County of Schuylkill
Pottsville, Pennsylvania
Financial Statements
Year Ended December 31, 2011

County of Schuylkill
Year Ended December 31, 2011

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L. SAMUEL DEEGAN, P.C.
Certified Public Accountant
321 West Market Street
Pottsville, PA 17901
Telephone (570) 622-2011
Fax (570) 622-1399

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Independent Auditors' Report

County Commissioners
County of Schuylkill
Pottsville, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF SCHUYLKILL as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the COUNTY OF SCHUYLKILL. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component units, Child Development, Inc., Schuylkill Transportation System financial statements which reflect total net assets of $1,439,750 and $1,610,499, respectively, and total revenues of $9,401,865 and $7,018,245, respectively, that were included in the COUNTY OF SCHUYLKILL's financial statements as of and for the year ended December 31, 2011. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, Child Development, Inc., and Schuylkill Transportation System, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF SCHUYLKILL as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the COUNTY OF SCHUYLKILL adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting* and *Governmental Fund Type Definitions,* for the year ended December 31, 2011.

In accordance with *Government Auditing Standards,* we have also issued our report dated September 25, 2012, on our consideration of the COUNTY OF SCHUYLKILL's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 14 and 63 through 70 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF SCHUYLKILL's financial statements as a whole. The introductory section, combining section, and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of the management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

L. Sam Deegan

L. Samuel Deegan CPA, P.C.
Pottsville, Pennsylvania
September 25, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Schuylkill's financial report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2011. This analysis should be read in conjunction with the accompanying basic financial statements and notes to financial statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2011.

FINANCIAL HIGHLIGHTS

- For Fiscal year 2011, the County's total real estate millage rate remained the same at 11.98 mills. The levy for general purposes was 11.42 mills and the levy for debt purposes was .56 mills. The last increase in the real estate millage was for fiscal year 2004.

- The County had $10,375,000 of General Obligation Debt outstanding at the end of the year. This was a decrease of $2,130,000 or 17.03% from the previous year.

- The General Fund Unassigned Fund Balance was $10,539,981 at the end of the year. This was a decrease of $598,309 or 5.37% from the previous year.

- The underlying rating on the General Obligation Debt was raised to A+.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements consist of a *Statement of Net Assets and a Statement of Activities*; they are designed to provide readers with a broad overview of the County finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, except fiduciary funds, with the difference between the two reported as *Net Assets.* Net Assets is one way to measure the County's financial health or position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue

(revenue provided by taxes and other sources not tied to a particular program), it identifies to what extent each program has to rely on taxes for funding.

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 costs through user fees and charges (*Business-Type Activities*). Schuylkill County's governmental activities include general government, judicial government, public safety, public works, human services, culture/recreation, and conservation/development. The County has two business-type activities – operation of Rest Haven Nursing Home and operation of the 911 center.

The government-wide financial statements include not only Schuylkill County itself (known as the primary government), but also include legally separate entities which are financially accountable to the County (known as component units). These component units include Child Development, Inc. and the Schuylkill County Transportation Authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself. In addition, the Schuylkill County Conservation District is also a legally separate entity; however, it functions for all practical purposes as a department of Schuylkill County. Therefore, the Schuylkill County Conservation District has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 15-16 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 are used to account for essentially the same functions reported as *Government Activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *Governmental Funds* with similar information presented for *Governmental Activities* in the government-wide financial statements. By doing so, the reader 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, expenditures, and changes in fund balances are reconciled to *Governmental Activities* on pages 18 and 20 of this report.

Schuylkill County maintains the following six major governmental funds: the General Fund, Office of Senior Services, Mental Health/Developmental Services Fund, Children and Youth Fund, Liquid Fuels Fund, Other Agency Fund and the Debt Service Fund. The County also

maintains twenty non-major governmental funds that are combined into a single, aggregated presentation entitled "Nonmajor Governmental Funds."

The governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary Funds of the County consist of two enterprise funds and an internal service fund. *Enterprise Funds* are used to report the same functions presented as *Business-Type Activities* in the government-wide financial statements. Schuylkill County has two enterprise funds – the Rest Haven Nursing Home and the 911 Fund. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Schuylkill County uses an internal service fund to account for self-insurance activities in connection with workers compensation claim liabilities.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Rest Haven County Home and the 911 Fund, which are considered to be major funds of the County. The remaining proprietary fund, which is an internal service fund, is combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 21 through 23 of this report.

Fiduciary Funds of the County consist of the employee's retirement trust fund and certain agency funds. The County is the trustee, or fiduciary, for the employees' retirement system. In addition, the County is also responsible for certain agency funds which are clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The County is responsible for ensuring that the assets reported in the fund are used for its intended purpose. All of the County's fiduciary asset and liability balances are reported in the statement of fiduciary net assets. A statement of changes in fiduciary net assets is presented for the pension trust fund only. All fiduciary activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages 24 through 25 of this report.

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 26 through 57 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

This is the tenth year Schuylkill County is presenting its financial statements using the new reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB Statement #34), "Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments". A comparative analysis with prior year financial information is included in this report.

Net Assets

Schuylkill County's net assets as of December 31, 2011, and December 31, 2010, are presented below:

County's Net Assets as of December 31, 2011 and 2010

	Governmental Activities		Business-Type Activities	
	2011	2010	2011	2010
Other Assets	$ 55,302,321	$ 53,033,034	$ 3,477,996	$ 3,310,468
Capital Assets, Non-Depreciable	3,344,778	1,885,898	145,927	145,927
Capital Assets, Depreciable	20,942,866	21,843,309	5,939,909	6,619,484
Total Assets	79,589,965	76,762,241	9,563,832	10,075,879
Other Liabilities	19,414,921	13,220,401	1,284,295	1,988,755
Long-term Liabilities	30,050,780	29,624,215	6,558,075	5,569,786
Total Liabilities	49,465,701	42,844,616	7,842,370	7,558,541
Net Assets:				
Capital Assets, net of debt	21,637,123	21,319,521	3,901,092	4,231,626
Restricted	10,359,094	8,751,088	0	0
Unrestricted	(1,871,953)	738,767	(2,179,630)	(1,714,287)
Total Net Assets	$ 30,124,264	$ 30,809,376	$ 1,721,462	$ 2,517,339

Net assets of the County's governmental activities were $30,124,264. Of this amount, $21,637,123 represents the investment in capital assets, net of related debt, while $10,359,094 was restricted for various purposes. The unrestricted net asset balance as of the end of the year was ($1,871,953).

Net assets of the County's business-type activities were $1,721,462. Of this amount, $3,901,092 represents investment in capital assets, net of related debt. The unrestricted net asset balance as of the end of the year was ($2,179,630).

The following table presents the County's changes in net assets for the fiscal year ended December 31, 2011, and December 31, 2010.

County's Changes in Net Assets

	Governmental Activities		Business Type Activities	
	2011	2010	2011	2010
Revenues:				
Program Revenues:				
Charges for Services	$ 9,837,471	$ 10,239,275	$ 12,784,184	$ 12,502,321
Operating Grants & Gifts	47,288,721	64,443,903	-	-
Capital Grants & Contributions	-	-	-	-
General Revenues:				
Property Taxes	29,020,412	27,906,099	-	-
Interest, Invest. Earnings & Royalties	144,884	333,129	11,434	14,967
Hotel Tax	216,790	194,002	-	-
Per Capita Tax	391,597	399,638	-	-
Miscellaneous	5,154,350	6,193,834	-	-
Total Revenues	$ 92,054,225	$ 109,709,880	$ 12,795,618	$ 12,517,288
Expenses:				
General Government	27,493,433	25,450,371	-	-
Judicial Government	13,071,222	14,154,669	-	-
Public Safety	5,317,803	5,640,561	-	-
Public Works	3,838,019	10,061,592	-	-
Human Services	36,397,518	47,578,101	-	-
Culture/Recreation	370,360	350,787	-	-
Conservation	4,607,744	5,539,844	-	-
Interest on Long-Term Debt	430,918	550,567	-	-
911 Fund		-	3,974,548	3,992,808
Nursing Home		-	10,829,267	11,661,176
Total Expenses	91,527,017	109,326,492	14,803,815	15,653,984
Change in Net Assets before Losses and Transfers	527,208	383,388	(2,008,197)	(3,136,698)
Transfers	(1,212,320)	(903,622)	1,212,320	903,622
Loss on Disposal of Capital Assets	-	-	-	-
Changes in Net Assets	(685,112)	(520,534)	(795,877)	(2,233,076)
Net Assets-Beginning	30,809,376	31,329,610	2,517,339	4,750,415
Net Assets-Ending	$ 30,124,264	$ 30,809,376	$ 1,721,462	$ 2,517,339

During 2011, total net assets of the County's governmental activities decreased by $685,112 or 2.22% to $30,124,264. The decrease resulted from transfers out exceeding the change in net assets before losses and transfers. Significant decreases in Revenue from the prior reporting period include a $17,155,182 or 26.62% decrease in the Operating Grants and Gifts Category.

For Expenses, there was a decrease in the Public Works Category for $6,223,573 or 61.86% and there was a decrease in the Human Services Category for $11,180,583 or 23.50%, in comparison to the prior reporting period.

During 2011, total net assets of the County's business-type activities decreased by $795,877 or 31.62% to $1,721,462. The decrease resulted from the change in net assets before losses and transfers exceeding the transfers in.

Governmental Activities and Business-Type Activities

The following table presents the sources of revenues for the fiscal year ended December 31, 2011:

Sources of Revenues

	Governmental Activities		Business-Type Activities	
Revenues				
Charges for Services	$ 9,837,471	10.70%	$ 12,784,184	99.91%
Operating Grants & Contributions	47,288,721	51.45%		
Capital Grants & Contributions				
Property Taxes	29,020,412	31.57%		
Interest, Investments, Earnings & Royalties	144,884	.16%	11,434	0.09%
Hotel Tax	216,790	.24%		
Per Capita Tax	391,597	.43%		
Miscellaneous	5,154,350	5.45%		
Total Revenues	$ 92,054,225	100.00%	$ 12,795,618	100.00%

The following table presents the functional expenses for the fiscal year ended December 31, 2011:

Functional Expenses

	Governmental Activities		Business-Type Activities	
Expenses				
General Government	$ 27,493,433	30.04%		
Judicial Government	13,071,222	14.28%		
Public Safety	5,317,803	5.81%		
Public Works	3,838,019	4.19%		
Human Services	36,397,518	39.77%		
Culture/Recreation	370,360	.40%		
Conservation/Development	4,607,744	5.03%		
Interest on Long-Term Debt	430,918	.47%		
911 Fund			$ 3,974,548	26.85%
Nursing Home			10,829,267	73.15%
Total Expenses	$ 91,527,017	100.00%	$ 14,803,815	100.00%

FINANCIAL ANALYSIS OF COUNTY'S FUNDS

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

Governmental Funds – The General Fund, Office of Senior Services, Mental Health/Developmental Services Special Revenue Fund, Children and Youth Special Revenue Fund, Liquid Fuels Special Revenue Fund, Other Agency Fund, and Debt Service Fund make up the County's major governmental funds. The focus of the 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. For the year ended December 31, 2011, Schuylkill County governmental funds reported a combined ending fund balance of $31,036,382. This was an increase of $1,014,314 or 3.37% from the previous year.

General Fund – The General Fund is the primary operating fund of the County. At the end of 2011, the General Fund reported a fund balance of $14,267,795. This was an increase of $338,207 or 2.4% from the previous year. The increase was primary the result of an overall decrease in anticipated expenses for certain departments in the general fund.

The unassigned fund balance in the General Fund was $10,539,981 as of December 31, 2011.

Mental Health/Developmental Services Fund – At the end of 2011, the Mental Health/Developmental Services Fund maintains no fund balance because the General Fund transfers a sufficient amount to bring the fund balance to zero.

Children and Youth Fund – At the end of 2011, the Children and Youth Fund maintain no fund balance because the General Fund transfers a sufficient amount to bring the fund balance to zero.

Office of Senior Services – At the end of 2011, the Children and Youth Fund maintain no fund balance because the General Fund transfers a sufficient amount to bring the fund balance to zero.

Liquid Fuels Fund – At the end of 2011, the Liquid Fuels Fund reported a fund balance of $5,567,441. This was a decrease of $170,421 or 2.97% from the previous year. This decrease was the result of an increase in expenditures for capital projects in 2011.

Other Agency Fund – At the end of 2011, the Other Agency Fund maintains no fund balance because the General Fund transfers a sufficient amount to bring the fund balance to zero.

