

**Schuylkill County
Friendly
Understandable
Financial Statement**

For Year Ended

December 31, 2014

Sweet Arrow Lake County Park



Schuylkill County 2014

Friendly Understandable Financial Statement (FUFs)



Controller's Greeting

I am pleased to share with you a report on the financial health for the County of Schuylkill.

As I travel around the County, I find that most people are not exactly sure what a Controller does. The Treasurer collects the money. The Commissioners prepare and

manage the budget. The Controller keeps score.

The Controller's Office processes about 1,200 bills and invoices a week. We maintain custody of valuable documents such as deeds, titles and contracts. We audit the County Row Offices, the District Justices and the Tax Collectors.

The Controller's Office also prepares a CAFR (Comprehensive Annual Financial Report). We recognize that few of you have the time to read over 100 pages. The information in this FUFs (Friendly Understandable Financial Statement) is taken directly from the more complex CAFR. The FUFs shows where the County government gets its income and how the County spends it.

Christy D. Joy CPA CFE CGMA- Controller Schuylkill County

Form of Government

A three member Board of Commissioners, who has been elected at large by County voters to serve concurrent 4 year terms, oversees County government operations. No more than 2 of the 3 Commissioners may be of the same political party. 2 people from each party run on their party's ticket in November. The 3 top total vote getters are elected.

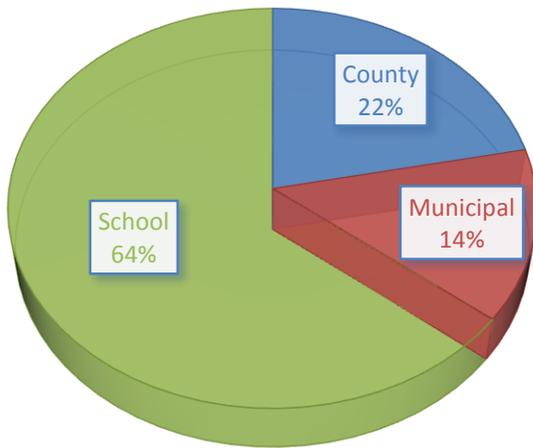
Through its Board of Commissioners, the County of Schuylkill provides a variety of programs and services to its citizens. The Commissioners are directly responsible for overseeing real estate tax assessment, maintenance of all real estate transaction through the Recorder of Deeds, issuance of marriage licenses through the Register of Wills, maintenance and funding of County parks, administration of the County court and judicial system County jail operations and administration of the County-owned nursing home, Rest Haven. In addition, the Commissioners also oversee voter registration and election procedures, County social service agencies, economic development programs, emergency preparedness, housing and redevelopment and farmland preservation.

The County Commissioners also work closely with 9 other elected officials who are responsible for a number of departments referred to as "Row Offices." These people are elected to 4 year terms. These Row Offices record and safeguard official records, collect fee for services and court imposed fines and support the administration of the justice system. Fees and fines help to defray the cost of carrying out the duties of these Offices. Row Officers include the Controller, Clerk of Courts, Coroner, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff and Treasurer. Voters also elect Common Pleas judges who serve 10-year terms and Magisterial District Judges who serve 6-year terms.

Where Do My Real Estate Taxes Go?

The County's millage rate did not change from 2004 to 2013 at 11.98 mills. In 2014, real estate taxes were set at 13.98. Each mill generates \$2 million in Taxes.

