Total expenditures	<u>384,150</u>	<u>447,630</u>	<u>(63,480)</u>
Excess (deficiency) of revenues over expenditures	30,250	11,496	(18,754)
Fund balance at beginning of year	(843,903)	357,811	1,201,714
Fund balance at end of year	<u>\$ (813,653)</u>	<u>\$ 369,307</u>	<u>\$ 1,182,960</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
ACT 44 BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 30,000	\$ 31,188	\$ 1,188
Investment earnings	190	87	(103)
Total revenues	<u>30,190</u>	<u>31,275</u>	<u>1,085</u>
EXPENDITURES			
Public works			
Administration, inspections and repairs	4,000	189,840	(185,840)
Total expenditures	<u>4,000</u>	<u>189,840</u>	<u>(185,840)</u>
Excess (deficiency) of revenues over expenditures	26,190	(158,565)	(184,755)
Fund balance at beginning of year	70,180	198,065	127,885
Fund balance at end of year	<u>\$ 96,370</u>	<u>\$ 39,500</u>	<u>\$ (56,870)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
ACT 89 BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ 22,056	\$ 22,056
Investment earnings	-	2	2
Total revenues	<u>-</u>	<u>22,058</u>	<u>22,058</u>
EXPENDITURES			
Public works			
Administration, inspections and repairs	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	22,058	22,058
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 22,058</u>	<u>\$ 22,058</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
COMMUNITY DEVELOPMENT BLOCK GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 487,060	\$ 489,468	\$ 2,408
Total revenues	<u>487,060</u>	<u>489,468</u>	<u>2,408</u>
EXPENDITURES			
Public works			
2009 grant	46,969	48,284	(1,315)
2010 grant	199,449	253,206	(53,757)
2011 grant	109,132	62,234	46,898
2012 grant	116,510	9,775	106,735
2013 grant	15,000	115,969	(100,969)
Total public works	<u>487,060</u>	<u>489,468</u>	<u>(2,408)</u>
Total expenditures	<u>487,060</u>	<u>489,468</u>	<u>(2,408)</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
EDPS FLOOD MITIGATION PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 1,217,371	\$ 1,488,292	\$ 270,921
Miscellaneous revenues	\$ 26,956	51,033	\$ 24,077
Total revenues	<u>1,244,327</u>	<u>1,539,325</u>	<u>294,998</u>
EXPENDITURES			
Public works			
Flood mitigation	367,250	248,501	118,749
Hazard mitigation buyouts	898,539	1,344,492	(445,953)
Total public works	<u>1,265,789</u>	<u>1,592,993</u>	<u>(327,204)</u>
Total expenditures	<u>1,265,789</u>	<u>1,592,993</u>	<u>(327,204)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	21,462	53,668	32,206
Total other financing sources (uses)	<u>21,462</u>	<u>53,668</u>	<u>32,206</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	130,064	-	(130,064)
Fund balance at end of year	<u>\$ 130,064</u>	<u>\$ -</u>	<u>\$ (130,064)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
EDPS ENVIRONMENTAL PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ 204,074	\$ 204,074
Miscellaneous revenues	-	23,282	23,282
Total revenues	<u>-</u>	<u>227,356</u>	<u>227,356</u>
EXPENDITURES			
Public works			
EDPS environmental division	9,000	263,739	(254,739)
Total public works	<u>9,000</u>	<u>263,739</u>	<u>(254,739)</u>
Total expenditures	<u>9,000</u>	<u>263,739</u>	<u>(254,739)</u>
Excess (deficiency) of revenues over expenditures	(9,000)	(36,383)	(27,383)
OTHER FINANCING SOURCES (USES)			
Transfer in	9,000	36,383	27,383
Total other financing sources (uses)	<u>9,000</u>	<u>36,383</u>	<u>27,383</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	(6,168)	-	6,168
Fund balance at end of year	<u>\$ (6,168)</u>	<u>\$ -</u>	<u>\$ 6,168</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
EDPS ECONOMIC DEVELOPMENT PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 417,411	\$ 648,996	\$ 231,585
Total revenues	<u>417,411</u>	<u>648,996</u>	<u>231,585</u>
EXPENDITURES			
Public works			
Economic development	423,661	655,046	(231,385)
Total public works	<u>423,661</u>	<u>655,046</u>	<u>(231,385)</u>
Culture & recreation	5,000	-	5,000
Total expenditures	<u>428,661</u>	<u>655,046</u>	<u>(226,385)</u>
Excess (deficiency) of revenues over expenditures	(11,250)	(6,050)	5,200
OTHER FINANCING SOURCES (USES)			
Transfer in	11,250	6,050	(5,200)
Total other financing sources (uses)	<u>11,250</u>	<u>6,050</u>	<u>(5,200)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	119,152	-	(119,152)
Fund balance at end of year	<u>\$ 119,152</u>	<u>\$ -</u>	<u>\$ (119,152)</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
 GROWING GREENER TRUST
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 800	\$ 2,029	\$ 1,229
Total revenues	<u>800</u>	<u>2,029</u>	<u>1,229</u>
Excess (deficiency) of revenues over expenditures	800	2,029	1,229
OTHER FINANCING SOURCES (USES)			
Transfer out	(14,000)	(23,194)	(9,194)
Total other financing sources (uses)	<u>(14,000)</u>	<u>(23,194)</u>	<u>(9,194)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(13,200)	(21,165)	(7,965)
Fund balance at beginning of year	914,908	932,160	17,252
Fund balance at end of year	<u>\$ 901,708</u>	<u>\$ 910,995</u>	<u>\$ 9,287</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
PASS THRU GRANTS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 5,873,510	\$ 5,453,057	\$ (420,453)
Total revenues	<u>5,873,510</u>	<u>5,453,057</u>	<u>(420,453)</u>
EXPENDITURES			
Human services	3,436,122	3,315,497	120,625
Public works	<u>2,437,388</u>	<u>2,137,560</u>	<u>299,828</u>
Total expenditures	<u>5,873,510</u>	<u>5,453,057</u>	<u>420,453</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
FARM EASEMENT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 14,000	\$ 17,391	\$ 3,391
Charge for services	10,000	7,734	(2,266)
Total revenues	<u>24,000</u>	<u>25,125</u>	<u>1,125</u>
EXPENDITURES			
Conservation & development	<u>62,700</u>	<u>61,658</u>	<u>1,042</u>
Total expenditures	<u>62,700</u>	<u>61,658</u>	<u>1,042</u>
Excess (deficiency) of revenues over expenditures	<u>(38,700)</u>	<u>(36,533)</u>	<u>2,167</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	11,300	13,467	2,167
Fund balance at beginning of year	214,992	255,067	40,075
Fund balance at end of year	<u>\$ 226,292</u>	<u>\$ 268,534</u>	<u>\$ 42,242</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
NUTRIENT TRADING PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Miscellaneous revenues	\$ 100,000	\$ 50,591	\$ (49,409)
Total revenues	<u>100,000</u>	<u>50,591</u>	<u>(49,409)</u>
EXPENDITURES			
Conservation & development	75,000	37,963	37,037
Total expenditures	<u>75,000</u>	<u>37,963</u>	<u>37,037</u>
Excess (deficiency) of revenues over expenditures	<u>25,000</u>	<u>12,628</u>	<u>(12,372)</u>
Fund balance at beginning of year	6,956	33,413	26,457
Fund balance at end of year	<u>\$ 31,956</u>	<u>\$ 46,041</u>	<u>\$ 14,085</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
 MISCELLANEOUS SPECIAL REVENUE GRANTS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) TO ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental revenues	\$ 14,600	\$ 10,781	\$ (3,819)
Total revenues	<u>14,600</u>	<u>10,781</u>	<u>(3,819)</u>
EXPENDITURES			
Judicial	15,050	10,781	4,269
Total expenditures	<u>15,050</u>	<u>10,781</u>	<u>4,269</u>
Excess (deficiency) of revenues over expenditures	(450)	-	450
Fund balance at beginning of year	780	-	(780)
Fund balance at end of year	<u>\$ 330</u>	<u>\$ -</u>	<u>\$ (330)</u>

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources for and the payment of general long-term debt principal, interest and related cost to the County of Lycoming.

**COUNTY OF LYCOMING, PENNSYLVANIA
DEBT SERVICE FUND
BALANCE SHEET
DECEMBER 31, 2014**

	Total
ASSETS	
Prepaid Expense	\$ 32,889
Total assets and other debits	\$ 32,889
 LIABILITIES & FUND EQUITY	
Liabilities	
Due to other funds	\$ 32,889
Total liabilities	32,889
Fund equity	
Assigned	-
Total fund equity	-
Total liabilities & fund equity	\$ 32,889

**COUNTY OF LYCOMING, PENNSYLVANIA
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Debt Service
EXPENDITURES	
Debt service	
Principal retirement	
PIB Note	\$ 344,955
Huntington Bank Note	152,100
2003 Bonds	605,000
2007 Bonds Series B	5,210,000
2009 Bonds	2,100,000
2010 Bonds	64,220
2011 LCRA Bonds	245,000
2012 Bonds	198,064
2014 Bonds	215,000
Total principal	9,134,339
Interest expense	
PIB Note	49,716
Huntington Bank Note	9,860
2003 Bonds	95,500
2007 Bonds Series B	1,366,021
2009 Bonds	74,006
2010 Bonds	432,342
2011 LCRA Bonds	106,380
2012 Bonds	184,109
2014 Bonds	37,069
Total interest	2,355,003
Total debt service	11,489,342
Total expenditures	11,489,342
Excess (deficiency) of revenues over expenditures	(11,489,342)
OTHER FINANCING SOURCES (USES)	
Transfer in	11,489,342
Total other financing sources (uses)	11,489,342
Net change in fund balance	-
Fund balance beginning of year	-
Fund balance end of year	\$ -

**COUNTY OF LYCOMING, PENNSYLVANIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES			
Debt Service			
Principal retirement			
PIB Note	\$ 344,954	\$ 344,955	\$ (1)
Huntington Bank Note	152,100	152,100	-
2003 Bonds	605,000	605,000	-
2007 Bonds Series B	140,000	5,210,000	(5,070,000)
2009 Bonds	52,900	2,100,000	(2,047,100)
2010 Bonds	71,411	64,220	7,191
2011 LCRA Bonds	245,000	245,000	-
2012 Bonds	198,064	198,064	-
2014 Bonds	215,000	215,000	-
Total principal	<u>2,024,429</u>	<u>9,134,339</u>	<u>(7,109,910)</u>
Interest expense			
PIB Note	49,716	49,716	-
Huntington Bank Note	9,860	9,860	-
2003 Bonds	95,500	95,500	-
2007 Bonds Series B	641,400	1,366,021	(724,621)
2009 Bonds	64,146	74,006	(9,860)
2010 Bonds	471,545	432,342	39,203
2011 LCRA Bonds	106,380	106,380	-
2012 Bonds	184,109	184,109	-
2014 Bonds	37,069	37,069	-
Total interest	<u>1,659,725</u>	<u>2,355,003</u>	<u>(695,278)</u>
Total expenditures	<u>3,684,154</u>	<u>11,489,342</u>	<u>(7,805,188)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,684,154)</u>	<u>(11,489,342)</u>	<u>(7,805,188)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>3,684,154</u>	<u>11,489,342</u>	<u>7,805,188</u>
Total other financing sources (uses)	<u>3,684,154</u>	<u>11,489,342</u>	<u>7,805,188</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ENTERPRISE FUND

This fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise – where the intent of the governing body is that the cost of providing goods and services to the general public on a continuing basis would be financed or recovered primarily through user charges.

