

County of Crawford

Single Audit

December 31, 2019

MaherDuessel

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COUNTY OF CRAWFORD, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2019

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COUNTY OF CRAWFORD, PENNSYLVANIA

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COUNTY OF CRAWFORD, PENNSYLVANIA

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Independent Auditor's Report

**Board of County
Commissioners
County of Crawford,
Pennsylvania**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Crawford, Pennsylvania (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. We cannot determine the amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses that the accompanying statements should present for the omitted discretely-presented component units in order to comply with accounting principles generally accepted in the United States of America.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the County as of December 31, 2019 or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the County as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension information on pages i through xv and 49 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining nonmajor fund financial statements and the statement of changes in assets and liabilities – all agency funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Similarly, the accompanying schedule of Department of Human Services (DHS) expenditures is presented for purposes of additional analysis as required by the Commonwealth of Pennsylvania Department of Human Services and is also not a required part of the financial statements.

The combining nonmajor fund financial statements, the statement of changes in assets and liabilities – all agency funds, the schedule of expenditures of federal awards, and the schedule of DHS expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the statement of changes in assets and liabilities – all agency funds, the schedule of expenditures of federal awards, and the schedule of DHS expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
September 29, 2020

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The management of the County of Crawford, Pennsylvania (County) is pleased to present to the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements (pages 1 - 12) and the notes to financial statements (pages 13 - 48).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$53.08 million at December 31, 2019.
- As of December 31, 2019, unrestricted net position was \$13.2 million or 19% of total expenses.
- The total fund balance of the County's General Fund at December 31, 2019 was \$23.9 million.
- The County's real property tax rate was increased to 21.15 mills for 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to financial statements.

This report also contains other supplementary information in addition to the financial statements themselves.

A detailed explanation of all three components follows:

1. Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to the private sector. There are two government-wide financial statements. They are:

- The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include: general government, public safety, public works, human services, culture and recreation, and conservation and development. The business-type activities of the County include the operation of the Crawford County Care Center. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The government-wide financial statements can be found on pages 1 and 2 of the financial statements.

2. Fund Financial Statements – The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County reports two major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for these two *major* funds (General and Human Services). Data from the other *nonmajor* governmental funds are combined into a single, aggregated presentation (total nonmajor funds). Individual fund data for the other governmental funds is provided as additional information in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental funds financial statements can be found on pages 3 to 7 of this report.

Proprietary Funds – The County maintains two proprietary funds. One is an enterprise fund and the other is an Internal Service Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The County uses enterprise funds to account for the Crawford County Care Center. Internal service funds are established to finance, administer, and account for departments or agencies of a government whose exclusive or nearly exclusive purpose is to provide goods or services to the government's other departments on a cost-reimbursement basis. The County established an Internal Service Fund to account for self-insured general liability, workers' compensation, and health insurance charges to other departments or agencies of the government. The proprietary fund financial statements can be found on pages 8 to 10.

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

The fiduciary funds financial statements can be found on pages 11 and 12 of this report. They include the Pension Trust Fund and the Agency Funds. The Agency Funds are the fees, fines, and costs, etc., collected by the County Row Officers, held in trust for disbursement to third parties.

Agency Funds – Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers (Sheriff, Treasurer, Register of Wills, Recorder of Deeds, Prothonotary, District Justice Courts, and Clerk of Courts) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected. A financial statement for the agency funds can be found on page 54 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

3. Notes to Financial Statements – The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 13 to 48 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding and its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 49 to 51 of this report.

The combining and individual fund statements for nonmajor governmental funds are presented as additional information immediately following the required pension supplementary information on pages 52 to 53 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The statement of net position and the statement of activities report information about the County as a whole and about its activities to measure the results of the year's activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County's net position at December 31, 2019 and 2018 is presented below:

**County of Crawford, Pennsylvania
Summary Statements of Net Position
December 31, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 23,507,320	\$ 23,180,766	\$ 12,163,513	\$ 10,379,136	\$ 35,670,833	\$ 33,559,902
Capital assets	51,446,758	52,439,698	1,458,803	1,521,912	52,905,561	53,961,610
Total Assets	74,954,078	75,620,464	13,622,316	11,901,048	88,576,394	87,521,512
Deferred outflows of resources	80,110	6,281,734	24,286	1,886,971	104,396	8,168,705
Liabilities						
Current and other liabilities	8,501,396	7,100,235	1,027,450	1,106,738	9,528,846	8,206,973
Non-current liabilities	22,873,856	31,387,264	2,353,616	4,992,279	25,227,472	36,379,543
Total Liabilities	31,375,252	38,487,499	3,381,066	6,099,017	34,756,318	44,586,516
Deferred inflows of resources	648,487	410,393	196,589	123,278	845,076	533,671
Net Position						
Net investment in capital assets	35,381,758	35,464,698	1,458,803	1,521,912	36,840,561	36,986,610
Restricted	3,022,866	3,274,633	-	-	3,022,866	3,274,633
Unrestricted	4,605,825	4,264,975	8,610,144	6,043,812	13,215,969	10,308,787
Total Net Position	\$ 43,010,449	\$ 43,004,306	\$ 10,068,947	\$ 7,565,724	\$ 53,079,396	\$ 50,570,030

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53.08 million at December 31, 2019, an increase from December 31, 2018 of approximately \$2.9 million. The increase is mainly a result of positive change in net position for the Care Center.

Of the net position, \$3.0 million is restricted for various purposes; \$13.2 million is unrestricted and available to support operations or provide for the payment of long-term debt at the government-wide level; and \$36.8 million is net investment in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table presents the change in net position for the years ended December 31, 2019 and 2018:

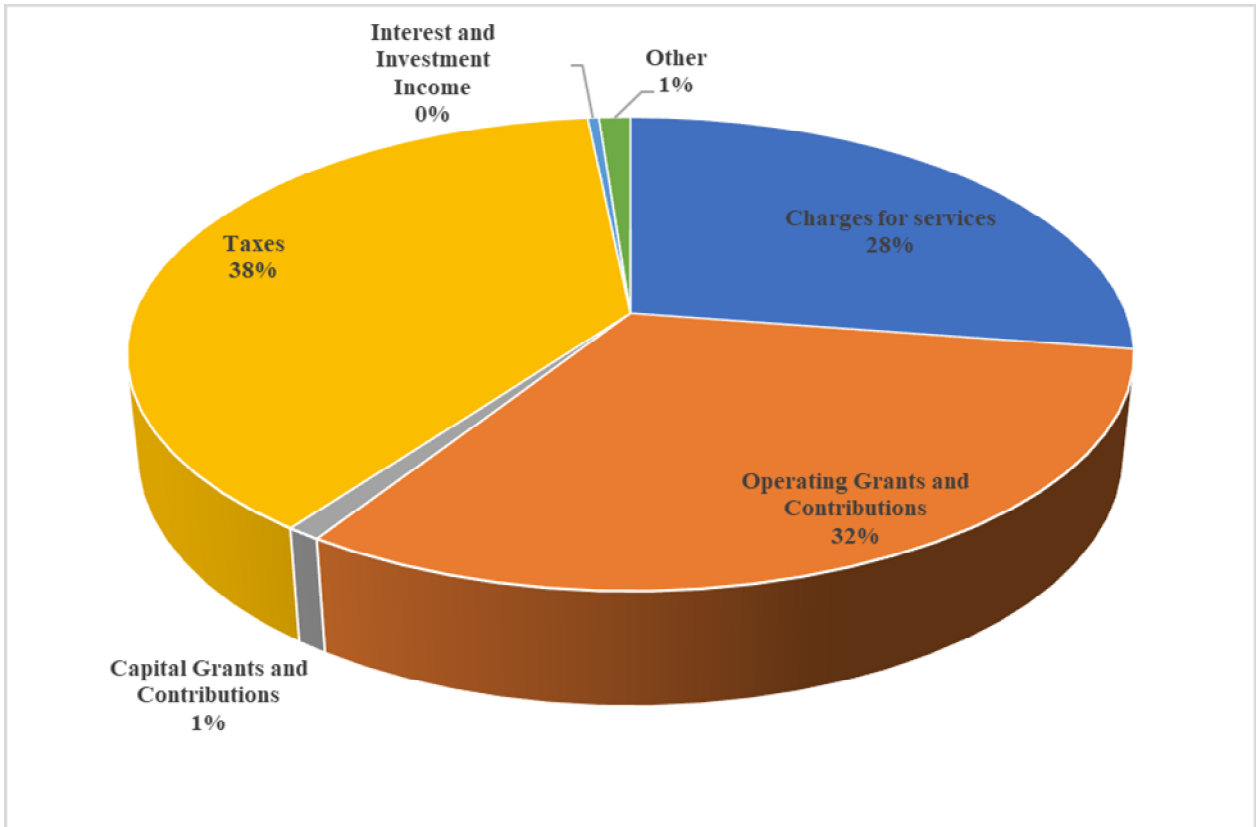
County of Crawford, Pennsylvania						
Change in Net Position						
Year Ended December 31, 2019						
(With Comparative Totals for the Year Ended December 31, 2018)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 6,870,424	\$ 5,128,828	\$ 12,583,783	\$ 11,805,037	\$ 19,454,207	\$ 16,933,865
Operating grants and contributions	22,262,186	23,533,408	-	-	22,262,186	23,533,408
Capital grants and contributions	670,383	837,436	-	-	670,383	837,436
General revenues:						
Taxes	26,933,292	23,686,353	-	-	26,933,292	23,686,353
Interest and investment income	293,184	179,448	3,409	2,494	296,593	181,942
Other	837,605	869,365	(1,449)	-	836,156	869,365
Total revenues	<u>57,867,074</u>	<u>54,234,838</u>	<u>12,585,743</u>	<u>11,807,531</u>	<u>70,452,817</u>	<u>66,042,369</u>
Program expenses:						
General government	15,263,379	16,279,444	-	-	15,263,379	16,279,444
Public safety	13,372,928	13,817,212	-	-	13,372,928	13,817,212
Public works	839,469	1,511,827	-	-	839,469	1,511,827
Human services	19,636,777	20,153,344	10,082,520	11,396,323	29,719,297	31,549,667
Culture and recreation	564,381	577,232	-	-	564,381	577,232
Conservation and development	365,307	369,561	-	-	365,307	369,561
Insurance claims and related expenses	7,419,859	7,339,860	-	-	7,419,859	7,339,860
Interest	398,831	419,149	-	-	398,831	419,149
Total program expenses	<u>57,860,931</u>	<u>60,467,629</u>	<u>10,082,520</u>	<u>11,396,323</u>	<u>67,943,451</u>	<u>71,863,952</u>
Change in Net Position	6,143	(6,232,791)	2,503,223	411,208	2,509,366	(5,821,583)
Net position - beginning	<u>43,004,306</u>	<u>49,237,097</u>	<u>7,565,724</u>	<u>7,154,516</u>	<u>50,570,030</u>	<u>56,391,613</u>
Net position - ending	<u>\$ 43,010,449</u>	<u>\$ 43,004,306</u>	<u>\$ 10,068,947</u>	<u>\$ 7,565,724</u>	<u>\$ 53,079,396</u>	<u>\$ 50,570,030</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOURCES OF REVENUES

The following chart graphically depicts the government-wide sources of revenues for the fiscal year ended December 31, 2019:

**County of Crawford, Pennsylvania
Government-Wide Sources of Revenues
Total Revenues \$70,452,817**



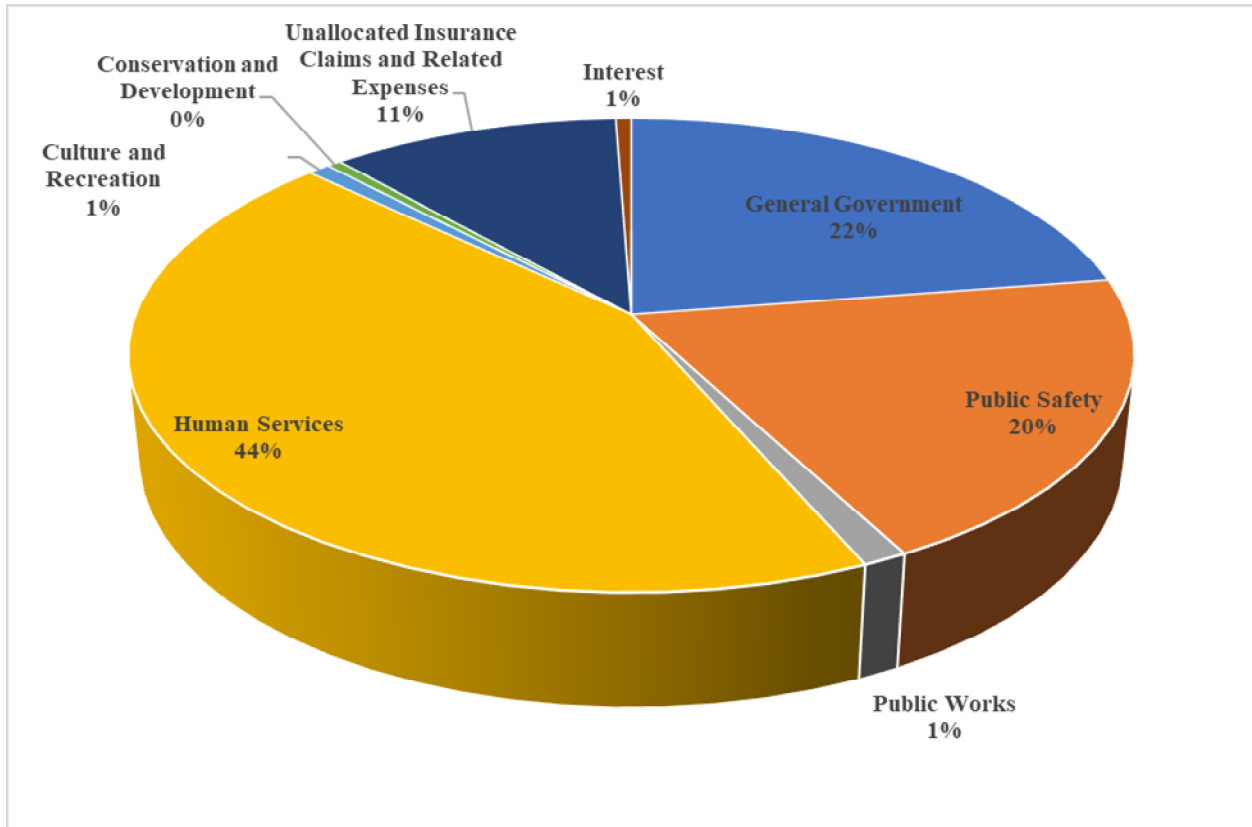
The government-wide revenues of \$70.5 million were derived primarily from taxes and operating grants and contributions, which make up 38% and 32% of total revenues. The next largest source of revenue was charges for services, which is 28% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2019:

**County of Crawford, Pennsylvania
Government-Wide Program Expenses
Total Expenses \$67,943,451**



The largest area of expenses was Human Services, which totaled \$29.7 million or 44% of all expenses. Human Services provides a vast array of social services programs including Children and Youth, Mental Health, Intellectual Disabilities, and Early Intervention Services. Human Services expenses also include the operation of the Crawford County Care Center, a County-operated nursing home. Following Human Services, General Government at \$15.3 million represented 22% of all expenses, followed by Public Safety with \$13.3 million in expenses representing 20% of expenses, and Insurance Claims and Related Expenses at \$7.4 million or 11% of the total.

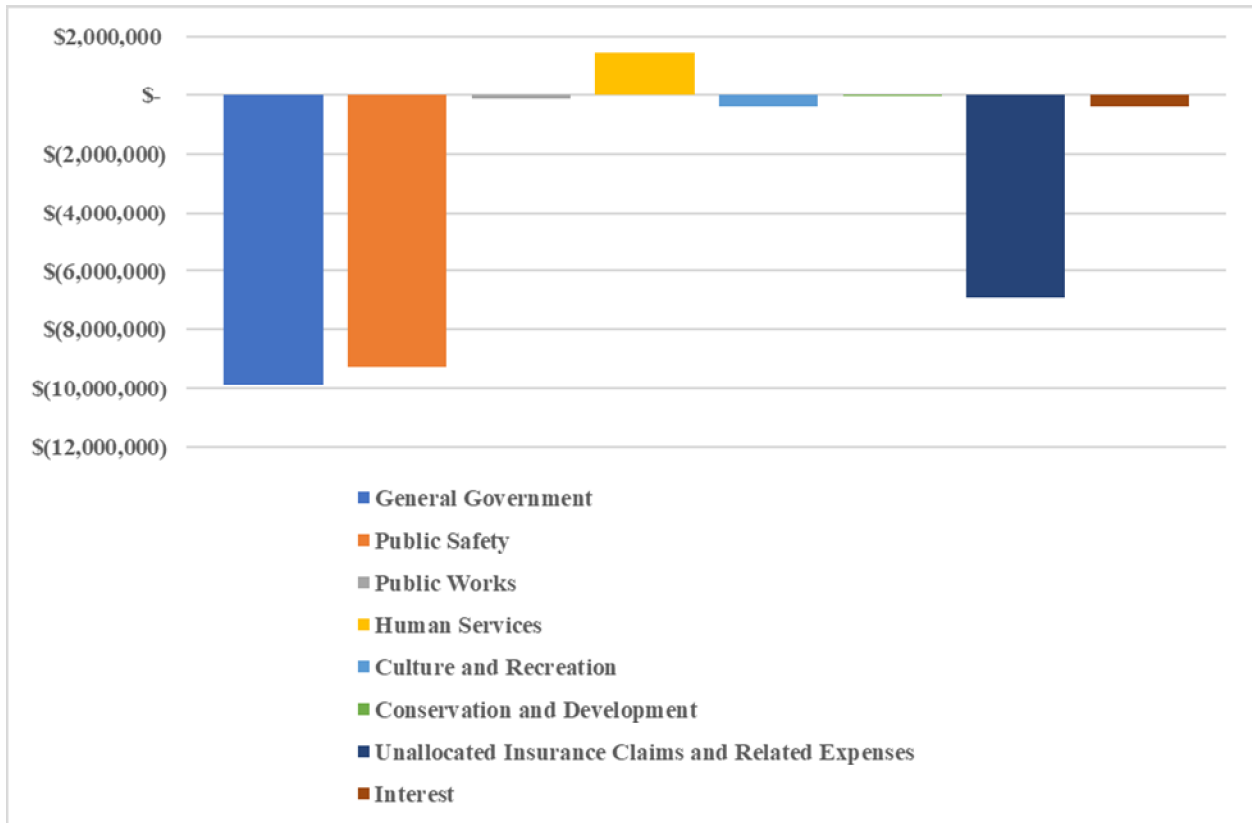
MANAGEMENT'S DISCUSSION AND ANALYSIS

NET PROGRAM EXPENSES/REVENUES

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the year ended December 31, 2019:

County of Crawford, Pennsylvania Government-Wide Net Program Revenues/Expenses

General government required the most general revenues for support, needing \$9.9 million during 2019.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reports two major governmental funds (General and Human Services Fund). The Human Services Fund consists of Mental Health and Intellectual Disabilities, Children and Youth Services, and Early Intervention Services.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County also reports total nonmajor governmental funds, which include several nonmajor funds. The largest of these include: Liquid Fuels, Community Development Block Grant (CDBG), and 911. The combining statements of the nonmajor governmental funds can be found on pages 52 through 53.

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

The following table presents the statements of revenues, expenditures, and changes in fund balances for the years ended December 31, 2019 and 2018:

MANAGEMENT'S DISCUSSION AND ANALYSIS

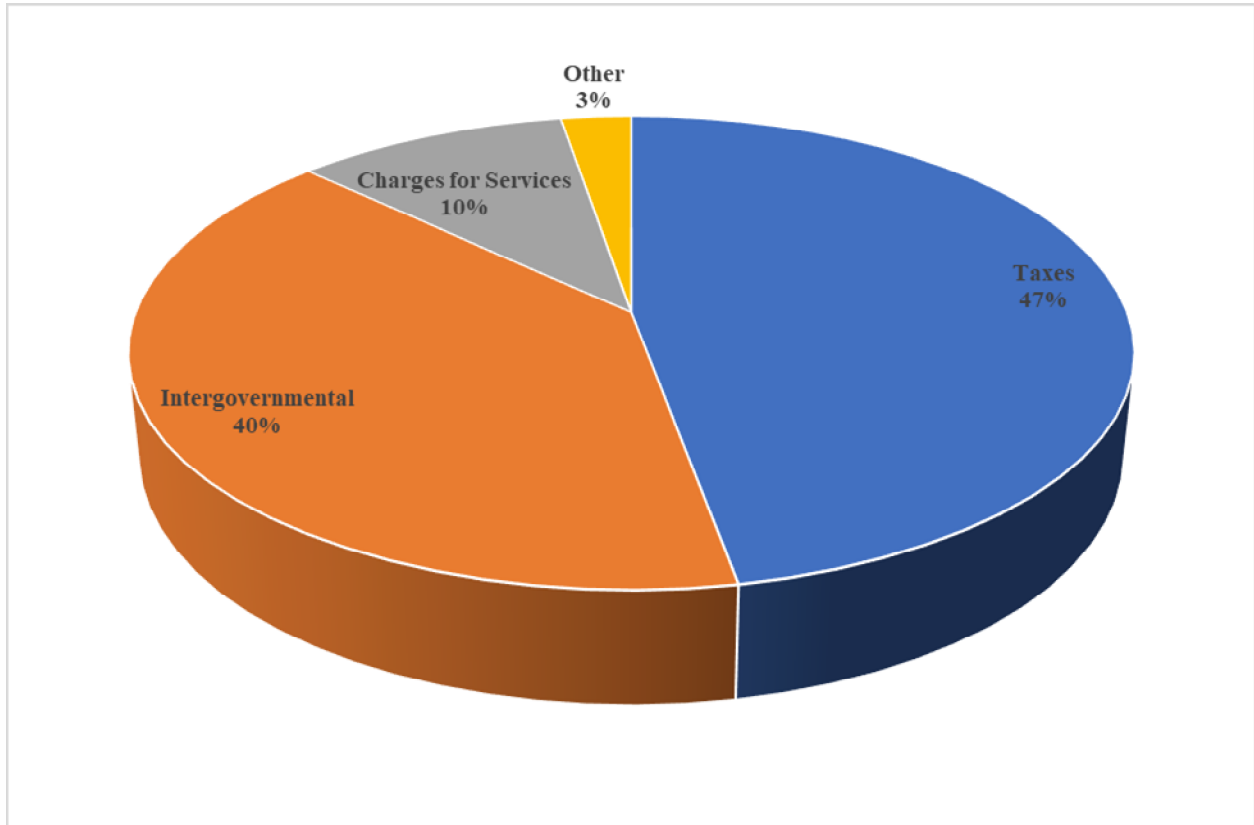
County of Crawford, Pennsylvania
 Statements of Revenues, Expenditures, and Changes in Fund Balances
 Years Ended December 31, 2019 and 2018

	Governmental Funds	
	2019	2018
Revenues:		
Taxes	\$ 27,078,870	\$ 23,609,474
Intergovernmental	22,928,088	24,370,844
Charges for services	5,930,606	4,689,913
Fines and forfeitures	305,550	317,764
Investment earnings	288,157	174,695
Payment in lieu of taxes	140,848	139,348
Miscellaneous	795,273	779,905
Total revenues	57,467,392	54,081,943
Expenditures:		
General government	16,970,588	19,377,730
Public safety	14,995,929	14,742,473
Public works	1,207,599	1,145,717
Human services	21,409,636	21,303,253
Culture and recreation	487,171	481,739
Conservation and development	466,012	424,575
Debt service	1,315,999	1,275,632
Capital outlay	170	-
Total expenditures	56,853,104	58,751,119
(Deficiency) of Revenues Over Expenditures	614,288	(4,669,176)
Other Financing Sources (Uses):		
Proceeds from issuance of debt	-	1,911,881
Gain from sale of assets	3,970	-
Transfers in	2,171,426	2,382,828
Transfers out	(2,171,426)	(2,382,828)
Total other financing sources	3,970	1,911,881
Net Change in Fund Balance	618,258	(2,757,295)
Fund balance, beginning	23,267,415	26,024,710
Fund balance, ending	\$ 23,885,673	\$ 23,267,415

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2019 were:

**County of Crawford, Pennsylvania
Governmental Funds
Revenues Classified by Source
Total Revenues \$57,467,392**

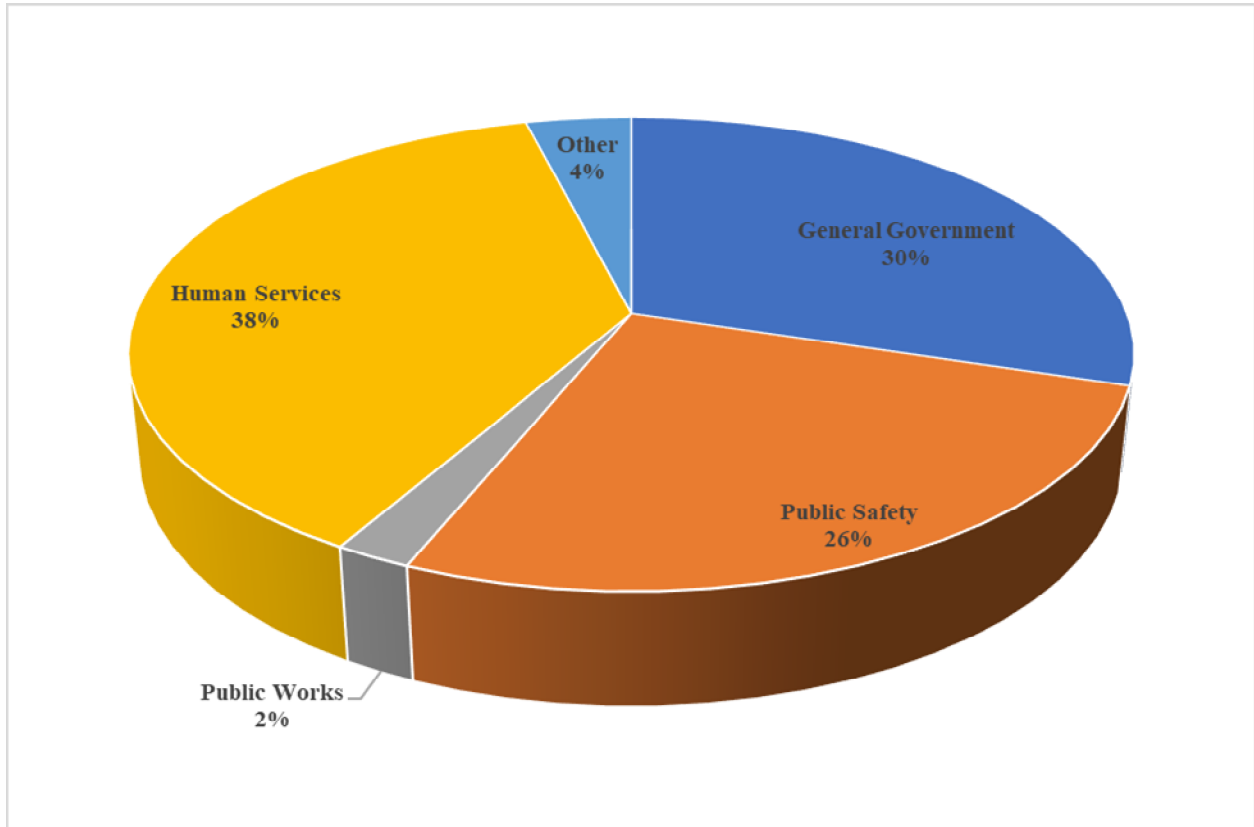


Governmental fund revenues totaled \$57.4 million for the year ended December 31, 2019, of which \$27.1 million (47%) came from Taxes. Intergovernmental (Federal and State) revenues accounted for \$22.9 million (40%) in revenue. Charges for services reached \$5.9 million (10%) in revenue. Other revenues of \$1.5 million including fines and forfeitures, investment earnings, payment in lieu of taxes, and miscellaneous revenues in total comprise approximately 3% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds expenditures, by function, for the year ended December 31, 2019 were:

**County of Crawford, Pennsylvania
Governmental Funds
Expenditures Classified by Function
Total Expenditures \$56,853,104**

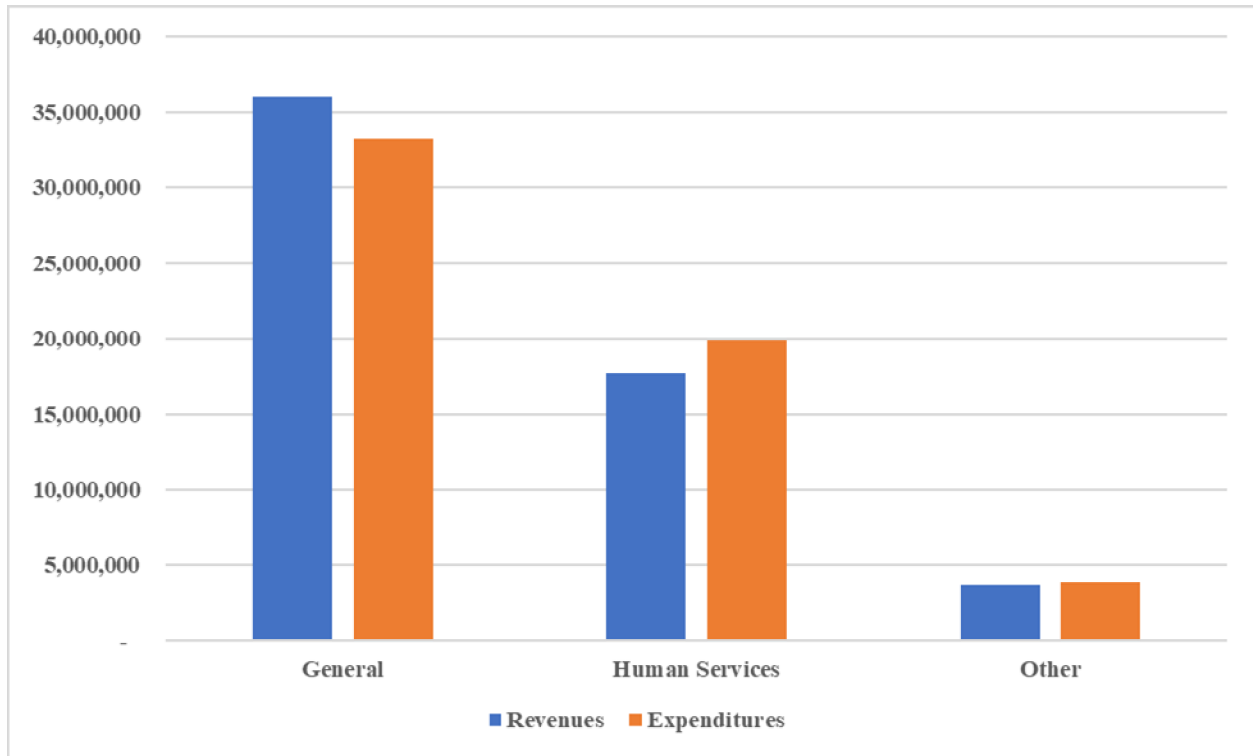


Governmental fund expenditures totaled \$56.9 million for the year ended December 31, 2019, of which \$21.4 million (38%) were human services expenditures. General government and public safety expenditures were \$17.0 million (30%) and \$15.0 million (26%), respectively. Expenditures for public works were \$1.2 million (2%). Other expenditures totaling \$2.3 million (4%) were made for culture and recreation, conservation and development, and debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart graphically depicts the total revenues received and expenditures incurred for the governmental funds for the year ended December 31, 2019.

**County of Crawford, Pennsylvania
Governmental Funds
Revenues and Expenditures**



GENERAL FUND BUDGETARY HIGHLIGHTS

The statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund for the year ended December 31, 2019 is found on page 7 of the financial statements.

Overall, the County had a favorable variance between the final budget and the actual net change in fund balance of \$769,214 or 2% of final budgeted revenues of \$34.1 million.

The County had a favorable variance between the final budget and actual revenue of approximately \$1.4 million. The primary factors causing the variance were taxes were \$0.6 million more than anticipated, while charges for services were \$0.7 million more than anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's actual expenditures for 2019 were more than the final budget by approximately \$1.0 million. The majority of the variance occurred in the Public Safety function where actual expenditures were more than the final budget by approximately \$0.6 million. The variance is primarily due to the fact that three of the Public Safety funds are special funds that do not come from Tax Payer dollars and, for that reason, are not budgeted. These funds are as follows: The Commissary Fund (114), County Offender Supervision (115), and Jail Flower Fund (121).

CAPITAL ASSETS

The County's total investment in capital assets as of December 31, 2019 amounts to \$53 million, net of accumulated depreciation. This investment includes construction in progress, land and land improvements, buildings, equipment, vehicles, and infrastructure. There was a slight decrease in capital assets during the year due as depreciation expense exceeded capital outlays.

LONG-TERM DEBT

As of December 31, 2019, the County has \$26.1 million of long-term debt, including net pension liability of \$10.1 million.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be directed, in writing, to:

Office of the County Commissioners
County of Crawford, Pennsylvania
903 Diamond Park
Meadville, PA 16335

FINANCIAL STATEMENTS

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION

DECEMBER 31, 2019

Assets	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 12,335,546	\$ 1,777,058	\$ 14,112,604
Investments	6,418,913	-	6,418,913
Receivables:			
Accounts receivable, net	1,396,703	2,541,146	3,937,849
Taxes receivable, net	3,268,465	-	3,268,465
Intergovernmental receivable	5,983,978	-	5,983,978
Internal balances	(7,744,528)	7,744,528	-
Prepaid expenses and other assets	1,848,243	100,781	1,949,024
Capital assets, not being depreciated/amortized	637,636	-	637,636
Capital assets, net of accumulated depreciation/amortization	50,809,122	1,458,803	52,267,925
Total Assets	74,954,078	13,622,316	88,576,394
Deferred Outflows of Resources			
Deferred outflows of resources for pension	80,110	24,286	104,396
Liabilities			
Accounts payable	1,828,973	449,098	2,278,071
Accrued payroll and related liabilities	654,080	162,863	816,943
Accrued interest payable	49,495	-	49,495
Intergovernmental payable	114,659	-	114,659
Unearned revenue	3,582,724	-	3,582,724
Compensated absences	1,316,465	415,489	1,731,954
Bonds payable	420,000	-	420,000
Notes payable	535,000	-	535,000
Noncurrent liabilities:			
Bonds payable	-	-	-
Notes payable	15,110,000	-	15,110,000
Net pension liability	7,763,856	2,353,616	10,117,472
Total Liabilities	31,375,252	3,381,066	34,756,318
Deferred Inflows of Resources			
Deferred inflows of resources for pension	648,487	196,589	845,076
Net Position			
Net investment in capital assets	35,381,758	1,458,803	36,840,561
Restricted for:			
Adoption counseling	20,039	-	20,039
Child support enforcement	205,417	-	205,417
District attorney	46,626	-	46,626
Offender supervision	473,624	-	473,624
Other	96,880	-	96,880
Substance abuse education	3,693	-	3,693
Tourism promotion	32,564	-	32,564
Roads and bridges	653,539	-	653,539
Emergency services	994,747	-	994,747
Other special revenue fund services	495,737	-	495,737
Unrestricted	4,605,825	8,610,144	13,215,969
Total Net Position	\$ 43,010,449	\$ 10,068,947	\$ 53,079,396

