

COUNTY OF GREENE, NEW YORK

FINANCIAL STATEMENTS
(and Report of Independent Auditors')

December 31, 2009

COUNTY OF GREENE, NEW YORK

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report -----	1-2
General-purpose Financial Statements:	
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	3-4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental and Fiduciary Fund Types and Discretely Presented Component Units	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types	6-7
Statement of Revenues, Expenses and Changes in Fund Balance - Proprietary Fund Type	8
Statement of Cash Flows - Proprietary Fund Type	9
Notes to the Financial Statements	10-33
Supplemental Information:	
Combined Balance Sheet - Special Revenue Funds	34
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	35
Schedule of Expenditures of Federal Awards	36-38
Notes to Schedule of Expenditures of Federal Awards	39
Schedule of State Transportation Assistance Funds Expended	40
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41-42
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	43-44
Report on Compliance and Controls Over State Transportation Assistance Expended Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46
Schedule of Findings and Questioned Costs for Federal Assistance Expended	47-51
Schedule of Findings and Questioned Costs for State Transportation Assistance Expended	52

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INDEPENDENT AUDITORS' REPORT

To the County Legislature of
County of Greene, New York:

We have audited the accompanying general-purpose financial statements of County of Greene, New York, as of and for the year ended December 31, 2009, as listed in the table of contents. These general-purpose financial statements are the responsibility of County of Greene, New York's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the year ended December 31, 2009, the County of Greene did not apply GASB 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. See Note 1 for differences in reporting under GASB 34.


In addition to the exception above, GASB 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* was not implemented for the year ended December 31, 2009.

In our opinion, based on our report, except for the effects of not applying the provisions of GASB 34 and GASB 45 noted above, the financial statements referred to above present fairly in all material respects, the respective financial position of the County of Greene, New York as of December 31, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2010 on our consideration of County of Greene, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of state transportation assistance funds expended is presented for purposes of additional analysis as required by the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Greene, New York's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

 Adam, Kosley, Have
a Suer, CPA's, P.C.

Catskill, New York
September 29, 2010

COUNTY OF GREENE, NEW YORK
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
December 31, 2009

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	NON-CURRENT		TOTAL		TOTAL (Memorandum only) Reporting Entity
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	INTERNAL SERVICE FUND	TRUST FUNDS	GOVERNMENT ASSETS	GOVERNMENT LIABILITIES	(Memorandum only) Primary Government	COMPONENT UNITS		
ASSETS											
Cash	\$ 9,204,588	\$ 198,433	\$ 4,327,876	\$ 418,896	\$ 676,560	\$ -	\$ -	\$ 14,826,353	\$ 3,534,146	\$ 18,360,499	
Cash - restricted	569,154	2,062,020	-	-	276,082	-	-	2,907,256	86,151	2,993,407	
Investment held by fiscal agent	-	-	-	-	-	-	-	-	668,245	668,245	
Taxes receivable - net	12,662,082	-	-	-	-	-	-	12,662,082	-	12,662,082	
State and federal receivables	7,864,060	341,577	1,673,769	-	-	-	-	9,879,406	118,923	9,998,329	
Accounts receivable	1,955,016	114,782	-	1,407,861	87,324	-	-	3,564,983	1,142,870	4,707,853	
Note receivable net of unamortized discount	221,217	2,466,457	-	-	-	-	-	2,687,674	2,012,000	4,699,674	
Due from other funds	739,398	1,377,809	1,267	-	-	-	-	2,118,474	-	2,118,474	
Due from other governments	983,209	-	-	-	-	-	-	983,209	-	983,209	
Land, building and equipment:											
Land	-	-	-	-	-	2,822,101	-	2,822,101	8,604,627	11,426,728	
Building	-	-	-	-	-	25,281,902	-	25,281,902	-	25,281,902	
Equipment	-	-	-	-	-	14,464,421	-	14,464,421	-	14,464,421	
Other assets - inventory	-	-	-	-	-	12,150,384	-	12,150,384	207,420	12,357,804	
Prepaid items	-	-	-	-	-	-	-	-	27,507	27,507	
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-	-	18,754,671	18,754,671	-	18,754,671	
Total assets	\$ 34,198,724	\$ 6,561,078	\$ 6,002,912	\$ 1,826,757	\$ 1,039,966	\$ 54,718,808	\$ 18,754,671	\$ 123,102,916	\$ 16,401,889	\$ 139,504,805	

See auditors' report. See notes to financial statements

COUNTY OF GREENE, NEW YORK
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)
December 31, 2009

LIABILITIES AND FUND BALANCE

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		NON-CURRENT		TOTAL		TOTAL (Memorandum only) Reporting Entity
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	INTERNAL SERVICE FUND		TRUST FUNDS		GOVERN- MENT ASSETS	GOVERN- MENT LIABILITIES	(Memorandum only) Primary Government	COMPONENT UNITS	
\$	2,621,002	\$ 807,347	\$ 1,184,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,613,246	\$ 314,013	\$ 4,927,259
Accounts payable	1,666	-	383,774	1,907,861	-	-	-	-	-	2,293,301	682	2,293,983
Other liabilities	-	-	-	-	-	988,007	-	-	-	988,007	-	988,007
Agency liabilities	9,763,117	4,607	5,840	-	-	-	-	-	-	9,773,564	19,015	9,792,579
Due to other governments	-	117,174	1,964,778	-	-	36,522	-	-	-	2,118,474	-	2,118,474
Due to NYS Retirement System	1,211,062	172,446	-	-	-	-	-	-	-	1,383,508	-	1,383,508
Compensated absences	-	-	-	-	-	-	-	-	3,402,371	3,402,371	-	3,402,371
Bond anticipation note	-	-	12,000,000	-	-	-	-	-	-	12,000,000	-	12,000,000
Bond and long-term debt	-	-	-	-	-	-	-	-	15,352,300	15,352,300	12,906,254	28,258,554
Deferred revenues	9,744,069	2,466,457	-	-	-	-	-	-	-	12,210,526	135,934	12,346,460
Total liabilities	23,340,916	3,568,031	15,539,289	1,907,861	-	1,024,529	-	-	18,754,671	64,135,297	13,375,898	77,511,195
Fund Balance:												
Investment in general fixed assets	-	-	-	-	-	-	-	54,718,808	-	54,718,808	8,104,572	62,823,380
Fund balances reserved:												
Reserve for encumbrances	29,342	-	-	-	-	-	-	-	-	29,342	-	29,342
Reserve for indebtedness	305,387	-	-	-	-	-	-	-	-	305,387	-	305,387
Reserve for risk retention	419,885	-	-	-	-	-	-	-	-	419,885	-	419,885
Expendable trust funds	-	-	-	-	-	15,437	-	-	-	15,437	-	15,437
Miscellaneous reserves	469,683	2,999	-	-	-	-	-	-	-	472,682	66,112	538,794
Fund balance - unreserved:												
Appropriated-ensuing year's budget	2,510,000	525,000	-	-	-	-	-	-	-	3,035,000	-	3,035,000
Unappropriated	7,123,511	2,465,048	(9,536,377)	(81,104)	-	-	-	-	-	(28,922)	-	(28,922)
Retained earnings	-	-	-	-	-	-	-	-	-	-	(5,144,693)	(5,144,693)
Total fund balance	10,857,808	2,993,047	(9,536,377)	(81,104)	-	15,437	-	54,718,808	-	58,967,619	3,025,991	61,993,610
Total liabilities and fund balance	\$ 34,198,724	\$ 6,561,078	\$ 6,002,912	\$ 1,826,757	\$ -	\$ 1,039,966	\$ -	\$ 54,718,808	\$ 18,754,671	\$ 123,102,916	\$ 16,401,889	\$ 139,504,805

See auditors' report. See notes to financial statements.