On Average 22% of Your Real Estate Taxes Go to the Schuylkill County Government

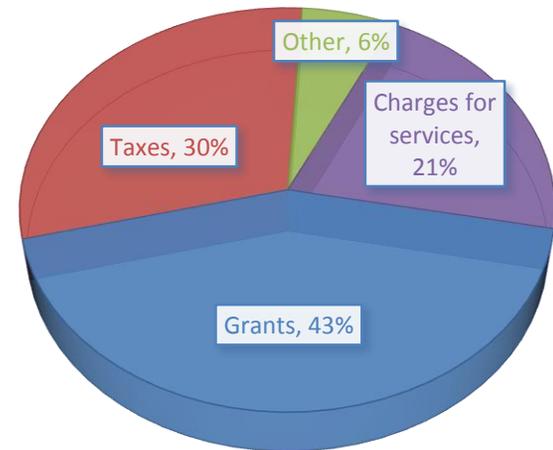


(2014 figures unaudited at release)

Sources of Revenues – Where does the Money Come From?

Revenues from all sources totaled \$105.62 million, while total expenses came in at \$101.74 million. Primary sources of funding come from federal and state grants, property, hotel and per capita taxes and charges for services performed by operating departments of the County.

30% of Revenue comes from County Taxes 70% of Revenue Comes from Other Sources

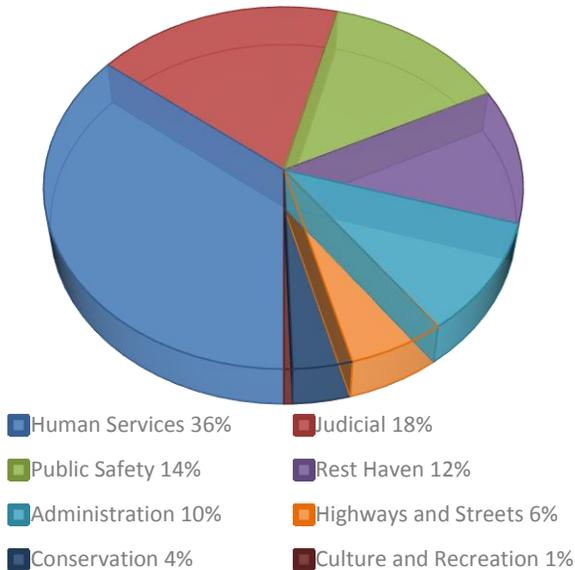


The primary operating fund of the county is the General Fund. 74% of the General Fund's revenue comes from Real Estate Taxes.

County Expenses – Where does the Money Go?

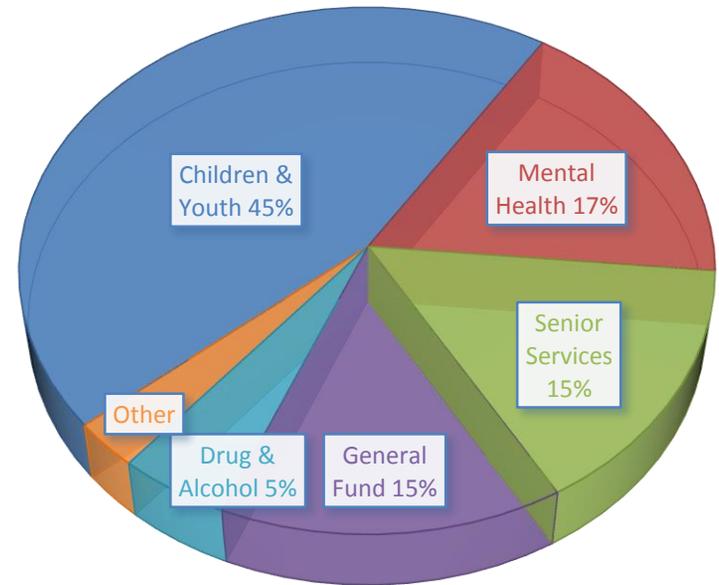
As with most counties in Pennsylvania, the Human Services function is by far the single largest area of expense for Schuylkill County. Expenditures in the area include Children and Youth, Mental Health, Area Agency on Aging, and Drug and Alcohol Prevention. Many of these expenditures are dictated by mandates coming down from federal and state governments beyond the County’s control. The problem is when the federal and state budgets are cut; the County must come up with the money to fund these mandates. Judicial, Courts, Highway and Streets and Public Safety functions come up to 67%. Rest Haven, Administration and Culture total 23%.