Debt Service Fund – At the end of 2011, the Debt Service Fund reported a fund balance of $6,409,493. This was a decrease of $931,899 or 12.69% from the previous year. The decrease was the result of total expenditures exceeding total revenues for the fund. The 2011 expenditures were budgeted to exceed the total budgetary revenues with the difference to be offset by the corresponding fund balance.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Rest Haven Nursing Home – At the end of 2011, the Nursing Home reported net assets of ($1,103,183). This was a decrease of ($1,145,892) from the previous year. This decrease was the result of total expenditures exceeding total revenues for the fund. During 2011, the General Fund transferred $300,000 to Rest Haven to subsidize their operation. The last time the General Fund transferred funds to Rest Haven to subsidize their operation was in 2004.

911 Fund – At the end of 2011, the 911 Fund reported net assets of $2,824,644. This was an increase of $350,014 or 14.14% from the previous year. The increase occurred as a result of an increase of $518,467 in the general fund allocation to the 911 Operation. During 2011, the General Fund transferred $1,422,089 to the 911 Fund to subsidize their operation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Under Pennsylvania law, the Board of Commissioners has the authority and the responsibility for administering and for managing the County's Budget. County Administration, under the authority of the Commissioners, exercises the day-to-day oversight for assuring that departments operate within their approved budgets in accordance with County fiscal policies. During the year, the original general fund budget was modified to accommodate budgetary adjustments that were approved by the Board of County Commissioners.

The County's original revenue and other financing sources budget increased from $44,076,074 to $44,408,913, an increase of $332,839 or .75%. The increase was due to various miscellaneous adjustments. Actual revenues and other financing sources received were $47,419,572 or 107% of the final budget. The variance between actual revenues and other financing sources vs. final budgetary revenue and other financing revenues and other financing sources totaled $3,010,659. This positive variance resulted, in part, from an increase in Other Revenue.

The County's original expenditure and other financing uses budget increased from $47,597,358 to $51,128,605, an increase of $3,531,247 or 7.4%. The increase was due to various miscellaneous adjustments. Actual expenditures and other financing uses were $47,081,365 or 92.08% of the final budget. The variance between actual expenditures vs. final budgetary expenditures and other financing uses totaled $4,047,240. This positive variance was primary the result of overall decrease in anticipated expenses for the following departments: County Allocations, Engineering, Insurances, and County Prison.

CAPITAL ASSETS

Schuylkill County's investment in capital assets for its governmental and business-type activities as of December 31, 2011, was $30,373,480 (net of accumulated depreciation). This was a decrease of $121,138 or .40% over the previous year. Capital assets consist primarily of land, construction in progress, works of art collections, land improvements, buildings and improvements, machinery and equipment, motor vehicles, computer equipment and software, agricultural easements and infrastructure.

Major capital asset events during the fiscal year included the following:

Governmental Activities

- Construction in Progress increased by a net amount of $1,458,880; this primarily was the result of work performed on several county bridges, work performed at the County Prison, and work performed on the Bartram Trail.
- Buildings & Improvements increased by a net amount of $235,932; this primarily was the result of replacing a HVAC unit at the Courthouse and building a shed and pavilion at Sweet Arrow Lake.
- Motor Vehicles decreased by a net amount of $310,008; this primarily was the result of disposing of a number of fully depreciated STS Vehicles.
- Infrastructure increased by a net amount of $820,577; this primarily was the result of work completed on several county bridges.
- Total Accumulated Depreciation increased from $34,093,801 to $36,002,092.

Business-Type Activities

- Machinery & Equipment increased by a net amount of $83,715; this primarily was the result of installing a microwave and antennas at six 911 tower sites and purchasing twenty four beds, assist bars and mattresses for Rest Haven.
- Computer Equipment/Software increased by a net amount of $78,392; this primarily was the result of purchasing pharmacy software and computer kiosks at Rest Haven.
- Total Accumulated Depreciation increased from $10,660,341 to $11,539,114. Therefore, Total Capital Assets (net of accumulated depreciation) decreased from $6,765,411 to $6,085,836.

The following is a summary of capital assets as of December 31, 2011, and December 31, 2010:

Summary of Capital Assets

	Governmental Activities		Business-Type Activities		Balance at December 31,	Balance at December 31,
	2011	2010	2011	2010	2011	2010
Land	$ 701,717	$ 701,717	$ 145,927	$ 145,927	$ 853,644	$ 853,644
Construction In Progress	2,469,061	1,010,181	-	-	1,010,181	1,010,181
Works of Art Collections	174,000	174,000	-	-	174,000	174,000
Land Improvements	2,704,172	2,628,090	150,101	150,101	2,778,191	2,778,191
Buildings & Improvement	22,163,662	21,927,730	8,807,509	8,766,307	30,694,037	30,694,037
Machinery & Equipment	6,566,215	6,496,639	4,572,881	4,489,166	10,985,805	10,985,805
Motor Vehicles	9,236,660	9,546,668	104,374	104,374	9,651,042	9,651,042
Computer Equipment/Software	2,852,260	2,783,353	1,347,765	1,269,373	4,052,726	4,052,726
Agricultural Easements	2,104,641	2,079,641	-	-	2,079,641	2,079,641
Infrastructure	9,546,686	8,726,109	-	-	8,726,109	8,726,109
Leasehold Assets	1,770,662	1,748,880	2,496,393	2,500,504	4,299,438	4,299,438
Accumulated Depreciation	(36,002,092)	(34,093,801)	(11,539,114)	(10,660,341)	(47,541,206)	(44,754,142)
Total Capital Assets, Net of Accumulated Depreciation	$ 24,287,644	$ 23,729,207	$ 6,085,836	$ 6,765,411	$ 30,373,480	$ 30,494,618

More detailed information about the County's capital assets can be found in Note 5 of the notes to the financial statements.

BOND RATING

During 2011, Standard & Poor's Ratings Services raised its underlying rating (SPUR) to 'A+' on Schuylkill County's general obligation debt.

LONG-TERM DEBT

The current balance of general obligation debt outstanding for Schuylkill County is at the lowest point in over 25 years. As of December 31, 2011, Schuylkill County had $10,375,000 in general obligation debt outstanding. This was a decrease of $2,130,000 or 17.03% from the previous year. The following is a summary of general obligation debt activity during 2011:

Summary of General Obligation Debt Activity

	Governmental Activities	Business-Type Activities	Total
Beginning Balance at January 1, 2011	$ 11,301,842	$ 1,203,158	$ 12,505,000
Less:			
Principal Payments	1,923,000	207,000	2,130,000
Ending Balance at December 31, 2011	$ 9,378,842	$996,158	$ 10,375,000

This debt is backed by the full faith and credit of the government. Schuylkill County does not have any special assessment debt or revenue bonds.

More detailed information about the County's long-term debt can be found in Note 9 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

ECONOMIC FACTORS

- The County's total real estate assessed valuation increased from $2,459,198,780 in 2010 to $2,484,917,005 in 2011. The real estate tax levy increased from $29,461,201 in 2010 to $29,769,322 in 2011.
- The unemployment rate in Schuylkill County was 9.3% as of December 31, 2011. This was higher than the State unemployment rate of 7.6% and the National unemployment rate of 8.5%.

NEXT YEAR'S BUDGET AND RATES

For Fiscal Year 2012, the County's total real estate millage will remain the same at 11.98 mills. The General Fund millage will remain the same at 11.42 mills and the Funded Debt millage will

remain the same at .56 mills. The 2012 General Fund appropriation was approved at $47,989,064 on December 21, 2011. This was an increase of $391,706 from the 2011 general fund budget.

REQUEST FOR INFORMATION

The separately issued financial statements on the two discrete component units - Child Development Inc. and Schuylkill County Transportation Authority, may be obtained by directly contacting their respective offices.

This financial report is designed to provide a general overview of Schuylkill County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Administration, 401 North Second Street, Pottsville, PA 17901.

COUNTY OF SCHUYLKILL
STATEMENT OF NET ASSETS
December 31, 2011

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 36,588,813	$ 2,517,534	$ 39,106,347	$ 2,299,733
Restricted Cash	2,345,032	141,185	2,486,217	1,003,932
Investments	1,860,046	-	1,860,046	-
Accounts Receivable	1,428,233	1,561,601	2,989,834	127,610
Prepaid Expenses	-	-	-	64,849
Taxes Receivable	4,923,447	-	4,923,447	-
Due From Other Governmental Units	7,306,830	-	7,306,830	410,197
Inventories	-	-	-	116,334
Internal Balances	742,324	(742,324)	-	-
Other Assets	-	-	-	129,556
Debt Issuance Costs	107,596	-	107,596	-
Capital Assets, Not Depreciable	3,344,778	145,927	3,490,705	-
Capital Assets, Depreciable	20,942,866	5,939,909	26,882,775	907,908
Total Assets	79,589,965	9,563,832	89,153,797	5,060,119
Liabilities				
Accounts Payable	4,001,801	506,684	4,508,485	543,364
Accrued Expenses and Withholdings	952,552	253,977	1,206,529	152,886
Due to Other Governments	-	-	-	93,512
Unearned Revenues	9,946,399	-	9,946,399	985,219
Taxes Held in Escrow (Road & School)	222,207	-	222,207	-
Escrow Funds - Other	32,163	-	32,163	-
Excess of Taxes - Tax Claim Bureau	249,436	-	249,436	-
Escrow Land Sales	387,873	-	387,873	-
Funds Held in Fiduciary Capacity	1,430,413	141,185	1,571,598	-
Interest Payable	137,816	-	137,816	-
Accrued Interest	-	20,924	20,924	-
Current Portions of Long Term Liabilities				
Loans and Notes Payable	-	-	-	29,022
General Obligation Bonds Payable	1,873,901	214,190	2,088,091	-
Capital Lease Payable	119,432	147,335	266,767	-
Unamortized Bond Premium	60,928	-	60,928	-
Non-Current Portions of Long Term Debt				
Loans and Notes Payable	-	-	-	205,867
General Obligation Bonds Payable	7,384,895	781,968	8,166,863	-
Capital Lease Payable	1,416,854	1,041,251	2,458,105	-
Unamortized Bond Premium	129,562	-	129,562	-
Liability for Other Postemployment Benefits	16,225,197	3,976,216	20,201,413	-
Accrued Compensated Absences	3,551,391	758,640	4,310,031	-
Self Insurance Claims Payable	1,342,881	-	1,342,881	-
Total Liabilities	49,465,701	7,842,370	57,308,071	2,009,870
Net Assets				
Invested in Capital Assets, Net of Related Debt	21,637,123	3,901,092	25,538,215	907,908
Restricted:				
Capital Projects	3,580,452	-	3,580,452	-
Library	248	-	248	-
Program Purposes	6,778,394	-	6,778,394	1,594,088
Temporarily Restricted	-	-	-	25,000
Unrestricted	(1,871,953)	(2,179,630)	(4,051,583)	523,253
Total Net Assets	$ 30,124,264	$ 1,721,462	$ 31,845,726	$ 3,050,249

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

COUNTY OF SCHUYLKILL

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2011

			Program Revenues			Net (Expenses) Revenue & Changes in Net Assets			
						Primary Government			
Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government:									
Government Activities:									
General Government	$ 27,493,433	$ (5,082,581)	$ 3,076,956	$ 1,655,521	$ -	$ (27,843,537)	$ -	$ (27,843,537)	
Judicial Government	13,071,222	3,287,019	2,526,908	4,704,028		(2,553,267)	-	(2,553,267)	
Public Safety	5,317,803	733,096	504,812	112,947		(3,966,948)	-	(3,966,948)	
Public Works	3,838,019	82,574	2,430,854	3,627,358		2,302,767	-	2,302,767	
Human Services	36,397,518	681,180	757,888	34,927,758		(30,692)	-	(30,692)	
Culture/Recreation	370,360	-	-	-		(370,360)	-	(370,360)	
Conservation Development	4,607,744	298,712	540,053	2,261,109		(1,507,870)	-	(1,507,870)	
Interest on Long-Term Debt	430,918	-	-			(430,918)	-	(430,918)	
Total Government Activities	91,527,017	-	9,837,471	47,288,721	-	(34,400,825)	-	(34,400,825)	
Business- Type Activities:									
911 Oerations	3,974,548	-	2,893,281	-	-	-	(1,081,267)	(1,081,267)	
Nursing Home	10,829,267	-	9,890,903	-	-	-	(938,364)	(938,364)	
Total Business-Type Activities	14,803,815	-	12,784,184	-	-		(2,019,631)	(2,019,631)	
Total Primary Government	$ 106,330,832	$ -	$ 22,621,655	$ 47,288,721	$ -	(34,400,825)	(2,019,631)	(36,420,456)	
Component Units:									
Human Services	$ 16,333,862	$ -	$ 2,228,812	$ 11,334,816	$ 2,856,482				$ 86,248
Total Component Units	$ 16,333,862	$ -	$ 2,228,812	$ 11,334,816	$ 2,856,482				86,248
General Revenues:									
Property Taxes - General Levy						29,020,412	-	29,020,412	-
Interest, Investment Earnings & Royalties						144,884	11,434	156,318	-
Hotel Tax						216,790	-	216,790	-
Per Capita Tax						391,597	-	391,597	-
Miscellaneous						5,154,350	-	5,154,350	-
Transfers (Internal Activities)						(1,212,320)	1,212,320	-	-
General Revenues & Transfers						33,715,713	1,223,754	34,939,467	-
Change in Net Assets						(685,112)	(795,877)	(1,480,989)	86,248
Net Assets - Beginning						30,809,376	2,517,339	33,326,715	2,964,001
Net Assets - Ending						$ 30,124,264	$ 1,721,462	$ 31,845,726	$ 3,050,249