COUNTY OF GREENE, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS
for the year ended December 31, 2009

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTAL		TOTAL
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	PRIVATE PURPOSE TRUST	(Memorandum only) Primary Government	COMPONENT UNITS	(Memorandum only) Reporting Entity
REVENUES AND OTHER SOURCES							
Revenues:							
Real property taxes	\$ 18,485,405	\$ -	\$ -	\$ -	\$ 18,485,405	\$ -	\$ 18,485,405
Real property tax items	2,334,696	-	-	-	2,334,696	-	2,334,696
Non-property tax items	25,197,642	-	-	-	25,197,642	-	25,197,642
Departmental income	9,670,491	-	-	-	9,670,491	3,482,949	13,153,440
Intergovernmental charges	680,690	11,496	-	-	692,186	1,138,286	1,830,472
Use of money and property	272,040	1,438	-	8	273,486	29,607	303,093
Licenses and permits	40,819	-	-	-	40,819	-	40,819
Fines and forfeitures	248,309	-	-	-	248,309	-	248,309
Sale of property and compensation for loss	165,070	373,099	-	-	538,169	-	538,169
Miscellaneous local sources	230,566	1,608,591	66,443	5,893	1,911,493	41,061	1,952,554
State aid	14,032,739	1,501,955	1,326,543	-	16,861,237	1,563,357	18,424,594
Federal aid	10,992,216	1,498,048	1,989,175	-	14,479,439	-	14,479,439
Total revenues	82,350,683	4,994,627	3,382,161	5,901	90,733,372	6,255,260	96,988,632
Other sources:							
Operating transfers	442,675	8,970,155	120,366	-	9,533,196	-	9,533,196
Total other sources	442,675	8,970,155	120,366	-	9,533,196	-	9,533,196
Total revenues and other sources	82,793,358	13,964,782	3,502,527	5,901	100,266,568	6,255,260	106,521,828
EXPENDITURES AND OTHER USES							
Expenditures:							
General government support	7,733,467	1,599,595	8,800,566	-	18,133,628	-	18,133,628
Education	6,314,522	-	1,771,501	-	8,086,023	-	8,086,023
Public safety	7,210,111	197,790	-	-	7,407,901	-	7,407,901
Health	8,652,256	-	-	-	8,652,256	-	8,652,256
Transportation	-	6,916,126	1,661,782	-	8,577,908	-	8,577,908
Economic assistance and opportunity	29,508,562	-	-	10,369	29,518,931	-	29,518,931
Culture and recreation	343,927	-	313,041	-	656,968	-	656,968
Home and community services	4,717,144	1,158,012	28,051	-	5,903,207	4,888,850	10,792,057
Employee benefits	10,563,635	1,941,817	-	-	12,505,452	283,815	12,789,267
Debt service (principal/interest)	1,112,684	693,325	-	-	1,806,009	-	1,806,009
Total expenditures	76,156,308	12,506,665	12,574,941	10,369	101,248,283	5,172,665	106,420,948
Other uses:							
Operating transfers	8,949,321	94,990	488,885	-	9,533,196	-	9,533,196
Total other uses	8,949,321	94,990	488,885	-	9,533,196	-	9,533,196
Total expenditures and other uses	85,105,629	12,601,655	13,063,826	10,369	110,781,479	5,172,665	115,954,144
Excess of revenue (expenditures)	(2,312,271)	1,363,127	(9,561,299)	(4,468)	(10,514,911)	1,082,595	(9,432,316)
Fund balance, beginning	13,330,333	1,629,920	175,091	19,905	15,155,249	2,350,923	17,506,172
Prior period adjustments	(160,254)	-	(150,169)	-	(310,423)	(407,527)	(717,950)
Fund balance, ending	\$ 10,857,808	\$ 2,993,047	\$ (9,536,377)	\$ 15,437	\$ 4,329,915	\$ 3,025,991	\$ 7,355,906

See auditors' report. See notes to financial statements.

COUNTY OF GREENE, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
for the year ended December 31, 2009

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			TOTALS (MEMORANDUM ONLY)		
	MODIFIED BUDGET	ACTUAL	Variance Favorable (Unfavorable)	MODIFIED BUDGET	ACTUAL	Variance Favorable (Unfavorable)	MODIFIED BUDGET	ACTUAL	Variance Favorable (Unfavorable)
REVENUES AND OTHER SOURCES									
Revenues:									
Real property taxes	\$ 20,291,571	\$ 18,485,405	\$ (1,806,166)	\$ -	\$ -	\$ -	\$ 20,291,571	\$ 18,485,405	\$ (1,806,166)
Real property tax items	1,115,000	2,334,696	1,219,696	-	-	-	1,115,000	2,334,696	1,219,696
Non-property tax items	28,167,137	25,197,642	(2,969,495)	-	-	-	28,167,137	25,197,642	(2,969,495)
Departmental income	10,079,908	9,670,491	(409,417)	-	-	-	10,079,908	9,670,491	(409,417)
Intergovernmental charges	766,687	680,690	(85,997)	-	11,496	11,496	766,687	692,186	(74,501)
Use of money and property	447,700	272,040	(175,660)	-	1,438	1,438	447,700	273,478	(174,222)
Licenses and permits	39,500	40,819	1,319	-	-	-	39,500	40,819	1,319
Fines and forfeitures	278,514	248,309	(30,205)	-	-	-	278,514	248,309	(30,205)
Sale of property and compensation for loss	230,363	165,070	(65,293)	464,473	373,099	(91,374)	694,835	538,169	(156,666)
Miscellaneous local sources	270,350	230,566	(39,784)	1,735,599	1,608,591	(127,008)	2,005,949	1,839,157	(166,792)
State aid	15,790,875	14,032,739	(1,758,136)	1,517,538	1,501,955	(15,583)	17,308,413	15,534,694	(1,773,719)
Federal aid	9,245,318	10,992,216	1,746,898	868,194	1,498,048	629,854	10,113,512	12,490,264	2,376,752
Total revenues	86,722,923	82,330,683	(4,372,240)	4,385,804	4,994,627	408,823	91,308,726	87,345,310	(3,963,416)
Other sources:									
Operating transfers	-	442,675	442,675	8,970,155	8,970,155	-	8,970,155	9,412,830	442,675
Total other sources	-	442,675	442,675	8,970,155	8,970,155	-	8,970,155	9,412,830	442,675
Total revenues and other sources	\$ 86,722,923	\$ 82,793,358	\$ (3,929,565)	\$ 13,555,959	\$ 13,964,782	\$ 408,823	\$ 100,278,881	\$ 96,758,140	\$ (3,520,741)

See auditors' report. See notes to financial statements.

COUNTY OF GREENE, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES (CONTINUED)
for the year ended December 31, 2009

	GENERAL FUND				SPECIAL REVENUE FUND TYPES				TOTALS (MEMORANDUM ONLY)			
	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	Variance Favorable (Unfavorable)	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	Variance Favorable (Unfavorable)	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	Variance Favorable (Unfavorable)
EXPENDITURES AND OTHER USES												
Expenditures:												
General government support	\$ 8,111,623	\$ 7,733,467	\$ 8,737	\$ 378,156	\$ -	\$ 1,599,595	\$ -	\$ (1,599,595)	\$ 8,111,623	\$ 9,333,062	\$ 8,737	\$ (1,230,176)
Education	6,316,126	6,314,522	-	1,604	-	-	-	-	6,316,126	6,314,522	-	1,604
Public safety	7,793,922	7,210,111	12,014	583,811	204,040	197,790	-	6,250	7,997,962	7,407,901	12,014	578,047
Health	10,154,620	8,652,256	8,579	1,502,364	-	-	-	-	10,154,620	8,652,256	8,579	1,491,785
Transportation	-	-	-	-	9,504,633	6,916,126	-	2,588,497	9,504,623	6,916,126	-	2,588,497
Economic assistance and opportunity	31,911,210	29,508,562	12	2,402,648	-	-	-	-	31,911,210	29,508,562	12	2,402,636
Culture and recreation	472,022	343,927	-	128,095	-	-	-	-	472,022	343,927	-	128,095
Home and community services	6,173,114	4,717,144	-	1,455,970	1,519,500	1,158,012	-	361,488	7,692,614	5,875,156	-	1,817,458
Employee benefits	10,492,851	10,563,635	-	(70,784)	2,178,379	1,941,817	-	236,562	12,671,230	12,505,452	-	165,778
Debt service (principal/interest)	1,112,684	1,112,684	-	0	834,525	693,325	-	141,200	1,947,209	1,806,009	-	141,200
Total expenditures	82,538,172	76,156,308	29,342	6,381,864	14,241,067	12,508,665	-	1,734,402	96,779,239	88,662,973	29,342	8,086,924
Other uses:												
Operating transfers	8,970,155	8,949,321	-	20,834	-	94,990	-	(94,990)	8,970,155	9,044,311	-	(74,156)
Total other uses	8,970,155	8,949,321	-	20,834	-	94,990	-	(94,990)	8,970,155	9,044,311	-	(74,156)
Total expenditures and other uses	91,508,327	85,105,629	29,342	6,402,698	14,241,067	12,601,655	-	1,639,412	105,749,394	97,707,284	29,342	8,012,768
Appropriated fund balance	4,785,404		\$ 29,342	(4,756,062)	685,108		\$ -	(685,108)	5,470,512		\$ 29,342	5,441,170
Excess of revenue (expenditures)	\$ -	(2,312,271)	\$ -	(2,282,929)	\$ -	1,363,127	\$ -	(1,915,697)	\$ (1)	(949,144)	\$ -	9,933,197
Fund balance, beginning		13,330,333				1,629,920				14,960,253		
Prior period adjustment		(160,254)										
Fund balance, ending		\$ 10,857,808				\$ 2,993,047				\$ 13,850,855		

See auditors' report. See notes to financial statements.