Resource Management Services: The County operates a landfill, which serves a five and one half county area. It's also the location of the County resource recovery facility.

**COUNTY OF LYCOMING, PENNSYLVANIA
 RESOURCE MANAGEMENT SERVICES
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION - BUDGET (GAAP BASIS) TO ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Postive (Negative)</u>
OPERATING REVENUES			
Charge for services	\$ 13,860,152	\$ 10,522,155	\$ (3,337,997)
Sales	5,498,600	3,808,310	(1,690,290)
Miscellaneous revenues	26,156	306,810	280,654
Total revenues	<u>19,384,908</u>	<u>14,637,275</u>	<u>(4,747,633)</u>
OPERATING EXPENSES			
Public works			
Salaries & wages	3,326,984	3,252,747	74,237
Material and supplies	458,817	326,847	131,970
Operating expenses	5,825,493	3,874,515	1,950,978
Maintenance and repairs	2,169,606	1,959,339	210,267
Depreciation expense	4,305,758	3,856,368	449,390
Other post employment benefit expense	-	662,216	(662,216)
Fringe & indirect expense	2,276,991	2,510,217	(233,226)
Total operating expenses	<u>18,363,649</u>	<u>16,442,249</u>	<u>1,921,400</u>
Income (loss) from operations	<u>1,021,259</u>	<u>(1,804,974)</u>	<u>(2,826,233)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	1,476,209	1,582,865	106,656
Intergovernmental revenues	186,500	147,740	(38,760)
Net gain (loss) on sale of assets	(8,450)	(1,095)	7,355
Issuance Costs	31,770	(19,239)	(51,009)
Interest expenses	(712,565)	(709,860)	2,705
Total non-operating revenues (expenses)	<u>973,464</u>	<u>1,000,411</u>	<u>26,947</u>
Income (loss) before transfer	1,994,723	(804,563)	(2,799,286)
Transfer in (out)	<u>(2,531,200)</u>	<u>(2,059,676)</u>	<u>471,524</u>
Change in Net Position	(536,477)	(2,864,239)	(2,327,762)
NET POSITION, BEGINNING			
Total net position-beginning	61,607,455	55,961,012	(5,646,443)
Total net position-ending	<u>\$ 61,070,978</u>	<u>\$ 53,096,773</u>	<u>\$ (7,974,205)</u>

Agency Funds

Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers (Treasurer, Register and Recorder, Prothonotary, Sheriff and District Justice Courts) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

Delinquent Taxes

Accounts for the collection and disbursement of delinquent taxes collected by the county to the various schools, townships, and the County

Municipal Taxes

Accounts for the collection and disbursement of current taxes collected by the county to the various schools and townships

Welfare Burial Fund

Accounts for funds to bury indigent persons

Cost and Fines

Accounts for the collection and disbursement of cost and fines collected by the County to the various individuals, schools, townships, counties, and state government

Lycoming County Health Care Plan

Accounts for the collection and disbursement of deductions from employees to cover various health care costs

Escheats Fund

Accounts for the collection and disbursement to the state for unclaimed funds

Public Relations Fund

Accounts for private funds used to enhance the image of the County

Domestic Relations Child Support

Accounts for the collection and distribution to the state for domestic relations payments

Juvenile Restitution Fund

Accounts for the collection and distribution of funds to provide support for juveniles and to reimburse individuals for damages

Adult Restitution Fund

Accounts for the collection and distribution of funds to provide support for adults and to reimburse individuals for damages

Register and Recorder Adoption Fund

Accounts for the collection and distribution of funds to support adoptions

County Row Offices

To account for the collection and disbursement of funds to individuals, townships, and the state

Prison and Pre-Release Commissary

To account for the collection and disbursement of inmate funds in association with the operation of the prison and pre-release commissaries

**COUNTY OF LYCOMING, PENNSYLVANIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2014**

	Balance at January 1, 2014	Additions	Deductions	Balance at December 31, 2014
<u>Delinquent Taxes</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 1,504,773	\$ 10,185,793	\$ 10,658,517	\$ 1,032,049
Receivables				
Accounts receivable - NSF	40	5,248	40	5,248
Delinquent taxes	4,119,159	10,184,022	10,275,625	4,027,556
Total assets	\$ 5,623,972	\$ 20,375,063	\$ 20,934,182	\$ 5,064,853
<u>Liabilities:</u>				
Due to other governments	\$ 1,504,813	\$ 9,647,756	\$ 10,115,272	\$ 1,037,297
Escrow	4,119,159	10,043,531	10,135,134	4,027,556
Total liabilities	\$ 5,623,972	\$ 19,691,287	\$ 20,250,406	\$ 5,064,853
 <u>Municipal Taxes</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 184,253	\$ 7,459,232	\$ 7,435,287	\$ 208,198
Accounts receivable	-	11,386,114	11,386,114	-
Total assets	\$ 184,253	\$ 18,845,346	\$ 18,821,401	\$ 208,198
<u>Liabilities:</u>				
Accounts Payable	\$ 184,253	\$ 1,893,658	\$ 1,869,713	\$ 208,198
Due to other funds	-	5,565,110	5,565,110	-
Escrow	-	11,256,325	11,256,325	-
Total liabilities	\$ 184,253	\$ 18,715,093	\$ 18,691,148	\$ 208,198
 <u>Welfare Burial Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 20,161	\$ -	\$ -	\$ 20,161
Total assets	\$ 20,161	\$ -	\$ -	\$ 20,161
<u>Liabilities:</u>				
Escrow fund	\$ 20,161	\$ -	\$ -	\$ 20,161
Total liabilities	\$ 20,161	\$ -	\$ -	\$ 20,161
 <u>Cost & Fines</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 155,317	\$ 2,924,984	\$ 2,908,312	\$ 171,989
Accounts receivable	10,311,414	21,658,771	21,376,394	10,593,791
Total assets	\$ 10,466,731	\$ 24,583,755	\$ 24,284,706	\$ 10,765,780
<u>Liabilities:</u>				
Due to other funds	\$ -	\$ 7,315	\$ 7,315	\$ -
Escrow	10,466,731	10,781,076	10,482,027	10,765,780
Total liabilities	\$ 10,466,731	\$ 10,788,391	\$ 10,489,342	\$ 10,765,780

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

	Balance at January 1, 2014	Additions	Deductions	Balance at December 31, 2014
<u>Lyc. Cnty. Health Care Plan</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 36,661	\$ 782,371	\$ 806,169	\$ 12,863
Total assets	<u>\$ 36,661</u>	<u>\$ 782,371</u>	<u>\$ 806,169</u>	<u>\$ 12,863</u>
<u>Liabilities:</u>				
Account Payable	\$ 29,849	\$ 770,515	\$ 795,769	\$ 4,595
Escrow fund	812	801,624	800,168	2,268
Interfund loans	6,000	-	-	6,000
Total liabilities	<u>\$ 36,661</u>	<u>\$ 1,572,139</u>	<u>\$ 1,595,937</u>	<u>\$ 12,863</u>
<u>Escheats Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 76,718	\$ 13,806	\$ 15,392	\$ 75,132
Due from other funds	681	16	681	16
Total assets	<u>\$ 77,399</u>	<u>\$ 13,822</u>	<u>\$ 16,073</u>	<u>\$ 75,148</u>
<u>Liabilities:</u>				
Account Payable	\$ -	\$ 15,373	\$ 15,373	\$ -
Escrow fund	77,399	14,108	16,359	75,148
Total liabilities	<u>\$ 77,399</u>	<u>\$ 29,481</u>	<u>\$ 31,732</u>	<u>\$ 75,148</u>
<u>Public Relations Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 1,799	\$ 4,799	\$ 6,033	\$ 565
Total assets	<u>\$ 1,799</u>	<u>\$ 4,799</u>	<u>\$ 6,033</u>	<u>\$ 565</u>
<u>Liabilities:</u>				
Account Payable	\$ 40	\$ 6,148	\$ 6,033	\$ 155
Escrow fund	1,759	5,299	6,648	410
Total liabilities	<u>\$ 1,799</u>	<u>\$ 11,447</u>	<u>\$ 12,681</u>	<u>\$ 565</u>
<u>Domestic Relations Child Support</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 16,540	\$ 677,270	\$ 662,113	\$ 31,697
Total assets	<u>\$ 16,540</u>	<u>\$ 677,270</u>	<u>\$ 662,113</u>	<u>\$ 31,697</u>
<u>Liabilities:</u>				
Escrow fund	\$ 16,540	\$ 677,270	\$ 662,113	\$ 31,697
Total liabilities	<u>\$ 16,540</u>	<u>\$ 677,270</u>	<u>\$ 662,113</u>	<u>\$ 31,697</u>

