COUNTY OF SCHUYLKILL
POTTSVILLE, PENNSYLVANIA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

COUNTY OF SCHUYLKILL

YEAR ENDED DECEMBER 31, 2014

CONTENTS

	Page
Independent Auditors' Report on Financial Statements	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position – Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Statement of Fiduciary Net Position – Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	26
Notes to Financial Statements	27-69
Required Supplemental Information	
Employee Retirement Plan Schedule of Employer Contributions and Funding Progress	70
Schedule of Funding Progress – Postemployment Benefits Other than Pensions	71
Schedule of Changes in the Net Pension Liability and Related Ratios	72
Schedule of Contributions – Last 10 years	73
Schedule of Investment Returns	74
General Fund – Budgetary Comparison Schedule	75-76
Children and Youth – Budgetary Comparison Schedule	77
Other Agencies Fund – Budgetary Comparison Schedule	78
Other Supplemental Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund	79

Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

County Commissioners
County of Schuylkill
Pottsville, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the COUNTY OF SCHUYLKILL, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the COUNTY OF SCHUYLKILL's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component units' financial statements for the Schuylkill County Transit Authority, which represents 100% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report 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 unit, each major fund, and the aggregate remaining fund information of the COUNTY OF SCHUYLKILL, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoptions of New GASB's

As discussed in Note 1 to the financial statements in 2014 the County adopted the provisions of Governmental Accounting Standards Board's Statement No. 67, *"Financial Reporting for Pension Plans – an amendment to GASB Statement No. 25",* Statement No. 69, "*Government Combinations and Disposals of Government Operations*", and Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*". Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions and funding progress, schedule of funding progress for postemployment benefits other than pensions, schedule of changes in the net pension liability and related ratios, schedule of contributions - last 10 years, schedule of investment returns, and budgetary comparison schedules on pages 4 through 15 and pages 70 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Schuylkill's basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund on page 80 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Debt Service Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the COUNTY OF SCHUYLKILL's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Harrisburg, Pennsylvania
September 30, 2015

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, 2014.

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, 2014.

FINANCIAL HIGHLIGHTS

- For Fiscal year 2014, the County's total real estate millage rate increased from 11.98 mills to 13.98 mills. The levy for general purposes was increased from 11.42 mills to 13.83 mills and the levy for debt purposes was decreased from .56 mills to .15 mills.

- The County had $21,245,000 of General Obligation Debt outstanding at the end of the year. This was a decrease of $730,000 or 3.32% from the previous year.

- The General Fund Unassigned Fund Balance was $12,980,867 at the end of the year.

- The underlying rating from Standard & Poor's Rating Services on the General Obligation Debt remained at A+.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's 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 required and 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 Position* 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 Position* presents information on all of the County's assets and deferred outflows of resources and liabilities, except fiduciary funds, with the difference between the two reported as *Net Position.* Net Position is one way to measure the County's financial health or position. Over time, increases or decreases in net position 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 financial position of the County.

The *Statement of Activities* presents information showing how the government's net position 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, conservation/development and economic 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 a legally separate entity which is financially accountable to the County (known as component unit). This component unit is the Schuylkill County Transportation Authority. Financial information for this component unit 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 16 thru 17 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 page 19 of this report.

Schuylkill County maintains the following three major governmental funds: the General Fund, Children and Youth Fund, and the Other Agencies Fund. The County also maintains twenty-two non-major governmental funds that are combined into a single, aggregated presentation entitled "Other Governmental Funds."

The governmental fund financial statements can be found on pages 18 thru 21 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 22 thru 24 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 position. A statement of changes in fiduciary net position is presented for the employee's retirement 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 25 thru 26 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 27 thru 69 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

This is the twelfth 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 Position

Schuylkill County's net position as of December 31, 2014 and December 31, 2013 are presented below:

County's Net Position as of December 31, 2014 and 2013

	Governmental Activities		Business-Type Activities	
	2014	2013	2014	2013
Other Assets	$ 46,250,210	$ 47,731,640	$ 4,113,377	$ 5,345,358
Capital Assets, Non-Depreciable	5,132,348	4,122,524	14,678,796	12,748,450
Capital Assets, Depreciable	21,840,468	22,551,329	8,809,658	4,520,030
Total Assets	73,223,026	74,405,493	27,601,831	22,613,838
Deferred Loss on Refunding	42,196	45,489	-	-
Other Liabilities	9,602,202	13,181,740	2,346,527	2,959,920
Long-term Liabilities	36,669,995	34,387,928	26,133,901	21,546,374
Total Liabilities	46,272,197	47,569,668	28,480,428	24,506,294
Net Position:				
Net Investment in Capital Assets	23,031,560	18,479,526	3,284,633	1,234,352
Restricted	13,670,243	14,337,992	-	-
				-
Unrestricted	(9,708,778)	(5,936,201)	(4,163,230)	(3,126,808)
Total Net Position	$ 26,993,025	$ 26,881,314	$ (878,597)	$ (1,892,456)

Net position of the County's governmental activities was $26,993,025. Of this amount, $23,031,560 represents the net investment in capital assets, while $13,670,243 was restricted for various purposes. The unrestricted net position balance as of the end of the year was ($9,708,778).

Net position of the County's business-type activities were ($878,597). Of this amount, $3,284,633 represents the net investment in capital assets. The unrestricted net position balance as of the end of the year was ($4,163,230).

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

County's Changes in Net Position

	Governmental Activities		Business Type Activities	
	2014	2013	2014	2013
Revenues:				
Program Revenues:				
Charges for Services	$ 8,873,151	$ 8,760,367	$ 10,790,279	$ 10,147,964
Operating Grants & Contributions	42,335,089	42,837,442	1,823,764	2,175,502
General Revenues:				
Taxes	35,834,691	29,067,742	-	-
Interest, Invest. Earnings & Royalties	158,212	166,862	12,875	5,029
Miscellaneous	4,464,711	1,491,786	1,366,073	984,734
Total Revenues	$ 91,665,854	$ 82,324,199	$ 13,992,991	$ 13,313,229
Expenses:				
General Government	9,577,099	3,660,342	-	-
Judicial Government	19,541,071	19,862,616	-	-
Public Safety	8,422,590	9,167,234	-	-
Public Works	2,496,864	1,455,434	-	-
Human Services	41,018,102	44,948,958	-	-
Culture/Recreation	2,028,896	1,424,194	-	-
Conservation/Development	3,678,144	2,394,065	-	-
Economic Development	-	-	-	-
Interest on Long-Term Debt	195,803	271,688	-	-
911 Fund	-	-	5,477,425	4,634,510
Nursing Home	-	-	12,343,471	13,418,179
Total Expenses	86,958,569	83,184,531	17,820,896	18,052,689
Change in Net Position before Losses and Transfers	4,707,285	(860,332)	(3,827,905)	(4,739,460)
Net Operating Transfers	(4,595,574)	(2,250,623)	4,595,574	2,250,623
Changes in Net Position	111,711	(3,110,955)	767,669	(2,488,837)
Net Position-Beginning -Restated	26,881,314	29,992,269	(1,646,266)	596,381
Net Position-Ending	$ 26,993,025	$ 26,881,314	$ (878,597)	$ (1,892,456)

During 2014, the total net position of the County's governmental activities increased by $111,711 or less than 1% to $26,993,025. The increase resulted from revenues exceeding expenses for the year.

For revenues, there was an increase in Taxes by $6,456,073 or 22.21% in comparison to the prior reporting period. A majority of the increase was related to the increase in the real estate millage assessed for 2014.

For expenses, there was an increase in the General Government-Administrative category of $9,577,099 or 94.9% and there was a decrease in the Human Services of $3,930,856 or 8.7%, in comparison to the prior reporting period.

During 2014, the total net position of the County's business-type activities increased by $767,669 to ($878,597). The increase resulted from Operating Transfers In exceeding Change in Net Position.

Governmental Activities and Business-Type Activities

The following table presents the sources of revenues for the fiscal year ended December 31, 2014:

Sources of Revenues

	Governmental Activities		Business-Type Activities	
Revenues				
Charges for Services	$ 8,873,151	9.68%	$ 10,790,279	77.11%
Operating Grants & Contributions	42,335,089	46.18%	1,823,764	13.04%
Taxes	35,834,691	39.09%	-	
Interest, Investments, Earnings & Royalties	158,212	.17%	12,875	0.09%
Miscellaneous	4,464,711	4.87%	1,366,073	9.76%
Total Revenues	$ 91,665,854	100.00%	$ 13,992,991	100.00%

The following table presents the functional expenses for the fiscal year ended December 31, 2014:

Functional Expenses

	Governmental Activities		Business-Type Activities	
Expenses				
General Government	$ 9,577,099	11.01%	-	
Judicial Government	19,541,071	22.47%	-	
Public Safety	8,422,590	9.68%	-	
Public Works	2,496,864	2.87%	-	
Human Services	41,018,102	47.17%	-	
Culture/Recreation	2,028,896	2.33%	-	
Conservation/Development	3,678,144	4.24%	-	
Economic Development	-	0.00%	-	
Interest on Long-Term Debt	195,803	0.23%	-	
911 Fund	-		$ 5,477,425	30.74%
Nursing Home	-		12,343,471	69.26%
Total Expenses	$ 86,958,569	100.00%	$ 17,820,896	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, Children and Youth Fund, and the Other Agencies 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, 2014, Schuylkill County governmental funds reported a combined ending fund balance of $30,807,963. This was an increase of $1,875,972 or 6.48% from the previous year.

General Fund – The General Fund is the primary operating fund of the County. At the end of 2014, the General Fund reported a fund balance of $17,137,720. This was an increase of $2,543,721 or 17.43% from the previous year. The unassigned fund balance in the General Fund was $12,980,867 as of December 31, 2014.

Children and Youth Fund – The Children and Youth Fund accounts for funds received from various federal, state and local sources for the purpose of providing health, safety, and general welfare services to the children and families in Schuylkill County. At the end of 2014, the fund balance for the Children and Youth Fund was reduced to zero.

Other Agencies Fund – The Other Agencies Fund accounts for funds received and expended for Human Services Development Fund, PA Transportation Fund, Bridge Housing Fund, and for Juvenile Training. At the end of 2014, the fund balance for the Other Agencies Fund was reduced to zero.

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 2014, the Nursing Home reported a net position of ($3,484,208). There was a decrease in the deficit by $1,129,464 from the previous year. This decrease was the result of Operating Transfers In exceeding the Loss Before Transfers.

911 Fund – At the end of 2014, the 911 Fund reported a net position of $2,605,611. This was a decrease of $361,795 or 12.19% from the previous year. The decrease occurred as a result of an increase in operating expenses.

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 $50,099,460 to $50,416,050, an increase of $316,590 or .63%. The increase was due to various miscellaneous adjustments. Actual revenues and other financing sources received were $51,829,742 or 1.03% 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 $1,413,692.

The County's original expenditure and other financing uses budget increased from $53,733,255 to $55,124,639 an increase of $1,391,384 or 2.59%. The increase was due to various miscellaneous adjustments. Actual expenditures and other financing uses were $49,286,021 or 89.41% of the final budget. The variance between actual expenditures vs. final budgetary expenditures and other financing uses totaled $5,838,618.

CAPITAL ASSETS

Schuylkill County's investment in capital assets for its governmental and business-type activities as of December 31, 2014 was $50,461,270 (net of accumulated depreciation). This was an increase of $6,518,937 or 14.84% 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 $889,451; this primarily was the result of work in progress for Bridges #113, #200, #7, #30 and #92.
- Buildings and Improvements increased by a net amount of $538,582; this primarily was the result of roof renovation, new air conditioning system, and plumbing upgrades at Prison.
- Infrastructure increased by a net amount of $564,237; this primarily was the result of a transfer in from Construction in Progress for work completed on Bridges #120, #125, #42, and #78.
- Total Accumulated Depreciation increased from $36,759,619 to $38,796,349.