Only 23% of Schuylkill County Expenses are Discretionary



The Board of Commissioners has actual “control” over no more than 23% of the discretionary County expense budget. It is with this in mind that all elected officials must constantly monitor local activities as well as those in Harrisburg and Washington. Decisions made outside of Schuylkill County affect us greatly. That’s why the County is in regular contact with lawmakers and government associations to stay informed about pending legislation and present local views of importance to federal and state decision makers.

Human Services Spending



(2014 figures unaudited at release)

Balance Sheet – What We Have & What We Owe

Schuylkill County is fortunate as we report the results of operation for the calendar year 2014. The County’s overall net position (total assets minus total liabilities) for 2014 increased by \$337,970. It is necessary to remember that included in these net asset numbers are capital assets (buildings and bridges) and restricted funds (funds set aside for special projects) that are not available for spending on daily operations.

	2014	2013	2012
Assets			
Cash and Investments	38,096,206	42,235,909	48,863,541
Other Current Assets	14,720,161	10,886,578	10,647,548
Capital Assets	50,461,270	43,942,333	38,425,078
Total Assets	103,277,637	97,064,820	97,936,167
Liabilities			
Current Liabilities	11,932,199	16,141,660	12,580,470
Noncurrent Liabilities	67,270,939	57,186,631	54,333,870
Total Liabilities	79,203,138	73,328,291	66,914,340
Net Position	24,074,499	23,736,529	31,021,827

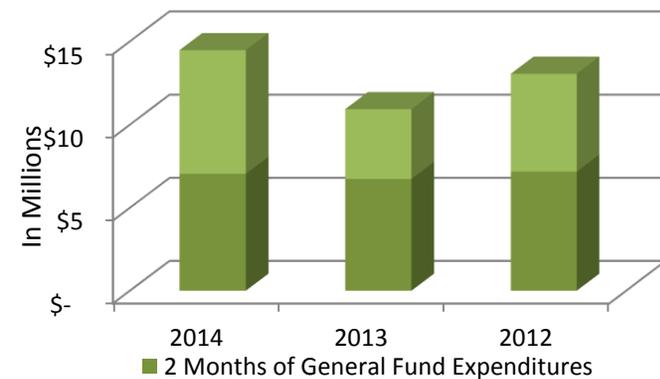
(2014 figures unaudited at release)

County General Fund Balance – What’s Left?

Fund balance is intended to serve as a measure of the financial resources available in a governmental fund. It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures. Credit rating agencies monitor levels of fund balance in a government’s general fund to evaluate a government’s continued creditworthiness.

The Government Finance Officers Association recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balances in the general fund of no less than 2 months of regular general fund operating revenues or regular operating expenditures.

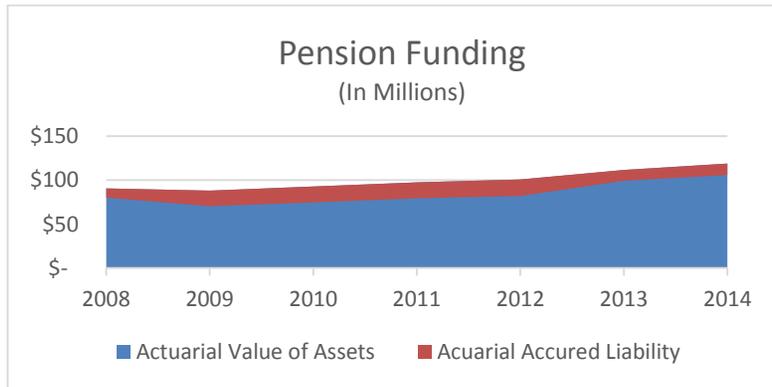
Unassigned General Fund Balance Satisfies the 2 Month Threshold