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

	Balance at January 1, 2014	Additions	Deductions	Balance at December 31, 2014
<u>Juvenile Restitution Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 70,375	\$ 11,371	\$ 19,129	\$ 62,617
Total assets	<u>\$ 70,375</u>	<u>\$ 11,371</u>	<u>\$ 19,129</u>	<u>\$ 62,617</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 19,156	\$ 19,129	\$ 27
Escrow fund	70,375	11,848	19,633	62,590
Total liabilities	<u>\$ 70,375</u>	<u>\$ 31,004</u>	<u>\$ 38,762</u>	<u>\$ 62,617</u>
<u>Adult Restitution Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 36,273	\$ 44,052	\$ 4,141	\$ 76,184
Total assets	<u>\$ 36,273</u>	<u>\$ 44,052</u>	<u>\$ 4,141</u>	<u>\$ 76,184</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 2,953	\$ 2,953	\$ -
Escrow fund	36,273	44,052	4,141	76,184
Total liabilities	<u>\$ 36,273</u>	<u>\$ 44,052</u>	<u>\$ 4,141</u>	<u>\$ 76,184</u>
<u>Register & Recorder Adoption Fund</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 42,225	\$ 750	\$ -	\$ 42,975
Due from other funds	-	150	-	150
Total assets	<u>\$ 42,225</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 43,125</u>
<u>Liabilities:</u>				
Escrow fund	\$ 42,225	\$ 900	\$ -	\$ 43,125
Total liabilities	<u>\$ 42,225</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 43,125</u>
<u>County Row Offices</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 770,147	\$ 16,884,987	\$ 16,743,237	\$ 911,897
Total assets	<u>\$ 770,147</u>	<u>\$ 16,884,987</u>	<u>\$ 16,743,237</u>	<u>\$ 911,897</u>
<u>Liabilities:</u>				
Due to other funds	\$ 681	\$ 2,279	\$ 2,794	\$ 166
Due to other governments	278,326	12,798,660	12,747,718	329,268
Escrow	491,140	4,084,048	3,992,725	582,463
Total liabilities	<u>\$ 770,147</u>	<u>\$ 16,884,987</u>	<u>\$ 16,743,237</u>	<u>\$ 911,897</u>

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED DECEMBER 31, 2014
(CONTINUED)

	Balance at January 1, 2014	Additions	Deductions	Balance at December 31, 2014
<u>Prison & Pre-Release Commissary</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 155,970	\$ 192,838	\$ 128,960	\$ 219,848
Due from other funds	5,027	14,624	14,616	5,035
Total assets	<u>\$ 160,997</u>	<u>\$ 207,462</u>	<u>\$ 143,576</u>	<u>\$ 224,883</u>
<u>Liabilities:</u>				
Accounts payable	\$ 50,847	\$ 41,037	\$ 31,205	\$ 60,679
Escrow fund	104,650	141,535	87,481	158,704
Interfund loan	5,500	-	-	5,500
Total liabilities	<u>\$ 160,997</u>	<u>\$ 182,572</u>	<u>\$ 118,686</u>	<u>\$ 224,883</u>
 <u>Total All Agency Funds</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 3,071,212	\$ 39,182,253	\$ 39,387,290	\$ 2,866,175
Receivables				
Due from other funds	5,708	14,790	15,297	5,201
Accounts receivable	40	11,391,362	11,386,154	5,248
Delinquent taxes (non county)	4,119,159	10,184,022	10,275,625	4,027,556
Cost & fines (non county)	10,311,414	21,658,771	21,376,394	10,593,791
Total assets	<u>\$ 17,507,533</u>	<u>\$ 82,431,198</u>	<u>\$ 82,440,760</u>	<u>\$ 17,497,971</u>
<u>Liabilities:</u>				
Accounts payable	\$ 264,989	\$ 2,745,887	\$ 2,737,222	\$ 273,654
Due to other funds	681	5,574,704	5,575,219	166
Due to other governments	1,783,139	22,446,416	22,862,990	1,366,565
Escrow funds	15,447,224	37,861,616	37,462,754	15,846,086
Interfund loans	11,500	-	-	11,500
Total liabilities	<u>\$ 17,507,533</u>	<u>\$ 68,628,623</u>	<u>\$ 68,638,185</u>	<u>\$ 17,497,971</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	January 1 2014	Additions / Transfers	Disposals / Transfers	December 31 2014
General Government	\$ 27,179,823	\$ 1,468,442	\$ 487,370	\$ 28,160,895
Judicial	1,433,609	-	91,303	1,342,306
Public Safety	23,576,070	466,138	193,188	23,849,020
Public Works	10,797,871	351,885	57,098	11,092,658
Human Services	2,124,041	-	-	2,124,041
Culture & Recreation	3,835,000	-	-	3,835,000
Conservation & Dev.	4,570,798	-	1,359,898	3,210,900
	<u>\$ 73,517,212</u>	<u>\$ 2,286,465</u>	<u>\$ 2,188,857</u>	<u>\$ 73,614,820</u>

ENDING BALANCE IS COMPOSED OF

	Land	Construction in Progress	Buildings and Improvements	Improvement Other than Buildings	Machinery and Equipment	Infrastructure	Total
General Government	\$ 177,726	\$ 649,016	\$ 21,672,301	\$ 505,713	\$ 4,708,329	\$ 447,810	\$ 28,160,895
Judicial	-	-	220,988	-	1,121,318	-	1,342,306
Public Safety	266,811	241,171	8,953,861	-	14,374,047	13,130	23,849,020
Public Works	-	-	-	-	13,328	11,079,330	11,092,658
Human Services	-	-	2,124,041	-	-	-	2,124,041
Culture & Recreation	2,310,922	-	1,136,542	387,536	-	-	3,835,000
Conservation & Dev.	324,204	-	1,624,658	750,663	306,059	205,316	3,210,900
	<u>\$ 3,079,663</u>	<u>\$ 890,187</u>	<u>\$ 35,732,391</u>	<u>\$ 1,643,912</u>	<u>\$ 20,523,081</u>	<u>\$ 11,745,586</u>	<u>\$ 73,614,820</u>

**COUNTY OF LYCOMING, PENNSYLVANIA
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION
PROPRIETARY FUND TYPE (BUSINESS-TYPE ACTIVITY)
FOR THE YEAR ENDED DECEMBER 31, 2014**

	January 1 2014	Additions / Transfers	Disposals / Transfers	December 31 2014
Public Works	<u>\$ 113,234,672</u>	<u>\$ 6,479,286</u>	<u>\$ 105,570</u>	<u>\$ 119,608,388</u>
	<u>\$ 113,234,672</u>	<u>\$ 6,479,286</u>	<u>\$ 105,570</u>	<u>\$ 119,608,388</u>

ENDING BALANCE IS COMPOSED OF

	Land	Intangibles	Construction in Progress	Buildings and Improvements	Improvement Other than Buildings	Machinery and Equipment	Infrastructure	Total
Public Works	\$ 2,450,020	\$ 1,654,499	\$ 14,310,793	\$ 18,186,044	\$ 53,247,555	\$ 27,866,770	\$ 1,892,707	\$ 119,608,388
	<u>\$ 2,450,020</u>	<u>\$ 1,654,499</u>	<u>\$ 14,310,793</u>	<u>\$ 18,186,044</u>	<u>\$ 53,247,555</u>	<u>\$ 27,866,770</u>	<u>\$ 1,892,707</u>	<u>\$ 119,608,388</u>

STATISTICAL SECTION

The statistical section of the Consolidated Annual Financial Report presents information in the form of tables showing trends, contextual and detailed information to help the user evaluate the financial information presented in the preceding sections. There are five categories in the statistical section: Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Statistics, and Operating Indicators.

Financial Trends

Financial trends information is provided to help the reader realize and evaluate how the County's financial situation has changed over time.

Revenue Capacity

Revenue capacity information is provided to assist the reader with understanding and evaluating the factors affecting the County's ability to produce its own revenues (mainly taxes).

Debt Capacity

Debt capacity information is provided to assist the reader with understanding and evaluating the County's debt burden and the County's ability to issue other debt.

Demographic and Economic Statistics

Demographic and economic statistics are provided to help the reader in understanding the County by giving socioeconomic trend and comparison information.

Operating Indicators

Operating indicators are provided to provide the reader with contextual information for evaluating the County's financial statement information.

COUNTY OF LYCOMING, PENNSYLVANIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Table #1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Government - Governmental Activities										
Net investment in capital assets	\$ 18,916,755	\$ 19,015,377	\$ 19,443,500	\$ 19,481,290	\$ 18,482,948	\$ 9,023,986	\$ 10,380,450	\$ 7,731,186	\$ 6,992,711	\$ 3,924,877
Restricted	5,021,364	5,869,407	5,832,317	5,270,442	5,275,984	4,627,026	4,128,905	4,143,823	11,859,734	11,854,101
Unrestricted	20,926,070	25,878,978	29,777,671	30,199,159	29,252,432	38,211,494	33,823,834	31,271,310	17,379,988	8,327,628
Total Net Position	\$ 44,864,189	\$ 50,763,762	\$ 55,053,488	\$ 54,950,891	\$ 53,011,364	\$ 51,862,506	\$ 48,333,189	\$ 43,146,319	\$ 36,232,433	\$ 24,106,606

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Primary Government - Business Type Activities										
Net investment in capital assets	\$ 32,086,351	\$ 31,117,999	\$ 31,548,317	\$ 30,152,920	\$ 29,678,668	\$ 28,327,055	\$ 38,232,153	\$ 38,103,503	\$ 34,594,653	\$ 35,447,624
Restricted	18,275,100	19,294,422	14,568,665	16,466,373	16,269,733	24,309,139	23,983,182	20,983,182	21,146,160	21,146,160
Unrestricted	10,107,038	11,062,778	18,381,147	19,232,376	19,142,537	11,511,149	1,449,510	2,540,414	220,199	(3,497,011)
Total Net Position	\$ 60,468,489	\$ 61,475,199	\$ 64,498,129	\$ 65,851,669	\$ 65,090,938	\$ 64,147,343	\$ 63,664,845	\$ 61,627,099	\$ 55,961,012	\$ 53,096,773

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Primary Government										
Net investment in capital assets	\$ 51,003,106	\$ 50,133,376	\$ 50,991,817	\$ 49,634,210	\$ 48,161,616	\$ 37,351,041	\$ 48,612,603	\$ 45,834,689	\$ 41,587,364	\$ 39,372,501
Restricted	23,296,464	25,163,829	20,400,982	21,736,815	21,545,717	28,936,165	28,112,087	25,127,005	33,005,894	33,000,261
Unrestricted	31,033,108	36,941,756	48,158,818	49,431,535	48,394,969	49,722,643	35,273,344	33,811,724	17,600,187	4,830,617
Total Net Position	\$ 105,332,678	\$ 112,238,961	\$ 119,551,617	\$ 120,802,560	\$ 118,102,302	\$ 116,009,849	\$ 111,998,034	\$ 104,773,418	\$ 92,193,445	\$ 77,203,379

COUNTY OF LYCOMING, PENNSYLVANIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table #2