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

COUNTY OF SCHUYLKILL

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2011

Assets	General	Office of Senior Services	Mental Health/ Developmental Services	Children & Youth	Liquid Fuels	Other Agency	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	$ 12,690,985	$ 714,339	$ 1,553,467	$ 2,113,532	$ 5,571,048	$ 1,980,535	$ 6,351,452	$ 5,589,282	$ 36,564,640
Restricted Cash	2,322,092	-	-	-	-	-	-	-	2,322,092
Investments	9,706	110,593	-	-	-	287,877	-	502,948	911,124
Accounts Receivable	157,371	-	-	-	-	-	-	228,048	385,419
Taxes Receivable	4,564,445	-	-	-	-	-	359,002	-	4,923,447
Due from Third Party	-	-	-	-	-	-	-	-	-
Due from Other Governments	648,406	1,585,591	69	3,456,004	-	220,710	-	1,396,050	7,306,830
Due from Other Funds	2,395,035	6,664	33,652	-	-	-	5,340	807,563	3,248,254
Total Assets	22,788,040	2,417,186	1,587,188	5,569,536	5,571,048	2,489,122	6,715,794	8,523,891	55,661,805
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	947,508	381,522	7,696	1,105,896	3,607	546,642	-	965,208	3,958,079
Accrued Expenses and Withholdings	659,290	73,684	10,686	152,860	-	-	-	56,032	952,552
Deferred Revenues	3,819,317	1,856,788	1,548,350	1,842,259	-	1,941,755	303,301	2,232,121	13,543,891
Taxes Held in Escrow (Road and School)	222,207	-	-	-	-	-	-	-	222,207
Excess of Taxes-Tax Claim Bureau	249,436	-	-	-	-	-	-	-	249,436
Escrow Funds - Other	32,163	-	-	-	-	-	-	-	32,163
Escrow Land Sales	387,873	-	-	-	-	-	-	-	387,873
Funds Held in Fiduciary Capacity	1,430,413	-	-	-	-	-	-	-	1,430,413
Due to Other Funds	772,038	105,192	20,456	2,468,521	-	725	3,000	478,877	3,848,809
Total Liabilities	8,520,245	2,417,187	1,587,188	5,569,536	3,607	2,489,122	306,301	3,732,238	24,625,424
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	5,567,441	-	6,409,493	-	11,976,934
Committed	-	-	-	-	-	-	-	4,791,653	4,791,653
Assigned	3,727,814	-	-	-	-	-	-	-	3,727,814
Unassigned	10,539,981	-	-	-	-	-	-	-	10,539,981
Total Fund Balances	14,267,795	-	-	-	5,567,441	-	6,409,493	4,791,653	31,036,382
Total Liabilities & Fund Balances	$ 22,788,040	$ 2,417,187	$ 1,587,188	$ 5,569,536	$ 5,571,048	$ 2,489,122	$ 6,715,794	$ 8,523,891	$ 55,661,806

The accompanying notes are an integral part of the financial statements

COUNTY OF SCHUYLKILL
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Balances of Governmental Funds:	$ 31,036,382
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital Assets, including infrastructure assets, used in governmental activities are not current financial resources and, therefore, are not reported in the funds	24,287,644
An internal service fund is used by management to charge the costs and accrue the liability for worker's compensation claims for which the county is self-insured. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	952,313
The funds record only the tax revenue received through a period of 60 days subsequent to year-end. The statement of net assets includes a receivable for the County's anticipated collections on the levy and anticipated collection of health care received.	4,640,305
The funds record bond issuance costs as a current period expenditure while those costs are capitalized on the statement of net assets and amortized over the life of the bonds.	107,596
Long-term liabilities are not due and payable in the current period and accordingly not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of:	
General Obligation Bonds Payable	(9,378,842)
Capital Lease Payable	(1,536,286)
Unamortized Bond Premium	(190,490)
Deferred Refunding Loss	120,046
Accrued Interest Payable	(137,816)
Accrued Compensated Absences	(3,551,391)
Post Employment Benefits	(16,225,197)
Total Net Assets of Governmental Activities	$ 30,124,264

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

COUNTY OF SCHUYLKILL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2011

	General	Office of Senior Services	Mental Health/ Developmental Services	Children & Youth	Liquid Fuels	Other Agency	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Real Estate Taxes	$ 27,653,972	$ -	$ -	$ -	$ -	$ -	$ 1,362,367	$ 25	$ 29,016,364
Per Capita Taxes	391,597	-	-	-	-	-	-	-	391,597
Hotel Tax	216,790	-	-	-	-	-	-	-	216,790
Interest and Royalties	83,936	760	3,209	1,115	19,833	5,120	24,988	5,923	144,884
Grants and Gifts	3,319,074	6,797,130	7,184,709	12,656,421	704,807	3,397,566	-	13,229,014	47,288,721
Charges for Services	8,198,484	196,736	21,338	535,108	64	99	-	885,642	9,837,471
Other Revenue	4,040,925	44,755	-	-	-	21,152	207,000	840,518	5,154,350
Total Revenues	$ 43,904,778	$ 7,039,381	$ 7,209,256	$ 13,192,644	$ 724,704	$ 3,423,937	$ 1,594,355	$ 14,961,122	$ 92,050,177
Expenditures									
General Government	21,305,498.00	-	-	-	-	-	26,771	483,923	21,816,192
Judicial Government	9,914,141.00	-	-	-	-	1,817,463	-	1,416,813	13,148,417
Public Safety	4,474,370	-	-	-	-	-	-	928,818	5,403,188
Public Works	1,538,821	-	-	-	105,812	-	-	3,147,374	4,792,007
Human Services	272,808	6,178,350	7,473,958	13,892,210	-	1,404,972	-	6,817,039	36,039,337
Culture/Recreation	317,172	-	-	-	-	-	-	-	317,172
Conservation/Development	1,747,104	-	-	-	-	-	-	2,733,966	4,481,070
Debt Service - Principal	-	-	-	-	-	-	2,130,000	-	2,130,000
Debt Service - Interest	-	-	-	-	-	-	442,704	-	442,704
Capital Projects	-	50,932	5,670	6,202	572,054	-	-	27,854	662,712
Total Expenditures	39,569,914	6,229,282	7,479,628	13,898,412	677,866	3,222,435	2,599,475	15,555,787	89,232,799
Excess of Revenues Over (Under) Expenditures	4,334,864	810,099	(270,372)	(705,768)	46,838	201,502	(1,005,120)	(594,665)	2,817,378
Other Financing Sources (Uses)									
Operating Transfers In	3,514,793	4,122	368,006	2,168,757	-	8,878	73,221	3,514,590	9,652,367
Operating Transfers Out	(7,511,450)	(814,221)	(97,634)	(1,462,989)	(217,259)	(272,789)	-	(1,079,089)	(11,455,431)
Total Other Financing Sources (Uses)	(3,996,657)	(810,099)	270,372	705,768	(217,259)	(263,911)	73,221	2,435,501	(1,803,064)
Excess of Revenues and Other Financial Sources Over (Under) Expenditures & Other Financing Uses	338,207	-	-	-	(170,421)	(62,409)	(931,899)	1,840,836	1,014,314
Fund Balances - Beginning of Year	13,929,588	-	-	-	5,737,862	62,409	7,341,392	2,950,817	30,022,068
Fund Balances - End of Year	$ 14,267,795	$ -	$ -	$ -	$ 5,567,441	$ -	$ 6,409,493	$ 4,791,653	$ 31,036,382

The accompanying notes are an integral part of the financial statements

COUNTY OF SCHUYLKILL
RECONCILIATION OF STATEMENT REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

Net Change in fund balances – total governmental funds	$1,014,314
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital purchases as expenditures. In the Statement of Activities, the cost of these assets is depreciated over the estimated useful lives and is reported as depreciation expense. The difference in the current period between capital expenditures $3,199,086 and depreciation expense (2,640,647) is 558,439.	558,439
Additional tax revenue recorded on Statement of Activities. The funds report only receipts through 60 days of subsequent period. Statement of Activities includes full amount of levy deemed collectible by County.	4,048
An internal service fund is used by management to charge the costs and accrue the liability for worker's compensation claims for which the County is self-insured. The net revenue of the internal service funds is included in governmental activities in the Statement of Activities.	86,010
The issuance of long-term liabilities provide financial resources to governmental funds and contribute to the change in fund balance. However, the issuance of debt does not affect the Statement of Activities since it increases long-term liabilities in the Statement of Net Assets. Accordingly, the repayment of principal is reported as an expenditure in the governmental funds, but reduces the liability in the Statement of Net Assets. The amounts related to the above items that make up differences are:	
Principal Repayments- Bonds	1,923,000
Capital Lease Payments	102,581
Pursuant to the modified basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. In addition, interest on long-term debt is not recognized in the governmental funds until due, while it is accrued in the Statement of Activities. The differences for the items discussed above are:	
Reduction in health care co-op reimbursement	(138,072)
Capital Lease Additions	(120,674)
Changes in Post Employment Benefits	(4,272,014)
Compensated absence expense	145,470
Accrual of interest on long-term debt	25,904
Amortization of issuance costs	(40,883)
Amortization of Deferred Loss on Refunding	(45,614)
Amortization of Bond Premium	72,379
Change in Net Assets of governmental activities	$ (685,112)

COUNTY OF SCHUYLKILL

STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS

DECEMBER 31, 2011

	Business Activities - Enterprise Funds			Governmental Activities
	Rest Haven Nursing Home	911 Fund	Totals	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 141,530	$ 2,376,005	$ 2,517,535	$ 24,173
Due From Other Funds	-	-	-	1,342,880
Accounts Receivable, net of Allowance	1,476,110	85,491	1,561,601	$ -
Total Current Assets	1,617,640	2,461,496	4,079,136	1,367,053
Non-Current Assets:				
Restricted Cash	141,185	-	141,185	22,940
Restricted Investments	-	-	-	948,922
Capital Assets, not being Depreciated	145,927	-	145,927	-
Capital Assets, being Depreciated				
Eligible Capital Assets	10,048,911	6,591,529	16,640,440	-
Non-eligible Capital Assets	-	838,582	838,582	-
Eligible Accumulated Depreciation	(7,352,441)	(3,927,761)	(11,280,202)	-
Non-eligible Accumulated Depreciation	-	(258,911)	(258,911)	-
Capital Assets, net	2,842,397	3,243,439	6,085,836	-
Total Non-Current Assets	2,983,582	3,243,439	6,227,021	971,862
Total Assets	4,601,222	5,704,935	10,306,156	2,338,914
LIABILITIES				
Current Liabilities				
Accounts Payable	437,225	69,460	506,685	43,720
Accrued Expenses and Withholdings	201,004	52,973	253,977	-
Self Insurance Liabilities	-	-	-	1,342,880
Bonds Payable - Current Portion	-	214,190	214,190	-
Capital Lease Payable - Current Portion	13,254	134,081	147,335	-
Accrued Interest	-	20,924	20,924	-
Due to Other Funds	736,338	5,986	742,324	-
Total Current Liabilities	1,387,821	497,614	1,885,435	1,386,600
Long-Term Liabilities				
Patient Funds Held in Safekeeping	141,185	-	141,185	-
Compensated Absenses	527,633	231,007	758,640	-
Liability for Other Postemployment Benefits	3,443,254	532,962	3,976,216	-
Bonds Payable	-	781,968	781,968	-
Capital Lease Payable	204,512	836,739	1,041,251	-
Total Long-Term Liabilities	4,316,584	2,382,676	6,699,260	-
Total Liabilities	5,704,404	2,880,290	8,584,695	1,386,600
NET ASSETS				
Invested in Capital Assets, net of Related Debt	2,624,631	1,276,461	3,901,092	-
Unrestricted	(3,727,814)	1,548,184	(2,179,630)	952,314
Total Net Assets	$ (1,103,183)	$ 2,824,644	$ 1,721,462	$ 952,314