COUNTY OF GREENE, NEW YORK
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - PROPRIETARY FUND TYPE
for the year ended December 31, 2009

Operating revenue:	
Charges and fees	\$ 600,000
Prior year recoveries	<u>67,097</u>
Total operating revenue	<u>667,097</u>
Operating expenses:	
Benefits and awards	690,161
Administrative services	49,587
Insurance	<u>85,598</u>
Total operating expenses	<u>825,346</u>
Operating loss	<u>(158,249)</u>
Other revenue:	
Interest income	<u>6,952</u>
Net loss	(151,297)
Fund balance, beginning of year	<u>70,193</u>
Fund balance, end of year	<u><u>\$ (81,104)</u></u>

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
for the year ended December 31, 2009

Cash flows from operating activities:	
Cash received from participants	\$ 600,000
Prior year recoveries	67,097
Interest received	6,952
Cash payments of benefits and awards	(690,161)
Cash payments of administrative services	(49,587)
Cash payments of insurance	<u>(85,598)</u>
Net cash used by operating activities	(151,297)
Cash, beginning of year	<u>570,193</u>
Cash, end of year	<u><u>\$ 418,896</u></u>
Reconciliation of net loss to net cash used by operating activities:	
Net loss	\$ (151,297)
Changes in assets and liabilities:	
Increase in accounts receivable	(622,978)
Increase in other liabilities	<u>622,978</u>
Net cash used by operating activities	<u><u>\$ (151,297)</u></u>

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies:

The financial statements of County of Greene, New York have been prepared on a regulatory basis in conformity with the New York State Accounting and Reporting Manual. The basis of presentation is a *comprehensive basis of accounting other than generally accepted accounting principles* in the United States of America as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Board of Legislators have decided to present the financial information in accordance with the reporting model in effect prior to that described in GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". The basis of accounting used has been applied in a manner consistent with the prior period.

The additional minimum financial reporting requirements of GASB statement No. 34 for state and local governments include:

Management's Discussion and Analysis - The MD&A is a component of Required Supplementary Information (RSI). The MD&A is an introduction to the basic financial statements and an analytical overview of the government's financial activities.

RSI other than the MD&A, such as the required budgetary comparison schedule for the General Fund and major special revenue funds, generally is included immediately following the notes to the financial statements.

Infrastructure reporting. Capitalizing and depreciating a government's infrastructure assets. (e.g., roads, bridges, dams, water and sewer systems, etc.).

A. Financial Reporting Entity:

County of Greene, New York, which was created March 25, 1800 is governed by County Law and other general laws of the State of New York. The Board of Legislators, which is the legislative body responsible for the overall operation of the County, consists of fourteen members representing nine legislative districts with each member's vote weighted on the basis of population. The Chairman of the Board serves as Chief Executive Officer and the County Treasurer serves as Chief Fiscal Officer of the County.

All governmental activities and functions performed for County of Greene, New York are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

A. Financial Reporting Entity (Continued):

The financial reporting entity consists of (a) the primary government which is County of Greene, New York (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in Governmental Accounting Standards Board (GASB) Statement 14.

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement 14 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining County of Greene, New York's reporting entity.

1. Included in the Reporting Entity:

Greene County Industrial Development Agency:

Greene County Industrial Development Agency is a public benefit corporation created by state legislation to promote the economic welfare, recreational opportunities and prosperity of the County's inhabitants. Members of the Agency are appointed by and serve on behalf of County of Greene, New York's Board of Legislators. The Agency is reported under the Governmental Fund Type as a component unit.

Greene County Soil and Water Conservation District:

Greene County Soil and Water Conservation District is a political subdivision established by the County Board of Legislators for the purpose of improving and advancing conservation, and wise use and orderly development of the soil, water and related natural resources of County of Greene, New York. A board of directors is appointed by the County Board of Legislators. Administrative costs of the District are provided primarily through County appropriations. The County Board of Legislators has direct responsibility for the operations of the Greene County Soil and Water Conservation District and retains general oversight responsibility. The District is reported under the Governmental Fund Type as a component unit.

Greene Tobacco Asset Securitization Corporation (GTASC):

GTASC was incorporated October 17, 2000 as a local development corporation by the County of Greene, New York (the County) under the provisions of Section 1411 of the New York State Not-For-Profit Corporation Law and as a Public Authority they are subject to the Public Authority Accountability Act of 2005. Its purpose is to issue bonds securitized solely from County Tobacco Settlement Revenues under the Master Settlement Agreement dated November 23, 1998, purchased from the County under the Purchase and Sale Agreement dated October 15, 2000, and to forward to the County the net proceeds from the bond issuance.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

A. Financial Reporting Entity (Continued):

1. Included in the Reporting Entity (Continued):

Greene Tobacco Asset Securitization Corporation (GTASC) (Continued):

In 2005 GTASC issued two new bonds. The first series, Title IV was issued in August of 2005 and was used to pay off the bond series originally issued in October 2000, Title I. The second issue, Title V, was issued in September of 2005, and the bond proceeds were forwarded to the County.

2. Excluded from the Reporting Entity:

All activities which meet the reporting entity inclusion criteria explained above must be included in general-purpose financial statements in order to fairly present the financial position and results of operations of County of Greene, New York in accordance with accounting principles generally accepted in the United States of America.

The financial statements presented herein include all of the activities includable in the County's reporting entity.

The financial statements are intended to report upon the financial position and results of operations of individual fund types and account groups; specifically, the general, special revenue, capital project and fiduciary fund types and the non-current government assets and the non-current government liabilities in accordance with accounting principles generally accepted in the United States of America.

Columbia-Greene Community College and Capital District Regional Off-Track Betting Corporation are joint undertakings with other municipalities and are excluded from the financial statements. See Note III for additional disclosure regarding joint ventures.

B. Basis of Presentation:

The County uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

B. Basis of Presentation (Continued):

The County records its transactions in the fund types and account groups described below.

1. Governmental Funds - Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of the financial position and changes in financial position.

The following are the County's governmental fund types:

- a. General Fund - the principal operating fund and includes all operations not required to be recorded in other funds.
- b. Special Revenue Funds - used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

County Road Fund - used to account for expenditures for highway purposes, authorized by Section 114 of the Highway Law and the current year's budget.

County Machinery Fund - used to account for the purchase, repair, maintenance and storage of highway machinery, tools and equipment pursuant to Section 133 of the Highway Law.

Special Grant Fund - used to account for expenditures relating to the promotion of economic development and prosperity of the County's inhabitants through the use of Community Development Block Grants and Urban Development Grants.

- c. Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities.
 - d. Component Units - used to account for the County's component units: Greene County Industrial Development Agency, Greene County Soil and Water Conservation District, and Greene Tobacco Asset Securitization Corporation.
2. Proprietary Fund Type - used to account for ongoing organizations or activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and changes in financial position. The following proprietary fund is utilized:

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

B. Basis of Presentation (Continued):

2. Proprietary Fund Type (Continued):

- a. Internal Service Fund - used to account for special activities or services provided by one department to other departments or to other governments on a cost reimbursement basis. The Workers' Compensation Fund is used to account for the accumulation of resources for payment of compensation, assessments and other obligations under the Workers' Compensation Law, Article 5, as assessed by the State of New York Workers' Compensation Board.

The County has established a plan of self-insurance under the Workers' Compensation Law whereby other Towns and Villages can participate in the plan. Each participant is billed by the plan for its share of the estimated premium costs for the ensuing year. Any deficiencies in the amounts billed are added to the next year's bill.

3. Fiduciary Fund Type - used to account for assets held by the local government in a trustee or custodial capacity:
 - a. Trust and Agency Funds - used to account for money and property received and held in the capacity of trustee, custodian, or agent.
4. Non-Current Government Assets - used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes, except those accounted for in proprietary funds.
5. Non-Current Government Liabilities- used to account for all long-term obligations except those accounted for in proprietary funds.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

1. Modified Accrual Basis - All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

C. Basis of Accounting/Measurement Focus (Continued):

1. Modified Accrual Basis (Continued):

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses, excluding prepaid retirement, and inventory type items are recognized at the time incurred.
 - b. Principal and interest on indebtedness are recognized as an expenditure when due.
 - c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
 - d. Pension costs are recognized as an expenditure when due.
2. Accrual Basis - Proprietary funds are accounted for on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within this fund. Amounts equivalent to the costs of administrative and other support received from Greene County General Fund are reflected as operating expenses and revenues in the general-purpose financial statements.
3. Fixed Assets - Fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. Long-term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. In addition to bonds payable, the general long-term debt account group also includes a provision for compensated absences, due to Employee's Retirement System, installment purchases, operating leases, and a guaranteed user fee.
4. Cash and Cash Equivalents - For purposes of the cash flow statement, cash and cash equivalents consisted of demand deposit and savings accounts. Cash and cash equivalents were fully secured at year-end.

D. Budgetary Data:

1. General Budget Policies - The budget policies are as follows:

- a. No later than November 1, the Budget Officer submits a tentative budget to the County Legislature Budget Committee. No later than November 15, the Budget Committee submits a tentative budget to the County Legislature for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except the Capital Projects and the Soil and Water Conservation District. After public hearings are conducted to obtain taxpayers' comments, no later than December 20, the budget is adopted by the County Legislature.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

D. Budgetary Data (Continued):

1. General Budget Policies (Continued):

- b. All modifications of the budget must be approved by the County Legislature; however, the County Administrator is authorized to transfer certain budgeted amounts within departments.
- c. Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.
- d. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects which remain in effect for the life of the project.

2. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the General and Special Revenue Funds. Encumbrances are reported as reservations of the fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting:

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

E. Property, Plant and Equipment:

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at actual or estimated historical costs as non-current government assets. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

F. Compensated Absences:

County employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Estimated vacation and sick leave and compensatory absences accumulated by governmental fund type employees have been recorded as non-current government liabilities. There are no proprietary fund employees and therefore, no accrual of compensated absences has been recorded for this fund type.

Payment of vacation and sick leave recorded in the general long-term debt account group is dependent upon many factors; therefore, timing of future payments is not readily determinable; however, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payment becomes due.

G. Post Employment Benefits:

In addition to providing pension benefits, the County provides certain health care benefits for retired employees. Substantially all of the County employees may become eligible for those benefits if they reach normal retirement age while working for the County. Health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The County recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the year, \$2,456,090 was paid on behalf of 308 retirees and is recorded as an expenditure in the General and Special Revenue Funds.

Beginning in fiscal year 2008, the reporting entity was required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) including health care, life insurance, and other non-pension benefits offered to retirees. This new standard addresses how the reporting entity should account for and report its costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB Statement No. 45 requires that the County recognize the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits. The County has hired an actuary to determine what they would need to accrue, although the County has not fully implemented GASB 45 at year ending December 31, 2009.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

H. Property Taxes:

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to August 1 by the town tax collectors, thereafter by the County Treasurer's tax department. Taxes for County purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the towns.

Unpaid village taxes and school district taxes levied on properties are turned over to the County for enforcement. Any such taxes remaining unpaid at December 1 are relieved as County taxes in the subsequent year.

At December 31, 2009, real property taxes receivable totaled \$12,662,082. The allowance for uncollectible taxes at year end was \$34,161. Current year returned school district and village taxes of approximately \$6,320,582 and \$505,958 respectively, are also included as liabilities that were paid prior to February 28, 2010. \$5,015,717 of the remaining portion of taxes receivable has been reserved as deferred tax revenue and represents an estimate of the outstanding taxes which will not be collected within the first sixty (60) days of the subsequent year.

I. Deferred Revenue - Special Revenue Fund:

The amount of outstanding loans of \$2,466,457 from Community Development Block Grants that are expected to be repaid and become available for additional loans, is deferred. When the loan payments are received, revenue is recognized to the extent of principal and interest received. When grant funds are reloaned, a corresponding expenditure is recorded. When a loan is written off as uncollectible, a corresponding decrease in the amount of deferred revenue is made in the same period, the effect of which is to reduce the overall amount of funds available for future loans (see Note II A2).

J. Insurance:

The County assumes the risk for general liability. The County is involved in many pending tort claims against them, the ultimate outcomes of which cannot be reasonably determined. Therefore, judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

The County maintains a risk retention reserve which is included in the General Fund.

The County also maintains a workers' compensation risk pool in which it predominately participates. In compliance with Government Accounting Standards Board (GASB) pronouncement Number 10, the County has estimated and recorded in the Internal Service Fund a \$1,907,861 workers' compensation liability based upon known and incurred but not reported claims along with an estimated administrative factor. The County has also recorded an unbilled receivable for the same amount, less cash reserves at year-end.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Summary of Significant Accounting Policies (Continued):

K. Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Total Columns on Combined Statements:

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Subsequent Events:

Subsequent events have been evaluated through September 29, 2010, which is the date the financial statements were available to be issued.

II. Detail Notes on all Funds and Account Groups:

A. Assets:

1. Cash:

The County's investment policies are governed by state statutes. In addition, the County has its own written investment policy. County monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The county treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

A. Assets (Continued):

1. Cash (Continued):

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the County's custodial banks in the County's name. In the past, the County has not experienced any losses in such accounts and therefore believe they are not exposed to any significant credit risk.

	<u>Book Balance</u>	<u>Bank Balance</u>	<u>FDIC</u>	<u>Pledged Collateral</u>
First Niagara	\$ 11,621,866	\$ 13,941,413	\$ 250,000	\$ 11,080,670
Bank of Greene County	5,486,122	5,495,264	250,000	7,098,693
National Bank of Cossackie	595,044	595,044	250,000	2,348,257
HSBC	4,843	4,843	250,000	-
Keybank	<u>15,784</u>	<u>15,784</u>	<u>250,000</u>	<u>-</u>
	17,723,659			
Petty Cash	<u>9,950</u>			
	<u>\$ 17,733,609</u>			

First Niagara's accounts are fully collateralized at year end as the bank balance of \$13,941,413 included \$4,431,362 of non-interest bearing accounts that had unlimited collateralization at year end.

2. Loans Receivable and Deferral of Revenue:

Community Development Block Grants:

The County is the recipient of Community Development Block Grants to operate revolving loan funds. These funds are to be loaned to industry and not-for-profit organizations for the purpose of creating and retaining permanent jobs within the County. The balance of loans receivable and deferred revenue at December 31, 2009 of \$2,466,457 consists of loans that require periodic payments of principal and interest or interest only for loans that have not been fully drawn down, and have a rate of interest at one-half of prime plus one percent.

3. Note Receivable:

In 1994 the County accepted a note receivable from Columbia-Greene Medical Center as payment of past due rents. The unsecured note, with a face value of \$1,397,000 and a stated interest rate of 0%, calls for annual payments through 2013. The rents receivable have been adjusted to the net present value of \$221,217 using an imputed interest rate of 9%. A discount was recognized in the amount of \$588,000 which is being amortized over the life of the note. Amortization of the discount in 2009 was \$24,890.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

A. Assets (Continued):

4. Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance			Balance
	<u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/09</u>
Land	\$ 2,837,101	\$ -	\$ 15,000	\$ 2,822,101
Buildings	24,989,118	292,784	-	25,281,902
Machinery and Equipment	15,122,005	511,903	1,169,487	14,464,421
Construction in Progress	3,474,357	8,702,129	26,102	12,150,384
Total	<u>\$ 46,422,581</u>	<u>\$ 9,506,816</u>	<u>\$ 1,210,589</u>	<u>\$ 54,718,808</u>

B. Liabilities:

1. Pension Plans:

Plan Description:

The County of Greene participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership starting from the date they first enter the system. Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressly used in computing the employers' contributions.

The County of Greene is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2009	\$ 1,846,671
2008	\$ 1,934,427
2007	\$ 2,149,245

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

1. Pension Plans (Continued):

Plan Description (Continued):

Contributions made to the System were equal to 100% of the contributions required for each year.

Chapter 49 of the Laws of 2003 of the State of New York was enacted which made the following changes to the System:

- Requires minimum contributions by employers of 4.5% of payroll every year, including years in which the investment performance would make a lower contribution possible.
- Changes the cycle of annual billing such that the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1st.

Chapter 260 of the Laws of 2004 of the State of New York was enacted that allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-2005, the amount in excess of 7% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2006-2007, the amount in excess of 9.5% of employees' covered pensionable salaries.
- For SFY 2007-2008, the amount in excess of 10.5% of employees' covered pensionable salaries.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2006 through 2008. The County of Greene elected to make the full payments to date.

Chapter 260 of the Laws of New York State changed the annual payment due date for employers who participate in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The December 15 payment due date changed to February 1. The covered salary period (April 1 - March 31) will not change for the calculation.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

2. Compensated Absences and Other Employee Benefits:

Pursuant to contractual agreements, County employees are entitled to accrue sick leave, vacation leave and personal leave. An individual who leaves the employment of the County is entitled to be paid for 100% unused vacation leave as follows:

All employees except Deputy Sheriff's, Solid Waste and the Highway Department are paid 100% of a maximum of 30 vacation days for a total of 240 hours for employees working a 40 hour work week and 210 hours for employees working a 35 hour work week.

All Deputy Sheriff's, Solid Waste and Highway Department employees are paid 100% of a maximum of 40 days for a total of 320 hours for a 40 hour work week.

Upon death or retirement, unused sick leave shall be paid accordingly as follows:

All employees except Nurses, Solid Waste and the Highway Department employees are paid 75% of a maximum of 160 sick days, for a total of 1,280 hours paid at 75% for employees working a 40 hour work week and 1,120 hours paid at 75% for employees working a 35 hour work week.

Nurses are paid 50% of a maximum of 240 days, for a total of 1,680 hours paid at 50% for a 35 hour work week.

Solid waste employees are paid 100% of 105 days, for a total of 840 hours paid at 100% for a 40 hour work week.

The Highway Department employees are reimbursed at different rates. Employees hired before February 13, 1996 that had accrued at least 50 sick hours are reimbursed for a maximum of 120 days or 960 hours for a 40 hour work week. They are reimbursed for the hours accrued by February 13, 1996 at 100% and the balance of unused sick time up to the maximum hours are paid at 50%. Employees not grandfathered or hired after February 13, 1996 are paid 50% of a maximum of 240 days, for a total of 1,920 hours paid at 50% for a 40 hour work week.

The estimated value of earned and unused leave credits in the amount of \$3,402,371 has been recorded as non-current government liability.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

3. Short-Term Debt:

The County took out a bond anticipation note in December 2008 for \$9,000,000 which increased to \$12,000,000 by the year ending December 31, 2009 with an interest rate of 2% for the construction project on the court house. The bond anticipation note is scheduled to become a public improvement bond in December 2010.