Expenses	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 6,870,008	\$ 7,663,171	\$ 8,338,601	\$ 10,983,485	\$ 10,525,125	\$ 10,865,973	\$ 11,840,228	\$ 14,592,375	\$ 13,802,847	\$ 12,434,475
Judicial	7,751,039	8,276,111	8,581,910	10,145,257	9,785,388	10,310,591	10,568,264	11,505,811	12,334,926	13,173,247
Public safety	18,378,191	19,383,314	18,772,488	19,159,875	18,762,923	19,261,214	20,410,325	22,408,635	22,932,896	24,403,625
Public works	4,638,746	3,535,083	3,428,429	2,900,479	3,420,647	3,479,963	2,778,025	3,959,163	5,760,527	8,083,405
Human services	20,072,182	17,559,200	19,151,762	22,897,286	22,150,709	19,634,287	17,240,235	22,070,679	12,771,967	13,434,011
Culture & recreation	1,251,352	1,193,605	1,557,019	4,652,234	5,930,528	1,489,466	1,325,339	1,372,692	1,383,038	5,223,251
Conservation & development	849,610	893,633	627,890	758,201	1,252,589	1,457,247	1,622,042	2,279,492	1,609,158	1,356,323
Interest on long-term debt	1,360,638	1,307,054	2,032,899	2,092,950	1,737,958	1,659,983	1,729,389	1,746,267	2,046,232	1,785,304
Total governmental activities expenses	<u>61,171,766</u>	<u>59,811,171</u>	<u>62,490,998</u>	<u>73,589,767</u>	<u>73,565,867</u>	<u>68,158,724</u>	<u>67,513,847</u>	<u>79,935,114</u>	<u>72,641,591</u>	<u>79,893,641</u>
Business-type Activities:										
Public works	14,088,774	14,931,204	15,057,609	16,078,503	15,022,049	16,463,882	17,081,669	18,114,037	17,150,114	17,171,348
Total business-type activities expenses	<u>14,088,774</u>	<u>14,931,204</u>	<u>15,057,609</u>	<u>16,078,503</u>	<u>15,022,049</u>	<u>16,463,882</u>	<u>17,081,669</u>	<u>18,114,037</u>	<u>17,150,114</u>	<u>17,171,348</u>
Total primary government expenses	<u>\$ 75,260,540</u>	<u>\$ 74,742,375</u>	<u>\$ 77,548,607</u>	<u>\$ 89,668,270</u>	<u>\$ 88,587,916</u>	<u>\$ 84,622,606</u>	<u>\$ 84,595,516</u>	<u>\$ 98,049,151</u>	<u>\$ 89,791,705</u>	<u>\$ 97,064,989</u>
Program Revenues										
Governmental activities:										
Charge for services										
General government	\$ 848,206	\$ 1,313,113	\$ 2,847,168	\$ 4,849,321	\$ 3,390,765	\$ 3,490,385	\$ 3,948,710	\$ 7,171,714	\$ 3,265,973	\$ 3,469,706
Judicial	2,515,069	2,209,701	2,646,511	2,596,075	2,532,726	2,721,862	2,629,715	2,681,318	2,782,585	2,545,473
Public safety	3,859,089	3,656,056	3,133,123	3,539,942	2,793,836	3,424,581	3,398,243	1,042,120	3,528,899	3,619,181
Public works	25,665	97,739	97,470	104,138	33,556	137,880	89,011	335,739	179,846	78,256
Human services	352,900	173,767	169,376	458	20	-	10	9	115	810
Culture & recreation	-	33,264	160,341	-	-	-	-	-	123	448
Conservation & development	77,481	42,987	44,895	224,242	201,110	73,729	160,558	193,073	165,112	121,052
Interest on long term debt	-	-	-	-	-	-	-	7	-	-
Operating grants & contributions	30,023,341	26,784,621	26,485,308	31,577,067	32,436,673	26,280,114	22,335,269	32,579,829	23,852,911	27,265,770
Capital grants & contributions	648,894	962,530	161,000	148,463	659,181	1,335,086	1,293,672	48,280	250,000	395,112
Total governmental activities program revenues	<u>38,350,645</u>	<u>35,273,778</u>	<u>35,745,192</u>	<u>43,039,706</u>	<u>42,047,867</u>	<u>37,463,637</u>	<u>33,855,188</u>	<u>44,052,089</u>	<u>34,025,564</u>	<u>37,495,808</u>

(Continued)

COUNTY OF LYCOMING, PENNSYLVANIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Table #2
(Continued)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charge for services	\$ 13,916,960	\$ 14,888,494	\$ 15,593,708	\$ 15,839,053	\$ 14,038,858	\$ 15,150,510	\$ 16,183,636	\$ 15,492,798	\$ 15,847,513	\$ 14,636,180
Operating grants & contributions	559,565	659,888	387,121	1,009,877	130,680	624,804	431,142	213,404	187,569	147,740
Capital grants & contributions	-	-	82,161	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>14,476,525</u>	<u>15,548,382</u>	<u>16,062,990</u>	<u>16,848,930</u>	<u>14,169,538</u>	<u>15,775,314</u>	<u>16,614,778</u>	<u>15,706,202</u>	<u>16,035,082</u>	<u>14,783,920</u>
Total primary government program revenues	<u>\$ 52,827,170</u>	<u>\$ 50,822,160</u>	<u>\$ 51,808,182</u>	<u>\$ 59,888,636</u>	<u>\$ 56,217,405</u>	<u>\$ 53,238,951</u>	<u>\$ 50,469,966</u>	<u>\$ 59,758,291</u>	<u>\$ 50,060,646</u>	<u>\$ 52,279,728</u>
Net (expense)/revenue										
Governmental activities	\$ (22,821,121)	\$ (24,537,393)	\$ (26,745,806)	\$ (30,550,061)	\$ (31,518,000)	\$ (30,695,087)	\$ (33,658,659)	\$ (35,883,025)	\$ (38,616,027)	\$ (42,397,833)
Business-type activities	387,751	617,178	1,005,381	770,427	(852,511)	(688,568)	(466,891)	(2,407,835)	(1,115,032)	(2,387,428)
Total primary government net expense	<u>\$ (22,433,370)</u>	<u>\$ (23,920,215)</u>	<u>\$ (25,740,425)</u>	<u>\$ (29,779,634)</u>	<u>\$ (32,370,511)</u>	<u>\$ (31,383,655)</u>	<u>\$ (34,125,550)</u>	<u>\$ (38,290,860)</u>	<u>\$ (39,731,059)</u>	<u>\$ (44,785,261)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property taxes	\$ 24,884,901	\$ 25,444,268	\$ 25,750,182	\$ 26,021,245	\$ 26,325,959	\$ 26,559,939	\$ 27,188,124	\$ 27,235,490	\$ 27,295,551	\$ 27,417,561
Unrestricted investment earnings	1,636,430	2,146,256	2,144,257	1,506,693	735,524	395,286	-	425,448	396,499	375,489
Grants, contributions and other revenues not restricted to specific programs.	233,856	234,948	617,415	424,359	435,135	436,036	410,000	408,069	414,521	419,280
Transfers	2,573,974	2,611,495	2,523,678	2,495,167	2,081,856	2,154,967	2,531,218	2,627,148	4,174,773	2,059,676
Total governmental activities	<u>29,329,161</u>	<u>30,436,967</u>	<u>31,035,532</u>	<u>30,447,464</u>	<u>29,578,474</u>	<u>29,546,228</u>	<u>30,129,342</u>	<u>30,696,155</u>	<u>32,281,344</u>	<u>30,272,006</u>
Business-type activities:										
Unrestricted investment earnings	2,218,758	3,001,027	4,541,227	3,078,280	2,173,636	1,899,940	2,515,611	2,997,237	(55,888)	1,582,865
Transfers	(2,573,974)	(2,611,495)	(2,523,678)	(2,495,167)	(2,081,856)	(2,154,967)	(2,531,218)	(2,627,148)	(4,174,773)	(2,059,676)
Total business-type activities	<u>(355,216)</u>	<u>389,532</u>	<u>2,017,549</u>	<u>583,113</u>	<u>91,780</u>	<u>(255,027)</u>	<u>(15,607)</u>	<u>370,089</u>	<u>(4,230,661)</u>	<u>(476,811)</u>
Total primary government	<u>\$ 28,973,945</u>	<u>\$ 30,826,499</u>	<u>\$ 33,053,081</u>	<u>\$ 31,030,577</u>	<u>\$ 29,670,254</u>	<u>\$ 29,291,201</u>	<u>\$ 30,113,735</u>	<u>\$ 31,066,244</u>	<u>\$ 28,050,683</u>	<u>\$ 29,795,195</u>
Change in Net Position										
Governmental activities	\$ 6,508,040	\$ 5,899,574	\$ 4,289,726	\$ (102,597)	\$ (1,939,526)	\$ (1,148,859)	\$ (3,529,317)	\$ (5,186,870)	\$ (6,334,683)	\$ (12,125,827)
Business-type activities	32,535	1,006,710	3,022,930	1,353,540	(760,731)	(943,595)	(482,498)	(2,037,746)	(5,345,693)	(2,864,239)
Total primary government	<u>\$ 6,540,575</u>	<u>\$ 6,906,284</u>	<u>\$ 7,312,656</u>	<u>\$ 1,250,943</u>	<u>\$ (2,700,257)</u>	<u>\$ (2,092,454)</u>	<u>\$ (4,011,815)</u>	<u>\$ (7,224,616)</u>	<u>\$ (11,680,376)</u>	<u>\$ (14,990,066)</u>

COUNTY OF LYCOMING, PENNSYLVANIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table #3

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 22,376,898	\$ 21,419,193	\$ 20,320,160	\$ 19,242,123	\$ 8,011,808	\$ 8,603,121	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated	19,052,564	23,364,085	25,786,961	28,608,193	29,873,367	40,626,179	-	-	-	-
Non-Spendable							12,041,166	13,300,650	13,910,210	8,984,969
Restricted							9,270,378	6,258,351	1,323,426	1,003,915
Assigned							6,243,182	9,476,751	8,889,127	609,487
Unassigned							20,240,097	17,103,683	15,858,934	23,982,408
Total General fund	<u>\$ 41,429,462</u>	<u>\$ 44,783,278</u>	<u>\$ 46,107,121</u>	<u>\$ 47,850,316</u>	<u>\$ 37,885,175</u>	<u>\$ 49,229,300</u>	<u>\$ 47,794,823</u>	<u>\$ 46,139,435</u>	<u>\$ 39,981,697</u>	<u>\$ 34,580,779</u>
All other governmental funds										
Reserved										
Special revenue funds	\$ 4,623,885	\$ 5,421,187	\$ 6,134,202	\$ 5,252,199	\$ 738,142	\$ 424,981	\$ -	\$ -	\$ -	\$ -
Capital projects funds	37,090	37,090	-	-	-	-	-	-	-	-
Unreserved, designated										
Special revenue funds	360,388	411,130	-	-	3,909,812	3,856,604	-	-	-	-
Unreserved, Undesignated				37,090	37,090	37,090	-	-	-	-
Restricted										
Special revenue funds							4,197,487	8,231,494	11,738,806	14,042,080
Assigned										
Special revenue funds							13,684	13,684	288,480	314,575
Total other governmental funds	<u>\$ 5,021,363</u>	<u>\$ 5,869,407</u>	<u>\$ 6,134,202</u>	<u>\$ 5,289,289</u>	<u>\$ 4,685,044</u>	<u>\$ 4,318,675</u>	<u>\$ 4,211,171</u>	<u>\$ 8,245,178</u>	<u>\$ 12,027,286</u>	<u>\$ 14,356,655</u>

Note: During 2011, the County adopted GASB Statement No. 54. Prior fund balances were not restated.