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

COUNTY OF SCHUYLKILL
STATEMENT OF FUND REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2011

	Business Activities - Enterprise Funds			Governmental Activities
	Rest Haven Nursing Home	911 Fund	Totals	Internal Service Fund
Operating Revenues				
Net Patient Service	$ 9,890,903	$ -	$ 9,890,903	$ -
Miscellaneous Revenue	-	258,101	258,101	-
Tariff Revenue	-	2,635,180	2,635,180	-
			-	
Total Operating Revenues	9,890,903	2,893,281	12,784,184	-
Operating Expenditures				
Activities	184,010	-	184,010	-
Administration Services	1,026,375	-	1,026,375	-
Barber and Beauty	9,500	-	9,500	-
Dietary and Food	1,110,064	-	1,110,064	-
Laundry	266,713	-	266,713	-
Housekeeping	397,430	-	397,430	-
Plant Operations	251,960	-	251,960	-
Maintenance	128,952	-	128,952	-
Boiler House	34,869	-	34,869	-
Nursing	3,645,367	-	3,645,367	-
Practitioners	37,523	-	37,523	-
Social Services	107,225	-	107,225	-
Patient Services	-	-	-	-
Pharmacy and Medical Supplies	138,553	-	138,553	-
Physical, Speech, and Occupational Therapy	831,473	-	831,473	-
Medical Records	42,685	-	42,685	-
Depreciation	367,967	535,710	903,677	-
Other	2,248,601	-	4,556,881	-
Emergency Communications	-	3,390,382	3,390,382	-
Workers' Compensation	-	-	-	674,355
Total Operating Expenditures	10,829,267	3,926,092	14,755,359	674,355
Operating Income (Loss)	(938,364)	(1,032,811)	(1,971,175)	(674,355)
Nonoperating Revenues and Expenses				
Interest Income	2,241	9,192	11,433	32
Interest Expense	-	(48,456)	(48,456)	-
Other				65,869
Investment Income	-	-	-	103,721
Total Nonoperating Revenues & Expenses	2,241	(39,264)	(37,023)	169,622
Income (Loss) Before Othert Financing Sources (Uses)	(936,123)	(1,072,075)	(2,008,198)	(504,733)
Other Financing Sources (Uses)				
Operating Transfers In	373,021	1,422,089	1,795,110	590,744
Operating Transfers Out	(582,790)	-	(582,790)	-
Loss on Disposal of Net Assets	-	-	-	-
Total Other Financing Sources (Uses)	(209,769)	1,422,089	1,212,320	590,744
Net Income	(1,145,892)	350,014	(795,878)	86,011
Net Assets - Beginning of Year	42,709	2,474,630	2,517,339	866,303
Net Assets - End of Year	$ (1,103,183)	$ 2,824,644	$ 1,721,462	$ 952,314

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

COUNTY OF SCHUYLKILL
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2011

	Rest Haven Nursing Home	911 Fund	Total Enterprise	Internal Service Fund
Cash Flow from Operating Activities				
Charges for Services	$ -	$ -	$ -	$ -
Patient Service Revenue Receipts	10,084,919	-	10,084,919	-
911 Tariff Revenue Recipts	-	2,629,294	2,629,294	-
Payments to Suppliers	(6,759,097)	(2,135,618)	(8,894,715)	(655,867)
Payments to Employees	(3,217,801)	(1,118,040)	(4,335,841)	-
Recceipts Held for Safekeeping	11,746		11,746	
Internal - Payments to Other Funds	-	-	-	-
Other Receipts	-	258,101	258,101	65,869
Net Cash Provided by (Used in) Operating Activities	119,767	(366,263)	(246,496)	(589,998)
Cash Flows from Investing Activities				
Purchase of Investments				(24,184)
Interest Receipts	2,241	9,192	11,433	32
Net Cash Provided by (Used in) Investing Activities	2,241	9,192	11,433	(24,152)
Cash Flows from Capital Activities				
Purchase of Capital Assets	(128,411)	(78,179)	(206,590)	-
Sale of Capital Assets	-	-	-	-
Net Cash Used in Capital Activities	(128,411)	(78,179)	(206,590)	-
Cash Flows from Financing Activities				
Increase(decrease) in Capital Leases	(12,668)	(129,373)	(142,041)	-
Payments on Long-Term Debt	-	(207,000)	(207,000)	-
Net Operating Transfers	(209,769)	1,422,089	1,212,320	590,744
Change in Due to Other Funds	78,682	(520,161)		
Interest Paid		(48,456)	(48,456)	
Net Cash Provided by Financing Activities	(143,755)	517,099	814,823	590,744
Net Increase (Decrease) in Cash	(150,158)	81,849	373,170	(23,406)
Cash - Beginning of Year	432,873	2,294,154	2,266,507	70,519
Cash - End of Year	282,715	2,376,003	2,658,718	47,113
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating Income (Loss)	(938,364)	(1,032,811)	(1,971,175)	(674,355)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation	367,967	535,710	903,677	-
(Increase) Decrease in Assets:				
Accounts Receivable	194,016	(5,886)	188,130	-
Due from Other Funds	-	-	-	-
Increase (Decrease) in Liabilities:				
Accounts Payable	56,836	6,943	63,779	18,488
Accrued Liabilities	(83,235)	(624)	(83,859)	(220,085)
Compensated Absences	(75,001)	(5,435)	(80,436)	-
Liability for Other Postemployment Benefits	585,802	135,840	721,642	-
Patient Funds Held in Escrow	11,746	-	11,746	-
Self-Insurance Liability	-	-	-	-
Due to Other Funds	-	-	-	285,954
Total Adjustments	1,058,131	666,548	1,724,679	84,357
Net Cash Provided by (Used in) Operating Activities	$ 119,767	$ (366,263)	$ (246,496)	$ (589,998)

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

County of Schuylkill
Statement of Fiduciary Net Assets
December 31, 2011

	Employment Retirement	Agency	Total
Assets			
Cash and Cash Equivalents	$ 14,317,194	$ 3,659,289	$ 17,976,483
Accounts Receivable	85,770	-	85,770
Investments	82,672,836	-	82,672,836
Total Assets	97,075,800	3,659,289	100,735,088
Liabilities			
Vouchers Payable	461,286	2,636,513	3,097,800
Funds Held in Fiduciary Capacity	-	1,022,775	1,022,775
Total Liabilities	461,286	3,659,289	4,120,575
Net Assets held for Employee's Pension	$ 96,614,513	$ -	$ 96,614,513

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

COUNTY OF SCHUYLKILL
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED DECEMBER 31, 2011

	Employee Pension
Additions:	
Contributions:	
Employee	$ 2,247,438
Employer	3,180,461
Total Contributions	5,427,899
Interest	2,092,558
Dividends	419,614
Net Appreciation in Fair Value of Investments	4,855,650
Less: Investment Expenses	(6,390,494)
Net Investment Income	977,328
Total Additions	6,405,227
Deductions:	
Administrative Costs	346,688
Retirement Benefits	5,376,091
Death Benefits	-
Member Contribution Refunds	419,247
Total Deductions	6,142,026
Net Increase	263,200
Net Assets Held in Trust for Employees' Pension Benefits:	
Beginning of Year	96,351,313
End of Year	$ 96,614,513

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

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

The County of Schuylkill (the "County") which was formed on March 1, 1811, operates under the direction of an elected Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, public improvements, public safety, and human services programs. The accompanying basic financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB").

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

A) Reporting Entity

The County follows the criteria promulgated by GASB for purposes of determining the scope of its reporting entity. As required by GAAP, the basic financial statements of the reporting entity include those of the County of Schuylkill (the Primary Government) and its Component Units. The Component Units discussed below are included in the County's reporting entity because of their operational or financial relationship with the County.

Component Units

In conformity with GAAP, the financials of Component Units have been included in the financial reporting entity either as a Blended Component Unit or as a Discretely Presented Component Unit.

a. Blended Component Unit

The Schuylkill County Conservation District was formed on September 25, 1955, to establish and to administer the programs to conserve soil, water, and related natural resources and for land use practices to control and to prevent soil erosion. The Schuylkill Conservation District is fiscally dependent upon the County. In addition, the employees of the Schuylkill Conservation District are County employees. Therefore, the Schuylkill Conservation District is included in the Special Revenue Funds of the financial statements of the reporting entity. The reporting period for the Schuylkill Conservation District is for the year ended December 31, 2011.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

b. Discretely Presented Component Units

The Component Units' columns in the basic financial statements include the financial data of the following Component Units and are reported in a separate column to emphasize that it is legally separate from the County.

Child Development, Inc. (the "Corporation") is a nonprofit organization that was formed on July 1, 1982, to provide child care services and a comprehensive development program for children ranging from birth to nine years of age. Child Development, Inc. is fiscally dependent upon the County. The reporting period for Child Development, Inc. is for the year ended June 30, 2011. As of July 1, 2011, Child Development is no longer a component unit.

Schuylkill Transportation Systems (STS) exists to serve the public transportation needs of all of the residents of Schuylkill County. The reporting period for STS is for the year ended June 30, 2011. On May 26, 2011, the Schuylkill County Transportation Authority (SCTA) was formed and was incorporated on June 28, 2011 to operate STS.

c. Condensed Financial Statements

The following presents the condensed financial statements of the Discretely Presented Component Units. Complete and more detailed financial statements for the individual component units can be obtained from their administrative offices as follows:

Administrative Offices

Child Development, Inc.
2880 Pottsville Minersville Highway - Suite 210
Pottsville, Pa 17901

Schuylkill Transportation System
Union Station
300 S. Centre Street
Pottsville, Pa 17901

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

Condensed Balance Sheets

	Child Development Inc. June 30, 2011	Schuylkill Transportation System June 30, 2011
Assets		
Other Assets	$ 1,356,909	$ 2,795,302
Capital Assets. Net	907,908	-
Total Assets	2,264,817	2,795,302
Liabilities	825,067	1,184,803
Net Assets		
Unrestricted	506,842	536,321
Invested in Capital Assets	907,908	-
Net of Related Debt	-	-
Restricted	-	1,074,178
Temporarily Restricted	25,000	-
Total Net Assets	$ 1,439,750	$ 1,610,499

Condensed Statements of Revenues, Expenditures and Changes in Net Assets

	Child Development Inc. June 30, 2011	Schuylkill Transportation System June 30, 2011
Revenues	$ 9,401,865	$ 7,018,245
Expenditures	9,173,965	7,159,897
Excess of Revenues Over Expenditures	227,900	(141,652)
Net-Assets Beginning of year	1,211,850	1,752,151
Net Assets End of Year	$ 1,439,750	$ 1,610,499

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

2. Related Organizations

The Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations generally does not extend beyond making the appointments. These organizations include:

- Schuylkill County Airport Authority
- Schuylkill County Municipal Authority
- Schuylkill County Solid Waste Authority
- Schuylkill County Housing Authority
- Schuylkill County Rail Transport Authority
- Schuylkill County Visitors Bureau
- Schuylkill County Redevelopment Authority
- Schuylkill County Industrial Development Authority
- Schuylkill County Council for the Arts
- Schuylkill County Economic Opportunity Cabinet
- Schuylkill County Veterans Advisory Board
- Schuylkill County Communications Committee
- Schuylkill County Vision
- Schuylkill Keep It Pretty
- Schuylkill Women in Crisis
- Schuylkill Economic Development Corp.
- Regional Development Corporation

B) Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as it's discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for services.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transaction are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions.*

Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid "doubling up" effect.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A fund financial statement for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statements include financial information for agency funds and the County's Retirement Trust fund. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Government Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues, except taxes, to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and thus have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

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

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities.

Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

Proprietary Funds

The County's enterprise funds and internal service fund are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with

their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The Board applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

C) Basis of Presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement Number 34. The non-major funds are combined in a column in the fund financial statements. The following are the County's major funds:

1. Governmental Fund Types

a. General Fund

The General Fund is the primary operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, State and Federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, boards, commissions, the court system, and health and welfare activities.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

b. Mental Health/Developmental Services Fund

The Mental Health/Developmental Services Fund is used to account for the proceeds of specific revenue sources related to the provision of Mental Health/Developmental Disabilities services that are restricted to expenditures for those specified purposes.

c. Children and Youth

The Children and Youth Fund is used to account for the proceeds of specific revenue sources related to the provision of Children and Youth services that are restricted to expenditures for those specified purposes.

d. Liquid Fuels

The Liquid Fuels Fund is used to account for the proceeds of specific revenue sources related to the provision of infrastructure programs that are restricted to expenditures for those specified purposes.

e. Other Agency Fund

The Other Agency Fund is used to account for the proceeds of specific revenue sources related to the provision of various human services programs that are restricted to expenditures for those specified purposes.

f. Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

g. Office of Senior Services

The Office of Senior Services Fund is used to account for the proceeds of specific revenue sources related to the provision of the Office of Senior Services that are restricted to expenditures for those specified purposes.

2. Proprietary Fund Types

a. Enterprise/Rest Haven – County Long-term Care Facility

An Enterprise Fund is used to account for operations of the Schuylkill County Nursing Home – Rest Haven, that is financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, and cost reimbursement plans.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

b. Enterprise/911 Fund

The 911 Fund is used to account for operations of the County's Emergency Communication System, that is financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, and cost reimbursement plans.

3. Other Fund Types

a. Internal Service Fund

An Internal Service Fund is used to account for the financing of workers' compensation insurance costs which are being incurred by the County for all departments, agencies and Rest Haven.

b. Retirement Trust Fund

The Employee Retirement Trust Fund is used to account for the revenue (i.e. member contributions, County appropriations, and net investment income) and the expenditures (i.e. allowance contributions refunded, retirement allowances, and death benefits paid) of the Retirement Fund.

c. Agency Funds

Agency Funds consist of restricted assets of the various row offices of the County. The row office funds, in essence, are escrow funds maintained with the row offices for bail posted, funds held from sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal actions.

D) Budgets and Budgetary Accounting

Commonwealth of Pennsylvania statutes require that County Governments establish budgetary systems and adopt annual operating budgets. The County's annual budget includes the General Fund, Certain Special Revenue Funds, Capital Projects Funds, Debt Service Fund, Enterprise Funds and Internal Service Fund, and is based on estimates of revenues and expenditures or expenses approved by the Commissioners. The budget is adopted on a basis consistent with generally accepted accounting principles. The County of Schuylkill follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the department heads submit to the County Commissioners proposed operating budgets for the fiscal year which commences on January 1.

2. The Commissioners then interview all department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.

3. Subsequently, the County administrator's office assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Commissioners' review.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.

5. After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

6. A formal budgetary process is employed as a planning device. The adopted budget is on a basis consistent with GAAP. Budget amounts are as originally adopted and as amended by the County Commissioners.

Each Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by major function level and may not exceed appropriations at this level. During the course of the year, departmental needs may change, emergencies may occur and additional revenue sources may arrive. As a result, funds are occasionally transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a major function level basis and are approved by the County Commissioners.

E) Cash and Cash Equivalents

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

F) Restricted Cash

Restricted cash represents cash set aside for liquidation of specific obligations as detailed in Note 3.

G) Investments

Investments are stated at fair value in all funds. Investments that do not have an established market value are reported at estimated fair value.

H) Allowance for Doubtful Accounts

Accounts receivable have been reported net of allowance for doubtful accounts. The allowance for doubtful accounts is $138,473.

I) 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 County as assets with an initial, individual cost of $1,000 ($75,000 for infrastructure assets) and an estimated useful life exceeding one year. Such assets are recorded at historical costs. Donated capital assets are recorded at the estimated fair market value at the time of donation.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Land Improvements	10-15 Years
Building and Improvements	10-50 Years
Machinery and Equipment	8-20 Years
Motor Vehicles	3-5 Years
Computer Equipment	3-5 Years
Agricultural Easements	40 Years
Leasehold Assets	10 Years
Infrastructure	20-50 Years

J) Interfund Transactions

The County affects a variety of transactions between the funds to finance operations. Accordingly, to the extent that certain interfund transactions have not been paid or received as of December 31, 2011, appropriate interfund receivables or payables have been established.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as Internal Balances.

K) Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee in the government-wide and proprietary fund financial statements.

L) Long-Term Obligations

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 governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,* the County has adopted the following policy for current refunding and advance refunding resulting in defeasance of debt reported in proprietary funds.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

The difference between the reacquisition price and the net carrying amount of the old debt, as well as the related bond issuance costs, will be deferred and amortized in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the balance sheet, the deferred amount and bond issuance costs are reported as a deduction from or an addition to the new debt liability.

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

M) Deferred Revenues/Unearned Revenues

Unearned Revenues are reported in government-wide financial statements. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in governmental fund financial statements represent revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as deferred revenues. The County deems revenues received within 180 days of year-end to be available with the exception of property taxes, which must be received within 60 days of year-end to be deemed available.

N) Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt*—This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets*—This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Assets*—This category represents net assets of the County not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

O) Adoption of Governmental Accounting Standards Board Statement

The County adopted the provisions of GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."* The adoption of this statement had an effect on the noncurrent liabilities, expenses, and the past employment benefits disclosure of the County.

The County adopted the provisions of GASB Statement No. 49, *"Accounting and Financial Reporting for Pollution Remediation"*. The adoption of this statement had no effect on the financial reporting information of the County.

The County adopted the provisions of GASB Statement No. 50, *"Pension Disclosures"*. The adoption of this statement had an effect on the pension disclosure of the County.

The County adopted the provisions of GASB Statement No. 55, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*. The adoption of this statement had no effect on the financial reporting information of the County.

The County adopted the provisions of GASB Statement No. 56, *"Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards"*. The adoption of this statement had no effect on the financial reporting information of the County.

In November 2007, the GASB issued Statement No. 52, *"Land and Other Real Estate Held as Investments by Endowments"*. The adoption of this statement had no effect on the financial reporting information of the County.

P) Changes in Accounting Principles

In March 2009, the GASB issued Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*. The County adopted Statement No. 54 for its calendar year 2011 financial statements.

As of December 31, 2011, fund balances of the governmental funds are classified as follows:

- Nonspendable fund balance consists of funds that cannot be spent due to their form (e.g. prepaids) or funds that are legally or contractually required to remain intact.
- Restricted fund balance consists of funds that are mandated for a specific purpose and are subject to enforceable legal restrictions by outside parties.
- Committed fund balance consists of funds that are set aside for a specific purpose by the County's highest level of decision making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The constraint remains binding unless removed by formal action of the governing body.

NOTE 1: Nature of Entity and Summary of Significant Accounting Policies Continued

- Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose by the County's highest level of decision making authority or a designated delegate. Fund balance may be assigned after the end of the reporting period. Assigned fund balance can never exceed total fund balance.

- Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet the unexpected expenditures and revenue shortfalls.

As of December 31, 2011, fund balances are composed of the following:

	General Fund	Liquid Fuels	Debt Service	Nonmajor Governmental Funds
Restricted:				
Roads and Bridge Maintenance	$ -	$ 5,567,441	$ -	$ -
Debt Service	-	-	6,409,493	-
Assigned:				
Rest Haven	3,727,814	-	-	-
Conservation				322,382
Health & Welfare				49,874
Judicial				838,945
Capital Projects				3,580,452
Unassigned	10,539,981	-	-	-
Total Fund Balances	$ 14,267,795	$ 5,567,441	$ 6,409,493	$ 4,791,653

Q) Subsequent Events

Management has considered subsequent events through September 25, 2012, the date of the financial statements.

NOTE 2: DEPOSIT AND INVESTMENT RISK

As of December 31, 2011, the County had the following debt investments and maturities within its operating fund accounts:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More than 10
Cash Equivalent	$ 1,052,714	$ 1,052,714	$ -	$ -	$ -
Total	$ 1,052,714	$ 1,052,714	$ -	$ -	$ -

As of December 31, 2011, the County had the following debt investments and maturities within its Internal Service Fund (Workmen's Compensation Fund) accounts:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More than 10
U.S. Government Treasuries	$ 254,282	$ 51,666	$ 26,377	$ 176,239	$ -
U.S. Government Agencies	319,978	20,541	270,528	28,909	-
Corporate Bonds	374,662	25,852	262,845	85,965	-
Total	$948,922	$98,059	$559,750	$ 291,113	$ -

As of December 31, 2011, the County had the following debt investments and maturities within its Retirement Fund accounts:

Investment Type	Fair Value
U.S. Government Securities	$ 16,082,431
Corporate Bonds	10,552,090
Total	$ 26,634,521

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy is to invest funds to meet the projected cash flow requirements. Investments of the General Fund, Special Revenue Funds, and the Workmen's Compensation Fund are made in accordance with the Commonwealth of Pennsylvania County Code as long as such investments are made at financial institutions approved by the County. Investment financial institutions are approved by the Commissioners and are fully collateralized by securities with a fair value equal to or exceeding the cost of the investment. Investments must be made in accordance with the Commonwealth of Pennsylvania's Act 72 and the financial institution must be on the County Commissioner's approval list.

The County's Retirement Plan Investment Policy (Retirement Investment Policy) states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Retirement Plan when due. Fixed income investment allocation is targeted to 35% (with an allowable range of +/-5%) of the portfolio. The investments may be adjusted to meet economic and/or investment market conditions.

NOTE 2: Deposit and Investment Risk Continued

Credit Risk—The County's investment policy limits operating and self-insurance investments in federal agency securities that carry direct or implied guarantees of the U.S. Government. The County's governmental activities investments of $1,052,714 were comprised of various certificates of deposit, which mature within one year, U.S. Treasuries, U.S. Government Agencies, and Corporate Bonds, which have various maturity dates as noted above.

The County's Retirement Investment Policy limits fixed income securities to a minimum of "BBB" or better at the time of purchase. At no time should securities rates less than "A" exceed 20% of the portfolio. No issuer, other than the U.S. Government or other federal agencies, may represent more than 15% of the total market value of the fixed income portfolio. As of December 31, 2011, the County's retirement investments had a credit rating as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
U.S. Government Treasuries	AAA	26.2%
U.S. Government Agencies	AAA	23.9%
Corporate Bonds	AAA	3.1%
Corporate Bonds	AA	5.2%
Corporate Bonds	A	32.3%
Corporate Bonds	BBB	8.5%
Corporate Bonds	BB	0.2%
Corporate Bonds	B	0.1%
Corporate Bonds	CCC & Lower	0.5%

Custodial Credit Risk—For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of December 31, 2011, the County's cash, restricted cash and investments balances for its governmental activities, business-type activities and agency fund were $37,105,693, not included in this amount are the Retirement Fund, Workman's Comp Fund and the Debt Service Fund. Those bank balances, are collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name. The entire cash and cash equivalent balance in the Retirement Fund was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name.

Concentration of Credit Risk—The County's investment policy for pooled and self-insurance funds is to invest in U.S. Government or Federal agency securities for which there is no limit to the investment amount.

The County's Retirement Investment Policy limits investments, other than those in U.S. Government or other federal agencies, to no more than 5% of the total market value of the fixed income portfolio. More than 5% of the County's Retirement Fund investments are in the Federal Home Loan Banks. These investments are 7.5% of the total Retirement Fund Portfolio.

NOTE 2: Deposit and Investment Risk Continued

The County entered into a Guaranteed Investment Contract (GIC) on October 27, 2006, with Nationwide Life Insurance Company of America. The GIC is a fixed-income Fund in which substantially all the assets of the Fund are invested in high quality investment grade issues focusing on public bonds, private placements and commercial mortgages. The Fund targets investments with five to seven year maturities for yield and one to five year maturities for liquidity purposes. The Fund runs on a seven year cycle, however, the county may terminate their contract with Nationwide Life Insurance Company of America at any time. The market value of the County's portion of the Fund was $4,217,770 as of December 31, 2011.

NOTE 3: RESTRICTED CASH

Restricted cash of $141,185 at December 31, 2011, in the balance sheet of the Enterprise Fund is composed of patient account funds held by Rest Haven in escrow for residents and offset by a corresponding liability captioned "patients' funds held in safekeeping."

Restricted cash of $22,940 at December 31, 2011, in the Internal Service Fund is composed of cash held in an irrevocable trust account for self-insurance purposes.