Business-Type Activities

- Construction in Progress increased by a net amount of $1,930,346; this primarily was the result of work performed on the narrowbanding project for 911.
- Leasehold Assets increased by a net amount of $5,059,368; this primarily was the result of a lease agreement to provide portable radios to various emergency responders in the County.
- Total Accumulated Depreciation increased from $13,310,013 to $14,435,049.

The following is a summary of capital assets as of December 31, 2014 and December 31, 2013:

Summary of Capital Assets

	Governmental Activities		Business-Type Activities		Balance at December 31,	Balance at December 31,
	2014	2013	2014	2013	2014	2013
Land	$ 1,000,506	$ 1,000,506	$ 145,927	$ 145,927	$ 1,146,433	$ 1,146,433
Construction In Progress	1,722,828	833,377	14,532,869	12,602,523	16,255,697	13,435,900
Agricultural Easements	2,235,014	2,114,641	-	-	2,235,014	2,114,641
Art Collection	174,000	174,000			174,000	174,000
Land Improvements	2,838,944	2,820,775	228,335	228,335	3,067,279	3,049,110
Buildings & Improvement	23,372,817	22,834,235	9,167,725	8,933,815	32,540,542	31,768,050
Machinery & Equipment	7,005,326	6,994,986	4,817,901	4,686,152	11,823,227	11,681,138
Motor Vehicles	9,317,178	9,270,065	104,374	104,374	9,421,552	9,374,439
Computer Equipment/Software	2,704,189	2,760,895	1,342,747	1,353,110	4,046,936	4,114,005
Infrastructure	13,460,462	12,896,225	-	-	13,460,462	12,896,225
Leasehold Assets	1,937,901	1,733,767	7,583,625	2,524,257	9,521,526	4,258,024
Accumulated Depreciation	(38,796,349)	(36,759,619)	(14,435,049)	(13,310,013)	(53,231,398)	(50,069,632)
Total Capital Assets, Net of Accumulated Depreciation	$ 26,972,816	$ 26,673,853	$ 23,488,454	$ 17,268,480	$ 50,461,270	$ 43,942,333

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 2012, Standard & Poor's Ratings Services raised its underlying rating (SPUR) to 'A+' on Schuylkill County's general obligation debt. This rating remained at 'A+' through 2014.

LONG-TERM DEBT

As of December 31, 2014, Schuylkill County had $21,245,000 in general obligation debt outstanding. This was a decrease of $730,000 from the previous year. The following is a summary of general obligation debt activity during 2014:

Summary of General Obligation Debt Activity

	Governmental Activities	Business-Type Activities	Total
Beginning Balance at January 1, 2014	$ 7,098,015	$ 14,876,985	$ 21,975,000
Addition:			
Debt Issuance	-	-	-
Less:			
Payments/Amortization	250,000	480,000	730,000
Ending Balance at December 31, 2014	$ 6,848,015	$ 14,396,985	$ 21,245,000

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 10 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 $2,535,034,330 in 2013 to $2,546,891,840 in 2014. The real estate tax levy increased from $30,369,727 in 2013 to $35,223,517 in 2014.
- The seasonally adjusted unemployment rate in Schuylkill County was 5.6% as of December 31, 2014. This was higher than the State unemployment rate of 4.8% and the National unemployment rate of 5.6%.
- In September 2015, the County sold Rest Haven, the county nursing home, to Investment 360, a private company. The purchase price is $11,000,000. The sale of the nursing home is expected to save money as an annual subsidy will no longer be required from the General Fund beginning with fiscal year 2016.

NEXT YEAR'S BUDGET AND RATES

For Fiscal Year 2015, the County's total real estate millage will remain the same at 13.98 mills. The General Fund millage will remain the same at 13.83 mills and the Funded Debt millage will remain the same at .15 mills. The 2015 General Fund appropriation was approved at $55,356,282 on December 17, 2014. This was an increase of $1,623,027 from the 2014 General Fund budget.

REQUEST FOR INFORMATION

The separately issued financial statements on the discrete component unit - Schuylkill County Transportation Authority, may be obtained by directly contacting their office.

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 POSITION
DECEMBER 31, 2014

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and Cash Equivalents	$ 27,252,117	$ 3,736,875	$ 30,988,992	$ 993,536
Receivables:				
Taxes (Net)	5,129,225	-	5,129,225	-
Accounts	1,568	1,592,493	1,594,061	-
Notes	570,000	-	570,000	-
Due From Other Governments	3,605,832	-	3,605,832	581,411
Restricted Cash	7,393,619	117,264	7,510,883	1,510,595
Restricted Investments	941,395	-	941,395	-
Internal Balances	1,333,255	(1,333,255)	-	-
Other Assets	23,199	-	23,199	266,739
Capital Assets, Not Being Depreciated	5,132,348	14,678,796	19,811,144	-
Capital Assets (Net)	21,840,468	8,809,658	30,650,126	-
Total Assets	$ 73,223,026	$ 27,601,831	$ 100,824,857	$ 3,352,281
Deferred Outflows of Resources				
Deferred Loss on Refunding	$ 42,196	$ -	$ 42,196	$ -
Total Deferred Outflows of Resources	$ 42,196	$ -	$ 42,196	$ -
Liabilities				
Accounts Payable	$ 4,835,919	$ 975,550	$ 5,811,469	$ 145,286
Accrued Liabilities	1,729,656	446,867	2,176,523	187,464
Unearned Revenues	180,000	-	180,000	2,268,308
Interest Payable	64,434	151,875	216,309	-
Funds Held in Escrow	2,374,610	117,264	2,491,874	-
Long Term Liabilities				
Due within one year				
Capital Lease Obligation	167,583	169,971	337,554	-
General Obligation Debt	250,000	485,000	735,000	-
Due after one year				
General Obligation Debt	6,439,547	13,911,985	20,351,532	-
Post Employment Liability	25,885,078	6,103,144	31,988,222	-
Self Insurance Liability	927,972	-	927,972	-
Capital Lease Obligation	1,208,632	5,636,865	6,845,497	-
Compensated Absences	2,208,766	481,907	2,690,673	67,094
Total Liabilities	$ 46,272,197	$ 28,480,428	$ 74,752,625	$ 2,668,152
Net Position				
Net Investment in Capital Assets	$ 23,031,560	$ 3,284,633	$ 26,316,193	$ -
Restricted for:				
Program Purposes	7,861,318	-	7,861,318	684,129
Capital Projects	4,909,400	-	4,909,400	-
Debt Service	899,525	-	899,525	-
Unrestricted	(9,708,778)	(4,163,230)	(13,872,008)	-
Total Net Position	$ 26,993,025	$ (878,597)	$ 26,114,428	$ 684,129

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

COUNTY OF SCHUYLKILL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

		Program Revenues			Net (Expense) Revenue and Changes In Net Assets			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary government:								
Government activities:								
General Government - Administrative	$ 9,577,099	$ 6,633,854	$ 399,170	$ -	$ (2,544,075)	$ -	$ (2,544,075)	
General Government - Judicial	19,541,071	352,166	4,788,971	-	(14,399,934)	-	(14,399,934)	
Public Safety	8,422,590	77,381	948,726	-	(7,396,483)	-	(7,396,483)	
Public Works	2,496,864	-	1,581,828	-	(915,036)	-	(915,036)	
Human Services	41,018,102	1,464,541	31,362,937	-	(8,190,624)	-	(8,190,624)	
Culture and Recreation	2,028,896	-	1,932,352	-	(96,544)	-	(96,544)	
Conservation and Development	3,678,144	171,741	-	-	(3,506,403)	-	(3,506,403)	
Economic Development	-	173,468	1,321,105	-	1,494,573	-	1,494,573	
Interest on Long Term Debt	195,803	-	-	-	(195,803)	-	(195,803)	
Total governmental activities	86,958,569	8,873,151	42,335,089	-	(35,750,329)	-	(35,750,329)	
Total Primary government	$ 86,958,569	$ 8,873,151	$ 42,335,089	$ -	$ (35,750,329)	$ -	$ (35,750,329)	
Business Type Activities:								
911 Operations	5,477,425	622,614	1,823,764	-	-	(3,031,047)	(3,031,047)	
Nursing Home	12,343,471	10,167,665	-	-	-	(2,175,806)	(2,175,806)	
Total Business-Type	17,820,896	10,790,279	1,823,764	-	-	(5,206,853)	(5,206,853)	
Total Primary Government	$ 104,779,465	$ 19,663,430	$ 44,158,853	$ -	$ (35,750,329)	$ (5,206,853)	$ (40,957,182)	
Component Units:								
Human Services	$ 4,431,254	$ -	$ 3,944,743	$ 510,722				$ 24,211
Total Component Units	$ 4,431,254	$ -	$ 3,944,743	$ 510,722				$ 24,211
General revenues:								
Tax Revenue					35,834,691	-	35,834,691	-
Interest and Rents					158,212	12,875	171,087	-
Transfers					(4,595,574)	4,595,574	-	-
Other					4,464,711	1,366,073	5,830,784	3,387
Total general revenues					35,862,040	5,974,522	41,836,562	3,387
Change in net position					111,711	767,669	879,380	27,598
Net position- beginning of year, as restated (Note 20)					26,881,314	(1,646,266)	25,235,048	656,531
Net position - end of year					$ 26,993,025	$ (878,597)	$ 26,114,428	$ 684,129

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

COUNTY OF SCHUYLKILL
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General Fund	Children and Youth Fund	Other Agencies Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 11,767,182	$ 526,922	$ 2,721,367	$ 12,181,867	$ 27,197,338
Receivables:					
Taxes	5,015,013	-	-	114,212	5,129,225
Accounts	1,568	-	-	-	1,568
Notes	390,000	-	-	180,000	570,000
Due From Other Governments	586,262	1,460,982	73,235	1,485,353	3,605,832
Due From Other Funds	8,960,064	1,492,025	-	1,129,503	11,581,592
Other Assets	-	-	-	23,199	23,199
Restricted Assets					
Cash	2,374,610	-	-	4,961,083	7,335,693
Total Assets	$ 29,094,699	$ 3,479,929	$ 2,794,602	$ 20,075,217	$ 55,444,447
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	$ 1,063,042	$ 1,810,258	$ 296,682	$ 1,636,196	$ 4,806,178
Accrued Liabilities	1,286,418	178,942	-	264,296	1,729,656
Funds Held in Escrow	2,374,610	-	-	-	2,374,610
Unearned Revenues	-	-	-	180,000	180,000
Due To Other Funds	3,194,203	1,490,729	2,497,920	4,324,482	11,507,334
Total Liabilities	7,918,273	3,479,929	2,794,602	6,404,974	20,597,778
Deferred Inflows of Resources:					
Unavailable Tax Revenue	4,038,706	-	-	-	4,038,706
Total Deferred Inflows of Resources	4,038,706	-	-	-	4,038,706
Fund Balances					
Restricted for:					
Program Purposes	-	-	-	7,861,318	7,861,318
Capital Projects	-	-	-	4,909,400	4,909,400
Debt Service	-	-	-	899,525	899,525
Assigned:					
General Fund	4,156,853	-	-	-	4,156,853
Unassigned:					
General Fund	12,980,867	-	-	-	12,980,867
Total Fund Balances	17,137,720	-	-	13,670,243	30,807,963
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 29,094,699	$ 3,479,929	$ 2,794,602	$ 20,075,217	$ 55,444,447

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 POSITION
DECEMBER 31, 2014

Total fund balances for governmental funds		$ 30,807,963
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	1,000,506	
Construction in Progress	1,722,828	
Agricultural Easements	2,235,014	
Works of Art	174,000	
Land Improvements, net of $1,265,470 accumulated depreciation	1,573,474	
Buildings and improvements, net of $16,052,604 accumulated depreciation	7,320,213	
Machinery and Equipment, net of $5,943,026 accumulated depreciation	1,062,300	
Infrastructure, net of $4,844,620 accumulated depreciation	8,615,842	
Computer equipment, net of $1,878,958 accumulated depreciation	825,231	
Leasehold Assets, net of $738,144 accumulated depreciation	1,199,757	
Vehicles, net of $8,073,527 accumulated depreciation	1,243,651	
Total capital assets		26,972,816
Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenue in the funds.		4,038,706
Net position of the Internal Service Fund are included in the governmental activities since they primarily benefit the County's governmental activities		1,355,384
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are 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. Balances at December 31, 2014 are:		
General Obligation Debt	(6,848,015)	
Bond Discount	180,270	
Bond Premium	(21,802)	
Deferred Loss on Refunding	42,196	
Interest Payable	(64,434)	
Capital Lease	(1,376,215)	
Postemployment Liability	(25,885,078)	
Compensated absences	(2,208,766)	
		(36,181,844)
Total net position of governmental activities		$ 26,993,025