COUNTY OF LYCOMING, PENNSYLVANIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Table #4

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 24,605,980	\$ 25,466,452	\$ 25,617,705	\$ 25,953,820	\$ 26,202,134	\$ 26,520,552	\$ 27,384,947	\$ 27,270,594	\$27,302,944	\$ 27,545,342
Licenses & permits	47,163	46,797	47,161	46,527	46,590	42,330	46,817	43,402	46,350	45,854
Intergovernmental revenues	30,858,929	27,946,064	27,216,565	32,103,363	33,484,400	28,008,905	23,992,182	32,992,778	24,471,083	28,034,308
Charge for services	5,504,845	6,017,441	5,420,411	6,100,977	5,276,030	5,972,053	6,114,661	6,263,551	6,340,973	6,188,156
Court cost & fines	1,267,577	59,234	56,837	86,345	1,740,563	1,376,936	1,014,444	1,328,268	1,902,866	1,946,702
Investment earnings	1,768,216	2,431,119	2,430,123	1,627,679	784,844	410,957	472,745	466,875	413,912	388,435
Sale of assets	60,432	1,240,281	1,527,846	2,804,188	79,192	109,483	113,359	124,401	110,889	291,430
Miscellaneous	716,301	585,409	1,799,922	2,203,180	2,352,380	2,317,254	2,502,834	3,702,409	1,681,446	1,728,889
Total revenues	64,829,443	63,792,797	64,116,570	70,926,079	69,966,133	64,758,470	61,641,989	72,192,278	62,270,463	66,169,116
Expenditures										
General government	5,864,652	6,830,425	7,478,869	8,320,767	7,666,980	7,653,044	8,033,355	8,064,721	9,101,794	8,599,292
Judicial	6,226,022	6,593,842	6,999,178	7,847,315	7,420,019	7,404,312	7,296,310	7,887,638	8,095,378	8,830,440
Public safety	15,639,009	16,698,047	14,922,075	14,766,037	14,554,859	14,167,835	14,939,017	16,338,861	16,150,482	17,307,101
Public works	4,372,253	3,256,490	3,124,858	2,612,391	2,733,577	3,130,368	2,208,068	3,565,956	5,385,679	5,571,539
Human services	19,988,529	17,477,430	19,046,423	22,784,862	22,036,293	19,496,416	17,106,934	21,935,284	12,654,518	13,306,447
Culture & recreation	1,202,042	1,142,817	1,442,038	4,538,253	5,825,612	1,381,512	1,217,386	1,260,601	1,273,912	3,551,685
Conservation & development	686,749	731,354	418,919	515,730	993,298	1,163,421	1,315,989	2,014,930	1,343,633	1,091,869
Miscellaneous	3,812,258	4,407,157	5,277,977	5,575,290	5,807,991	6,266,489	7,127,655	8,322,240	9,279,127	9,246,793
Debt service-principal	2,563,609	2,378,495	16,655,226	1,750,618	12,281,411	980,017	1,094,408	1,076,775	1,737,890	9,134,339
-interest	1,300,685	1,222,845	1,979,390	1,763,967	1,687,087	1,495,785	1,724,109	1,605,906	1,785,106	2,355,003
Capital outlay	697,266	5,418,531	16,454,156	2,084,825	1,365,940	3,340,642	3,651,955	1,297,357	1,793,320	1,276,255
Total expenditures	62,353,074	66,157,433	93,799,109	72,560,055	82,373,067	66,479,841	65,715,186	73,370,269	68,600,839	80,270,763
Excess of revenues over (under) expenditures	2,476,369	(2,364,636)	(29,682,539)	(1,633,976)	(12,406,934)	(1,721,371)	(4,073,197)	(1,177,991)	(6,330,376)	(14,101,647)
Other financing sources (uses)										
Transfer in	7,109,191	11,062,761	36,176,308	6,841,543	23,853,302	4,987,280	5,555,041	10,560,356	5,923,448	13,941,846
Transfer out	(4,535,216)	(8,451,265)	(33,652,630)	(4,346,377)	(22,015,753)	(2,832,313)	(3,023,824)	(7,933,208)	(3,668,702)	(11,882,169)
Debt proceeds	-	3,955,000	28,784,589	-	-	10,645,289	-	8,078,867	1,700,000	9,021,700
Payment to refunding agent								(4,927,460)	-	-
Bond issuance discount						(101,130)	-	(102,066)	-	(51,278)
Forgiveness of debt								(2,185,593)	-	-
Total other financing sources (uses)	2,573,975	6,566,496	31,308,267	2,495,166	1,837,549	12,699,126	2,531,217	3,490,896	3,954,746	11,030,099
Net change in fund balance	\$ 5,050,344	\$ 4,201,860	\$ 1,625,728	\$ 861,190	\$(10,569,385)	\$ 10,977,755	\$(1,541,980)	\$ 2,312,905	\$(2,375,630)	\$(3,071,548)
Debt service as a percentage of noncapital expenditures	6.27%	5.93%	24.09%	4.99%	17.24%	3.92%	4.54%	3.72%	5.27%	14.54%

County of Lycoming, Pennsylvania
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Table #5

Fiscal Year	Real Estate Taxes	Hotel Room Rental Tax	Total
2005	24,224,340	381,640	24,605,980
2006	25,049,428	417,024	25,466,452
2007	25,154,366	463,339	25,617,705
2008	25,492,281	461,539	25,953,820
2009	25,610,940	591,194	26,202,134
2010	25,888,594	631,958	26,520,552
2011	26,372,093	1,012,854	27,384,947
2012	26,277,637	992,957	27,270,594
2013	26,411,189	851,739	27,262,928
2014	26,762,851	782,491	27,545,342

County of Lycoming, Pennsylvania
 Governmental Activities Tax Revenues by Source
 Last Five Fiscal Years
 (accrual basis of accounting)

Fiscal Year	Real Estate Taxes	Hotel Room Rental Tax	Total
2010	25,927,981	631,958	26,559,939
2011	26,175,270	1,012,854	27,188,124
2012	26,242,533	992,957	27,235,490
2013	26,443,813	851,739	27,295,552
2014	26,635,070	782,491	27,417,561

Notes: Includes General, Special Revenue, Debt Service, and Capital Projects Funds

Sources: Lycoming County Treasurer's Office
 Fiscal Services Department:
 County of Lycoming, Pennsylvania, Comprehensive Annual
 Financial Reports - Statement of Revenues, Expenditures
 Changes in Fund Balances- Governmental Funds.

County of Lycoming, Pennsylvania
 Assessed Value and Estimated Actual Value of Taxable Real Property
 Last Ten Fiscal Years
 (amounts expressed in thousands)
 Table #6

Fiscal Year Ended <u>December 31</u>	Tax Exempt <u>Property</u>	Taxable Commercial <u>Property</u>	Taxable Residential <u>Property</u>	Total Taxable Assessed <u>Value</u>	Total Direct Tax <u>Rate</u>	Estimated Actual Taxable <u>Value</u>	Percent Assessed/ <u>Actual</u>
2005	946,505	1,672,345	3,533,393	5,146,666	4.75	5,146,666	100.0%
2006	955,529	1,746,033	3,548,352	5,244,682	4.75	5,244,682	100.0%
2007	970,702	1,775,882	3,515,022	5,345,165	4.75	5,345,165	100.0%
2008	970,702	1,822,672	3,596,702	5,345,165	4.75	5,345,165	100.0%
2009	977,489	1,791,321	3,612,209	5,403,531	4.75	5,403,531	100.0%
2010	984,241	1,825,314	3,617,064	5,442,378	4.75	5,442,378	100.0%
2011	968,349	952,201	3,558,902	5,493,950	4.75	5,493,950	100.0%
2012	992,131	1,153,251	4,360,547	5,513,798	4.75	5,513,798	100.0%
2013	1,004,036	1,168,684	4,390,283	5,558,967	4.75	5,558,967	100.0%
2014	1,016,912	1,186,769	4,412,235	5,599,004	4.75	5,599,004	100.0%

Source: Lycoming County Assessment Office

Notes: Taxable Commercial and Residential Property Totals include the Interim Billings - 2005-2006.
 Estimated Actual Value - 100% of Market Value of Personal Property

County of Lycoming, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
Table #7

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rate	4.750	4.750	4.750	4.750	4.750	4.750	4.750	4.750	4.750	4.750
School District Rates										
Canton Area	10.100	10.100	11.483	12.019	12.019	12.235	13.323	13.323	14.789	14.789
East Lycoming Area	10.020	10.020	10.680	10.930	10.930	11.330	11.530	11.530	12.050	12.050
Jersey Shore Area	13.224	13.224	13.724	14.022	14.022	15.133	15.266	15.266	15.621	15.621
Loyalsock Area	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.000	13.250	13.250
Montgomery Area	10.500	10.500	11.000	11.000	11.000	11.000	11.920	11.920	12.490	12.490
Montoursville Area	10.530	10.530	12.030	12.720	12.720	13.190	13.310	13.310	13.510	13.510
Muncy Area	11.500	11.500	11.500	11.500	11.500	11.500	13.000	13.000	13.280	13.280
South Williamsport Area	11.900	11.900	12.300	13.800	13.800	12.300	13.300	13.300	13.900	13.900
Southern Tioga Area	12.140	12.140	12.201	13.131	13.131	13.794	14.070	14.070	14.288	14.288
Wellsboro Area	12.570	12.570	13.857	14.698	14.698	14.275	14.283	14.283	13.797	13.797
Williamsport Area	11.980	11.980	12.950	13.350	13.350	13.850	14.130	14.130	14.816	14.816
Borough Rates										
Dubois	2.930	2.930	2.930	3.930	3.930	3.930	3.930	3.930	3.930	3.930
Hughesville	3.500	3.500	4.500	4.500	4.500	5.000	5.000	5.000	5.000	5.000
Jersey Shore	4.338	4.338	4.338	4.338	4.338	4.338	4.338	4.838	6.838	7.088
Montgomery	2.742	3.742	3.742	3.742	3.742	4.742	4.742	4.742	5.242	6.242
Montoursville	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	2.300	3.000
Muncy	1.675	2.425	3.000	3.000	3.000	3.000	3.000	3.500	3.500	3.500
Picture Rocks	1.555	1.555	1.555	1.555	1.555	1.555	1.555	1.555	1.555	1.555
Salladasburg	0.592	0.592	0.592	0.592	0.592	0.592	0.592	0.592	0.592	0.592
South Williamsport	2.970	3.970	3.970	3.970	3.970	3.970	4.300	4.300	4.300	4.300
City Rate										
Williamsport	8.520	9.180	9.180	9.180	10.180	10.180	10.180	10.580	11.580	11.580
Township Rates										
Anthony	0.128	0.128	1.128	1.128	1.128	1.128	1.128	1.280	1.280	1.280
Armstrong	0.747	0.747	0.747	0.747	0.747	0.747	2.000	2.000	2.000	2.000
Bastress	0.090	0.090	0.090	0.147	0.090	0.090	0.090	0.090	0.090	0.090
Brady	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Brown	1.571	1.571	1.571	1.571	1.571	1.571	1.571	1.571	1.571	1.321
Cascade	0.700	0.700	0.900	1.050	1.050	1.050	1.050	1.050	1.050	1.050
Clinton	1.900	1.898	1.898	1.898	1.898	1.898	1.898	1.898	1.898	1.898
Cogan House	0.141	0.416	0.416	0.416	0.416	0.550	0.550	0.550	0.550	0.550