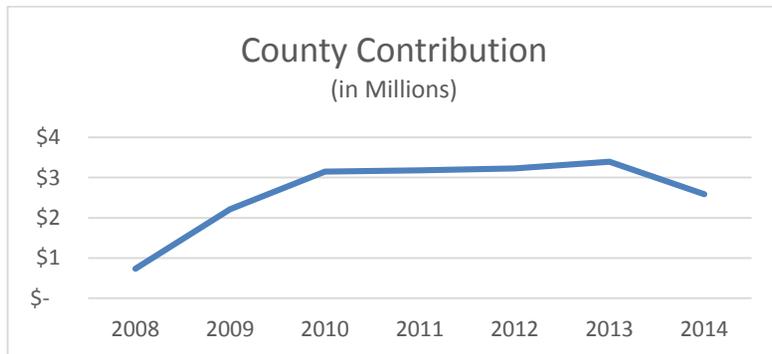
(Source: GFOA - Best Practice - Appropriate Level of Unrestricted Fund Balance in the General Fund. 2014 Figures unaudited at release)

County Pension Health

The County has a defined benefit pension plan defined by state law. Although pension assets have been rising, the amount owed to current and future retirees is increasing as well. Using Actuarial Smoothing at the end of 2014, the pension was 90.1% funded. Using Actual Market Value, the pension was 98.6% funded.



The County Commissioners have consistently made the actuarially calculated contribution. Actuaries calculate a smoothed contribution, so that county budgets are less turbulent to fund.



Fraud Hotlines

If you think you have knowledge of:

- Suspected theft or misuse of County property
- False reporting of hours worked
- Mismanagement of tax dollars
- Other suspected fraud or abuse



FRAUD

You can help because:

- U.S. organizations lose an estimated 7% of their annual revenues to fraud.
- Government is one of the most commonly victimized industries
- Organizations with fraud hotlines significantly cut their losses due to fraud
- Fraud is more likely to be detected by a tip than by other means
- For those governments that maintain hotlines, losses were reduced by 17% and duration of fraud was reduced by 30%
- Fraud and abuse are crimes everyone pays for!
- Significant losses due to fraud could mean:
 - Increased taxes
 - Less services for citizens

Schuylkill County 1(800)716-3066

Pennsylvania State Hotlines

Programs, Operations, Contracts	1(877)888-7972
Suspected Welfare Fraud	1(800)932-0582
Elder Abuse Unit	1(866)623-2137
Consumer Protection	1(800)441-2555

(Source: Association of Certified Fraud Examiner's Report to the Nation)

Schuylkill County Officials at Your Fingertips

Office	Official	Phone
Commissioner	Frank Staudenmeier	(570)628-1200
Commissioner	George Halcovage	(570)628-1200
Commissioner	Gary Hess	(570)628-1200
Controller	Christy Joy CPA CFE CGMA	(570)628-1560
Clerk of Courts	Thomas J. Campion CPA	(570)628-1133
Coroner	Dr. David Moylan	(570)277-0200
District Attorney	Christine Holman	(570)628-1350
Prothonotary	David Dutcavich	(570)628-1270
Recorder of Deeds	Ann Dudish	(570)628-1481
Register of Wills	Theresa Santai Gaffney	(570)628-1377
Sheriff	Joseph Groody	(570)628-1440
Treasurer	Jackie McGovern	(570)628-1433

Schuylkill County Services

Office	Phone
County General Operator	(570)628-5570
Agriculture Extension	(570)622-4225
Office of Senior Services	(570)622-3103
Children and Youth	(570)628-1050
Conservation District	(570)622-3742
Domestic Relations	(570)628-1588
Drug and Alcohol	(570)621-2890
Economic Development	(570)628-1167
Election Bureau/Voter Registration	(570)628-1467
Mental Health Developmental Services	(570)621-2890
Rest Haven Nursing Home	(570)385-0331
Veteran's Affairs	(570)628-1400