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 15,263,379	\$ 3,431,462	\$ 1,954,676	\$ -	\$ (9,877,241)	\$ -	\$ (9,877,241)
Public safety	13,372,928	807,077	3,322,960	-	(9,242,891)	-	(9,242,891)
Public works	839,469	-	27,243	670,383	(141,843)	-	(141,843)
Human services	19,636,777	1,681,501	16,863,422	-	(1,091,854)	-	(1,091,854)
Culture and recreation	564,381	153,706	320	-	(410,355)	-	(410,355)
Conservation and development	365,307	260,415	93,565	-	(11,327)	-	(11,327)
Unallocated insurance claims and related expenses	7,419,859	536,263	-	-	(6,883,596)	-	(6,883,596)
Interest	398,831	-	-	-	(398,831)	-	(398,831)
Total governmental activities	57,860,931	6,870,424	22,262,186	670,383	(28,057,938)	-	(28,057,938)
Business-type activities:							
Human services	10,082,520	12,583,783	-	-	-	2,501,263	2,501,263
Total business-type activities	10,082,520	12,583,783	-	-	-	2,501,263	2,501,263
Total primary government	\$ 67,943,451	\$ 19,454,207	\$ 22,262,186	\$ 670,383	(28,057,938)	2,501,263	(25,556,675)
General revenues:							
Taxes:							
Property taxes					26,286,975	-	26,286,975
Per capita taxes					215,179	-	215,179
Hotel taxes					431,138	-	431,138
Payments in lieu of taxes					140,848	-	140,848
Unrestricted investment earnings					293,184	3,409	296,593
Gain (Loss) on disposal of capital asset					3,970	(1,449)	2,521
Miscellaneous					692,787	-	692,787
Total general revenues					28,064,081	1,960	28,066,041
Change in Net Position					6,143	2,503,223	2,509,366
Net position - beginning					43,004,306	7,565,724	50,570,030
Net position - ending					\$ 43,010,449	\$ 10,068,947	\$ 53,079,396

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	General Fund	Human Services Fund	Total Nonmajor Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 12,280,323	\$ -	\$ 2,356,507	\$ 14,636,830
Investments	6,418,913	-	-	6,418,913
Receivables:				
Accounts receivable, net	493,956	563,473	33,201	1,090,630
Taxes receivable, net	3,268,465	-	-	3,268,465
Intergovernmental receivable	823,658	4,735,335	424,985	5,983,978
Due from other funds	3,564,447	919,362	-	4,483,809
Prepaid expenses and other assets	1,086,943	24,199	65,788	1,176,930
Total Assets	\$ 27,936,705	\$ 6,242,369	\$ 2,880,481	\$ 37,059,555
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)				
Liabilities:				
Accounts payable	\$ 618,950	\$ 1,089,446	\$ 100,149	\$ 1,808,545
Accrued payroll and related liabilities	449,518	174,684	29,878	654,080
Intergovernmental payable	-	-	114,659	114,659
Due to other funds	917,926	773,085	112,619	1,803,630
Cash advance from General Fund	-	3,093,837	-	3,093,837
Unearned revenue	-	3,296,181	286,543	3,582,724
Total Liabilities	1,986,394	8,427,233	643,848	11,057,475
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	2,116,407	-	-	2,116,407
Fund Balance (Deficit):				
Nonspendable - prepaid items	923,737	24,199	65,788	1,013,724
Restricted:				
Adoption counseling	20,039	-	-	20,039
Child support enforcement	205,417	-	-	205,417
District attorney	46,626	-	-	46,626
Offender supervision	473,624	-	-	473,624
Other	96,880	-	-	96,880
Substance abuse education	3,693	-	-	3,693
Tourism promotion	32,564	-	-	32,564
Roads and bridges	-	-	653,539	653,539
Emergency services	-	-	994,747	994,747
Other special revenue	-	-	495,737	495,737
Committed:				
Capital projects	459,959	-	-	459,959
Contingencies	25,000	-	-	25,000
District attorney	713	-	-	713
Warden	3,287	-	-	3,287
Woodcock Park	1,609	-	-	1,609
Assigned:				
Capital projects	-	-	26,822	26,822
Flower fund	5,059	-	-	5,059
Commissary fund	310,226	-	-	310,226
Unassigned	21,225,471	(2,209,063)	-	19,016,408
Total Fund Balance (Deficit)	23,833,904	(2,184,864)	2,236,633	23,885,673
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 27,936,705	\$ 6,242,369	\$ 2,880,481	\$ 37,059,555

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2019

Total Fund Balance - Governmental Funds			\$ 23,885,673
Amounts reported for governmental activities in the statement of net position (page 1) are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			51,446,758
Property taxes receivable will be collected next year and are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			2,116,407
Internal service funds are used by management to charge the costs of general liability and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			(8,675,196)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:			
Bonds and notes payable	\$ (16,065,000)		
Accrued interest on bonds	(49,495)		
Compensated absences	<u>(1,316,465)</u>	(17,430,960)	
The net pension liability is reflected on the statement of financial position, but is not considered a current expenditure for the governmental fund statements.			(7,763,856)
Deferred outflows and inflows of resources for pension are recorded and amortized in the statement of net position and are not recorded on the fund financial statements.			<u>(568,377)</u>
Net Position of Governmental Activities			<u>\$ 43,010,449</u>

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2019

	General Fund	Human Services Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 27,078,870	\$ -	\$ -	\$ 27,078,870
Intergovernmental	3,681,121	15,737,257	3,509,710	22,928,088
Charges for services	4,021,706	1,741,218	167,682	5,930,606
Fines and forfeitures	305,550	-	-	305,550
Investment earnings	280,742	-	7,415	288,157
Payment in lieu of taxes	140,848	-	-	140,848
Miscellaneous	503,374	226,163	65,736	795,273
Total revenues	36,012,211	17,704,638	3,750,543	57,467,392
Expenditures:				
Current:				
General government	16,471,116	-	499,472	16,970,588
Public safety	11,983,676	1,431,926	1,580,327	14,995,929
Public works	441,346	-	766,253	1,207,599
Human services	1,948,895	18,444,138	1,016,603	21,409,636
Culture and recreation	487,171	-	-	487,171
Conservation and development	466,012	-	-	466,012
Debt service:				
Principal	910,000	-	-	910,000
Interest	399,829	-	-	399,829
Issuance costs	6,170	-	-	6,170
Capital outlay	170	-	-	170
Total expenditures	33,114,385	19,876,064	3,862,655	56,853,104
Excess (Deficiency) of Revenues Over Expenditures	2,897,826	(2,171,426)	(112,112)	614,288
Other Financing Sources (Uses):				
Proceeds from issuance of debt	-	-	-	-
Proceeds from sale of assets	3,970	-	-	3,970
Transfers in	-	2,171,426	-	2,171,426
Transfers out	(2,171,426)	-	-	(2,171,426)
Total other financing sources (uses)	(2,167,456)	2,171,426	-	3,970
Net Change in Fund Balance	730,370	-	(112,112)	618,258
Fund balance (deficit) - beginning	23,103,534	(2,184,864)	2,348,745	23,267,415
Fund balance (deficit) - ending	\$ 23,833,904	\$ (2,184,864)	\$ 2,236,633	\$ 23,885,673