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
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Children and Youth Fund	Other Agencies Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 35,074,005	$ -	$ -	$ 449,810	$ 35,523,815
Intergovernmental	3,019,789	12,535,925	9,467,144	17,413,112	42,435,970
Charges for Service	6,506,926	593,500	85,254	1,560,543	8,746,223
Interest and Rents	95,177	484	4,819	57,732	158,212
Miscellaneous Revenue	1,376,614	-	1,718,499	1,369,598	4,464,711
Total Revenues	46,072,511	13,129,909	11,275,716	20,850,795	91,328,931
Expenditures					
Current:					
General Government	9,504,951	-	-	47,173	9,552,124
Judicial and Corrections	15,156,053	-	1,493,846	2,107,098	18,756,997
Public Safety	7,261,418	-	-	723,237	7,984,655
Public Works	941,276	-	-	304,003	1,245,279
Human Services	2,149,192	18,064,483	1,213,517	18,012,868	39,440,060
Culture and Recreation	345,108	-	-	1,444,898	1,790,006
Conservation and Community Development	1,931,457	-	-	1,683,013	3,614,470
Capital Outlay	439,866	13,687	-	1,574,438	2,027,991
Debt Service					
Principal	-	-	-	250,000	250,000
Interest	-	-	-	195,803	195,803
Total Expenditures	37,729,321	18,078,170	2,707,363	26,342,531	84,857,385
Excess of Revenues Over (Under) Expenditures	8,343,190	(4,948,261)	8,568,353	(5,491,736)	6,471,546
Other Financing Sources (Uses):					
Net Operating Transfers	(5,799,469)	4,948,261	(8,568,353)	4,823,987	(4,595,574)
Total Other Financing Sources (Uses)	(5,799,469)	4,948,261	(8,568,353)	4,823,987	(4,595,574)
Net Change in Fund Balances	2,543,721	-	-	(667,749)	1,875,972
Fund Balances - Beginning of Year	14,593,999	-	-	14,337,992	28,931,991
Fund Balances - End of Year	$ 17,137,720	$ -	$ -	$ 13,670,243	$ 30,807,963

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

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

Net change in fund balances - total governmental funds		$ 1,875,972
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay for the current year exceeded depreciation expense in the current period.		298,963
Net income(loss) of the Internal Service Fund is reported in the governmental activities since it primarily benefits the County's governmental funds.		126,928
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Retirements of Long Term Debt		250,000
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following balances.		
Compensated absences	(146,228)	
Bond Premium	1,702	
Bond Discount	(14,069)	
Deferred Loss	(3,293)	
Postemployment Liability	(2,876,793)	
Capital Lease	(63,579)	
Interest Payable	351,232	
		(2,751,028)
Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unearned real estate tax revenue from 12/31/13 to 12/31/14.		310,876
Change in net position of governmental activities		$ 111,711

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

COUNTY OF SCHUYLKILL
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business Type Activities - Enterprise Funds			Governmental Activities
	911 Fund	Rest Haven Fund	Total	Internal Service Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 2,731,345	$ 1,005,530	$ 3,736,875	$ 54,779
Accounts Receivable	111,000	1,481,493	1,592,493	-
Due From Other Funds	-	-	-	1,258,997
Restricted Cash and Cash Equivalents	-	117,264	117,264	57,926
Restricted Investments	-	-	-	941,395
Total current assets	2,842,345	2,604,287	5,446,632	2,313,097
Capital Assets, Not Being Depreciated	14,532,869	145,927	14,678,796	-
Capital Assets, Being Depreciated, (Net)	6,838,916	1,970,742	8,809,658	-
Total noncurrent assets	21,371,785	2,116,669	23,488,454	-
Total assets	24,214,130	4,720,956	28,935,086	2,313,097
LIABILITIES				
Current liabilities:				
Accounts Payable	146,873	828,677	975,550	29,741
Accrued Liabilities	167,876	278,991	446,867	-
Accrued Interest Payable	151,875	-	151,875	-
Funds Held in Escrow	-	117,264	117,264	-
Due to Other Funds	66,489	1,266,766	1,333,255	-
Self Insurance Liability	-	-	-	927,972
Current Portion of Capital Lease	154,790	15,181	169,971	-
Current Portion of Long Term Debt	485,000	-	485,000	-
Total current liabilities	1,172,903	2,506,879	3,679,782	957,713
Noncurrent liabilities:				
Accrued Compensated Absences	80,451	401,456	481,907	-
Postemployment Liability	967,270	5,135,874	6,103,144	-
Noncurrent Portion of Capital Lease	5,475,910	160,955	5,636,865	-
Noncurrent Portion of Long Term Debt	13,911,985	-	13,911,985	-
Total noncurrent liabilities	20,435,616	5,698,285	26,133,901	-
Total liabilities	21,608,519	8,205,164	29,813,683	957,713
NET POSITION				
Net Investment in Capital Assets	1,344,100	1,940,533	3,284,633	-
Restricted for Self-Insurance	-	-	-	1,355,384
Unrestricted	1,261,511	(5,424,741)	(4,163,230)	-
Total Net Position	$ 2,605,611	$ (3,484,208)	$ (878,597)	$ 1,355,384

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

COUNTY OF SCHUYLKILL
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business Type Activities - Enterprise Funds			Governmental Activities
	911 Fund	Rest Haven Fund	Total	Internal Service Fund
Operating Revenues				
Charges for Services	$ 622,614	$ 10,167,665	$ 10,790,279	$ 580,570
Other Revenue	120,839	1,245,234	1,366,073	15,593
Total Operating Revenues	743,453	11,412,899	12,156,352	596,163
Operating Expenses				
Personnel Services	2,026,717	7,086,949	9,113,666	476,882
Contracted Services	666,630	3,826,707	4,493,337	-
Supplies and Materials	20,543	740,676	761,219	-
Utilities	510,900	302,012	812,912	-
Repairs and Maintenance	721,983	48,601	770,584	-
Depreciation	824,440	338,526	1,162,966	-
Total Operating Expenses	4,771,213	12,343,471	17,114,684	476,882
Operating (Loss)/Gain	(4,027,760)	(930,572)	(4,958,332)	119,281
Nonoperating Revenues (Expenses)				
Interest Income	11,731	1,144	12,875	7,647
Intergovernmental Revenues	1,823,764	-	1,823,764	-
Interest Expense	(706,212)	-	(706,212)	-
Total Nonoperating Revenues	1,129,283	1,144	1,130,427	7,647
Loss Before Transfers	(2,898,477)	(929,428)	(3,827,905)	126,928
Transfers In	2,536,682	2,058,892	4,595,574	-
Change in Net Position	(361,795)	1,129,464	767,669	126,928
Net Position - Beginning of Year, as restated	2,967,406	(4,613,672)	(1,646,266)	1,228,456
Net Position - End of Year	$ 2,605,611	$ (3,484,208)	$ (878,597)	$ 1,355,384

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

County of Schuylkill
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2014

	Business Type - Activities - Enterprise Funds			Governmental Activities Internal Service Fund
	911 Fund	Rest Haven Fund	Total	
Cash Flows From Operating Activities				
Receipts from Patient Services	$ -	$ 11,390,164	$ 11,390,164	$ -
Receipts from Emergency Communications Services	697,657	-	697,657	-
Charges for Services	-	-	-	596,163
Payments to Employees	(2,031,995)	(6,957,851)	(8,989,846)	(1,017,706)
Payments to Suppliers	(1,806,904)	(5,494,725)	(7,301,629)	-
Internal Activity - payments from/(to) other funds	59,633	(233,429)	(173,796)	331,798
Net Cash Used in Operating Activities	(3,081,609)	(1,295,841)	(4,377,450)	(89,745)
Cash Flows provided by Noncapital Financing Activities				
Transfer In	2,536,682	2,058,892	4,595,574	-
Grants	1,823,764	-	1,823,764	-
Net Cash Provided by Noncapital Financing Activities	4,360,446	2,058,892	6,419,338	-
Cash Flows from Capital and Related Financing Activities				
General Obligation Debt	(480,000)	-	(480,000)	-
Capital Lease Proceeds/(Payments)	4,910,415	(14,509)	4,895,906	-
Interest Payments	(562,037)	-	(562,037)	-
Capital Expenditures	(7,280,068)	(102,875)	(7,382,943)	-
Net Cash Used in Capital and Related Financing Activities	(3,411,690)	(117,384)	(3,529,074)	-
Cash Flows from Investing Activities				
Investment Activity	-	-	-	50,315
Interest	11,731	1,144	12,875	7,647
Net Cash Provided by Investing Activities	11,731	1,144	12,875	57,962
Net Increase (Decrease) in Cash and Cash Equivalents	(2,121,122)	646,811	(1,474,311)	(31,783)
Cash and Cash Equivalents, Beginning of Year	4,852,467	475,983	5,328,450	144,488
Cash and Cash Equivalents, End of Year	$ 2,731,345	$ 1,122,794	$ 3,854,139	$ 112,705
Displayed as:				
Cash and cash equivalents	$ 2,731,345	$ 1,005,530	$ 3,736,875	$ 54,779
Restricted cash	-	117,264	117,264	57,926
	$ 2,731,345	$ 1,122,794	$ 3,854,139	112,705
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating Gain/(Loss)	$ (4,027,760)	$ (930,572)	$ (4,958,332)	$ 119,281
Adjustments to Reconcile Operating Gain/(Loss) to Net Cash Provided by (Used in) Operating Activities				
Depreciation	824,440	338,526	1,162,966	-
Change in assets and liabilities				
Account Receivable	(45,796)	(22,735)	(68,531)	-
Due from other funds	-	-	-	-
Accounts Payable	113,176	(576,729)	(463,553)	(58,970)
Accrued Liabilities	(24)	(256,737)	(256,761)	(481,854)
Funds Held in Escrow	-	(12,184)	(12,184)	-
Postemployment Liability	137,971	419,943	557,914	-
Accrued Compensated Absences	(143,249)	(21,924)	(165,173)	-
Due to Other Funds	59,633	(233,429)	(173,796)	331,798
Net cash used in operating activities	$ (3,081,609)	$ (1,295,841)	$ (4,377,450)	$ (89,745)

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

COUNTY OF SCHUYLKILL
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2014

	Employee Retirement Trust Fund	Agency Funds
Assets		
Cash and Cash Equivalents	$ 4,269,932	$ 4,518,340
Investments	122,058,570	-
Receivables	121,471	-
Total Assets	$ 126,449,973	$ 4,518,340
Liabilities		
Funds Held in Fiduciary Capacity	$ -	$ 4,518,340
Refunds Payable	521,650	-
Total Liabilities	$ 521,650	$ 4,518,340
Net Position		
Net Position Restricted for Pension	$ 125,928,323	
Total Liabilities and Net Position	$ 126,449,973	

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

COUNTY OF SCHUYLKILL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Employee Retirement Trust Fund
Additions:	
Contributions:	
Employer	$ 2,589,653
Employee	2,561,662
Total Contributions	5,151,315
Investment Income:	
Appreciation in Fair Value of Investments	5,177,085
Interest	1,314,584
Dividends	844,130
Total Investment Income	7,335,799
Less: Investment Expense	(431,324)
Net Investment Gain	6,904,475
Total Additions	12,055,790
Deductions :	
Employee Benefits Paid	7,812,979
Administrative Expenses	6,832
Total Deductions	7,819,811
Net Increase in Net Position	4,235,979
Net Position Restricted for Pensions - Beginning of Year	121,692,344
Net Position Restricted for Pensions - End of Year	$ 125,928,323

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

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

The County of Schuylkill (the "County") is a fourth Class County that was formed on March 1, 1811. The County operates under the direction of an elected Board of Commissioners and provides the following services: general administrative services, tax assessment and collections, judicial, culture and recreation, conservation and community development, public improvements, public safety, and human services. The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) 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 financial statements is as follows:

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 61, "*The Financial Reporting Entity: Omnibus- an Amendment of GASB statements No. 14 and No. 34*" for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements 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 the significance of their operational or financial relationships with the County.