Restricted cash of $2,322,092 at December 31, 2011, in the General Fund is comprised of the following:

Cash for Road and School District Taxes	$ 222,207
Cash in Excess of Taxes held by Tax Claim Bureau	249,436
Cash held in Escrow Funds	32,163
Cash held in Escrow from Land Sales	387,873
Cash for Various County Departments and Row Offices	1,430,413
	$2,322,092

NOTE 4: REAL ESTATE TAXES

Real estate taxes for the calendar year are levied on March 1 of each year. Unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. The County bills these taxes which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt. The County's 2011 real estate taxes are based on assessed values established by the County's Bureau of Assessments. Assessed values of real property are generally 50% of the market value as determined by the Schuylkill County Bureau of Assessments. The last reevaluation was completed for the property list in 1996 upon which the 1997 levy was based. The total 2011 real estate taxes assessed equaled $29,769,322 based on a total County valuation of $2,484,917,005. Based on the 2011 levy of 11.98 mills (11.42 mills allocated for general purposes; .56 mills allocated for debt purposes) a property owner would pay $11.98 per $1,000 of assessed valuation.

NOTE 5: CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2011, was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 701,717	$ -	$ -	$ 701,717
Construction -in-Progress	1,010,181	1,819,256	(360,376)	2,469,061
Works of Art Collections	174,000	-	-	174,000
Total Capital Assets, Not Being Depreciated	1,885,898	1,819,256	(360,376)	3,344,778
Capital Assets, Being Depreciated				
Land Improvements	2,628,090	80,882	(4,800)	2,704,172
Buildings and Improvements	21,927,730	236,982	(1,050)	22,163,662
Machinery and Equipment	6,496,639	185,472	(115,896)	6,566,215
Motor Vehicles	9,546,668	266,877	(576,885)	9,236,660
Computer Equipment	2,783,353	188,765	(119,858)	2,852,260
Agricultural Easements	2,079,641	25,000	-	2,104,641
Infrastructure	8,726,109	820,577	-	9,546,686
Leasehold Assets	1,748,880	151,866	(130,084)	1,770,662
Total Capital Assets, Being Depreciated	55,937,110	1,956,421	(948,573)	56,944,958
Total Capital Assets, Historical Cost	57,823,008	3,775,677	(1,308,949)	60,289,736
Less Accumulated Depreciation for:				
Land Improvements	(770,527)	(124,995)	4,800	(890,722)
Buildings and Improvements	(14,365,385)	(495,539)	840	(14,860,084)
Machinery and Equipment	(5,209,888)	(504,077)	114,402	(5,599,563)
Motor Vehicles	(8,076,474)	(829,777)	466,963	(8,439,288)
Computer Equipment	(2,204,849)	(235,857)	126,915	(2,313,791)
Agricultural Easements	(218,790)	(52,304)	-	(271,094)
Infrastructure	(2,955,064)	(352,952)	-	(3,308,016)
Leasehold Assets	(292,824)	(128,229)	101,519	(319,534)
Total Accumulated Depreciation	(34,093,801)	(2,723,730)	815,439	(36,002,092)
Total Capital Assets, Net of Accumulated Depreciation	$ 23,729,207	$ 1,051,947	$ (493,510)	$ 24,287,664

NOTE 5: Capital Assets Continued

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 145,927	$ -	$ -	$ 145,927
Construction -in-Progress	-	-	-	-
Total Capital Assets, Not Being Depreciated	145,927	-	-	145,927
Capital Assets, Being Depreciated:				
Land Improvements	150,101	-	-	150,101
Buildings and Improvements	8,766,307	41,202	-	8,807,509
Machinery and Equipment	4,489,166	108,619	(24,904)	4,572,881
Motor Vehicles	104,374	-	-	104,374
Computer Equipment	1,269,373	78,392	-	1,347,765
Leasehold Assets	2,500,504	-	(4,111)	2,496,393
Total Capital Assets, Being Depreciated	17,279,825	228,213	(29,015)	17,479,023
Total Capital Assets	17,425,752	228,213	(29,015)	17,624,950
Less Accumulated Depreciation for:				
Land Improvements	(145,542)	(1,115)	-	(146,657)
Buildings and Improvements	(5,786,389)	(302,929)	-	(6,089,318)
Machinery and Equipment	(3,007,534)	(300,018)	24,904	(3,282,648)
Motor Vehicles	(104,374)	-	-	(104,374)
Computer Equipment	(1,019,408)	(61,955)	-	(1,081,363)
Leasehold Assets	(597,094)	(241,360)	3,700	(834,754)
Total Accumulated Depreciation	(10,660,341)	(907,377)	28,604	(11,539,114)
Total Capital Assets, Net of Accumulated Depreciation	$ 6,765,441	$ (679,164)	$ (411)	$ 6,085,836

NOTE 5: Capital Assets Continued

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

Governmental Activities:

General Government	$ 468,084
Judicial Government	224,806
Public Safety	205,390
Public Works	1,031,810
Human Services	367,882
Culture/Recreation	176,726
Conservation	167,851
	$ 2,642,549

Business-Type Activities:

Rest Haven Nursing Home	$ 367,967
911 Operations	535,710
	$ 903,677

NOTE 6: EMPLOYMENT RETIREMENT TRUST FUND

Plan Description

The County of Schuylkill provides a single-employer defined benefit pension plan that is administered by the County Retirement Board. All employees with the expectation of working over 1,000 hours per year are required to enter the plan, and County elected officials have the option of enrolling in the plan. The plan is included in the financial statements of County of Schuylkill as a pension trust fund and does not issue a stand-alone report. 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 (County Pension Law). Cost-of-living adjustments are provided at the discretion of the County Retirement Board.

Basis of Accounting

The financial statements of the pension trust fund are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due 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.

NOTE 6: Employment Retirement Trust Fund Continued

Valuation of Investments

All investments of the pension trust fund are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

Membership

Membership of the plan consisted of the following at January 1, 2012, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	496
Terminated Plan Members Entitled to but not yet Receiving Benefits	49
Active Plan Members	703
Total	1,248

Contributions

Plan members are required to contribute 8% of their salary. The County is required to contribute at an actuarially determined rate. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs may be financed through investment earnings.

The Schuylkill County Employees' Retirement System uses the aggregate actuarial cost method; therefore a schedule of funding progress is presented as required supplementary information.

Actuarial Valuation Information

The County has an actuarial valuation prepared on an annual basis. The following methods and assumptions were used to prepare the valuation:

Actuarial Cost Method:	Aggregate Actuarial Cost
Asset Valuation Method:	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.5% (including 3% inflation)
Projected Salary Increases	4.5% (including 3% inflation)

NOTE 6: Employment Retirement Trust Fund Continued

Annual Pension Cost and Net Pension Obligation

The County's Annual Required Contribution for 2011 was determined as part of the January 1, 2012, actuarial valuation. The County's annual pension cost and net pension obligation to the Schuylkill County Employees' Retirement System for 2011, was as follows:

Annual Required Contribution	(3,180,461)
Interest on Net Pension Obligation	1,845
Adjustment to Annual Required Contribution	(2,968)
Annual Pension Cost	(3,181,584)
Contribution	3,180,461
Change in Net Pension Obligation	(1,123)
Net Pension Asset (Obligation)-January 1, 2011	24,600
Net Pension Asset (Obligation)-December 31, 2011	23,477

Annual Pension Cost – Trend Information

Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Asset (Obligation)
December 31, 2009	(2,218,289)	99.94%	25,815
December 31, 2010	(3,149,659)	99.96%	24,600
December 31, 2011	(3,181,584)	99.97%	23,477

Economic Conditions — the negative events in the credit market as well as the general economic conditions in the United States and worldwide have caused a significant decrease in investment values either directly invested in or tied to the equity markets. Those declines, at present, are expected to be temporary and not permanent declines, however equity market recovery, if it occurs, may take some time. The major resulting impact of the equity market's decline on the County will be in the form of increased annual required contributions and increased pension expense with respect to its pension plan.

NOTE 7: POST EMPLOYMENT BENEFIT PLAN

Plan Description: The County sponsors a post-employment benefits plan that covers health insurance benefits for eligible retirees. The County provides health insurance coverage for its eligible retirees under the terms of agreements with the unions that represent them. Groups of retirees that are eligible for OPEB were affiliated with the following: AFSCME Local 1512, AFSCME Local 1721, AFL-CIO Local 1512,

NOTE 7: Post Employment Benefit Plan Continued

AFL-CIO Local 668, Court Related Union Unit 1, Court Related Union Unit 2, Teamsters Local Union 429, and Non-Union/Management. The plan does not issue a publicly available financial report.

Funding Policy: The contribution requirements of the County are established and may be amended through future union negotiations. The Plan does require contributions from some retirees. The retiree contributions are based on their related contributions while they were employed by the County. The County funds the Plan on a pay-as-you-go basis. During 2011, the County contributed $3,498,729 to the plan for the current premiums.

Annual OPEB Cost and Net OPEB Obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASBB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows 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 to the Plan:

	Governmental Activities	County Nursing Home	911 Fund	Total Primary Government
Annual required contribution	$ 6,145,487	$ 2,166,622	$ 186,924	$ 8,499,029
Contributions made	$ 1,873,473	$ 1,580,820	$ 44,436	$ 3,498,729
Increase in net OPEB obligation	$ 4,272,014	$ 585,802	$ 142,488	$ 5,000,300
Net OPEB obligation – beginning of year	$ 11,953,183	$ 2,857,452	$ 397,122	$ 15,207,756
Net OPEB obligation—end of year	$ 16,225,197	$ 3,443,254	$ 539,610	$ 20,208,056

The County's annual OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for 2011 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Net OPEB Obligation
12/31/08	$ 8,157,186	$ 5,244,551
12/31/09	$ 8,052,009	$10,097,381
12/31/10	$ 8,582,848	$15,207,756
12/31/11	$ 8,499,029	$20,208,056

NOTE 7: Post Employment Benefit Plan Continued

The County adopted GASB 45 on a prospective basis in 2008; therefore only four years are presented in the above schedule.

Funded Status and Funding Progress: As of January 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $114,226,534 and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of $114,226,534. The covered payroll (annual payroll of active employees covered by the plan) was $18,557,400, and the UAAL as a percentage of the covered payroll was 6.1%.

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 retirement, mortality, and medical inflation. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011, actuarial valuation, the Entry Age Normal Method was used. The actuarial assumptions included a 4% investment rate of return, which is the expected long-term investment yield on the investments that are expected to be used to finance the payments of benefits, a health care cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5%. The UAAL is being amortized using the level dollar method over a period of 30 years on a closed basis.

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1/1/08	$ 0	$ 100,373,898	$ 100,373,898	0%	$ 22,120,281	4.5%
1/1/09	$ 0	$ 103,033,770	$ 103,033,770	0%	$ 20,216,181	5.1%
1/1/10	$ 0	$ 112,292,823	$ 112,292,823	0%	$ 20,005,831	5.6%
1/1/11	$ 0	$ 114,226,534	$ 114,226,534	0%	$ 18,557,400	6.1%

NOTE 8: RISK MANAGEMENT

Workers' Compensation Self-Insurance

The County has elected to self-insure the potential obligations applicable to workers' compensation. The County established an Internal Service Fund to account for all the transactions associated with workers' compensation.

The County has elected to retain a portion of the Risk of Loss from Workers' Compensation claims by reducing insurance coverage to obtain benefits of reduced premium costs. The County provides coverage up to a maximum of $1,000,000 for each Workers' Compensation claim and has purchased insurance coverage for excess obligations over the $1,000,000 limit.

As required by the Pennsylvania Department of Labor and Industry, the County has established a trust account for workers' compensation with a cash and investment balance of $996,034 at December 31, 2011. The purpose of the account is to provide a source of funds for claimants entitled to benefits under Article III Section 305 of the Pennsylvania Workers' Compensation Act in case the County could not pay claims.

The accrued liability for workers' compensation claims is determined by an actuary in accordance with actuarial principles; such claims are not discounted for workers' compensation.

There have been no significant reductions in insurance coverage from coverage in the prior year and the amount of settlements have not exceeded insurance coverage for each of the past three years.

NOTE 9: LONG-TERM OBLIGATIONS

Long-term obligations outstanding at December 31, 2011, consisted of the following:

	Governmental Activities	Business-Type Activities	Total Long-term Obligations
General Obligation Bonds	$ 9,378,842	$ 996,158	$ 10,375,000
Unamortized Bond Premium	190,490	-	190,490
Capital Leases	1,536,286	1,188,586	2,724,872
Compensated Absences	3,551,392	758,710	4,310,102
Workers' Compensation Liability	1,342,880	-	1,342,880
	$ 15,999,890	$ 2,943,454	$ 18,943,344

A summary of changes in long-term obligations is show on the table on the following page.