4. Bonds and Long-Term Debt:

- a. At December 31, 2009 the total outstanding indebtedness of the County aggregated \$20,662,532. Of this amount, \$14,150,000 was subject to the constitutional debt limit and represented approximately 4.14 % of its statutory debt limit.
- b. Serial Bonds - The County borrows money in order to acquire land or equipment or construct buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded as non-current government liabilities. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.
- c. Other Long-Term Debt - In addition to the above long-term debt, the County had the following noncurrent liabilities:

Unfunded Retirement represents the unbilled and noncurrent portion of the liability to the New York State Employees' Retirement System.

Compensated Absences represent the value of earned and unused portions of the liability for employees' vacations and sick pay.

Operating Leases, Installment Purchase Debt and Joint Water Project User Fee - The County leases a significant amount of property and equipment under operating leases. The County had operating leases and capital lease obligations of \$314,860 at December 31, 2009. Total rental expenditures on such leases for the year were approximately \$150,802. The County paid off the installment purchase debt obligation during the December 31, 2009 year end. Installment debt reduction totaled \$31,354 for the year.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

4. Bonds and Long-Term Debt (Continued):

c. Other Long Term Debt (Continued):

Additionally, the County has entered into a guaranteed user fee arrangement with the Town of Coxsackie and the Village of Coxsackie to finance the expansion of an existing municipal water system. The agreement calls for the County to make annual payments of \$55,333 for the first sixteen years and annual payments of \$55,667 for the remaining three years; a total obligation of \$1,052,329. The balance outstanding at December 31, 2009 was \$498,999.

Maximum future noncancelable payments on these obligations are as follows:

2010	\$ 160,860
2011	133,978
2012	98,520
2013	96,210
Thereafter	324,291
	<u>\$ 813,859</u>

d. Long-Term Debt Maturity Schedule - The following is a summary of serial bonds and other notes payable with corresponding maturity schedules:

Payable From/ <u>Description</u>	<u>Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Outstanding</u>
General Fund:				
Solid Waste Management				
Resource Recovery System,				
Machinery and Equipment	1988	2,530,000	5.7%	\$ 540,000
Community College	1997	3,009,500	5.0%	1,350,000
Public Improvement	2003	16,160,000	2.25%	12,260,000
Total serial bonds and other notes payable				<u>\$ 14,150,000</u>

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

4. Bonds and Long-Term Debt (Continued):

d. Long-Term Debt Maturity Schedule (Continued):

Serial bonds and other notes payable maturities are as follows:

	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,005,000	\$ 545,159
2011	1,040,000	508,619
2012	1,065,000	470,271
2013	1,090,000	430,135
2014	1,115,000	371,344
Thereafter	8,835,000	1,434,650
	<u>\$ 14,150,000</u>	<u>\$ 3,760,178</u>

e. Summary Long-Term Debt - The following is a summary of long-term liabilities outstanding at December 31, 2009:

<u>Liabilities</u>	<u>Internal Service Fund</u>	<u>Non-Current Government Liabilities</u>	<u>Total</u>
Serial bonds	\$ -	\$ 14,150,000	\$ 14,150,000
Total serial bonds	-	14,150,000	14,150,000
Compensated absences	-	3,402,371	3,402,371
Operating leases	-	314,860	314,860
Joint water project user fee	-	498,999	498,999
Judgments and claims	-	388,441	388,441
Workers' Compensation premiums	1,907,861	-	1,907,861
Total bond and long-term liabilities	<u>\$ 1,907,861</u>	<u>\$ 18,754,671</u>	<u>\$ 20,662,532</u>

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

B. Liabilities (Continued):

4. Bonds and Long-Term Debt (Continued):

- f. The following is a summary of changes in the long-term debt for the period ended December 31, 2009:

<u>Liabilities</u>	Internal Service <u>Fund</u>	Non-Current Government <u>Liabilities</u>	<u>Total</u>
Payable at December 31, 2008	\$ 1,284,886	\$ 19,893,891	\$21,178,777
Additions	622,975	184,452	807,427
Deletions	-	1,323,672	1,323,672
Payable at December 31, 2009	<u>\$ 1,907,861</u>	<u>\$ 18,754,671</u>	<u>\$ 20,662,532</u>

5. Deferred Revenue:

General Fund:

Deferred revenue of \$4,728,352 represents advances received but not yet earned from State agencies at December 31, 2009. This amount will be recognized as revenue when eligible expenditures are incurred. \$5,015,717 represents deferred tax revenue as more fully disclosed in Note I I.

Special Revenue:

Deferred revenue of \$2,466,457 in the Special Grant Fund represents community and economic development loans more fully disclosed in Note II A2.

6. Conduit Debt Obligations:

From time to time, the Greene County Industrial Development Agency, a component unit of County of Greene, has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Greene County Industrial Development Agency, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009 the Greene County Industrial Development Agency had no outstanding conduit debt.

See Note II A2, Deferred Revenue, for further conduit debt.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

C. Interfund Activities:

1. Interfund Receivables and Payables - Interfund receivable and payable balances at December 31, 2009 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 739,398	\$ -
Special Revenue - County Road Fund		
County Road	1,266,615	112,461
County Machine	111,194	-
Community Development	-	4,713
Capital Projects Fund	1,267	1,964,778
Trust and Agency	-	36,522
	<u>\$ 2,118,474</u>	<u>\$ 2,118,474</u>

D. Fund Balance:

1. Allocation of Fund Balance:

Certain funds of the County of Greene, New York apply to areas less than the entire County. The fund balance at balance sheet date is allocated as follows:

Special Revenue:

County Road Fund	\$ 1,785,156
County Road Machinery Fund	219,471
Special Grant - Community Development	955,904
Special Grant - Economic Development	32,516
	<u>\$ 2,993,047</u>

2. Restricted Fund Balance:

The General Fund balance includes a restricted balance established for the following purpose:

Appropriated for ensuing year's budget	<u>\$ 2,510,000</u>
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See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

D. Fund Balance (Continued):

2. Restricted Fund Balance (Continued):

The Capital Projects Fund balance includes Capital Funds designated for the following purposes:

Bowery Creek Project	\$ 18,037
FEMA Projects	125,564
Five Year Highway Project	32,552
Highway Buildings	139,929
Purling Bridge Project	24,238
Route 67 Bridge Project	31,387
Route 83 Bridge Project	82,477
Route 79 Batavia Project	(71,096)
Route 67 Slope Stabilization Project	138,462
Catskill Creek Boardwalk Project	264,356
Records Management Building Remodeling Project	(1,692)
Bush Road Bridge	(12,530)
FEMA 2005	(4,381)
Transfer Station	(5,671)
High Falls Road - Kaaterskill	24,905
Court House Renovation	(9,995,660)
Emergency Service Facility	146,311
College Renovation	(620,927)
Hannacroix Creek Bridge	(29,323)
Jefferson Streetscape	60,966
Thomas Cole House	1,480
Spruceton Road over Westkill	63,439
Mt. House Road over Spruce	50,800
	<u>\$ (9,536,377)</u>

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

D. Fund Balance (Continued):

3. Reserves:

The General Fund balance includes reserve funds established for the following purposes:

Encumbrances	\$ 29,342
Reserve for indebtedness	\$ 305,387
Liabilities arising from judgment, actions, and causality claims against the County	\$ 419,885

The General Fund balance includes miscellaneous reserves established for the following purposes:

Bataviakill	\$ 38,552
Bus Transit	2,000
County Clerk	9,090
Emergency Preparedness	8,856
Handicapped Parking	2,842
Court House Renovation	220,212
Public Safety Communication System	94,840
Legislative Youth Program	93,291
Total miscellaneous reserves	\$ 469,683

The County Road Fund balance includes a reserve balance established for the following purposes:

Reserve for indebtedness	\$ 445
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The County Road Machinery Fund balance includes a reserve balance established for the following purpose:

Reserve for indebtedness	\$ 2,554
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See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

II. Detail Notes on all Funds and Account Groups (Continued):

E. Deferred Compensation Plan:

In October 1997 the Governmental Accounting Standards Board issued Statement No. 32 - Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governments.

As of October 1, 1997 the New York State Deferred Compensation Board (the Board) created a Trust and Custody agreement making Chase Manhattan Bank the Trustee and Custodian of the Plan. Consequently, Statement No. 32 became effective for the New York State Deferred Compensation Plan as of October 1, 1997. Since the Board is no longer the trustee of the plan, the plan no longer meets the criteria for inclusion in New York State's financial statements. Therefore, municipalities which participate in New York State's Deferred Compensation Plan are no longer required to record the value of the plan assets.

County of Greene, New York is a participant in New York State's Deferred Compensation Plan, therefore the market value of the plan's assets are no longer displayed in the County's financial statements.