Discretely Presented Component Unit

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Unit discussed below have been included in the financial reporting entity as a discretely presented Component Unit.

Schuylkill County Transit Authority ("SCTA"): SCTA was formed on April 1, 2011 by the County of Schuylkill under the laws of the Commonwealth of Pennsylvania, in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation services within Schuylkill County. The year end for the Schuylkill County Transit Authority is June 30th.

SCTA is funded by a combination of passenger fares, state shared ride grants, other operating revenues, and federal, state, and local capital grants. The complete financial statements can be obtained by contacting the management of the Schuylkill County Transit Authority.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

A) Reporting Entity (Continued)

Blended Component Unit

Some component units, despite being legally separate for the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and reported as part of the primary government.

The Schuylkill County Conservation District ("District), as described below, has substantially the same governing body as the primary government, is a component unit that is reported in this way in the financial statements.

Schuylkill County Conservation District ("District"): The District was formed by the Schuylkill County Commissioners, and operates under the direction of an appointed Board of Directors for the purpose of promoting conservation and sustainable use of natural resources through education, public awareness and cooperation with local, state, and federal agencies. To meet its goals, the District has entered into agreements with various state agencies. The District receives funding from the Commonwealth of Pennsylvania, Department of Environmental Protection and the State Conservation Commission to fund its various programs. The District also receives an appropriation from Schuylkill County. The year end for the Schuylkill County Conservation District is December 31st. Complete financial statements can be obtained by contacting the management of the Schuylkill County Conservation District.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

B) Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for these organizations does not extend beyond making appointments. The County does not designate management nor does it have the ability to significantly influence the operations of these entities. In addition, the County has no responsibility for fiscal matters for these entities (i.e., not responsible for deficits or entitled to surpluses, no guarantees of debt, etc.). 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

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

C) Government-Wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment is affected by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items, not included among program revenues, are reported instead as general revenues.

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

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other 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.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues, to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating grants, capital grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the cash is received by the County.

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

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude 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 an other 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 due.

The County reports the following major governmental funds:

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

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

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

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

- The Other Agencies fund is used to account for specific revenue sources related to Human Services that are restricted for those specific purposes

The County's enterprise funds 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 position.

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

The County reports the following major proprietary funds:

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

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

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

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

Additionally, the County reports the following fund types:

- Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost reimbursement basis. The Worker's Compensation Internal Service fund accounts for the cost of benefits provided throughout the County.

- The Agency Funds consist of restricted revenues of the various row offices of the County. The row office funds are in essence escrow funds maintained by the row offices for bails posted, funds held for sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal action.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed for their intended purposes.

F) Assets, Liabilities, and Net Position or Fund Balances

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Receivables and Payables

- Interfund Receivables and Payables

  Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Investments

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

4. Restricted Assets

Restricted Assets represent revenues set-aside for the liquidation of specific obligations, as detailed in Note 3.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

F) Assets, Liabilities, and Net Position or Fund Balances (Continued)

5. Deferred Inflows/Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one item that qualifies for reporting in this category. Under the modified accrual basis of accounting the government reports unavailable revenue from property taxes as a deferred inflow of resources.

6. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g. bridges), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets with initial, individual costs that equal or exceed $5,000 and have estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation (See also Note 5).

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.

In order to preserve farmland and open space, the County purchases agricultural easements. An agricultural easement restricts the use of land from commercial development in perpetuity and encourages the continued agricultural use of land. An easement is thus considered an intangible asset of the County with an indefinite useful life and is recorded in the government-wide financial statements and accordingly not depreciated.

The County has an art collection that is not capitalized, because the collection meets the criteria for non-capitalization with GASB Statement No. 34. Specifically, the collection is held for reasons other than financial gain. The collection is protected, kept unencumbered, cared for and preserved, and is subject to an organizational policy requiring that the proceeds from sales of collection be used to acquire other items for collections.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

F) Assets, Liabilities, and Net Position or Fund Balances (Continued)

6. Capital Assets (Continued)

Major outlay of capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

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

Asset	Years
Infrastructure	20-50
Buildings and Improvements	10-50
Land Improvements	10-15
Machinery and Equipment	8-20
Motor Vehicles	3-5
Computer Equipment	3-5
Leasehold Assets	10

7. Allowance for Doubtful Accounts

Accounts receivable have been reported net of allowance for doubtful accounts. The County recorded an allowance for Rest Haven accounts receivable and an allowance for uncollectible taxes of $1,454,754 and $233,380, respectively, as of December 31, 2014.

8. Compensated Absences

The County permits employees to accumulate a limited amount of earned, but unused vacation leave. These benefits are payable upon separation of services. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

9. 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of applicable bond premiums or discounts.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

F) Assets, Liabilities, and Net Position or Fund Balances (Continued)

9. Long-Term Obligations (Continued)

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 debt service expenditures.

10. Unearned Revenues

Revenues that are received but not earned are recorded as unearned revenues in the County's financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

11. Interfund Transactions

Quasi and external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

12. Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

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

F) Assets, Liabilities, and Net Position or Fund Balances (Continued)

12. Fund Balances (Continued)

- Restricted fund balance – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Members of the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

- Assigned fund balance – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Commissioners delegated this responsibility to the Financial Analyst.

- Unassigned fund balance – This classification represents amounts that are available for any purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

13. Net Position

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

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

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

- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

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

F) Assets, Liabilities, and Net Position or Fund Balances (Continued)

14. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

15. Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and other services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations by third party-payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments become known or as years are no longer subject to audits, reviews, and investigations.

G) Budgets and Budgetary Accounting

Legal Requirements

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 and certain Special Revenue Funds and is based on estimates of revenues and expenditures approved by the Commissioners. The County adopts the budget on the same basis of accounting as reported in the fund financial statements. The County of Schuylkill follows these procedures in establishing the budgetary data reflected in the financial statements:

County Budget Process

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

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

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 for the Commissioner's review.

4. Public meetings 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.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

G) Budgets and Budgetary Accounting (Continued)

6. 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, or as amended by the County Commissioners.

Level of Control

The County maintains budgeting control at the individual fund level.

Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue may arise. As a result, funds are 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 line item basis during the year and approved by the County Commissioners.

H) Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 67, "*Financial Reporting for Pension Plans – an amendment to GASB Statement No. 25*". The adoption of this statement had no effect on previously reported amounts but required additional footnote disclosure and changes to the required supplemental information.

The County adopted the requirements of GASB Statement No. 69, "*Government Combinations and Disposals of Government Operations*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 70, "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*". The adoption of this statement had no effect on previously reported amounts.

I) Pending Changes in Accounting Principles.

In June 2012, the GASB issued Statement No. 68, "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*". The County is required to adopt statement No. 68 for its calendar year 2015 financial statements.

In November 2013, the GASB issued Statement No. 71, "*Pension Transition for Contributions made Subsequent to the Measurement Date an amendment of GASB Statement No. 68*". The County is required to adopt statement No. 71 for its calendar year 2015 financial statements.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

I) Pending Changes in Accounting Principles. (Continued)

In February 2015, the GASB issued Statement No. 72, "*Fair Value Measurement and Application*". The County is required to adopt statement No. 72 for its calendar year 2016 financial statements.

In June 2015, the GASB issued Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*" The County is required to adopt statement No. 73 for its calendar year 2016 financial statements.

In June 2015, the GASB issued Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*" The County is required to adopt statement No. 74 for its calendar year 2017 financial statements

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

In June 2015, the GASB issued statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" The County is required to adopt Statement No. 76 for its calendar year 2016 financial statements.

In August 2015, the GASB issued statement No. 77, "*Tax Abatement Disclosures.*" The County is required to adopt Statement No. 77 for its calendar year 2016 financial statements.

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

Component Units - Summary of Significant Accounting Policies

Schuylkill County Transportation Authority ("the System")

Basis of Accounting

The books and records of the Schuylkill County Transportation Authority D/B/A Schuylkill Transportation System are maintained on the accrual basis for reporting purposes. The Authority's financial statements are reported in accordance with Generally Accepted Accounting Principles. The Authority is a separate legal entity and was established under the Municipal Authorities Act by Schuylkill County, Pennsylvania on June 29, 2010. It was activated and began operations on April 1, 2011.

Inventories

Inventories consist of replacement parts ($93,472) and fuel ($38,557) stated at lower of cost (first-in, first-out) or market value.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

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

Component Units - Summary of Significant Accounting Policies (continued)

Schuylkill County Transportation Authority ("the System") (continued)

Prepaid Expenses

This includes prepaid insurance consists of insurance premiums and other costs paid during the current period of future periods. They are amortized over the policy or coverage period.

NOTE 2: DEPOSIT AND INVESTMENT RISK

As of December 31, 2014, the County had the following debt investments and maturities within its Retirement Fund accounts:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Government Treasuries	$3,077,150	$ -	$511,474	$1,869,579	$ 696,097
U.S. Government Agencies	5,775,104	-	689,852	130,474	4,954,778
Corporate Bonds	6,896,247	-	3,926,458	2,013,369	956,420
Total	$15,748,501	$ -	$5,127,784	$4,013,422	$6,607,295

All corporate bonds are investment quality. Some are fixed and some are floating rates over a wide variety of maturity dates.

Interest Rate Risk – Interest rate is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 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 Retirement Plan when due. Fixed income investment allocation is targeted to 32% of S&P 500; 8% Russell 2000, 10% MSCI, 30% Barclays Capital Aggregate, 5% Govt./Credit, 10% CPI, 5% T-Bills (with an allowable range of +/- 5%) of the portfolio. The investments may be adjusted to meet economic and/or investment market conditions.

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 Retirement Investment Policy limits fixed income securities to a minimum of "BBB" or better at the time of purchase. At no time should the securities' rates be 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.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

As of December 31, 2014, the County's retirement investments had a credit rating as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
U.S. Government Treasuries	Not Rated	100%
U.S. Government Agencies	Not Rated	100%
Corporate Bonds	AAA	0%
Corporate Bonds	AA+	1%
Corporate Bonds	AA	2%
Corporate Bonds	AA-	8%
Corporate Bonds	A+	12%
Corporate Bonds	A	19%
Corporate Bonds	A-	19%
Corporate Bonds	BBB+	23%
Corporate Bonds	BBB	9%
Corporate Bonds	BBB-	4%
Corporate Bonds	BB+	1%
Corporate Bonds	Not Rated	2%

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 investment or collateral securities that are in the possession of an outside party.

As of December 31, 2014, the County's cash balances for its governmental activities, business-type activities and agency fund were $43,018,215 and its bank balances were $45,455,526. Of these bank balances, $43,799,916 of the County's deposits were exposed to custodial credit risk, as they were collateralized with securities held by the pledging financial institution and uninsured. 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. The County does not have a written policy to limit it exposure to custodial credit risk.

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 Bank and Federal National Mortgage Association. These investments are 2% and <1% respectively, of the Retirement Fund's total investments.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Component Units - Summary of Significant Accounting Policies

Schuylkill County Transportation Authority ("the System")

Concentrations of Credit Risk

The System serves the transportation needs of residents of Schuylkill County. As the System revenues are generated substantially from federal, state, and local grants credit risk is minimal.