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

Net Change in Fund Balance - Total Governmental Funds \$ 618,258

Amounts reported for governmental activities in the statement of activities (page 2) are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense capital outlays exceeded capital outlays in the current period. (992,940)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (145,578)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 910,000

Internal service funds are used by management to charge the costs of general liability, workers' compensation, and health care insurance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. (1,466,995)

Some expenses (including pension) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 1,083,398

Change in Net Position of Governmental Activities \$ 6,143

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,350,717	\$ 26,350,717	\$ 26,965,874	\$ 615,157
Intergovernmental	3,668,593	3,668,593	3,540,037	(128,556)
Charges for services	3,211,709	3,211,709	3,893,967	682,258
Fines and forfeitures	343,000	343,000	294,584	(48,416)
Investment earnings	180,850	180,850	274,947	94,097
Payment in lieu of taxes	139,141	139,141	136,039	(3,102)
Miscellaneous	224,959	224,959	476,607	251,648
Total revenues	34,118,969	34,118,969	35,582,055	1,463,086
Expenditures:				
Current:				
General government	15,955,178	16,034,600	16,222,074	(187,474)
Public safety	11,217,977	11,271,058	11,826,809	(555,751)
Public works	275,752	275,752	434,294	(158,542)
Human services	1,649,586	1,651,825	1,922,160	(270,335)
Culture and recreation	385,288	385,288	480,701	(95,413)
Conservation and development	523,258	523,258	460,310	62,948
Debt service:				
Principal	910,000	910,000	898,517	11,483
Interest	419,641	419,641	394,180	25,461
Issuance costs	6,000	6,000	6,170	(170)
Capital outlay	280,000	145,258	170	145,088
Total expenditures	31,622,680	31,622,680	32,645,385	(1,022,705)
Excess of Revenues Over Expenditures	2,496,289	2,496,289	2,936,670	440,381
Other Financing Sources (Uses):				
Proceeds from sale of assets	700	700	3,970	3,270
Transfers in	-	-	-	-
Transfers out	(2,496,989)	(2,496,989)	(2,171,426)	325,563
Total other financing sources (uses)	(2,496,289)	(2,496,289)	(2,167,456)	328,833
Net Change in Fund Balance	-	-	769,214	\$ 769,214
Fund balance - beginning	23,103,534	23,103,534	23,103,534	
Fund balance - ending	<u>\$ 23,103,534</u>	<u>\$ 23,103,534</u>	<u>\$ 23,872,748</u>	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2019

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,777,058	\$ 792,553
Receivables:		
Accounts receivable, net	2,541,146	306,073
Prepaid expenses and other assets	100,781	671,313
Total current assets	4,418,985	1,769,939
Non-current assets:		
Capital assets, net of accumulated depreciation and amortization	1,458,803	-
Total Assets	5,877,788	1,769,939
Deferred Outflows of Resources		
Deferred outflows of resources for pension	24,286	-
Liabilities		
Current liabilities:		
Accounts payable and incurred insurance expenses	449,098	20,428
Accrued payroll and related liabilities	162,863	-
Due to other funds	2,680,179	-
Compensated absences	415,489	-
Total current liabilities	3,707,629	20,428
Noncurrent liabilities:		
Net pension liability	2,353,616	-
Total Liabilities	6,061,245	20,428
Deferred Inflows of Resources		
Deferred inflows of resources for pension	196,589	-
Net Position		
Net investment in capital assets	1,458,803	-
Unrestricted	(1,814,563)	1,749,511
Total Net Position	(355,760)	\$ 1,749,511
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise fund over time	10,424,707	
Net Position of Business-type Activities (page 1)	\$ 10,068,947	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Operating Revenues:		
Charges for services	\$ 12,529,003	\$ -
Employer contributions	-	7,345,930
Miscellaneous	54,780	-
Total operating revenues	12,583,783	7,345,930
Operating Expenses:		
Personnel services	7,819,427	-
Materials and supplies	1,154,159	-
Services	1,993,187	-
Other operating expenses	264,842	1,244,217
Depreciation	187,657	-
Bad debt	61,341	-
Incurred claims and adjustments	-	6,175,642
Total operating expenses	11,480,613	7,419,859
Operating income (loss)	1,103,170	(73,929)
Nonoperating Revenues:		
Investment earnings	3,409	5,027
Gain (loss) on disposal of assets	(1,449)	-
Total nonoperating revenues (expenses)	1,960	5,027
Change in Net Position	1,105,130	(68,902)
Net position - beginning	(1,460,890)	1,818,413
Net position - ending	(355,760)	<u>\$ 1,749,511</u>
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	(1,398,093)	
Change in Net Position of Business-type Activities (page 2)	\$ 2,503,223	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 12,600,994	\$ 7,952,767
Payments to employees for salaries and benefits	(7,780,893)	-
Payments to suppliers and claimants	(3,553,136)	(7,449,376)
Net cash provided by (used in) operating activities	1,266,965	503,391
Cash Flows from Investing Activities:		
Interest on investments	3,409	5,027
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(125,997)	-
Net Increase in Cash and Cash Equivalents	1,144,377	508,418
Cash and cash equivalents at January 1, 2019	632,681	284,135
Cash and cash equivalents at December 31, 2019	\$ 1,777,058	\$ 792,553
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:		
Operating income (loss)	\$ 1,103,170	\$ (73,929)
Adjustments to reconcile change in operating income (loss) to net cash used in operating activities:		
Pension expense	(702,667)	-
Depreciation expense	187,657	-
Bad debt expense	61,341	-
Change in assets and liabilities:		
Accounts receivable	(44,130)	606,837
Prepaid expenses and other assets	(39,464)	(19,163)
Accounts payable and incurred insurance expenses	(40,143)	(10,354)
Accrued payroll and related liabilities	(13,193)	-
Due to other funds	780,346	-
Compensated absences	(25,952)	-
Net cash used in operating activities	\$ 1,266,965	\$ 503,391