III. Joint Ventures:

The following are activities undertaken with other municipalities. These activities are excluded from the financial statements of all participating municipalities. Separate financial statements are issued for such joint ventures and are available from:

Columbia-Greene Community College
Administrative Office
Box 1000
Hudson, New York 12534

Capital District Regional Off-Track Betting Corporation
Controller's Office
510 Smith Street
Schenectady, New York 12303

Community College

Columbia and Greene Counties jointly sponsor the Columbia-Greene Community College (College) under provisions of Article 126 of the Education law. The College is administered by a Board of Trustees. The majority of the trustees are County Board appointees, apportioned between the two counties. The counties are responsible for College costs not funded through state aid or tuition and have individually issued bonds for capital costs. The counties also assume liability of any College operating fund deficit, should any operating fund deficit be incurred.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

III. Joint Ventures (Continued):

The counties' governing boards also retain certain budgetary approval powers. The counties' share of the College's operating budgets is based on enrollment. For the 2008-2009 fiscal year Greene County's share of the unfunded portion of the operating budget was 45% and Columbia County's was 55%.

Summary financial information from college financial statements for the fiscal year ended August 31, 2009 is as follows:

	Primary <u>Institution</u>	Component <u>Unit</u>
Current assets	\$ 6,675,004	\$ 2,370,846
Non-current assets	\$ 30,543,643	\$ -
Current liabilities	\$ 5,499,482	\$ 41,766
Non-current liabilities	\$ 31,469,020	\$ -
Net assets	\$ (6,424,859)	\$ 2,329,080
Total operating revenues	\$ 9,113,473	\$ 1,459,591
Total operating expenses	\$ 9,481,412	\$ 1,429,037
Non-operating revenues and expenses	\$ 8,662,493	\$ (18,355)
Other revenues, expenses, gains or losses	\$ 1,645,180	\$ -
Change to net assets	\$ 826,261	\$ 12,199

Columbia-Greene Community College included in its financial statements for the year ended August 31, 2009, fixed assets and their related debt financed through and title held by the sponsoring counties. Debt issued by County of Greene, New York for College purposes, amounting to 4.3 % of the College's total long-term debt, is included in the County's non-current government liabilities. No related fixed assets have been reported in these financial statements.

Capital District Regional Off-Track Betting Corporation:

Capital District Regional Off-Track Betting Corporation is a public benefit corporation occupying a seventeen county region, established in 1973 under the provisions of Chapters 346 and 347 of the Laws of the State of New York. The Board consists of one representative from each of the seventeen participating municipalities.

See auditors' report.

COUNTY OF GREENE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

III. Joint Ventures (Continued):

Complete financial statements of individual joint ventures can be found at:

Columbia-Greene Community College
4400 Route 23B
Hudson, NY 12534

Capital District Regional Off-Track Betting Corporation
510 Smith Street
Schenectady, NY 12305

IV. Related Organization:

Greene Tobacco Asset Securitization Corporation (GTASC) was incorporated October 17, 2000 as a local development corporation by the County under the provisions of Section 1411 of the New York State Not-For-Profit Corporation Law and as a Public Authority they are subject to the Public Authority Accountability Act of 2005. Its purpose was to issue bonds securitized solely from the County tobacco settlement revenues purchased from the County and to forward to the County the net bond proceeds.

As defined by Governmental Accounting Standards Board (GASB) Technical Bulletin 2005-1, GTASC is now treated as a component unit of the County due to the following factors:

1. The County appoints the voting majority of GTASC's governing board.
2. GTASC could provide specific financial benefits to the County.

V. Contingencies:

- The County has received significant amounts of federal and state grants for specified purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Any such disallowances will be a reduction of revenue in the year the disallowances are finally determined.
- The County is a defendant in many tort claims. The County is defending against the claims through discovery and inspection procedures. The ultimate outcome of the litigation cannot presently be determined by the County. Accordingly, no provision for any liability that may result upon adjudication has been made in the accompanying combined general-purpose financial statements.

VI. Prior Period Adjustments:

The County made a prior period adjustment of \$160,254 to properly record accounts payable that were not posted at December 31, 2008 in the General Fund.

The County made a prior period adjustment of \$150,169 to properly write off accounts receivable from old capital projects that were not going to be received.

See auditors' report.

SUPPLEMENTAL INFORMATION

COUNTY OF GREENE, NEW YORK
COMBINED BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 2009

	COUNTY ROAD	COUNTY ROAD MACHINERY	COMMUNITY DEVELOPMENT	ECONOMIC DEVELOPMENT	TOTAL SPECIAL REVENUE
ASSETS					
Cash	\$ 1,406	\$ 1,794	\$ 180,463	\$ 14,770	\$ 198,433
Cash - restricted	860,162	235,112	949,000	17,746	2,062,020
Investment held by fiscal agent	-	-	-	-	-
Taxes receivable - net	-	-	-	-	-
State and federal receivables	341,577	-	-	-	341,577
Accounts receivable	818	80,016	33,948	-	114,782
Note receivable net of unamortized discount	-	-	2,466,457	-	2,466,457
Due from other funds	1,266,615	111,194	-	-	1,377,809
Due from other governments	-	-	-	-	-
Land, building and equipment:					
Land	-	-	-	-	-
Building	-	-	-	-	-
Equipment	-	-	-	-	-
Other assets - inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
Amounts to be provided for retirement of general long-term debt	-	-	-	-	-
Total assets	<u>\$ 2,470,578</u>	<u>\$ 428,116</u>	<u>\$ 3,629,868</u>	<u>\$ 32,516</u>	<u>\$ 6,561,078</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 417,001	\$ 192,159	\$ 198,187	\$ -	\$ 807,347
Other liabilities	-	-	-	-	-
Agency liabilities	-	-	-	-	-
Retained percentage	-	-	-	-	-
Due to other governments	-	-	4,607	-	4,607
Due to other funds	112,461	-	4,713	-	117,174
Due to NYS Retirement System	155,960	16,486	-	-	172,446
Compensated absences	-	-	-	-	-
Bond and long-term debt	-	-	-	-	-
Deferred revenues	-	-	2,466,457	-	2,466,457
Total liabilities	<u>685,422</u>	<u>208,645</u>	<u>2,673,964</u>	<u>-</u>	<u>3,568,031</u>
Fund Balance:					
Fund balances reserved:					
Reserve for encumbrances	-	-	-	-	-
Reserve for indebtedness	-	-	-	-	-
Reserve for risk retention	-	-	-	-	-
Expendable trust funds	-	-	-	-	-
Miscellaneous reserves	445	2,554	-	-	2,999
Fund balance - unreserved:					
Appropriated-ensuing year's budget	400,000	125,000	-	-	525,000
Unappropriated	1,384,711	91,917	955,904	32,516	2,465,048
Total fund balance	<u>1,785,156</u>	<u>219,471</u>	<u>955,904</u>	<u>32,516</u>	<u>2,993,047</u>
Total liabilities and fund balance	<u>\$ 2,470,578</u>	<u>\$ 428,116</u>	<u>\$ 3,629,868</u>	<u>\$ 32,516</u>	<u>\$ 6,561,078</u>

See auditors' report. See notes to financial statements

COUNTY OF GREENE, NEW YORK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
for the year ended December 31, 2009

	COUNTY ROAD			COUNTY ROAD MACHINERY			COMMUNITY DEVELOPMENT			ECONOMIC DEVELOPMENT			TOTAL SPECIAL REVENUE		
	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES	MODIFIED BUDGET	ACTUAL	ENCUM- BRANCES
REVENUES AND OTHER SOURCES															
Revenues:															
Real property taxes	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Real property tax items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-property tax items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental charges	-	11,496	-	-	-	-	-	-	-	-	-	-	-	11,496	-
Use of money and property	-	1,097	-	-	-	-	-	-	-	-	-	-	-	1,438	-
Licenses and permits	-	-	-	-	315	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of property and compensation for loss	8,653	20,874	-	455,820	352,225	-	-	-	-	-	-	-	464,473	373,099	-
Miscellaneous local sources	-	1,280	-	1,102,830	1,075,139	-	632,779	532,172	-	-	-	-	1,735,599	1,608,591	-
Proceeds of obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State aid	1,483,038	1,480,726	-	-	-	-	34,500	21,229	-	-	-	-	1,517,538	1,501,955	-
Federal aid	572,000	517,953	-	111,194	111,194	-	185,000	868,901	-	-	-	-	868,194	1,498,048	-
Total revenues	2,063,691	2,033,426	-	1,669,834	1,538,873	-	852,279	1,422,302	-	26	-	-	4,585,804	4,994,627	-
Other sources:															
Operating transfers	8,373,516	8,373,516	-	562,139	562,139	-	34,500	34,500	-	-	-	-	8,970,155	8,970,155	-
Total other sources	8,373,516	8,373,516	-	562,139	562,139	-	34,500	34,500	-	-	-	-	8,970,155	8,970,155	-
Total revenues and other sources	10,437,207	10,406,942	-	2,231,973	2,101,012	-	886,779	1,456,802	-	26	-	-	13,555,959	13,964,782	-
EXPENDITURES AND OTHER USES															
Expenditures:															
General government support	-	-	-	-	1,599,595	-	-	-	-	-	-	-	-	1,599,595	-
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	204,040	197,790	-	-	-	-	-	-	-	-	-	-	204,040	197,790	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	7,610,042	6,916,126	-	1,894,581	-	-	-	-	-	-	-	-	9,504,623	6,916,126	-
Economic assistance and opportunity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Home and community services	-	-	-	-	-	-	1,519,500	1,158,012	-	-	-	-	1,519,500	1,158,012	-
Employee benefits	1,940,281	1,718,769	-	238,098	217,752	-	-	5,296	-	-	-	-	2,178,379	1,941,817	-
Debt service (principal/interest)	701,309	560,109	-	133,216	133,216	-	-	-	-	-	-	-	834,525	693,325	-
Total expenditures	10,455,672	9,392,794	-	2,265,895	1,950,563	-	1,519,500	1,163,308	-	-	-	-	14,241,067	12,506,665	-
Other uses:															
Operating transfers	-	94,990	-	-	-	-	-	-	-	-	-	-	-	94,990	-
Total other uses	-	94,990	-	-	-	-	-	-	-	-	-	-	-	94,990	-
Total expenditures and other uses	10,455,672	9,487,784	-	2,265,895	1,950,563	-	1,519,500	1,163,308	-	-	-	-	14,241,067	12,601,655	-
Appropriated Fund Balance	18,465	-	-	33,922	-	-	632,721	-	-	-	-	-	685,108	-	-
Excess of revenue (expenditures)	\$	919,158	-	\$	150,449	-	\$	293,494	-	\$	-	26	\$	1,363,127	-
Fund balance, beginning	-	865,998	-	-	69,022	-	-	662,410	-	-	-	32,490	-	1,629,920	-
Fund balance, ending	\$	1,785,156	-	\$	219,471	-	\$	955,904	-	\$	32,516	-	\$	2,993,047	-