The System maintains its cash deposits in one bank in Pottsville, Pennsylvania. At the June 30, 2014, the System's deposits in excess of insured amounts were $2,306,320. These funds are collateralized by a pledged pool of securities as permitted under PA Act 72.

NOTE 3: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose has been classified as restricted in the governmental funds balance sheet and proprietary statement of net position. Restricted assets are composed of the following:

General Fund	
Funds held for various escrow liabilities	$2,374,610
Other Governmental Funds	
Cash restricted for future capital projects and conservation district	4,961,083
Subtotal Governmental Funds	7,335,693
Internal Service Fund	
Investments/Cash for claims incurred but not yet paid	999,321
Rest Haven Fund	
Cash held for patient accounts	117,264
Subtotal Proprietary Funds	1,116,585
Total Restricted Assets	$8,452,278

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 3: RESTRICTED ASSETS (CONTINUED)

Component Unit-Restricted Assets

Schuylkill County Transportation Authority ("the System")

Cash Restricted

The reported balance sheet amount is restricted for use specified under Act 26 and Act 3 regulations. These funds, which are required to be maintained in a separate bank account, are utilized for capital purposes and for asset maintenance as approved by the grantor.

NOTE 4: REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through April 30; face amount, May 1 through June 30, and 10% penalty after June 30. 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. Real estate taxes levied for 2014 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during 2014 and expected to be collected within the first sixty (60) days of 2015 are recognized as revenue in 2014. Net receivables estimated to be collectible subsequent to March 31 are reflected in deferred revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectibility.

The rate of taxation in 2014 was 13.83 mills for general purposes and .15 mills for debt purposes.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Increases	Decreases	Re-classes	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 1,000,506	$ -	$ -	$ -	$ 1,000,506
Construction-in-Progress	833,377	1,136,752	-	(247,301)	1,722,828
Agricultural Easements	2,114,641	120,373	-	-	2,235,014
Works of Art Collections	174,000	-	-	-	174,000
Total Capital Assets, Not Being Depreciated	4,122,524	1,257,125	-	(247,301)	5,132,348
Capital Assets, Being Depreciated:					
Land Improvements	2,820,775	18,169	-	-	2,838,944
Buildings and Improvements	22,834,235	521,016	(2,400)	19,966	23,372,817
Machinery and Equipment	6,994,986	189,135	(194,970)	16,175	7,005,326
Motor Vehicles	9,270,065	124,274	(144,077)	66,916	9,317,178
Computer Equipment	2,760,895	237,105	(333,494)	39,683	2,704,189
Agricultural Easements	-	-	-	-	-
Infrastructure	12,896,225	439,556	-	124,681	13,460,462
Leasehold Assets	1,733,767	224,254	-	(20,120)	1,937,901
Total Capital Assets Being Depreciated	59,310,948	1,753,509	(674,941)	247,301	60,636,817
Less Accumulated Depreciation For:					
Land Improvements	(1,131,727)	(133,743)	-	-	(1,265,470)
Buildings and Improvements	(15,561,327)	(493,677)	2,400	-	(16,052,604)
Machinery and Equipment	(5,825,564)	(321,589)	192,301	11,826	(5,943,026)
Motor Vehicles	(7,487,362)	(726,805)	140,640	-	(8,073,527)
Computer Equipment	(1,910,380)	(270,694)	298,626	3,490	(1,878,958)
Infrastructure	(4,273,261)	(571,359)	-	-	(4,844,620)
Leasehold Assets	(569,998)	(152,830)	-	(15,316)	(738,144)
Total Accumulated Depreciation	(36,759,619)	(2,670,697)	633,967	-	(38,796,349)
Total Capital Assets, Being Depreciated, Net	22,551,329	(917,188)	(40,974)	247,301	21,840,468
Governmental Activities Capital Assets, Net	$26,673,853	$ 339,937	$(40,974)	$-	$26,972,816

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 5: CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance	Increases	Decreases	Re-classes	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 145,927	$ -	$ -	$ -	$ 145,927
Construction in Progress	12,602,523	2,054,056	-	(123,710)	14,532,869
Total Capital Assets, Not Being Depreciated	12,748,450	2,054,056	-	(123,710)	14,678,796
Capital Assets, Being Depreciated:					
Land Improvements	228,335	-	–	–	228,335
Buildings and Improvements	8,933,815	110,200	-	123,710	9,167,725
Machinery and Equipment	4,686,152	131,749	–	–	4,817,901
Motor Vehicles	104,374	–	–	–	104,374
Computer Equipment	1,353,110	28,083	(38,446)	–	1,342,747
Leasehold Assets	2,524,257	5,059,368	–	–	7,583,625
Total Capital Assets Being Depreciated	17,830,043	5,329,400	(38,446)	123,710	23,244,707
Less Accumulated Depreciation For:					
Land Improvements	(161,571)	(9,342)	–	–	(170,913)
Buildings and Improvements	(6,671,805)	(286,923)	–	–	(6,958,728)
Machinery and Equipment	(3,863,629)	(268,750)	–	–	(4,132,379)
Motor Vehicles	(104,374)	-	–	–	(104,374)
Computer Equipment	(1,188,375)	(34,806)	37,927	–	(1,185,254)
Leasehold Assets	(1,320,259)	(563,142)	–	–	(1,883,401)
Total Accumulated Depreciation	(13,310,013)	(1,162,963)	37,927	-	(14,435,049)
Total Capital Assets, Being Depreciated, Net	4,520,030	4,166,437	(519)	123,710	8,809,658
Business-Type Activities Capital Assets, Net	$17,268,480	6,220,493	(519)	$ -	$23,488,454

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

GOVERNMENTAL ACTIVITIES:	
General Government-Admin.	$ 378,328
General Government-Judicial	304,328
Public Safety	216,868
Public Works	1,250,024
Human Services	249,847
Culture/Recreation	183,062
Conservation and Development	88,240
Total Depreciation Expense – Governmental Activities	$2,670,697

BUSINESS-TYPE ACTIVITIES:	
Rest Haven	$ 338,523
Emergency 911 System	824,440
Total Depreciation Expense – Business-Type Activities	$ 1,162,963

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND

Plan Description

Plan Administration. The Retirement Board administers the Schuylkill County Employees Pension Plan – a single-employer defined benefit pension plan that covers all employees of the County. The Plan is part of the County's financial reporting entity and is included om the County's financial statements as a Pension Trust Fund.

The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended (the "Act"). Benefit and contribution provisions of the plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Board, which consists of five members- three elected County Commissioners, the County Controller, and the County Treasurer.

Plan membership. For the 2014 measurement period, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	523
Inactive plan members entitled to but not yet receiving benefits	49
Active Plan Members	690
	1,262

Benefits Provided. Schuylkill County Employees Pension Plan provided retirement, disability, and death benefits.

Retirement benefits for plan members are calculated as a percent of the member's final 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained the age of 60 are eligible to retire.

All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of final average salary at time of retirement.

Death benefits for a member who dies within 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

Contributions. An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2014 measurement period, the active member contribution rate was 8.0 percent of annual pay, and the County average contribution rate was 9.10 percent of annual payroll.

Administrative and investment costs of the Plan are paid by the investment earnings of the Plan. The Act makes no provisions for termination of the Plan. The County does not issue a separate financial report for the Plan

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Legally Required Reserves

At December 31, 2014, the County has a balance of $30,937,186 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2014. Since those accumulations represent the present value as of December 31, 2014 of future benefits, the reserve balance and liability are equal and this reserve is fully funded.

The County has a balance of $15,247,694 in the County Annuity Reserve Account as of December 31, 2014. This balance and the amounts expected to be credited in the future, plus investment earnings thereon, represent the reserves set aside for the payment of the County's share of the retirement allowances.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered upon. Thus, this reserve is always fully funded.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid. The balance in this account was $61,090,493 as of December 31, 2014.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2014 and update procedures were used to roll-forward the total pension liability to the December 31, 2014 measurement date. The components of the net pension liability of the County at December 31, 2014, were as follows:

Total pension liability	$127,774,374
Plan fiduciary net position	(125,928,323)
County's net pension liability	$ 1,846,051
Plan fiduciary net position as a percentage of the total pension liability	98.56%

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.5 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the 1983 Group Annuity Mortality Table for Males and Females with no projected improvement.

The actuarial assumptions used in the December 31, 2013 valuation were based past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the Plan. A recent actuarial experience study was not performed.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation and the Retirement Board's asset allocation policy as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	40%	5.4-6.4%
International equity	10	5.5-6.5
Fixed income	35	1.3-3.3
Real estate	10	4.5-5.5
Cash	5	0.0-1.0
Total	100%	

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates in accordance with the County' recently adopted funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.5 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's net pension liability	$10,203,769	$1,846,051	$(10,266,103)

Rate of return. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.73 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested

Employer Reporting

Funding Status and Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was 90.1 percent funded. The actuarial accrued liability for benefits was $131.8 million, and the actuarial value of assets was $118.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of $13.0 million. The actuarial value of assets as a percentage of the actuarial accrued liability was 90.1%. The covered payroll was $30.4 million, and the ratio of the UAAL to the covered payroll was 42.8%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The annual required contribution was determined based on the most recent annual actuarial valuation dated December 31, 2014 which used the aggregate actuarial cost method. Because the method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information is intended to serve as a surrogate for the funded status and funding progress of the Plan. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually; (b) projected salary increases of 4.5% per year, and (c) an inflation rate of 3.0%. The value of assets used to determine costs is determined by using the assets at cost value adjusted by the past five-year average of the market to cost ratio of assets.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 6: EMPLOYEE RETIREMENT TRUST FUND (CONTINUED)

Actuarial Valuation Date	Annual Required Contribution (ARC)	Interest on Net Pension Obligation	ARC Adjustment	Pension Cost	County Contribution	% of Pension Cost Contributed	Change in Net Pension Obligation	Net Pension Obligation (Asset)
12/31/2012	3,227,289	(1,761)	2,861	3,228,389	3,227,289	99.97%	1,100	(22,377)
12/31/2013	3,391,169	(1,678)	2,747	3,392,238	3,391,169	99.97%	1,069	(21,308)
12/31/2014	2,589,653	(1,598)	1,944	2,589,999	2,589,653	99.99%	346	(20,962)

Component Unit-Employee Retirement Trust Fund

Schuylkill County Transportation Authority ("the System")

Pension Costs

Effective May 25, 2011 the System adopted the provisions of the STS Money Purchase Pension Plan and the STS 457 (b) Plan. The plan shall be effective beginning on July 3, 2011. For the STS Money Purchase Pension Plan the System's contribution is 5.00% of eligible wages. All employees will enter the STS Money Purchase Pension Plan on the January 1 or July 1 after they have attained age 21 and completed at least 1 year of service (1,000 Hours of Service during the 12 month period beginning on the employee's date of hire). All employees will enter the STS 457(b) Plan on the January 1 or July 1 after they have attained age 21 and completed 1 year of continuous service. All employees who participated in the The ReDCo Group 401(k) Retirement Savings Plan prior to April 1, 2011 will continue participating in both STS plans as of July 3, 2011.

Participants can contribute through salary deferrals on a pre-tax basis to the STS 457(b) Plan. The maximum salary deferrals are limited to the current limitations as defined under the Internal Revenue Code. The System expects to make a matching contribution to the 457(b) plan of $.25 for $1.00 on the first 4.00% of compensation deferred into the 457(b) Plan. 100.00% vesting in System contributions in both plans is accomplished after 6 years of service. Pension expense for the current year was $66,731.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 7: OPERATING LEASES

The County leases office space under several operating lease agreements which have expiration dates ranging from 2014 to 2034. 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, 2014:

Years	Courts	Agencies	Other Departments	Total
2015	$ 166,442	$ 373,844	$ 419,295	$ 959,581
2016	120,691	364,617	425,693	911,001
2017	71,899	375,204	438,460	885,563
2018	27,000	387,206	451,607	865,813
2019	27,000	109,442	461,381	597,823
2020-2024	-	112,178	2,523,020	2,635,198
2025-2029	-	-	2,924,872	2,924,872
2030-2034	-	-	3,390,728	3,390,728
	$413,032	$ 1,722,491	$ 11,035,056	$13,170,579

Rent expense for 2014 was $831,682.