(Continued)

County of Lycoming, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
Table #7
(Continued)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Township Rates, continued										
Cummings	0.960	0.586	0.586	0.586	0.586	0.586	0.736	0.736	0.736	0.000
Eldred	0.870	0.546	0.546	0.546	0.546	0.546	3.930	0.546	0.546	0.546
Fairfield	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Franklin	0.570	0.320	0.320	0.320	0.320	0.320	0.400	0.400	0.400	0.400
Gamble	1.281	0.807	0.807	0.807	0.807	0.807	0.807	0.807	0.807	0.807
Hepburn	0.460	0.286	1.287	1.287	1.287	1.287	1.287	1.287	1.287	1.287
Jackson	0.600	0.380	0.380	0.380	0.380	0.380	0.380	0.380	0.380	0.380
Jordon	0.400	0.228	0.300	0.315	0.315	0.315	0.400	0.400	0.400	0.400
Lewis	2.001	1.392	1.392	1.392	1.392	1.392	1.392	1.392	1.392	1.392
Limestone	0.220	0.141	0.141	0.141	0.141	0.141	0.141	0.141	0.141	0.141
Loyalsock	1.450	0.980	0.980	1.400	1.400	1.400	1.400	1.400	1.400	0.700
Lycoming	0.680	0.432	0.432	0.432	0.432	0.432	0.432	0.432	0.432	0.432
McHenry	1.960	1.226	1.226	1.226	1.226	1.226	1.226	1.226	1.226	1.226
McIntyre	1.000	0.634	0.634	0.634	0.634	0.634	0.634	0.634	0.634	0.634
McNett	1.200	0.795	1.425	1.785	1.883	2.883	2.883	2.883	2.883	3.630
Mifflin	1.707	1.174	1.174	1.174	1.174	1.174	1.174	1.174	1.174	1.174
Mill Creek	0.700	0.000	0.630	0.630	0.950	0.950	0.950	0.950	0.950	0.950
Moreland	0.500	0.318	0.450	0.450	0.500	0.600	0.700	0.700	0.900	0.900
Muncy Creek	1.000	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694	0.694
Muncy	1.500	0.905	0.905	1.000	1.000	1.000	1.000	1.000	1.500	1.500
Nippenose	1.400	0.863	1.000	1.500	1.500	1.500	1.500	1.500	1.500	2.000
Old Lycoming	3.490	2.841	3.841	3.841	3.841	3.841	3.841	4.341	4.341	4.341
Penn	0.500	0.312	0.312	0.312	0.312	0.312	0.312	0.312	0.312	0.312
Piatt	1.050	0.669	0.669	0.669	0.669	0.852	1.176	1.176	1.176	1.176
Pine	0.550	0.340	0.340	0.340	0.500	0.500	0.500	0.500	0.500	0.500
Plunketts Creek	2.000	1.282	1.282	1.282	1.282	1.282	1.282	1.282	1.500	1.500
Porter	3.810	2.233	3.233	3.233	3.233	3.233	3.233	5.233	5.233	5.233
Shrewsbury	2.960	1.760	1.760	1.760	2.260	2.260	2.510	2.510	2.510	2.510
Susquehanna	1.610	0.991	0.991	0.991	0.991	1.111	1.111	1.111	1.111	1.111
Upper Fairfield	0.095	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061
Washington	1.950	1.234	1.234	1.234	1.234	1.234	1.234	1.234	1.234	1.234
Watson	0.916	0.562	1.090	1.090	1.090	1.090	1.090	1.090	1.090	1.090
Wolf	0.840	0.525	0.661	0.661	0.840	0.525	0.525	0.525	0.661	0.661
Woodward	0.380	0.237	0.514	0.514	0.380	0.839	0.984	0.984	0.984	0.984

Source: Lycoming County Assessment Office

County of Lycoming, Pennsylvania
Principal Taxpayers
December 31, 2014
Table #8

Taxpayer	2014			2005		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
PR Financing LTD Partnership	\$ 47,321,200	1	0.85%	\$ -		
Weis Markets, Inc.	18,870,580	2	0.34%			
Loyal Plaza Associates, LP	15,791,430	3	0.28%	15,791,430	2	0.31%
Grizzly Industrial Inc.	14,925,360	4	0.27%	10,890,300	4	0.21%
Wal Mart Stores Inc.	12,785,240	5	0.23%	14,027,750	3	0.27%
Williamsport Hospitality, LLC	8,730,250	6	0.16%			
Paul G. Enterprises	8,662,060	7	0.15%			
VIWY, LP	8,587,380	8	0.15%			
Rose View Manor, Inc.	8,489,690	9	0.15%			
Valley Heights LTD Partnership	7,923,000	10	0.14%	7,923,000	6	0.15%
Crown America Financing				51,465,710	1	1.00%
The May Department Stores Co.				7,987,800	5	0.16%
L C Realty, Inc.				7,061,360	7	0.14%
High Steel Industries				7,046,500	8	0.14%
T & C Plaza Associates				7,015,670	9	0.14%
Wegman's Food Markets, Inc.				6,423,170	10	0.12%
Totals	<u>\$ 152,086,190</u>		<u>2.72%</u>	<u>\$ 135,632,690</u>		<u>2.64%</u>
Total Assessed Valuation of Taxables:	<u>\$ 5,599,004,260</u>			<u>\$ 5,146,665,730</u>		

Sources:

Lycoming County Assessment Office: Lycoming County Top - 100 - Taxable Parcels Report
Lycoming County Assessment Office: County Property Type Summary

County of Lycoming, Pennsylvania
Property Tax Levies and Collections
Last Ten Fiscal Years
Table #9

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
		Amount	Percentage of Levy			
2005	24,467,974	22,493,331	91.93%	1,967,364	24,460,695	99.97%
2006	24,989,263	22,922,958	91.73%	2,057,854	24,980,812	99.97%
2007	25,197,792	23,157,877	91.90%	2,026,651	25,184,528	99.95%
2008	25,389,637	23,201,933	91.38%	2,166,273	25,368,206	99.92%
2009	25,767,804	23,561,583	91.44%	2,186,324	25,747,907	99.92%
2010	25,978,616	23,409,996	90.11%	2,526,969	25,936,965	99.84%
2011	26,238,272	23,950,032	91.28%	1,840,331	25,790,363	98.29%
2012	26,358,699	24,022,717	91.14%	1,322,802	25,345,519	96.16%
2013	26,553,503	24,552,603	92.46%	784,112	25,336,715	95.42%
2014	26,791,256	24,832,163	92.69%	-	24,832,163	92.69%

Sources: 2005 to 2014 - Pentamation: Year-To-Date Revenue Audit Trail
2005 to 2006 - Lycoming County R/E Taxes Consolidated Settlement Report - RBA
2007 to 2014 - Lycoming County R/E Taxes Consolidated Settlement Report - Infocon
2005 to 2014 - Lycoming County R/E Taxes Summary of Claims Due Report - Infocon

County of Lycoming, Pennsylvania
Ratio of General Obligation Debt
To Assessed Value of Real Estate and General Obligation Debt per Capita
Last Ten Fiscal Years
Table #10

Fiscal Year	Population	Assessed Value	General Obligation Debt			Ratio Debt/ Value	General Obligation Debt Per Capita	Percentage of Personal Income
			Governmental Activities	Business Type Activities	Total Primary Government			
2005	117,773	5,146,665,730	25,713,721	2,900,318	28,614,039	0.56%	242.96	0.86%
2006	117,349	5,244,682,070	27,290,226	2,555,090	29,845,316	0.57%	254.33	0.85%
2007	116,811	5,345,164,920	39,419,589	6,335,411	45,755,000	0.86%	391.70	1.25%
2008	116,670	5,345,164,920	37,668,971	6,226,029	43,895,000	0.82%	376.23	1.18%
2009	116,840	5,403,530,840	25,482,560	6,112,440	31,595,000	0.58%	270.41	0.80%
2010	116,111	5,442,377,270	35,147,832	11,050,292	46,198,124	0.85%	397.88	1.24%
2011	116,747	5,493,949,820	34,053,424	10,761,262	44,814,686	0.82%	383.86	1.13%
2012	117,168	5,558,966,890	36,241,947	22,170,386	58,412,333	1.05%	498.53	1.30%
2013	116,754	5,558,966,890	36,444,057	21,640,963	58,085,020	1.04%	497.50	1.30%
2014	116,508	5,599,004,260	36,570,787	21,143,246	57,714,033	1.03%	495.37	1.29%

Sources: The Pa State Data Center website, <http://pasdc.hbg.psu.edu>
Lycoming County Assessment Office: - 2005 - 2014 General Tax Base Summary
Lycoming County Fiscal Services Department - Comprehensive Annual Financial Reports.