COUNTY OF GREENE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2009

Federal Grantor/ <u>Pass-through Grantor/Program Title</u> <u>Department of Agriculture</u>	Federal CFDA <u>Number</u>	NYS Contract <u>Number</u>	Federal <u>Expenditures</u>
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551		\$ 7,598,072
State Administrative Grants for the Supplemental Nutrition Assistance Program	10.561		561,249
Nutrition Assistance Program - ARRA	10.561		23,310
Total Department of Agriculture			<u>8,182,631</u>
<u>Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Social Services Block Grant	93.667		459,219
Foster Care – Title IV E	93.658		1,312,281
Foster Care – Title IV E - ARRA	93.658		66,031
Adoption Assistance	93.659		404,618
Adoption Assistance - ARRA	93.659		35,278
Child Support Enforcement	93.563		316,479
Child Support Enforcement - ARRA	93.563		30,499
Independent Living	93.674		9,035
Medical Assistance Program	93.778		1,632,921
Federal Medicaid Salary Sharing	93.778		80,262
Temporary Assistance for Needy Families	93.558		2,370,054
Low Income Home Energy Assistance	93.568		3,670,283
Family Planning Service	93.217		394,131
Child Care and Development Block Grant (A)	93.575		451,077
Child Care and Development Block Grant- Program Income (A)	93.575		24,593
Bioterrorism Training	93.283	CO1608-07	42,559
Passed through State Office for the Aging:			
Title III, Part C – Nutrition Services	93.045		114,590
Title III, Part C – Nutrition Services-Program Income	93.045		44,920
Title III, Part B – Supportive Services	93.044		60,892
Title III Part B – Supportive Services-Program Income	93.044		404
Title III, Part D – Disease Prevention and Health Promotion Services	93.043		4,302
Title III, Part E – Older Americans Act	93.052		30,202
Title III, Part E – Older Americans Act - Program Income	93.052		1,211
Title VII – Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041		10,592
Medicate Improvents for Patients and Providers Act	93.071		3,767

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
for the year ended December 31, 2009

Federal Grantor/ <u>Pass-through Grantor/Program Title</u>	Federal CFDA <u>Number</u>	NYS Contract <u>Number</u>	Federal <u>Expenditures</u>
Passed through State Office for the Aging (Continued):			
Health Insurance Information, Counseling, and Assistance Program	93.779		\$ 37,988
Weatherization Referral and Packaging Program	93.568		44,777
Retired and Senior Volunteer Program	94.002		41,188
Passed through State Health Central Administration:			
Early Intervention	84.181	C021796	51,058
Children with Special Healthcare Needs	93.994	C021554	14,088
Family Planning Service (B)	93.217	C019917	81,688
Family Planning Service (B)	93.994	C019917	16,338
Family Planning Service – Program Income	93.217		212,959
Immunization Grant (D)	93.268	C018664	16,524
Lyme Disease (E)	93.991	C020178	23,920
Childhood Lead Poisoning Prevention (C)	93.994	C020609	8,363
Passed through State Office of Alcoholism and Substance Abuse:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		268,545
Passed through State Office of Mental Health:			
Child Welfare Services – State Grants	93.645		96,358
Total Department of Health and Human Services			<u>12,483,994</u>
<u>Department of Housing and Urban Development</u>			
Community Development Block Grant	14.228		868,901
Passed through State Department of Housing and Community Renewal:			
Section 8 Housing Voucher Program	14.855		<u>126,699</u>
Total Department of Housing and Urban Development			<u>995,600</u>

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
for the year ended December 31, 2009

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>NYS Contract Number</u>	<u>Federal Expenditures</u>
<u>Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	D022127	57,584
Highway Planning and Construction	20.205	D024667	17,434
Highway Planning and Construction	20.205	D030710	17,540
Highway Planning and Construction	20.205	D013771	39,841
Highway Planning and Construction	20.205	D013873	54,462
Highway Planning and Construction	20.205	D017702	109,907
Highway Planning and Construction - ARRA	20.205	D031992	1,184,046
Highway Planning and Construction	20.205	D031682	117,516
Highway Planning and Construction	20.205	D031832	64,829
Highway Planning and Construction	20.205	D031933	35,842
Highway Planning and Construction	20.205	D032067	267,935
Highway Planning and Construction	20.205	D030072	235,903
Marchicelli	20.205	3303052	20,608
Marchicelli	20.205	3302900	322,988
Marchicelli	20.205	3200670	97,196
			<u>2,643,631</u>
Formula Grants for other than Urbanized Areas	20.509		10,854
Total Department of Transportation			<u>2,654,485</u>
<u>Department of Homeland Security</u>			
Passed through State Emergency Management Office:			
Disaster Grants - Public Assistance	97.036		361,212
Emergency Management Performance Grants	97.042		15,088
Total Federal Emergency Management Agency			<u>376,300</u>
Total Expended Federal Awards			<u>\$ 24,693,010</u>

(A) Expenditures claimed under Child Care and Development Block Grant totaled \$451,077. The amount of federal versus state dollars attributable to these expenditures is undeterminable at this time.

(B) Total expenditures claimed under contract C019917 was \$98,026.

(C) Total expenditures claimed under contract C020609 was \$20,397.

(D) Total expenditures claimed under contract C018664 was \$32,400.

(E) Total expenditures claimed under contract C020178 was \$35,176.

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2009

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Greene County under programs of the federal government for the year ended December 31, 2009. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Because the Schedule presents only a selected portion of the operations of Greene County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Greene County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE FUNDS EXPENDED
for the year ended December 31, 2009

<u>Program Title</u>	<u>NYS Contract Number</u>	<u>State Expenditures</u>
Consolidated Local Street and Highway Improvement Program		\$ 1,420,524
Statewide Mass Transportation Operating Assistance		<u>10,854</u>
		<u>\$ 1,431,378</u>

See auditors' report. See notes to the financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the County Legislature of
County of Greene, New York:

We have audited the financial statements of County of Greene, New York as of and for the year ended December 31, 2009, as listed in the table of contents and have issued our report thereon dated September 29, 2010. As discussed in Notes I and I G, the County did not apply the provisions of GASB 34 and GASB 45 during 2009. 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.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered County of Greene, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Greene, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Greene, New York's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Compliance and Other Matters:

As part of obtaining reasonable assurance about whether County of Greene, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and questioned costs as items 09-1 through 09-7.

We noted certain significant deficiencies that we have reported to management of County of Greene, New York in a separate letter dated September 29, 2010.

County of Greene, New York's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit County of Greene, New York's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management, the County Legislature, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


Patricia Harley, Have
a Good, CPA's, P.C.

Catskill, New York
September 29, 2010

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Legislature of
County of Greene, New York:

Compliance:

We have audited the County of Greene, New York's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Greene, New York's major federal programs for the year ended December 31, 2009. County of Greene, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for federal assistance expended. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of County of Greene, New York's management. Our responsibility is to express an opinion on County of Greene, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Greene, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County of Greene, New York's compliance with those requirements.

In our opinion, County of Greene, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance


Management of County of Greene, New York is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered County of Greene, New York's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Greene, New York's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

County of Greene, New York's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit County of Greene, New York's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Legislature, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

 Patricia Hosley, Have
a Good, CPA's, P.C.