	Governmental Activities				911 Fund			Rest Haven Nursing Home		Internal Service Fund	
	General Obligation Bonds Payable	Amortized Bond Premium	Capital Lease Obligations	Compensated Absences	General Obligation Bonds Payable	Capital Lease Obligations	Compensated Absences	Capital Lease Obligations	Compensated Absences	Workers' Compensation Liability	Total Long-term Debt
Outstanding at January 1, 2011	$ 11,301,842	$ 262,869	$ 1,308,679	$ 3,867,187	$1,203,158	$1,100,193	$ 236,443	$ 230,434	$ 602,634	$ 1,056,926	$ 21,170,365
Additions:			330,188								330,188
General Obligation Debt Principal Retirements	(1,923,000)				(207,000)						(2,130,000)
Capital Lease Payments			(102,581)			(129,373)		(12,668)			(244,622)
Amortization of Bond Premium		(72,379)									(72,379)
Increase (Decrease) in Compensated Absences				(315,795)			(5,367)		(75,000)		(396,162)
(Decrease) in Workers" Comp. Liability										285,954	285,954
Outstanding at December 31, 2011	$ 9,378,842	$ 190,490	$ 1,536,286	$ 3,551,392	$ 996,158	$ 970,820	$ 231,076	$ 217,766	$ 527,634	$ 1,342,880	$ 18,943,344

An analysis of debt service requirements to maturity on these obligations follows with the exception of accrued vacation pay, accrued sick time, workers' compensation liability, unamortized bond premium, and capital lease obligations. For analysis of capital lease obligations see Note 10.

NOTE 9: Long Term Obligations Continued

The following table summarizes long-term bonds principal and interest payments for debt outstanding as of December 31, 2011:

Years Ending December 31	Principal Requirements	Interest Requirements	Total Debt Requirements
2012	2,215,000	413,448	2,628,448
2013	2,345,000	302,698	2,647,698
2014	2,420,000	231,035	2,651,035
2015	1,545,000	121,660	1,666,660
2016	655,000	69,902	724,902
2017-2020	910,000	106,775	1,016,775
2021-2025	185,000	44,547	229,547
2026	100,000	2,585	102,585
	$ 10,375,000	$ 1,292,650	$ 11,667,650
To be Retired by:			
Business-type Activities	$ 996,158	$ 116,338	$ 1,112,496
Governmental Activities	9,378,842	1,176,312	10,555,154
	$ 10,375,000	$ 1,292,650	$ 11,667,650

NOTE 9: Long Term Obligations Continued

The following is a summary of the bonds outstanding as of December 31, 2011:

Amount of Original Issue	Purpose	Balance Outstanding December 31, 2011	Amounts due within one Year
$ 17,255,000	General Obligation Bonds, Series of 2008 issued to currently refund all of the General Obligation Variable Rate Bonds, Series of 2000, all of the General Obligation Bonds, Series of 2002, all of the General Obligation Bonds, Series A of 2002, all of the General Obligation Note, Series of 2006, and the related costs and expenses related to issuing and insuring the Bonds. Interest rates vary from 3.00% to 5.00% over the life of the Bonds	$ 10,375,000	
			$ 2,215,000
Total General Obligations Debt at December 31, 2011		$ 10,375,000	$ 2,215,000

NOTE 10: CAPITAL LEASES

In March 2011, the County entered into a Capital Lease with Ford Motor Credit Company to finance the purchase of two vehicles. The amount of the Capital Lease is $63,612 with a lease rate of 6.00% over a 3- year term. The Capital Lease payments are calculated as annual payments of $21,204. Payments began on March 2011, and will continue for 2 years through March 2013.

In May 2011, the County entered into a Capital Lease with Digital Leasing in order to provide copier leasing services to various county departments and agencies. The amount of the Capital Lease is $99,120. Payments are calculated as monthly payments of $1,652. The payments began on June 1, 2011, and will continue for 5 years through May 31, 2016.

In May 2011, the County entered into a Capital Lease with Pitney Bowes in order to provide the courthouse with a postage mailing system. The amount of the Capital Lease is $20,640. Payments are calculated at $344 for 60 months. Payments began on May 30, 2011, and will continue through April 30, 2016.

NOTE 10: Capital Leases Continued

In October 2011, the County entered in to a Capital Lease with Digital Leasing in order to provide copier leasing services to the Children and Youth Agency. The amount of the Capital Lease is $9,600. Payments are calculated at $160 for 60 months. Payments began on October 14, 2011, and will continue for 5 years through October 13, 2016.

During October 2011, the County entered into a Capital Lease with the Pennsylvania State University in order to finance the purchase of various High End Notebooks and a sound bar. The amount of the Capital Lease is $6,995 with 4-year term. The first payment of $1,760 was made in October 2011. Future payments of $1,745 will continue for 3 years through October 2014.

In November 2011, the County entered into a Capital Lease with The Pennsylvania State University in order to finance a server. The amount of the Capital Lease is $2,699 for a 5-year term. The first payment of $583 was made in November 2011. Future payments of $529 will continue for 4 years through November 2015.

In April 2009, the County entered into a Capital Lease with Ford Motor Credit Company in order to finance the purchase of a vehicle. The amount of the Capital Lease is $30,261 with a lease rate of 6.41% over the 3-year term of the lease. The Capital Lease payments are calculated as annual payments of $10,720. Payments began on April 2009, and will continue for 3 years through April, 2011.

In September 2008, the County entered into a Capital Lease with M&T Bank in order to finance the purchase of Energy Performance Upgrades for the Courthouse and Rest Haven Nursing through PPL Energy Services. The total amount of the Capital Lease is $1,897,448 with a lease rate of 4.551% over the 15-year term of the lease. The Capital Lease payments are calculated as annual payments of $43,090 based on the amount already incurred. Payments are scheduled to begin July 1, 2009, and will continue for 15 years through April 1, 2024.

In July 2008, the County entered into a Capital Lease with Motorola, Inc. in order to finance the purchase of 911 software, equipment and implementation. The amount of the Capital Lease is $2,248,000 with a lease rate of 3.906% over the 10-year term of the lease. The Capital Lease payments are calculated as quarterly payments of $42,384. Payments began on August 1, 2009, and will continue for 10 years through May 1, 2018.

In May 2008, the County entered into a Capital Lease with Ford Motor Credit Company in order to finance the purchase of a vehicle. The amount of the Capital Lease is $26,863 with a lease rate of 5.95% over the 3-year term of the lease. The Capital Lease payments are calculated as annual payments of $9,600. Payments began on May 31, 2009, and will continue for 3 years through May 31, 2011.

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Leasehold Assets	$ 1,770,662	$ 2,496,393
Less: Accumulated Depreciation	319,534	834,754
	$ 1,451,128	$ 1,661,639

NOTE 10: Capital Leases Continued

Future minimum lease payments under the agreements together with present value of the net minimum lease payments are as follows:

Years Ending December 31	Governmental Activities	Business-type Activities	Total
2012	$ 203,565	$ 192,478	$ 396,043
2013	203,565	192,479	396,044
2014	181,704	192,477	374,181
2015	177,988	192,478	370,466
2016	161,738	192,478	354,216
2017-2020	593,456	346,067	939,523
2021-2024	519,274	80,291	599,565
Total Payments	$ 2,041,290	$ 1,388,748	$ 3,430,038
Less: Amounts representing interest	(505,005)	(200,162)	(705,167)
Total Present value minimum Lease Payments	$ 1,536,285	$ 1,188,586	$ 2,724,871

NOTE 11: INTERFUND BALANCES

Interfund receivable and payable balances of each individual fund as of December 31, 2011, are as follows:

Government Fund Types	Due From Other Funds	Due to Other Funds
General Fund	$ 3,082,218	$ 1,459,221
Debt Service Fund	-	8,340
Capital Reserves	800,000	-
Special Revenue Funds:		
Domestic Relations Office	-	467,197
Drug and Alcohol	-	11,680
Mental Health/Developmental Services	33,652	20,456
Children and Youth Services	-	2,468,521
Office of Senior Services	6,664	105,192
Other Agency	-	725
Conduit Funds	7563	-
Total Special Revenue Funds	47,879	3,073,771
Total Government Fund Types	$ 3,930,097	$ 4,541,332
Proprietary Fund Types		
Rest Haven Nursing Home	5,472	741,810
911 Operations	5,340	647
Internal Service	1,342,880	-
Total Proprietary Funds	1,353,692	742,457
	$5,283,789	$5,283,789

NOTE 11: Interfund Balances Continued

These balances exist because the General Fund, Debt Service Fund, Capital Reserves Fund, Domestic Relations Fund, Drug and Alcohol Fund, Mental Health/Developmental Services Fund, Children and Youth Fund, Office of Senior Services Fund, Conduit Funds, Rest Haven Nursing Home, 911 Operations and Internal Service Fund have funded the expenditure or expenditures or expenses of other funds. These amounts have not been repaid at December 31, 2011.

Interfund transfers are executed as a result of the requirement for certain funds to fund a portion of the expenditures or expenses of other funds. The amounts transferred for the year ended December 31, 2011, are as follows:

Government Fund Types	Transferred From Other Funds	Transferred to Other Funds
General Fund	$ 3,514,793	$ 7,511,450
Debt Service Fund	73,221	-
Capital Projects Fund	2,315,288	73,021
Special Revenue Funds		
Human Service Complex	249,984	73,220
Liquid Fuels Tax	-	217,259
Domestic Relations Office	667,099	552,121
Drug and Alcohol	23,845	151,459
Mental Health/Developmental Services	368,006	97,634
Children and Youth Services	2,168,757	1,462,989
Office of Senior Services	4,122	814,221
Other Agency	8,878	272,789
Transportation	221,847	-
Demolition	36,527	-
Conduit	-	192,741
SCBG	-	36,527
Total Special Revenue Funds	3,749,065	3,870,960
Total Government Fund Types	9,652,367	11,455,431
Proprietary Fund Types		
Rest Haven Nursing Home	373,021	582,790
911 Operations	1,422,089	-
Internal Service	590,744	-
Total Proprietary Fund Types	903,622	582,792
Total	$ 12,038,221	$12,038,221

NOTE 12: OPERATING LEASES

The County leases office space under several operating lease agreements which have expiration dates ranging from 2011 to 2015. Some of the agreements contain renewal provisions at the County's option. The following is a schedule of the future minimum rental payments to be made under the various leases as of December 31, 2011:

NOTE 12: Operating Leases Continued

Years	Courts	Agencies	Certain Other Departments	Total
2012	$ 167,780	$ 111,803	$ 179,424	$ 459,007
2013	167,780	111,803	179,424	459,007
2014	167,780	111,803	179,424	459,007
2015	167,780	111,803	179,424	459,007
2016	167,780	111,803	179,424	459,007
	$ 838,900	$ 559,015	$ 897,120	$2,295,035

Expense incurred by the County under these leases in 2011 was $459,007.

NOTE 13: LITIGATION

In the normal course of business, there are various claims and suits pending against the County and its elected officials. Management is of the opinion that these matters will not have a material adverse effect on the County's financial position at December 31, 2011.

NOTE 14: CONTINGINCIES

Loan Guarantee

In May 2009 the County guaranteed part of a loan to Boscov's Department Stores, LLC in the amount of $5,833,000. The County is part of the Pennsylvania Loan Consortium consisting of six counties. Neither the general credit nor the taxing power of the County is pledged for any payment. Boscov's Department Stores, LLC is responsible to make the principal and the interest payments on the loan.