Component Unit-Leases

Schuylkill County Transportation Authority (the "System")

Leasing Arrangement

Effective June 1, 2011, the System entered into use agreement for its use of the Union Street Station (the Intermodal facility) with the City of Pottsville, Pennsylvania. The agreement is effective beginning on April 1, 2013 and is for a period of fifty (50) years. The annual use fee under this agreement is the sum of One Dollar ($1.00) per year payable on or before the anniversary date of the lease. In addition to the annual use fee, the System shall pay its share of the expense of the common areas of the facility invoiced quarterly. The total common area expense for the current year was $17,829.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 8: CAPITAL LEASE OBLIGATIONS

The County has entered into agreements to lease various vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of minimum lease payments as of the inception date.

The following is a schedule of future minimum lease payments under the capital lease agreements, together with the present value of the net minimum lease payments as of December 31, 2014:

Years Ending December 31	Governmental Activities	Rest Haven Fund	911 Fund
2015	$ 235,799	$ 22,940	$174,723
2016	219,550	22,940	174,723
2017	205,391	22,940	897,490
2018	181,075	22,940	812,721
2019	173,734	22,940	722,767
2020-2024	667,638	103,231	2,891,067
Total Minimum Lease Payments	1,683,187	217,931	5,673,491
Less: Amount Representing Interest	306,972	41,795	42,791
Total Present Value of Net Minimum Lease Payments	1,376,215	176,136	5,630,700
Less: Amounts Due within One Year	167,583	15,181	154,790
Long Term Capital Lease Payable	$ 1,208,632	$ 160,955	$5,475,910

The assets associated with the capital leases are shown as Leasehold Assets within the Capital Asset Note (See Note 5).

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 9: RISK MANAGEMENT

The County is exposed to various risks of loss. For all risks, with the exception of workers' compensation claims, the county has purchased commercial insurance. During 2014, the County did not have any significant reductions in any insurance coverage and for the past three years, settlements have not exceeded the insurance coverage.

For workers' compensation, the County retains the risk of the first $600,000 for each worker's compensation claim. For amounts of individual worker's compensation claims exceeding $600,000 up to a limit of $1,000,000, the County has transferred the risk of loss to commercial insurers. The County is liable for any individual claim amount exceeding $1,000,000. During 2014, the County did not have any significant reductions in the insurance coverage and for the past two years, settlements have not exceeded the insurance coverages.

The claims liability at December 31, 2014 is actuarially determined through historical and case by case basis, and includes estimated of incremental costs. The following is the changes in aggregate worker's compensation liabilities for the years ending December 31, 2013 and December 31, 2014.

December 31, 2012 Liability	Current Year Claims and Changes in Estimates	Claim Payments	December 31, 2013 Liability
$1,342,880	$690,921	($623,975)	$1,409,826

December 31, 2013 Liability	Current Year Claims and Changes in Estimates	Claim Payments	December 31, 2014 Liability
$1,409,826	$(4,972)	($476,882)	$927,972

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 10: LONG-TERM OBLIGATIONS

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

	Restated Balance at 1/1/14 (See Note 20)	Additions	Reductions	Balance at 12/31/14	Due Within One Year
Governmental activities					
General obligation debt	$ 7,098,015	$ -	$ (250,000)	$ 6,848,015	$ 250,000
Unamortized bond premium	23,504	-	(1,702)	21,802	-
Bond Discount	(194,339)	-	14,069	(180,270)	-
Capital Lease Obligation	1,312,636	256,828	(193,249)	1,376,215	167,583
Compensated absences	2,062,538	146,228	-	2,208,766	-
Liability for self-insurance claims	1,409,826	-	(481,854)	927,972	-
Liability for other postemployment benefits	23,008,285	2,876,793	-	25,885,078	-
	$ 34,720,465	$ 3,279,849	$ (912,736)	$ 37,087,578	$ 417,583
Business-type activities					
General obligation debt	$ 14,876,985	$ -	$ (480,000)	$ 14,396,985	$ 485,000
Capital leases	910,930	5,093,568	(197,662)	5,806,836	169,971
Compensated absences	647,060	-	(165,153)	481,907	-
Liability for other postemployment benefits	5,545,230	557,914	-	6,103,144	-
	$ 21,980,205	$ 5,651,482	$ (842,815)	$ 26,788,872	$ 654,971

Compensated absences, the liability for worker's compensation, self-insurance, and the liability for other postemployment benefits are liquidated by the general fund, children and youth fund, and other nonmajor funds.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

Pertinent information regarding general obligation debt outstanding is presented below :

General Obligation Bonds -Governmental Activities:

Date of Issue	Amount of Issue	Purpose	Balance Outstanding at December 31, 2014
2008	$17,255,000	General Obligation Bonds, Series of 2008 issued to refund all of the General Obligation Bonds, Series of 2002 and 2000 and all of the General Obligation Note, Series of 2006. Interest rates vary between 3.00% to 5.00%.	$ 908,015
2012	$21,175,000	General Obligation Notes, Series A & B of 2012 issued for the purpose of advance refunding the 2008 Bonds, fund building acquisition and improvements, purchase equipment for County's 911 center and fund acquisition of FCC licenses ($6,190,000 – Governmental activities, $14,985,000 – Business type). The bonds bear an interest rate ranging between .75% and 3.88% (final maturity occurs in 2036).	$5,940,000
			$6,848,015

Annual debt service requirements to maturity for general obligation debt is as follows:

Years Ended December 31:	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2015	$ 250,000	$ 193,303	$ 443,303
2016	250,138	180,559	430,697
2017	536,022	198,009	734,031
2018	471,855	179,751	651,606
2019	255,000	152,894	407,894
2020-2024	1,240,000	683,469	1,923,469
2025-2029	950,000	610,469	1,560,469
2030-2034	2,375,000	341,551	2,716,551
2035-2039	520,000	18,731	538,731
	$ 6,848,015	$ 2,558,736	$ 9,406,751

In 2008 the County issued $10,375,000 in General Obligation Bonds, Series of 2008 to refund general obligation debt of the County. As a result of the refunding the County recognized a premium and a deferred loss. The balance of the premium and deferred loss at December 31, 2014 is $42,196 and $21,802, respectively.

In December 2012, the County issued General Obligation Bonds, Series A & B of 2012, in the amount of $21,175,000. As a result of the refunding the County recognized a bond discount. The balance of the bond discount at December 31, 2014 is $180,270.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds –Business-Type Activities:

Date of Issue	Amount of Issue	Purpose	Balance Outstanding at December 31, 2014
2008	$17,255,000	General Obligation Bonds, Series of 2008 issued to refund all of the General Obligation Bonds, Series of 2002 and 2000 and all of the General Obligation Note, Series of 2006. Interest rates vary between 3.00% to 5.00%.	$ 791,985
2012	$21,175,000	General Obligation Notes, Series A & B of 2012 issued for the purpose of advance refunding the 2008 Bonds, fund building acquisition and improvements, purchase equipment for County's 911 center and fund acquisition of FCC licenses ($6,190,000 – Governmental activities, $14,985,000 – Business type). The bonds bear an interest rate ranging between .75% and 3.88% (final maturity occurs in 2036).	$13,605,000
			$14,396,985

Annual debt service requirements to maturity for general obligation debt is as follows:

Years Ended December 31:	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2015	$ 485,000	$ 455,622	$ 940,622
2016	494,862	459,680	954,542
2017	228,978	421,597	630,575
2018	318,145	418,438	736,583
2019	550,000	425,329	975,329
2020-2024	3,285,000	1,885,079	5,170,079
2025-2029	4,250,000	1,158,177	5,408,177
2030-2034	3,490,000	558,856	4,048,856
2035-2039	1,295,000	61,425	1,356,425
	$ 14,396,985	$ 5,844,203	$ 20,241,188

NOTE 11: GUARANTEED DEBT

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 a joint loan agreement with the Department of Community, the Economic Development and Pennsylvania Economic Development Financing Authority, six other Pennsylvania counties, and one city in New Jersey. The County received $5,833,000 in Federal Section 108 Loan Guarantee funds in which the County used their Loan funds to make the Boscov Loan. The loan matures in August 2028. The County has not been called on to make payments.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 12: INTERFUND OPERATING TRANSFERS

Interfund transfers are as a result of the requirement for the General Fund to match a portion of the expenditures or expenses of other funds as follows:

	Net Transfers In	Net Transfers Out
General Fund	$ -	$5,799,469
Children and Youth	4,948,261	-
Other Agencies Fund	-	8,568,353
Other Governmental Funds	4,823,987	-
Total Governmental Fund Types	9,772,248	14,367,822
Enterprise Fund:		
Rest Haven	2,536,682	-
911 Emergency Telephone	2,058,892	-
Total Enterprise Fund	4,595,574	-
	$14,367,822	$14,367,822

Certain funds are required to fund a portion of all of the expenses of other funds to cover deficits in those funds. The County records operating transfers to account for these transactions.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

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

Governmental Fund Types	Due From Other Funds	Due to Other Funds
General Fund	$ 8,960,064	$ 3,194,203
Children and Youth Fund	1,492,025	1,490,729
Other Agencies Fund	-	2,497,920
Other Governmental Funds	1,129,503	4,324,482
Total Government Fund Types	11,581,592	11,507,334
Proprietary Fund Type		
Enterprise Fund		
Rest Haven	-	66,489
Internal Service	1,258,997	-
911 Emergency Telephone	-	1,266,766
Total Proprietary Fund Type	1,258,997	1,333,255
Total	$12,840,589	$12,840,589

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur and (3) payments between funds are made.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 14: COMMITMENTS AND CONTINGENCIES

The County participates in a variety of federal and state assisted grant programs, which are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial position.

The Schuylkill County Conservation District, a blended component unit of the County, has an ongoing fraud investigation being conducted pertaining to the misappropriation of District Assets by an employee. Annually, the County provides funding to the District. The County is seeking reimbursement from its insurance carrier.

On April 22, 2015, the BOC awarded several contracts to several contractors to perform renovation work in connection with a building that was purchased for Children and Youth. The total amount of the contracts was $1,738,100 and is being paid from the Capital Projects Fund.

NOTE 15: COMPENSATED ABSENCES

Employees of the County are entitled to certain compensated absences, consisting of vacation and sick leave. Compensated absences are accrued according to the County's various union contracts. All full-time employees are eligible to accrue vacation, beginning the first day of employment. Vacation and sick time are accrued based on the number of non-overtime hours paid and years of service. At year-end, employees may carry over between a maximum of 10 to unlimited unused vacation days and a maximum of 15 to 100 unused sick days, depending on the applicable union contract. At year-end, any unused vacation or sick days in excess of the maximum is not accrued.

Applicable GASB pronouncements require accrual of compensated absences that meets certain specific conditions. The County has determined that such conditions apply to compensated absences pay of Governmental Funds and the Proprietary Funds. To the extent compensated absence liabilities for governmental funds are liquidated with available resources they are accounted for as fund liabilities in the fund financial statements; the remainder of the obligation is accounted for in the government-wide financial statements. Proprietary funds account for the entire amount of these liabilities in both the government-wide and fund financial statements.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 16: FUND BALANCES/NET POSITION

The constraints on fund balance included in the governmental fund financial statements represent portions of fund balances that are nonspendable, restricted, committed, or assigned for various purposes and are not available for the payment of other subsequent expenditures. The following restricted and assigned fund balances are included in the governmental fund financial statements.

Governmental Funds

Assigned

General Fund	$ 4,156,853

This line item represents amounts assigned to pass the 2014 budget.

Nonmajor Funds

Restricted

Liquid Fuels Fund	$ 4,766,133

This line item represents amounts restricted for the Liquid Fuels Fund.

Debt Service Fund	$ 899,525

This line item represents amounts restricted for payment of debt service.

Capital Reserve Fund	$ 2,191,428

This line item represents amounts restricted for future capital projects.