County of Lycoming, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2014
Table #11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
School Districts			
East Lycoming Area	\$17,465,000	100%	\$ 17,465,000
Jersey Shore Area	38,865,000	100%	38,865,000
Loyalsock Township	24,735,000	100%	24,735,000
Montgomery Area	11,444,000	100%	11,444,000
Montoursville Area	16,700,000	100%	16,700,000
Muncy Area	8,550,000	100%	8,550,000
South Williamsport Area	9,935,000	100%	9,935,000
Williamsport Area	96,978,650	100%	96,978,650
Boroughs			
Duboistown	\$ 2,377,613	100%	\$ 2,377,613
Hughesville	670,000	100%	670,000
Jersey Shore	8,451,101	100%	8,451,101
Montgomery	7,938,990	100%	7,938,990
Montoursville	-	100%	-
Muncy	17,617,429	100%	17,617,429
Picture Rocks	28,205	100%	28,205
Salladasburg	-	100%	-
South Williamsport	10,277,762	100%	10,277,762
City			
Williamsport	\$24,750,000	100%	\$ 24,750,000
Townships			
Anthony	\$ -	100%	\$ -
Armstrong	-	100%	-
Bastress	-	100%	-
Brady	751,144	100%	751,144
Brown	-	100%	-
Cascade	-	100%	-
Clinton	6,947,087	100%	6,947,087
Cogan House	-	100%	-
Cummings	-	100%	-
Eldred	-	100%	-
Fairfield	-	100%	-
Franklin	-	100%	-
Gamble	-	100%	-
Hepburn	-	100%	-
Jackson	-	100%	-
Jordan	-	100%	-
Lewis	-	100%	-
Limestone	-	100%	-
Loyalsock	8,322,216	100%	8,322,216

(Continued)

County of Lycoming, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2014

Table #11
(Continued)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Townships, continued			
Lycoming	\$ 166,133	100%	\$ 166,133
McHenry	-	100%	-
McIntyre	-	100%	-
McNett	113,945	100%	113,945
Mifflin	-	100%	-
Mill Creek	-	100%	-
Moreland	-	100%	-
Muncy Creek	4,597,642	100%	4,597,642
Muncy	460,122	100%	460,122
Nippenose	3,602,204	100%	3,602,204
Old Lycoming	8,615,972	100%	8,615,972
Penn	96,667	100%	96,667
Piatt	-	100%	-
Pine	-	100%	-
Plunketts Creek	-	100%	-
Porter	2,721,764	100%	2,721,764
Shrewsbury	-	100%	-
Susquehanna	-	100%	-
Washington	-	100%	-
Watson	400,044	100%	400,044
Wolf	670,000	100%	670,000
Woodward*	3,452,254	100%	3,452,254
Subtotal, overlapping debt			<u>\$ 337,700,944</u>
County of Lycoming direct debt			<u>36,570,787</u>
Total direct and overlapping debt			<u><u>\$ 374,271,731</u></u>

Sources:

County Information - Fiscal Services Department, County of Lycoming, Pennsylvania,
Comprehensive Annual Financial Report

DCED Website

*Woodward Township - Guarantor on Township Water & Sewer Authority Loan

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Acceptable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the county's boundaries and dividing it by each unit's total taxable assessed value.

COUNTY OF LYCOMING, PENNSYLVANIA
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Table #12

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Borrowing Base Revenues										
Two years prior	\$ 69,136,833	\$ 79,186,376	\$ 81,524,726	\$ 82,342,206	\$ 84,720,787	\$ 84,440,265	\$ 80,856,229	\$ 82,433,724	\$ 80,772,378	\$ 90,824,535
Prior year	79,186,376	81,524,726	82,342,206	84,720,787	84,440,265	80,856,229	82,433,724	80,772,378	90,824,535	78,111,331
Current year	81,524,726	82,342,206	84,720,787	84,440,265	80,856,229	82,433,724	80,772,378	90,824,535	78,111,331	82,535,901
Total borrowing base revenues	<u>\$ 229,847,935</u>	<u>\$ 243,053,308</u>	<u>\$ 248,587,719</u>	<u>\$ 251,503,258</u>	<u>\$ 250,017,281</u>	<u>\$ 247,730,218</u>	<u>\$ 244,062,331</u>	<u>\$ 254,030,637</u>	<u>\$ 249,708,244</u>	<u>\$ 251,471,767</u>
Average borrowing base revenues	<u>\$ 76,615,978</u>	<u>\$ 81,017,769</u>	<u>\$ 82,862,573</u>	<u>\$ 83,834,419</u>	<u>\$ 83,339,094</u>	<u>\$ 82,576,739</u>	<u>\$ 81,354,110</u>	<u>\$ 84,676,879</u>	<u>\$ 83,236,081</u>	<u>\$ 83,823,922</u>
Limit for non-electoral debt										
Average borrowing base revenues	\$ 76,615,978	\$ 81,017,769	\$ 82,862,573	\$ 83,834,419	\$ 83,339,094	\$ 82,576,739	\$ 81,354,110	\$ 84,676,879	\$ 83,236,081	\$ 83,823,922
Debt limit percent	x 300%	x 300%	x 300%	x 300%	x 300%	x 300%	x 300%	x 300%	x 300%	x 300%
Debt limit	<u>229,847,934</u>	<u>243,053,307</u>	<u>248,587,719</u>	<u>251,503,257</u>	<u>250,017,282</u>	<u>247,730,217</u>	<u>244,062,330</u>	<u>254,030,637</u>	<u>249,708,243</u>	<u>251,471,766</u>
Total amount of debt applicable to debt limit	<u>37,933,696</u>	<u>54,842,841</u>	<u>70,610,639</u>	<u>68,578,684</u>	<u>58,436,562</u>	<u>70,458,124</u>	<u>94,399,686</u>	<u>86,912,333</u>	<u>85,475,020</u>	<u>97,255,359</u>
Legal debt margin	<u>\$ 191,914,238</u>	<u>\$ 188,210,466</u>	<u>\$ 177,977,080</u>	<u>\$ 182,924,573</u>	<u>\$ 191,580,720</u>	<u>\$ 177,272,093</u>	<u>\$ 149,662,644</u>	<u>\$ 167,118,304</u>	<u>\$ 164,233,223</u>	<u>\$ 154,216,407</u>
Total net debt applicable to the limit as a percentage of debt limit	16.50%	22.56%	28.40%	27.27%	23.37%	28.44%	38.68%	34.21%	34.23%	38.67%
Limit for non-electoral debt and lease rental debt										
Average borrowing base revenues	\$ 76,615,978	\$ 81,017,769	\$ 82,862,573	\$ 83,834,419	\$ 83,339,094	\$ 82,576,739	\$ 81,354,110	\$ 84,676,879	\$ 83,236,081	\$ 83,823,922
Debt limit percent	x 400%	x 400%	x 400%	x 400%	x 400%	x 400%	x 400%	x 400%	x 400%	x 400%
Debt limit	<u>306,463,912</u>	<u>324,071,076</u>	<u>331,450,292</u>	<u>335,337,676</u>	<u>333,356,376</u>	<u>330,306,956</u>	<u>325,416,440</u>	<u>338,707,516</u>	<u>332,944,324</u>	<u>335,295,688</u>
Total amount of debt applicable to debt limit	<u>37,933,696</u>	<u>54,842,841</u>	<u>70,610,639</u>	<u>68,578,684</u>	<u>58,436,562</u>	<u>70,458,124</u>	<u>94,399,686</u>	<u>86,912,333</u>	<u>85,475,020</u>	<u>97,255,359</u>
Legal debt margin	<u>\$ 268,530,216</u>	<u>\$ 269,228,235</u>	<u>\$ 260,839,653</u>	<u>\$ 266,758,992</u>	<u>\$ 274,919,814</u>	<u>\$ 259,848,832</u>	<u>\$ 231,016,754</u>	<u>\$ 251,795,183</u>	<u>\$ 247,469,304</u>	<u>\$ 238,040,329</u>
Total net debt applicable to the limit as a percentage of debt limit	12.38%	16.92%	21.30%	20.45%	17.53%	21.33%	29.01%	25.66%	25.67%	29.01%

County of Lycoming, Pennsylvania
Demographic and Economic Statistics
Last Ten Fiscal Years
Table #13

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Household Income in dollars (estimates) *1</u>	<u>Personal Income (Amounts Expressed in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment *2</u>	<u>Local Unemployment Rate</u>
2005	117,773	38,243	3,213,408	27,285	40.3	22,581	5.4%
2006	117,349	38,907	3,344,642	28,502	40.2	22,152	5.2%
2007	116,811	39,430	3,522,454	30,155	39	21,747	4.9%
2008	116,671	35,932	3,671,830	31,472	39	21,515	7.6%
2009	116,840	31,738	3,727,150	31,900	39	21,528	9.7%
2010	116,111	41,856	3,949,632	34,016	40.3	20,933	9.8%
2011	116,747	40,007	3,724,229	31,900	41.1	21,178	7.3%
2012	117,168	43,788	3,954,935	22,301	38.4	17,993	8.2%
2013	116,754	44,557	4,480,329	22,808	41.2	17,829	7.3%
2014	116,508	45,430	4,480,329	22,987	41.2	17,492	5.0%

Notes:

- *1 Estimates were made by the Census Bureau with a 90% confidence interval.
- *2 S Tioga School District enrollment is not entirely in Lycoming County.

Sources:

US Census Bureau
The Pa State Data Center website, <http://pasdc.hbg.psu.edu>

County of Lycoming, Pennsylvania
Principal Employers
December 31, 2014
Table #14

Employer	Number of Employees	2014 Rank	Number of Employees	2005 Rank
Susquehanna Regional Healthcare Alliance	*1	1	*1	1
Pennsylvania College of Technology	*1	2	*1	
Weis Markets	*1	3	*1	7
Williamsport Area School District	*1	4	*1	3
County of Lycoming	*1	5	*1	9
West Pharmaceutical Services Inc.	*1	6	*1	6
Haliburton Energy Services	*1	7		
CS Group Payroll Services, LLC	*1	8	*1	
Wal-Mart Associates	*1	9	*1	10
Hope Enterprises, Inc.	*1	10		
Shop Vac Corporation			*1	2
Brodart Company			*1	4
Spring Window Fashions			*1	5
AVCO Corporation			*1	8
Total County Employment:		<u>57,600</u>		<u>54,817</u>

Sources:

PA Department of Labor & Industry

Notes:

*1 All data that is traced to a specific employer by the Center for Workforce Information & Analysis is considered confidential, thus the number of employees for each employer cannot be represented.

All employer Information is as of June 30th for each respective year.