SCHUYLKILL COUNTY

REQUIRED SUPPLEMENTAL

INFORMATION

SCHUYLKILL COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED DECEMBER 31, 2011

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)]
1/1/2008	97,213,001	95,781,127	(1,431,874)	1	26,094,042	-5.50%
1/1/2009	90,642,099	101,240,012	10,598,013	89.5%	26,268,179	40.30%
1/1/2010	88,175,275	106,027,742	17,852,467	83.2%	27,521,360	64.87%
1/1/2011	92,959,297	111,277,577	18,318,280	83.5%	27,323,547	67.00%
1/1/2012	97,595,446	115,921,028	18,325,582	84.2%	27,725,849	66.10%

SCHUYLKILL COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED DECEMBER 31, 2011

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)]
1/1/2008	-	100,373,898	100,373,898	0.0%	$ 22,120,281	4.50%
1/1/2009	-	103,033,770	103,033,770	0.0%	20,216,181	5.10%
1/1/2010	-	112,292,823	112,292,823	0.0%	20,005,831	5.61%
1/1/2011	-	114,226,534	114,226,534	0.0%	18,557,400	6.10%

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Real Estate Taxes	$ 26,575,168	$ 26,575,168	$ 27,653,972	$ 1,078,804
Per Capita Taxes	391,586	391,586	391,597	11
Hotel Tax	186,000	186,000	216,790	30,790
Grants and Gifts	4,080,851	4,183,851	3,319,074	(864,777)
Interest and Royalties	175,000	175,000	83,936	(91,064)
Charges for Services	7,988,073	8,002,148	8,198,484	196,336
Other Revenue	1,460,023	1,675,787	4,040,925	2,365,138
Total Revenues	40,856,701	41,189,540	43,904,778	2,715,238
Expenditures				
General Government - Administrative				
Commissioners	297,307	297,307	281,377	15,930
Solicitor	169,538	219,201	221,660	(2,459)
County Administrator	266,178	285,378	280,410	4,968
Maintenance	852,379	1,031,979	990,432	41,547
Voter Registration and Elections	613,905	613,905	472,311	141,594
Central Services	391,777	391,777	349,446	42,331
Tax Assessment	558,090	558,090	510,749	47,341
Treasurer	705,666	714,892	717,522	(2,630)
Tax Claim	434,273	434,273	412,702	21,571
Controller	356,372	356,372	338,952	17,420
Engineering and Real Estate	97,396	90,396	14,961	75,435
Planning and Zoning	208,634	215,634	160,695	54,939
Recorder of Deeds	441,871	441,871	370,828	71,043
Data Processing	557,565	557,565	495,676	61,889
Records Management	175,648	175,648	166,655	8,993
Personnel	223,980	226,260	218,214	8,046
Public Defender	13,542	13,742	12,364	1,378
Veteran Affairs	156,780	156,780	132,610	24,170
Grant Writer	-	-	6,063	(6,063)
Tax Refunds	60,883	60,883	-	60,883
Insurances	902,890	902,890	661,553	241,337
Contributions to Various Agencies	558,015	489,672	457,184	32,488
Systems	-	-	-	-
Other	-	30,000	532,020	(502,020)
Total-General Government Administrative	8,042,689	8,264,515	7,804,384	460,131
Public Safety				
Adults in Non-County Institutions	12,000	12,600	12,103	497
County Prison	4,585,934	4,585,934	4,221,968	363,966
Emergency Management	246,907	319,907	221,180	98,727
Contributions to Various Agencies	19,119	19,119	19,119	-
Other	-	-	-	-
Total -Public Safety	4,863,960	4,937,560	4,474,370	463,190
Public Works				
Engineering	1,825,637	1,825,637	1,531,123	294,514
Contributions to Various Agencies	9,057	9,057	7,698	1,359

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Other	-	-	-	-
Total - Public Works	1,834,694	1,834,694	1,538,821	295,873
General Government - Judicial				
Register of Wills	295,454	295,454	261,597	33,857
Sheriff	1,027,124	1,042,738	963,994	78,744
Coroner	348,252	348,252	260,153	88,099
Prothonotary	356,757	356,757	345,823	10,934
Clerk of Courts	499,601	499,601	449,284	50,317
Public Defender	655,570	655,370	636,995	18,375
District Attorney	1,387,407	1,387,407	1,296,901	90,506
Law Library	275,991	275,991	259,561	16,430
Courts	1,720,015	1,720,015	1,609,137	110,878
District Justices	1,165,973	1,165,973	1,100,185	65,788
Constables	15,000	15,000	7,847	7,153
Jury Commissioners	25,988	25,988	25,922	66
Adult Probation	1,789,137	1,789,137	1,693,014	96,123
Juvenile Probation	1,068,234	1,074,732	1,003,728	12,385
Other				-
Total-General Government - Judicial	10,630,503	10,652,415	9,914,141	679,655
Conservation and Development				
Coal Lands	77,709	77,709	62,557	15,152
Economic Development	105,742	105,742	43,582	62,160
Solid Waste Management	100,117	100,117	88,220	11,897
Recycling Program	394,398	394,398	330,627	63,771
West Nile Virus	-	-	-	-
Parks and Recreation	240,803	240,803	226,841	13,962
Agricultural Extension	319,226	319,226	287,021	32,205
Soil Conservation	374,960	405,680	401,126	4,554
Contributions to Various Agencies	295,147	295,147	267,870	13,907
Other	-	-	39,260	(39,260)
Total - Conservation and Development	1,908,102	1,938,822	1,747,104	178,348
Culture and Recreation				
Contributions to Various Agencies	292,770	331,370	317,172	14,198
Human Services				
Human Services Administration	229,529	229,529	216,935	12,594
Contributions to Various Agencies	57,873	57,873	55,873	
Other	-	-	-	-
Total-Human Services	287,402	287,402	272,808	12,594
Fringe Benefits	14,996,520	15,013,520	13,501,114	1,512,406
Capital Projects	-	-	-	-
Total Expenditures	42,856,640	43,260,298	39,569,914	3,616,395

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Excess of Revenues Over (Under) Expenditures	(1,999,939)	(2,070,758)	4,334,864	6,405,622
Other Financing Sources (Uses)				
Operating Transfers In				
Drug and Alcohol	93,000	93,000	123,252	30,252
Mental Health/Developmental Services	70,000	70,000	92,567	22,567
Children and Youth Services	1,027,000	1,027,000	1,136,792	109,792
Domestic Relations Office	575,409	575,409	551,206	(24,203)
Juvenile Training	71,278	71,278		(71,278)
Offender Supervision	62,220	62,220	62,220	-
Liquid Fuels Tax	-	-	217,259	217,259
Office of Senior Services	548,217	548,217	695,988	147,771
Conduit Fund	138,750	138,750	130,521	(8,229)
Human Services				-
Hazmat	35,000	35,000		(35,000)
Transportation	45,000	45,000		(45,000)
Highway Safety				-
Community Development Block Grant				-
Driving Under the Influence	25,000	25,000		(25,000)
Conservation District				-
Rest Haven	365,499	365,499	332,987	(32,512)
911	90,000	90,000	-	(90,000)
Internal Service				-
Other Funds	73,000	73,000	172,002	99,002
	3,219,373	3,219,373	3,514,794	295,421
Operating Transfers (Out)				
Farmland Preservation				-
Mental Health/Developmental Services	270,577	270,577	270,577	-
Children and Youth Services	2,435,818	2,435,818	2,000,000	435,818
Adult Probation				-
Domestic Relations Office	667,099	667,099	667,099	-
Office of Senior Services	-	-		-
Drug and Alcohol	15,811	15,811	15,811	-
Transportation Fund	221,847	221,847	221,847	-
Human Services Complex	40,317	40,317		40,317
Capital Projects	179,249	2,494,749	2,315,288	179,461
Other Funds	-	-	298,740	(298,740)
Rest Haven	-	300,000	300,000	
911 Tariff Fund	910,000	1,422,089	1,422,089	-
Total Operating Transfers (Out)	4,740,718	7,868,307	7,511,451	356,856
Total Other Financing Sources (Uses)	(1,521,345)	(4,648,934)	(3,996,657)	(652,277)
Excess of Revenue Over Expenditures and Other Financing Uses	(3,521,284)	(6,719,692)	338,207	(7,057,899)
Fund Balances - Beginning of Year	-	-	13,929,588	13,929,588
Fund Balances - End of Year	$ (3,521,284)	$ (6,719,692)	$ 14,267,795	$ 6,871,689

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OFFICE OF SENIOR SERVICES- SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Grants and Gifts	$ 6,950,599	$ 6,985,695	$ 6,797,130	$ (188,565)
Interest and Royalties	945	945	760	(185)
Charges for Services	94,248	94,248	196,736	102,488
Other General Revenue	61,205	61,205	44,755	(16,450)
Total Revenues	7,106,997	7,142,093	7,039,381	(102,712)
Expenditures				
General Government	-	-	-	-
Judicial Government	-	-	-	-
Human Services	7,015,082	7,127,377	6,178,350	949,027
Capital Projects	91,915	54,716	50,932	(3,784)
Total Expenditures	7,106,997	7,182,093	6,229,282	949,027
Excess of Revenues Over (Under) Expenditures	-	(40,000)	810,099	850,099
Other Financing Sources (Uses)				
Operating Transfers In	-	-	4,122	4,122
Operating Transfers (Out)	-	-	(814,221)	(814,221)
Total Other Financing Sources (Uses)	-	-	(810,099)	(810,099)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(40,000)	-	40,000
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ (40,000)	$ -	$ 40,000

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MENTAL HEALTH/DEVELOPMENTAL SERVICES - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Grants and Gifts	$ 6,886,607	$ 7,099,992	$ 7,184,709	$ 84,717
Interest and Royalties	3,000	3,000	3,209	209
Charges for Services	70,086	117,416	21,338	(96,078)
Total Revenues	6,959,693	7,220,408	7,209,256	(11,152)
Expenditures				
Human Services	7,227,270	7,590,181	7,473,958	116,223
Capital Projects	3,000	7,000	5,670	1,330
Total Expenditures	7,230,270	7,597,181	7,479,628	117,553
Excess of Revenues Over (Under) Expenditures	(270,577)	(376,773)	(270,372)	106,401
Other Financing Sources (Uses)				
Operating Transfers In	270,577	237,501	368,006	130,505
Operating Transfers (Out)	-	-	(97,634)	(97,634)
Total Other Financing Sources (Uses)	270,577	237,501	270,372	32,871
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	(139,272)	-	139,272
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ (139,272)	$ -	$ 139,272

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILDREN AND YOUTH - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Grants and Gifts	$ 14,087,912	$ 14,087,912	$ 12,656,421	$ (1,431,491)
Interest and Royalties	1,600	1,600	1,115	(485)
Charges for Services	902,630	902,630	535,108	(367,522)
Total Revenues	14,992,142	14,992,142	13,192,644	(1,799,498)
Expenditures				
Human Services	17,403,960	17,404,960	13,892,210	3,512,750
Capital Projects	24,000	23,000	6,202	16,798
Total Expenditures	17,427,960	17,427,960	13,898,412	3,529,548
Excess of Revenues Over (Under) Expenditures	(2,435,818)	(2,435,818)	(705,768)	1,730,050
Other Financing Sources (Uses)				
Operating Transfers In	2,435,818	2,435,818	2,168,757	(267,061)
Operating Transfers (Out)	-	-	(1,462,989)	(1,462,989)
Total Other Financing Sources (Uses)	2,435,818	2,435,818	705,768	(1,730,050)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	$ -	$ -	$ -	$ -

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -LIQUID FUELS - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Grants and Gifts	$ 600,000	$ 600,000	$ 704,807	$ 104,807
Interest and Royalties	106,000	106,000	19,833	(86,167)
Charges for Services	-	-	64	64
Total Revenues	706,000	706,000	724,704	18,704
Expenditures				
Public Works	314,985	349,985	105,812	244,173
Capital Projects	1,177,500	1,142,500	572,054	570,446
Total Expenditures	1,492,485	1,492,485	677,866	814,619
Excess of Revenues Over (Under) Expenditures	(786,485)	(786,485)	46,838	795,915
Other Financing Sources (Uses)	-	-	-	
Operating Transfers (Out)	-	-	(217,259)	(217,259)
Total Other Financing Sources (Uses)	-	-	(217,259)	(217,259)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(786,485)	(786,485)	(170,421)	578,656
Fund Balances - Beginning of Year	-	-	5,737,862	5,737,862
Fund Balances - End of Year	$ (786,485)	$ (786,485)	$ 5,567,441	$ 6,316,518

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OTHER AGENCY - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2011

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
Revenues				
Grants and Gifts	$ 3,673,489	$ 3,723,489	$ 3,397,566	$ (325,923)
Interest and Royalties	26,814	26,814	5,120	(21,694)
Charges for Services	-	-	99	99
Other General Revenue	84,307	84,307	21,152	(63,155)
Total Revenues	3,784,610	3,834,610	3,423,937	(410,673)
Expenditures				
General Government	-	-	-	-
Judicial Government	1,820,792	1,820,792	1,817,463	3,329
Human Services	2,018,778	2,171,668	1,404,972	766,696
Capital Projects	-	-	-	-
Total Expenditures	3,839,570	3,992,460	3,222,435	770,025
Excess of Revenues Over (Under) Expenditures	(54,960)	(157,850)	201,502	359,352
Other Financing Sources (Uses)				
Operating Transfers In	-	-	8,878	8,878
Operating Transfers (Out)	-	-	(272,789)	(272,789)
Total Other Financing Sources (Uses)	-	-	(263,911)	(263,911)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(54,960)	(157,850)	(62,409)	95,441
Fund Balances - Beginning of Year	-	-	62,409	-
Fund Balances - End of Year	$ (54,960)	$ (157,850)	$ -	$ 95,441