Capital Projects Fund	$ 2,717,972

This line item represents amounts restricted for future capital projects.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 16: FUND BALANCES/NET POSITION (CONTINUED)

Nonmajor Funds (Continued)

Restricted (Continued)

Aging Fund	$ 85,686

This line item represents amounts that are restricted for the Aging Fund.

Drug and Alcohol Fund	$ 347,975

This line item represents amounts that are restricted for the Drug and Alcohol Fund.

MH/MR Fund	$ 393,648

This line item represents amounts that are restricted for the MH/MR Fund.

H.S. Complex Fund	$ 33,186

This line item represents amounts that are restricted for the H.S. Complex Fund.

Agency Advisory Fund	$ 11,354

This line item represents amounts that are restricted for the Agency Advisory Fund.

Offender Supervision Fund	$ 292,377

This line item represents amounts that are restricted for the Offender Supervision Fund.

Conduit Fund	$ 145,711

This line item represents amounts that are restricted for the Conduit Fund.

Economic Opportunity Fund	$ (69,342)

This line item represents amounts that are restricted for the Economic Opportunity Fund.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 16: FUND BALANCES/NET POSITION (CONTINUED)

Nonmajor Funds (Continued)

Restricted (Continued)

Conservation District	$ 311,233

This line item represents amounts that are restricted for the preservation of Schuylkill County's natural resources, land preservation, and debt service.

Marcellus Shale Fund	$ 946,431

This line item represents amounts that are restricted for the Marcellus Shale Fund.

Demolition Fund	$ 25,470

This line item represents amounts that are restricted for the Demolition Fund.

Affordable Housing Fund	$ 373,354

This line item represents amounts that are restricted for the Affordable Housing Fund.

Transportation Fund	$ (101,897)

This line item represents amounts that are restricted for the Transportation Fund.

Library Fund	$ 287

This line item represents amounts that are restricted for the Library Fund.

DUI Fund	$ 106,032

This line item represents amounts that are restricted for the DUI Fund.

Other Special Fund	$ 141,320

This line item represents amounts that are restricted for the Other Special Fund.

SCBG Fund	$ 52,360

This line item represents amounts that are restricted for the SCBG Fund.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 16: FUND BALANCES/NET POSITION (CONTINUED)

Net Position

The restrictions on net position included in the government-wide statements represent portions of net position that are restricted for various purposes and are not available for the payment of other subsequent expenditures. The following restricted net positions are included in the fund-financial statements and the government-wide financial statements.

Governmental Activities

All applicable restricted governmental fund balance amounts disclosed above are also recorded as restricted net position in the Governmental Activities Statement of Net Position.

Proprietary Funds

Internal Service Fund	$1,355,384

This line item represents amounts restricted for workers' compensation claims.

Fiduciary Funds

Pension Trust Fund	$125,982,323

This line item represents net position restricted for pensions.

Component Unit – Restricted Net Position

Schuylkill County Transportation Authority ("the System")

Fund Balance-Restricted

The Shared Ride Program System has $16,411 in fund balance restricted for future contingencies.

NOTE 17: LEGAL COMPLIANCE

For the year ended December 31, 2014, the following fund had a deficit net position balance:

Enterprise Fund:

Rest Haven Fund	$(3,484,208)

The above deficit resulted from additional expenses exceeding revenues that will be paid through contributions by the General Fund.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 18: 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, ALF-CIO Local 1512, 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.

Eligibility requirements for each union contract are as follows:

Union Contract	Eligibility Requirements
Non-Union/Management	• Employees hired on or after November 24, 2004 will not be eligible for County-paid health insurance upon and during retirement • Employees hired prior to November 24, 2004, but on or after January 1, 1988 are eligible for their current coverage or comparable health insurance coverage upon retirement. Benefit does not include dependents and applies to full time employees in an active employment status at age 60 or above who have at least 12 years of service or age 55 with 20 years of service. Elected officials within the time frame are eligible for benefits after eight years of service • Employees hired prior to January 1, 1988 and retirees meeting this criterion are eligible for their current coverage or comparable health insurance coverage. Benefits apply to employees who are full time, in active status with at least 8 years of continuous service, and includes spouse and eligible dependents
AFSCME Local 1512	• Employees hired on or after July 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, who retired prior to January 1, 1986 • Employees, and their dependents, who were employed prior to January 1, 1986, have at least 8 years of service and retires pursuant to the County Pension Plan • Employees employed between January 1, 1986 and July 1, 2005, have 20 years of service with the Pension Plan, are between the age of 60 and 65

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 18: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

AFL-CIO Local 1512	• Employees hired on or after July 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, who retired prior to January 1, 1986 • Employees, and dependents, who were employed prior to January 1, 1986, have at least 8 years of service and retires pursuant to the County Pension Plan • Employees employed between January 1, 1986 and July 1, 2005, have 20 years of service with the Pension Plan, are between the age of 60 and 65
Teamsters Local Union 429	• Employees, and spouses, employed on or before December 31, 2007 and retires pursuant to the County Pension plan • Employees hired after December 31, 2007 shall not be entitled to any health care coverage at the expense of the Employer
Court Related Union Unit 2	• Employees hired on or after February 1, 2007 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, retired prior to January 1, 1988 • Employees, and dependents, employed prior to January 1, 1988, have at least 8 years of service and retired in accordance with the County Pension Plan • Employees employed on January 1, 1988, or after, have at least 12 years of service, and retires from active employment between the ages of 60 and 65 • As of January 1, 1994, bargaining unit members who were dismissed for just cause and employees hired after February 1, 2007 are ineligible

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 18: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

AFSCME Local 1721	• Employees hired on or after April 1, 2006 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, retired prior to January 1, 1990, have at least 8 years of service • Employees employed on January 1, 1990 or thereafter, have 12 years of service, and are between the ages of 60-65
Court Related Union Unit 1	• Employees hired on or after September 29,2006 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, retired prior to January 1, 1988, and have at least 8 years of service • Employees employed on January 1, 1988, or thereafter, have 12 years of service, and retire between the ages of 60 and 65 • Employees dismissed for just cause will be ineligible as of January 1, 1994
AFL-CIO Local 668	• Employees hired on or after January 1, 2005 will not be eligible for County-paid health insurance upon and during retirement • Employees, and dependents, retired prior to January 1, 1988, have at least 8 years of service • Employees employed on or after January 1, 1988, have 12 years of continuous service, and retire between the ages of 60 and 65 • Employees as of January 1, 2000, or thereafter, and have 20 years of service

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 18: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

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 2014, the County contributed $4,321,030 to the plan.

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 GASB 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	Proprietary 911	Proprietary Rest Haven	Total
Annual required contribution (ARC)	$ 6,188,892	$ 202,853	$ 2,049,627	$ 8,441,372
Interest on Net OPEB obligation	920,332	33,172	188,637	1,142,141
ARC Adjustment	(1,472,813)	(53,085)	(301,878)	(1,827,776)
Annual OPEB Cost (Expense)	5,636,411	182,940	1,936,386	7,755,737
Contributions made	(2,759,618)	(44,969)	(1,516,443)	(4,321,030)
Increase in net OPEB obligation	2,876,793	137,971	419,943	3,434,707
Net OPEB obligation – beginning of year	23,008,285	829,299	4,715,931	28,553,515
Net OPEB obligation – end of year	$ 25,885,078	$ 967,270	$ 5,135,874	$31,988,222

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 18: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The County's annual OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for 2014, 2013, and 2012 were as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	$ 7,755,737	55.71%	$ 31,988,222
12/31/2013	$ 7,720,078	51.24%	$ 28,553,515
12/31/2012	$ 8,334,064	45.03%	$ 24,788,972

Funded Status and Funding Progress. As of January 1, 2014 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $112,172,810 and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of $112,172,810. The covered payroll (annual payroll of active employees covered by the plan) was $15,858,502, and the ratio of the UAAL to the covered payroll was 707.34%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. 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 value of plan assets is increasing or decreasing over time relative to 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, 2014 actuarial valuation, the entry age normal actuarial method was used. The actuarial assumptions included a 4.0% 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 7% initially, reduced by 0.5% per year, to an ultimate rate of 5%. Active plan members' salaries were not assumed in the valuation. The UAAL is being amortized using the level dollar method on a closed basis. The remaining amortization period at December 31, 2014 was 30 years.

COUNTY OF SCHUYLKILL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 19: SUBSEQUENT EVENT

In September 2015, the County sold Rest Haven, the county nursing home, to Investment 360, a private company. The purchase price is $11,000,000. The sale of the nursing home is expected to save money as an annual subsidy will no longer be required from the General Fund beginning with fiscal year 2016.

In September 2015, the County received a settlement from their insurance carrier regarding the fraud at the Schuylkill County Conservation District as detailed in Note 14.

NOTE 20: RESTATEMENT OF NET POSITION/FUND BALANCE

	Governmental Activities	911 Fund
Fund Balance/Net Position January 1, 2014	$ 25,628,985	$ 2,721,216
Overstatement of Liabilites and Expenses/Expenditures for compensated absences	1,498,519	-
Re-allocation of long term debt between governmental activities and 911 Fund	(246,190)	246,190
Restated Fund Balance/Net Position January 1, 2014	$ 26,881,314	$ 2,967,406

REQUIRED SUPPLEMENTAL INFORMATION

COUNTY OF SCHUYLKILL
EMPLOYEE RETIREMENT PLAN SCHEDULE OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS
FOR THE YEAR ENDED DECEMBER 31, 2014

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2014	$ 2,589,653	100%
2013	$ 3,391,169	100%
2012	$ 3,227,289	100%
2011	$ 3,180,461	100%
2010	$ 3,148,444	100%
2009	$ 2,217,034	100%

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

Valuation date	December 31, 2014
Actuarial cost method	Entry Age
Asset valuation method	5-Year Smoothed Market
Amortization Method	Level dollar
Remaining amortization period	25 years
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.50%
Includes inflation at:	3.00%
Cost of living adjustments	None

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Asset (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
12/31/2014	$ 118,796,748	$ 131,816,808	$ 13,020,060	90.1%	$ 30,403,565	42.8%
12/31/2013	$ 111,581,965	$ 123,805,736	$ 12,223,771	90.1%	$ 28,179,028	43.4%
12/31/2012	$ 100,785,118	$ 119,612,051	$ 18,826,933	84.3%	$ 27,796,464	67.7%
12/31/2011	$ 97,595,446	$ 115,921,028	$ 18,325,582	84.2%	$ 27,725,849	66.1%
12/31/2010	$ 92,959,297	$ 111,277,577	$ 18,318,280	83.5%	$ 27,323,547	67.0%
12/31/2009	$ 88,175,275	$ 106,027,742	$ 17,852,467	83.2%	$ 27,521,360	64.9%

COUNTY OF SCHUYLKILL
SCHEDULE OF FUNDING PROGRESS FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

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)
12/31/2014	$ -	$ 112,172,810	$ 112,172,810	0%	$ 15,858,502	707.34%
12/31/2013	$ -	$ 110,156,842	$ 110,156,842	0%	$ 16,707,134	659.34%
12/31/2012	$ -	$ 115,816,224	$ 115,816,224	0%	$ 17,888,720	647.43%

County of Schuylkill, Pennsylvania

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

		2014
Total pension liability		
Service Cost	$	2,589,653
Interest		9,242,267
Changes of benefit terms		-
Differences between expected and actual experience		(721,013)
Changes of assumptions		-
Benefit payments, including refunds of employee contributions		(7,812,979)
Net change in total pension liability		3,297,928
Total pension liability - beginning		124,476,446
Total pension liability - ending (a)	$	127,774,374
Plan fiduciary net position		
Contributions - employer	$	2,589,653
Contributions - employee		2,561,662
Net investment income		6,904,475
Benefit payments, including refunds of employee contributions		(7,812,979)
Administrative expense		(6,832)
Other		-
Net change in plan fiduciary position		4,235,979
Plan fiduciary net position - beginning		121,692,344
Plan fiduciary net position - ending (b)	$	125,928,323
County's net pension liability - ending (a) - (b)	$	1,846,051
Plan fiduciary net position as a percentage of the total pension liability		98.56%
Covered - employee payroll	$	30,403,565
County net pension liability as a percentage of covered - employee payroll		6.07%

Note to Schedule

The County adopted GASB 67 on a prospective basis in 2014; therefore only one year is present in the above schedule.