Catskill, New York
September 29, 2010

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**REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION
ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Legislature of
County of Greene, New York:

Compliance:

We have audited the compliance of County of Greene, New York with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that are applicable to each state transportation assistance program tested for the year ended December 31, 2009. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs for state transportation assistance expended. Compliance with the requirements of laws, regulations, contracts and grants applicable to each program tested is the responsibility of County of Greene, New York's management. Our responsibility is to express an opinion on County of Greene, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Draft Part 43 of NYCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about County of Greene, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County of Greene, New York's compliance with those requirements.

In our opinion, County of Greene, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its state transportation assistance programs tested for the year ended December 31, 2009.

Internal Control Over Compliance


The management of County of Greene, New York is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state transportation assistance programs tested. In planning and performing our audit, we considered County of Greene, New York's internal control over compliance with requirements that could have a direct and material effect on state transportation assistance programs tested in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on the internal control over compliance in accordance with Draft Part 43 of NYCRR.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants, that would be material in relation to state transportation assistance programs tested, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of State Transportation Assistance Expended

We have audited the financial statements of County of Greene, New York as of December 31, 2009 and for the year ended December 31, 2009, and have issued our report thereon dated September 29, 2010. Our audit was performed for the purpose of forming an opinion on County of Greene, New York's financial statements taken as a whole. The accompanying schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of NYCRR, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the County Legislature and the New York State Department of Transportation. However, this report is a matter of public record and its distribution is not limited.

 Patricia Hosley, Haver
a Saver, CPA's, P.C.

Catskill, New York
September 29, 2010

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
FEDERAL ASSISTANCE EXPENDED
December 31, 2009

A. Summary of Auditor's Results

1. The auditor's report expresses a qualified opinion on the general-purpose financial statements of County of Greene, New York.
2. There were no material weaknesses relating to the financial statement of County of Greene, New York.
3. No instances of noncompliance material to the financial statements of County of Greene, New York were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for County of Greene, New York expresses an unqualified opinion.
5. Audit findings relative to the major federal award programs for County of Greene, New York are reported in Part C of this Schedule.
6. The programs tested as major programs included:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
<u>Type A</u>	
93.778	Medical Assistance Program
93.558	Temporary Assistance for Needy Families
10.551 & 10.561	Supplemental Nutrition Assistance Program Cluster
 <u>Type B</u>	
93.563	Child Support Enforcement
97.036	Federal Emergency Management
14.855	Section 8 Voucher

6. The threshold for distinguishing Type A and B Programs was \$740,790
 7. County of Greene, New York was determined to be a low-risk auditee.
- B. Findings - Financial Statement Audit

09-1 **Accounts Payable Cutoff**

Observation

During our search for unrecorded liabilities, we noted certain invoices relating to goods received or services performed prior to the year-end date, which were not recorded as payables in the proper period. Proper cutoffs of expenses are critical.

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
FEDERAL ASSISTANCE EXPENDED (CONTINUED)
December 31, 2009

B. Findings - Financial Statement Audit (Continued)

Recommendation

We suggest that the County prepare written instructions to include the accounts payable cutoff policies and individuals responsible for accruing payables within the accounting policy and procedural manual. We have noted that the County has improved on this deficiency but still can expand its cutoff into the subsequent year to capture more payables.

09-2 **Schedule and Tracking of Federal Awards**

Observation

During the course of our audit we noted the County does not independently prepare their Schedule of Federal Awards but works with the auditors to ensure the Schedule was prepared completely and accurately. Historically, it was management's understanding that the Schedule would be prepared by its auditors, although this should be implemented and in the future prepared by management. Also, it is the County's current practice to aggregate certain federal award contracts in the same general ledger account. As a result, it is very difficult to track the revenue generated from federal awards by CFDA number which is required for reporting on the Schedule of Federal Awards.

Recommendation

We recommend management develop procedures and designate responsibility to ensure a schedule is prepared in the future. We recommend federal awards be tracked by CFDA number in separate general ledger accounts and not be combined with other CFDA numbers or at least a description in the memo section indicating the CFDA number. This will improve the accuracy and efficiency of reporting federal awards for the Schedule of Federal Awards.

09-3 **Information Technology (Social Service Department)**

Observation

The current Information Technology (IT) used by the Social Service Department which requires multiple software platforms used to track, process transactions and store data makes it difficult to trace all financial data through that department. Manual processes are used along with additional software outside the IT system. Manual processes increase the risk of human error and inadvertent misprocessing of information. A great amount of supervision and review of manual records must be utilized to keep material errors from occurring. Therefore, automation is almost always an opportunity to increase efficiencies, timeliness, reliability and accuracy of financial and non financial data.

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
FEDERAL ASSISTANCE EXPENDED (CONTINUED)
December 31, 2009

B. Findings - Financial Statement Audit (Continued)

Recommendation

We recommend the County evaluate their accounting softwares used and possibly develop a plan to implement a new system for tracking and reporting all activity through the department. It is important for the Department to focus on controls over transferring data from the old system to the new system. The transfer of data should be well controlled and documented.

09-4 **Oversight of Decentralized Operations and Closing Process**

Observation

Significant aspects of the County's operations are decentralized. Entries are posted by the Treasurer but significant accounting activity for governmental revenue, receivables, capital projects and Social Services, to name a few, are processed and managed by other departments. There are instances where information is being processed in the other departments but is not formally reviewed by someone other than the preparer. The County does not have a process where someone is formally monitoring the closing process to ensure that reconciliations are being prepared for all significant accounts and that these are being reviewed and journal entries are posted to the accounts completely and accurately.

Recommendation

We recommend that County evaluate procedures over its closing process. We recommend that an individual is ultimately responsible for the closing process. We recommend that a tool such as a checklist be used to monitor the financial close. The checklist should consist of general ledger accounts and responsibilities (preparer and reviewer) for each account and dates that the entries are to be processed. We also recommend an account certification program be instituted where individuals are assigned direct responsibility for preparation and review of monthly, weekly and other periodic reconciliations, with a formal process of signing off ("certifying") to this review.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
FEDERAL ASSISTANCE EXPENDED (CONTINUED)
December 31, 2009

B. Findings - Financial Statement Audit (Continued)

09-5 **Social Services Accounting Department**

Observation

We noted claims, cash receipts and adjustments are often tracked in separate accounting software by the Deputy Commissioner of the Department of Social Services. We have noted in some instances, although it did not have a financial impact at year end, that various claims are sometimes over billed and adjustments need to be made for the over billing of those claims during the fiscal year. An allowance should be recorded to estimate these claims adjustments so revenues are properly recorded during the year. We also noted that some critical accounting decisions made by the Deputy Commissioner are not reviewed and other staff members in the department may not have all the knowledge to re-perform some of his work.

Recommendation

We recommend the County re-evaluate the accounting systems used by Department of Social Services and all staff be aware of each others roles and responsibilities for future accountability. We recommend that the Deputy Commissioner's critical accounting decisions be reviewed and another staff member in the department has knowledge to re-perform his work. We have noted the County has hired a new accounting supervisor to fulfill some of the job responsibilities of the Deputy Commissioner that will help strengthen some of the controls.

09-6 **Workers' Compensation Reserve**

Observation

We have noted that the County has under assessed the participants for Workers' Compensation premiums in the past. This has resulted in a negative reserve fund balance for year ending December 31, 2009 which will only become more of a liability in the future if not addressed.

Recommendation

We recommend the County re-evaluate its method of calculation of this assessment and address the actual plan to make sure there are not additional methods that can be used so the County does not have to fund this reserve in the future and that the Towns and other participants are charged the correct assessment. This has been aggressively addressed by the County and should be resolved in the near term.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
FEDERAL ASSISTANCE EXPENDED (CONTINUED)
December 31, 2009

B. Findings - Financial Statement Audit (Continued)

09-7 **Capital Project Tracking**

Observation

We have noted in 2009 that claims were issued for previous work periods in some instances five years prior.

Recommendation

We recommend that the person in charge of these projects keeps a manual spreadsheet on each capital project indicating the total estimated cost of the project and the reimbursements and expenditures received to date so that proper revenue and expense can be matched properly. We also feel the spreadsheet should be shared with the Treasurer's office.

Management's views and corrective action plan for County Greene, New York's OMB Circular A-133 compliance for the year ended December 31, 2009 are attached.

C. Findings and Questioned Costs - Major Federal Award Programs

NONE

D. Summary of Prior Year's Findings:

NONE

See auditors' report. See notes to the financial statements.

COUNTY OF GREENE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR
STATE TRANSPORTATION ASSISTANCE EXPENDED
December 31, 2009

A. Summary of Auditor's Results

1. Internal control over state transportation assistance expended:
 - a. Material weakness(es) identified No
 - b. Reportable condition(s) identified that are not
considered to be material weakness(es)? None Reported
2. Type of auditors' report issued on compliance for
programs tested: Unqualified
3. Summary of Audit Findings: None
4. Identification of State Transportation Assistance Programs Tested:
Consolidated Local Street and Highway Improvement Program

B. Compliance Findings and Questioned Costs:

No matters were reported

See auditors' report. See notes to financial statement.