County of Lycoming, Pennsylvania
 Full-time Equivalent County Government Employees by Function
 Last Ten Fiscal Years
 Table #15

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Assessment	0	0	0	0	0	0	0	17	16	7
Commissioners	6	6	5	6	6	6	6	6	6	7
Controller	4	4	5	4	5	5	5	5	5	4
County Buildings	13	13	17	21	18	21	22	19	22	22
County Farm	0	0	0	2	0	0	0	0	0	0
Dept of Public Safety	33	32	32	33	37	35	32	30	31	31
Fiscal Affairs	8	8	8	9	9	9	8	8	8	9
Haz Mat	1	1	1	1	1	1	1	1	1	1
Human Resources	5	5	5	5	5	5	5	4	3	4
Information Services	1	1	1	1	1	1	1	1	1	1
Management Information	21	19	21	21	21	21	21	21	19	18
Military Affairs	1	1	1	1	1	1	2	2	3	3
Planning and Comm. Dev.	19	19	20	21	22	21	20	20	21	21
Print/Microfilm	2	2	2	2	2	2	2	2	2	2
Resource Management Svcs	64	64	64	68	73	67	67	66	67	67
Treasurer	5	5	5	5	5	5	5	5	5	5
Voter Services	3	3	4	4	4	4	3	4	4	4
Zoning	1	1	1	1	1	1	2	2	2	2
Subtotal	<u>187</u>	<u>184</u>	<u>192</u>	<u>205</u>	<u>211</u>	<u>205</u>	<u>202</u>	<u>213</u>	<u>216</u>	<u>208</u>
Court System and Corrections										
Adult Probation	17	18	19	19	19	21	21	22	22	22
Central Collections	9	9	9	10	9	10	10	10	9	9
Coroner	2	3	3	3	3	3	3	3	4	4

(Continued)

County of Lycoming, Pennsylvania
 Full-time Equivalent County Government Employees by Function
 Last Ten Fiscal Years
 Table #15
 (Continued)

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Court System and Corrections										
Courts	25	24	23	23	24	24	24	23	21	21
District Attorney	18	18	19	17	21	20	20	22	24	29
District Justices	18	18	18	18	18	18	18	18	17	17
Domestic Relations	25	25	25	26	26	23	23	23	23	21
Jury Commissioners	2	2	2	2	2	2	2	2	2	0
Juvenile Probation	17	17	18	18	18	17	17	17	17	16
Law Library	1	0	0	0	0	0	0	0	0	0
Pre-Release Center	26	26	34	35	42	35	36	36	36	40
Prison	76	78	75	74	85	80	82	80	81	82
Prothonotary	8	8	9	9	8	8	8	8	10	11
Public Defender	7	9	8	9	9	9	8	9	10	9
Register and Recorder	8	8	8	8	8	7	8	8	8	8
Sheriff	16	16	16	13	18	15	16	16	19	20
Subtotal	<u>275</u>	<u>279</u>	<u>286</u>	<u>284</u>	<u>310</u>	<u>292</u>	<u>296</u>	<u>297</u>	<u>303</u>	<u>309</u>
Public Works										
Ag Extension	3	3	3	3	3	3	3	3	3	3
Soil Conservation	5	5	6	7	8	7	7	7	7	7
Subtotal	<u>8</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total	<u>470</u>	<u>471</u>	<u>487</u>	<u>499</u>	<u>532</u>	<u>508</u>	<u>508</u>	<u>520</u>	<u>529</u>	<u>527</u>

Note: All figures represent full time employees as of the end of December for each respective year.

Source: County of Lycoming, Department of Fiscal Services-Payroll Section

County of Lycoming, Pennsylvania
 Operating Indicators by Function
 Last Ten Fiscal Years
 Table #16

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Fiscal Affairs										
Transfers/deeds recorded	3,881	3,963	3,737	3,145	2,790	2,568	3,028	3,146	3,129	2,991
Subdivisions for Municipalities Under County SLDO approved	66	55	58	117	98	98	127	66	59	57
Subdivision and Land Development Reviews	141	147	131	132	69	39	68	133	108	99
Building, occupancy and zoning permits	*	4,184	4,197	3,988	4,085	3,872	3,754	4,002	3869	3418
Administration										
General election information										
Registered voters	69,060	69,075	69,002	72,342	70,593	70,714	65,891	68,070	65,596	65,851
Votes cast	17,776	36,872	22,015	51,022	18,758	35,354	17,493	47,919	16,606	43,335
Percent of votes cast	25.74%	53.38%	31.78%	70.53%	26.57%	50.00%	26.55%	70.40%	25.32%	65.81%
Court System and Corrections										
Court Services										
New criminal cases received	1,784	2,004	2063	1,965	1,928	1,733	1,747	2,175	2,148	2,057
New civil cases received	185	263	269	151	138	105	101	842	953	1013
Protection from abuse cases filed	265	262	232	278	214	251	225	279	302	292
Wills recorded	468	399	448	460	454	502	490	422	424	466
Marriage licenses issued	805	769	771	740	747	718	776	762	744	784
Child adoptions	74	47	55	53	58	46	36	9	32	69
Child relinquishments/terminations	47	41	36	32	32	19	36	8	30	9

(Continued)

County of Lycoming, Pennsylvania
 Operating Indicators by Function
 Last Ten Fiscal Years
 Table #16
 (Continued)

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Court Administration										
Criminal jury trials	26	44	35	32	41	36	31	40	24	22
Criminal pleas	749	1,261	1,364	1,489	1,467	1,352	1,340	1,042	1,233	1,700
Accelerated rehabilitative disposition (ARD) cases	215	136	414	323	265	241	61	85	219	219
Civil jury trials	5	8	3	12	3	9	5	2	5	5
Civil cases settled	94	104	123	117	86	75	24	27	10	338
District judge case filings	22,359	21,024	21,738	22,540	24,395	23,060	23,539	22,456	21,213	19,680
Domestic relations active cases	4,674	4,299	4,094	3,975	3,825	3,757	3,696	3,625	3,545	3,404
Juvenile delinquency cases filed	787	630	570	616	565	488	489	555	464	390
Adult Probation										
Caseload	1,317	1,295	1,444	1,534	1,960	1,806	1,803	1,878	1,899	1,946
Presentence Investigations	66	85	106	89	37	42	40	61	100	87
Corrections										
Average daily population (Males and Females at prison and prerelease)	329	338	336	314	339	392	337	374	377	394
Human Services										
Children, Youth and Families										
*1 Children served	3,480	3,843	4,118	4,272	4,343	5,143	5,681	5,757	4,620	3,895
*1 Placement days	62,860	56,398	53,312	58,636	45,881	34,750	29,715	29,994	12,067	8,185
Child abuse reports	206	184	210	184	181	139	182	254	246	277

(Continued)

County of Lycoming, Pennsylvania
 Operating Indicators by Function
 Last Ten Fiscal Years
 Table #16
 (Continued)

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Mental Health *2										
Emergency/crisis										
Intervention hours	9,733	*	*	*	1,451	1,218	5,918	1,845	1,287	1,855
Community residential days	9,423	10,173	9,458	9,583	7,965	8,324	8,534	4,791	6,088	2,524
Service case management hours	14,173	*	*	*	21,833	18,967	18,501	22,291	20,077	21,576
Day treatment hours	6,423	23,061	19,364	19,767	13,099	1030 **	522	0	0	803
Outpatient hours	2,006	5,269	5,126	5,130	3,598	1454 **	5,252	1,415	1,671	365
Family based hours	4,026	*	*	*	1,035	2**	30	0	0	0
Intellectual Disabilities *2										
*3 Community Habilitation Days	26,717	25,877	26,849	27,012	28,827	280 **	419	397	548	418
*4 Pre-Vocational days	33,525	31,605	31,062	31,216	40,765	1243 **	1,421	543	700	402
Supported employment hours	13,434	34,976	46,257	46,801	30,951	6932 **	2,486	1,768	5,691	2,218
Residential services clients	278	270	185	188	214	0 **	0	0	0	0
Early intervention clients	300	366	379	362	306	310	267	390	289	278
Family support services	245	171	190	188	117	92	68	72	59	0

Sources:

Various County Government Departments
 Administrative Office of Pennsylvania Courts
 Lycoming County Children and Youth Services

Notes:

- * Information is not available
- ** Decreases due to funding from County to State or no longer provide the service
- *1 Includes Juvenile Probation
- *2 All Mental Health / Intellectual Disabilities figures are Lycoming and Clinton Counties
- *3 Formerly Adult Dev. Training
- *4 Formerly Vocational Rehabilitation

County of Lycoming, Pennsylvania
 Capital Asset Statistics by Function
 Last Ten Fiscal Years
 Table #17

Function	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government, Courts and Corrections										
Commissioners										
Motor vehicles	N/A	1	1	1	1	1	1	1	1	1
Planning and Community Development										
Motor vehicles	N/A	1	1	1	1	1	1	1	1	1
Public Safety										
Motor vehicles	N/A	4	4	4	4	4	4	3	3	3
County Farm										
Motor vehicles	N/A	2	2	2	2	2	2	2	2	2
Soil Conservation										
Motor vehicles	N/A	1	1	1	1	1	2	1	1	1
Resource Management Services (Landfill)										
Motor vehicles *1	N/A	99	111	108	113	119	119	58	61	62
Adult Probation										
Motor vehicles	N/A	4	4	4	4	4	4	4	4	5
Juvenile Probation										
Motor vehicles	N/A	1	1	1	1	1	2	1	1	1
Domestic Relations										
Motor vehicles	N/A	1	1	1	1	1	1	1	1	1
Pre-Release										
Motor vehicles	N/A	12	12	12	12	12	12	11	12	14
Coroner										
Motor vehicles	N/A	1	1	1	2	2	2	2	2	2
District Attorney										
Motor vehicles	N/A	9	7	7	7	7	7	6	8	11
Sheriff										
Motor vehicles	N/A	7	8	6	6	6	7	9	9	9

(Continued)

County of Lycoming, Pennsylvania
 Capital Asset Statistics by Function
 Last Ten Fiscal Years
 Table #17
 (Continued)

Function	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Works										
Bridges										
County-owned bridges	N/A	15	15	15	15	15	15	15	15	15
Motor vehicles *2	N/A	0	0	0	0	0	0	0	0	0
Parks										
Number of parks	N/A	57	57	57	57	57	57	57	57	57
Park acreage	N/A	2958	2958	2958	2958	2958	2958	2958	2958	2958
Motor vehicles *3	N/A	0	0	0	0	0	0	0	0	0
Maintenance and Administration										
Motor vehicles	N/A	0	1	1	1	1	2	2	3	3
Office buildings *4	N/A	9	9	9	9	9	9	9	9	10
Storage or maintenance buildings	N/A	0	0	0	0	0	0	0	0	0

Notes:

- *1 This figure does not include special over the road equipment or non-licensed vehicles listed on the county's insurance.
- *2 Inspection of bridges is contracted out and an insurance ticket is obtained.
- *3 Lycoming County does not have any vehicles that maintain the parks.
- *4 This figure includes the County Courthouse.
- N/A =Information is not available.

Sources:

Various County Departments