County of Schuylkill, Pennsylvania

Required Supplementary Information

Schedule of Employer Contributions - Last 10 Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined employer contributions	$ 2,589,653	$ 3,391,169	$ 3,227,289	$ 3,180,461	$ 3,148,444	$ 2,217,034	$ 733,243	$ 1,217,811	$ 1,227,586	$ 943,363
Contributions in relation to the actuarially determined employer contribution	2,589,653	3,391,169	3,227,289	3,180,461	3,148,444	2,217,034	733,243	1,217,811	1,227,586	943,363
Employer contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll	30,403,565	28,179,028	27,796,464	27,725,849	27,323,547	27,521,360	26,268,178	$ 26,094,042	$ 24,699,914	$ 24,695,359
Employer contributions as a percentage of covered - employee payroll	8.52%	12.03%	11.61%	11.47%	11.52%	8.06%	2.79%	4.67%	4.97%	3.82%

Notes to Schedule

Valuation date: January 1, 2014

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	25 years
Asset valuation method	5 year smoothed
Inflation	3.0%
Salary increases	4.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	1983 Group Mortality Table for males and females with no projected improvement

County of Schuylkill, Pennsylvania

Required Supplementary Information

Schedule of Investment Returns

	2014
Annual money-weighted rate of return, net of investment expense	5.73%

Note to Schedule

The County adopted GASB 67 on a prospective basis in 2014; therefore only one year is present in the above schedule.

COUNTY OF SCHUYLKILL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	$ 33,649,799	$ 33,649,799	$ 34,448,948	799,149
Per Capita	368,224	368,224	385,863	17,639
Hotel	220,000	220,000	239,194	19,194
Intergovernmental	3,562,804	3,562,804	3,019,789	(543,015)
Charges for Services	6,918,301	6,934,717	6,506,926	(427,791)
Interest and Rents	178,988	178,988	95,177	(83,811)
Reimbursed Expenditures	3,927,940	3,927,940	-	(3,927,940)
Miscellaneous Revenues	801,100	801,100	1,376,614	575,514
Total Revenues	49,627,156	49,643,572	46,072,511	(3,571,061)
Expenditures				
Administration	642,420	642,420	484,456	157,964
Central Services	370,100	365,050	292,635	72,415
Commissioner's Office	265,859	263,900	253,830	10,070
Controller's Office	369,185	383,017	378,083	4,934
County Contributions	1,367,391	480,454	8,015	472,439
Engineering/Real Estate	10,600	10,600	5,055	5,545
Grant Writing Office	1,575	1,575	-	1,575
Insurances	900,000	900,000	749,962	150,038
Maintenance	893,878	930,987	882,052	48,935
Mis/Data Processing	582,079	656,957	527,923	129,034
Personnel	500,091	431,188	364,824	66,364
Planning & Zoning	241,550	244,929	236,447	8,482
Public Defender	1,271	1,371	1,331	40
Recorder Of Deeds	382,980	397,635	344,262	53,373
Records Management	193,365	193,365	189,071	4,294
Solicitor	196,620	194,420	162,260	32,160
System	-	-	29	(29)
Tax Assessment	531,203	585,984	585,191	793
Tax Claim	487,103	525,954	491,093	34,861
Tax Refunds	92,883	92,883	54,272	38,611
Treasurer's Office	690,124	751,132	736,226	14,906
Veterans Affairs	158,757	167,306	141,130	26,176
Voter Registration/Election	517,545	534,027	476,736	57,291
Reimbursed Expenditures	-	-	(101,867)	101,867
Fringe Benefits	2,244,349	2,264,573	2,241,935	22,638
Total General	11,640,928	11,019,727	9,504,951	1,514,776
Adult Probation	2,284,685	2,284,385	2,095,762	188,623
Clerk Of Courts	484,776	484,776	472,672	12,104
Constables	14,000	14,000	12,280	1,720
Coroner	409,714	416,060	283,772	132,288
Courts	1,832,626	1,834,099	1,693,939	140,160
District Attorney	1,247,263	1,237,712	1,206,683	31,029
District Justices	1,234,295	1,226,721	1,244,901	(18,180)
Juvenile Probation	1,048,517	1,047,582	1,020,204	27,378
Law Library	296,932	296,932	295,854	1,078
Prothonotary	376,915	376,915	373,896	3,019
Public Defender	714,545	714,545	686,953	27,592
Register Of Wills	270,787	273,811	272,302	1,509
Sheriff	1,081,498	1,081,498	1,011,752	69,746
Reimbursed Expenditures	-	-	(660,000)	660,000
Fringe Benefits	5,150,621	5,197,032	5,145,083	51,949
Total Judicial	16,447,174	16,486,068	15,156,053	1,330,015

COUNTY OF SCHUYLKILL
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenditures (Continued)				
County Contributions	$ 44,119	$ 44,119	$ 44,119	$ -
County Prison	4,788,969	4,755,657	4,702,448	53,209
Emergency Management	369,037	371,473	241,605	129,868
Maint-Adults In Non-Co Inst	13,200	15,000	14,196	804
Reimbursed Expenditures	-	-	(105,952)	105,952
Fringe Benefits	2,367,548	2,388,881	2,365,002	23,879
Total Public Safety	7,582,873	7,575,130	7,261,418	313,712
County Contributions	10,000	10,000	8,151	1,849
Engineering	1,219,199	1,232,906	1,067,697	165,209
Recycling Program	139,000	132,700	118,168	14,532
Reimbursed Expenditures	-	-	(411,224)	411,224
Fringe Benefits	158,655	160,084	158,484	1,600
Total Public Works	1,526,854	1,535,690	941,276	594,414
County Contributions	15,400	15,400	10,200	5,200
Human Services	237,657	237,657	212,549	25,108
Reimbursed Expenditures	-	-	(3,697,574)	3,697,574
Fringe Benefits	5,630,071	5,680,802	5,624,017	56,785
Total Human Services	5,883,128	5,933,859	2,149,192	3,784,667
County Contributions	350,735	350,915	345,108	5,807
Total Culture/Recreation	350,735	350,915	345,108	5,807
Agricultural Extension	297,013	308,687	308,416	271
Coal Lands	41,348	48,650	47,092	1,558
County Contributions	324,647	324,647	89,647	235,000
Economic Development	121,036	120,406	106,499	13,907
Parks & Recreation	139,749	139,749	129,086	10,663
Recycling Program	176,890	188,186	172,639	15,547
Soil Conservation	423,427	451,597	452,958	(1,361)
Solid Waste Management	166,166	242,716	238,524	4,192
Reimbursed Expenditures	-	-	(42,697)	42,697
Fringe Benefits	429,756	433,629	429,293	4,336
Total Conservation/Development	2,120,032	2,258,267	1;931,457	326,810
Capital Outlay - Government Type	473,938	556,849	439,866	116,983
Total Expenditures	46,025,662	45,716,505	37,729,321	7,987,184
Excess of Revenues under Expenditures	3,601,494	3,927,067	8,343,190	(4,416,123)
Operating Transfers In:				
Office of Senior Services	-	-	624,241	624,241
Mental Health/Developmental Services	-	-	233,333	233,333
Domestic Relations	-	-	506,347	506,347
Juvenile Probation	79,095	79,095	206,018	126,923
Offender Supervision	178,209	178,209	378,209	200,000
Drug and Alcohol	-	-	709,602	709,602
SCBG Program	55,000	55,000	76,689	21,689
Other Agency Funds	-	-	2,722,600	2,722,600
DUI	-	47,258	47,258	-
HAZMAT	35,000	35,000	-	(35,000)
Other	-	252,916	252,934	18
Conduit Funds	125,000	125,000	-	(125,000)
Total Operating Transfers In	472,304	772,478	5,757,231	4,984,753
Operating Transfers Out				
Human Service Complex	(184,792)	(202,962)	(72,212)	(130,750)
Other Agency Fund	-	-	(1,712)	1,712
Drug and Alcohol	(99,030)	(74,273)	(418,494)	344,221
Mental Health/Developmental Services	(274,965)	(274,965)	(295,133)	20,168
Children and Youth	(3,084,460)	(3,084,460)	(4,561,911)	1,477,451
Domestic Relations	(742,044)	(742,044)	(969,869)	227,825
Capital Resources	(180,000)	(180,000)	(179,249)	(751)
Rest Haven	(500,000)	(2,058,892)	(2,058,892)	-
911	(2,356,706)	(2,504,942)	(2,504,942)	-
Office of Senior Services	-	-	(208,690)	208,690
Farm Preservation	(52,282)	(52,282)	(52,282)	-
Transportation System	(233,314)	(233,314)	(233,314)	-
Total Operating Transfers Out	(7,707,593)	(9,408,134)	(11,556,700)	2,148,566
				-
Total Other Financing Uses	(7,235,289)	(8,635,656)	(5,799,469)	(2,836,187)
Net Change in Fund Balance	$ (3,633,795)	$ (4,708,589)	$ 2,543,721	$ (7,252,310)

COUNTY OF SCHUYLKILL
CHILDREN AND YOUTH FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 13,641,765	$ 13,203,415	$ 12,535,925	$ (667,490)
Charges for Service	609,326	609,326	593,500	(15,826)
Interest and Rents	650	650	484	(166)
Miscellaneous Revenue	-	-	-	-
Total Revenues	14,251,741	13,813,391	13,129,909	(683,482)
Expenditures				
Current:				
Human Services	17,251,404	18,190,404	18,064,483	125,921
Capital Outlay	57,797	13,797	13,687	110
Total Expenditures	17,309,201	18,204,201	18,078,170	126,031
Excess of Revenues Under Expenditures	(3,057,460)	(4,390,810)	(4,948,261)	(557,451)
Other Financing Sources :				
Operating Transfers In	3,084,460	3,495,810	4,948,261	1,452,451
Total Other Financing Sources	3,084,460	3,495,810	4,948,261	1,452,451
Net Change in Fund Balances	$ 27,000	$ (895,000)	$ -	$ 895,000

COUNTY OF SCHUYLKILL
OTHER AGENCIES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 9,511,807	$ 9,368,724	$ 9,467,144	$ 98,420
Charges for Service	325	10,325	85,254	74,929
Interest and Rents	4,615	4,615	4,819	204
Miscellaneous Revenue	24,420	24,420	1,718,499	1,694,079
Total Revenues	9,541,167	9,408,084	11,275,716	1,867,632
Expenditures				
Current:				
Human Services	2,953,844	3,084,586	2,707,363	377,223
Total Expenditures	2,953,844	3,084,586	2,707,363	377,223
Excess of Revenues Over Expenditures	6,587,323	6,323,498	8,568,353	2,244,855
Other Financing Uses :				
Operating Transfers Out	(626,980)	(6,639,981)	(8,568,353)	(1,928,372)
Total Other Financing Uses	(626,980)	(6,639,981)	(8,568,353)	(1,928,372)
Net Change in Fund Balances	$ 5,960,343	$ (316,483)	$ -	$ 316,483

OTHER SUPPLEMENTAL INFORMATION

COUNTY OF SCHUYLKILL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Debt Service Fund
Revenues	
Taxes	$ 449,810
Other Revenue	3,300
Total Revenues	453,110
Expenditures	
Current:	
General Government - Administrative	5,624
Debt Service	
Principal	250,000
Interest	195,803
Total Expenditures	451,427
Excess of Revenues Over Expenditures	1,683
Other Financing Uses:	
Operating Transfers	-
Total Other Financing Uses	-
Net Change in Fund Balances	1,683
Fund Balances - Beginning of Year	897,842
Fund Balances - End of Year	$ 899,525