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2019

	Pension Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 2,770,992	\$ 1,484,644
Receivables	28,866	-
Investments:		
Money markets	283,979	-
Mutual funds - fixed income	9,882,132	-
Mutual funds - equity	42,310,029	-
Private equity trust	1,902,976	-
Global opportunities fund	13,095,119	-
Hedge fund	4,702,812	-
Alternative core bond fund	11,463,148	-
Total Assets	86,440,053	1,484,644
Liabilities		
Due to others	-	1,484,644
Other liabilities	-	-
Total Liabilities	-	\$ 1,484,644
Net Position Restricted for Pension Benefits	\$ 86,440,053	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 2,600,745
Plan members	2,480,405
Total contributions	<u>5,081,150</u>
Investment earnings (loss):	
Net increase (decrease) in the fair value of investments	13,321,756
Interest and dividends	1,739,346
Total investment earnings (loss)	15,061,102
Less investment expense	<u>(79,348)</u>
Net investment earnings (loss)	<u>14,981,754</u>
Total additions	<u>20,062,904</u>
Deductions:	
Administrative expenses	26,587
Benefits	5,613,276
Total deductions	<u>5,639,863</u>
Change in Net Position	14,423,041
Net position - beginning	<u>72,017,012</u>
Net position - ending	<u>\$ 86,440,053</u>

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

1. Reporting Entity

The County of Crawford, Pennsylvania (County) is a municipal government governed by a three-member elected Board of Commissioners. The County provides services in many areas to its residents, including various general government services, public safety, public works, human services, culture and recreation, and conservation and development. These programs are financed mainly through the assessment of taxes, charges for services, and federal and state grants.

The reporting entity for the County includes the accounts of all County operations, including administrative and judicial general government, corrections, and health and welfare. These financial statements include the primary government (the County, a general purpose local government, and all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from the County) and do not reflect all component units that meet the criteria for inclusion according to the Governmental Accounting Standards Board (GASB).

Related Organizations

The following separately administered organizations are related organizations to the County. Such organizations have the majority of their governing board appointed by the County Commissioners and the County is financially accountable for some of them. However, as described above, these financial statements include only the primary government.

Crawford County Drug and Alcohol Executive Commission, Inc. (Commission) - This non-profit commission operates the drug and alcohol abuse prevention and treatment program for the County. In addition to providing County match funds and federal and state pass-through grant funding, the County provides payroll services for the Commission.

Crawford Area Transportation Authority (Transportation Authority) - This is an operating authority created to provide and coordinate mass transportation services to the County. The County provides local match funds, an annual operating subsidy, and a construction subsidy to the Transportation Authority.

The Quality Living Center of Crawford County (Center) - This non-profit corporation operates a personal care facility. The County owns the land and building operated by the Center, which they lease to the Center at an annual rent of \$1. The County is responsible for maintenance and repairs of the leased property, and provides an annual operating

COUNTY OF CRAWFORD, PENNSYLVANIA

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subsidy to the Center. The Center also contracts with the County's Human Services Fund to provide certain services. The Center ceased operations in May 2019.

Crawford County Solid Waste Authority (Solid Waste Authority) - This authority was created to oversee the management of municipal solid waste in Crawford County. In addition to providing state pass-through grant funding and matching funds, the County provides payroll services for the Solid Waste Authority in addition to partially subsidizing its operations.

Crawford County Hospital Authority - This authority was created for the purpose of financing hospitals within the County.

Crawford County Industrial Development Authority – This authority was created for the purpose of developing industry by securing low-interest loans for businesses in Crawford County.

Crawford County Regional Airport Authority (Airport Authority) - This authority oversees the operations of the Port Meadville Airport. The County provides an annual operating subsidy to the Airport Authority as well as long-term zero interest financing.

Crawford County Soil Conservation District - This locally organized and operated unit of government, functioning under Pennsylvania law, was created to promote protection, maintenance, improvement, and wise use of the land, water, and other related resources.

Crawford County Fair Association (Fair) – This non-profit organization plans and operates the annual Fair. The County owns the fairground's land and buildings, which they rent to the Fair for two weeks of the year. The County is responsible for maintenance and repairs of the fairgrounds, and provides payroll services for the Fair. The County also provides long-term zero interest financing to the Fair's Dairy Committee.

2. Summary of Significant Accounting Policies

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. All fiduciary activities are reported only in the fund financial statements. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental grants, are reported

COUNTY OF CRAWFORD, PENNSYLVANIA

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separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers for services provided and rents and 2) operating grants. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the County are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of

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long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and the internal service fund are charges to customers for services provided. Operating expenses for the enterprise fund and the internal service fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The enterprise fund's patient revenue is reported at the estimated net realizable amounts from the residents and third-party payers. Revenues under third-party payer agreements are subject to audit and retroactive adjustment. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and ultimate final settlements are reported as adjustments become known.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

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The County reports the following major governmental funds:

The *General Fund* is the principal operating fund of the County, which is used to account for all financial resources not accounted for in other funds.

The *Human Services Fund* accounts for the expenditure of a combination of revenues received from various federal, state, and County sources. These accounts are restricted for the provision of specified social services to eligible recipients. The Human Services Fund is comprised of Children and Youth Services, Mental Health and Intellectual Disabilities Services, and Early Intervention Services provided by the County.

The County reports the following major enterprise fund:

The *Crawford County Care Center Fund* accounts for the operations of the Crawford County Care Center (Care Center), which is a skilled nursing facility that provides long-term nursing care.

Additionally, the County reports the following funds:

The *Internal Service Fund* accounts for self-insured workers' compensation, general liability and health insurance charges to other departments or agencies of the government.

The *Pension Trust Fund* accounts for the activities related to accumulation of resources for the benefit of current and future retirees of the County.

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

The *Capital Projects Fund* accounts for financial resources to be used to fund certain capital projects.

Interfund Activity in the Government-Wide Financial Statements

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other

COUNTY OF CRAWFORD, PENNSYLVANIA

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funds and cash advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated, so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated, so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated, so that only the net amount is included as transfers in the business-type activities column.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

Investments

Investments are primarily recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The

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cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets

Capital assets, which include land and land improvements, building and improvements, equipment, vehicles, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with initial, individual cost of more than of \$5,000 and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. These costs are charged to operations when incurred.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years
Buildings	20 - 40 years
Land improvements	20 - 30 years
Equipment	5 - 20 years
Vehicles	2 – 8 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position and/or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category:

Certain amounts determined in connection with pension accounting requirements are reported as deferred outflows of resources on the government-wide financial

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statements and proprietary fund statement of net position. This amount is determined based on an actuarial valuation performed for the pension plan. Note 9 presents additional information about the pension plan.

In addition to liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position and/or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has the following items that qualify for reporting in this category:

Unavailable revenue is reported only on the governmental funds' balance sheet and represents property taxes which will not be collected within the available period. This amount will be recognized as an inflow of resources in the period the amounts become available.

Certain amounts determined in connection with pension accounting requirements are reported as deferred inflows of resources on the government-wide financial statements and the proprietary fund statement of net position. These amounts are determined based on an actuarial valuation performed for the pension plan.

Unearned Revenues

Unearned revenues are reported in government-wide financial statements and fund financial statements. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues represent monies received but not yet earned.

Compensated Absences

Calculation of the liability amount is determined by the appropriate vacation, sick, and lump-sum payments, which would be available to employees if they would leave or retire from the County.

The County accrues accumulated unpaid vacation when (1) the obligation relates to rights that vest or accumulate, (2) the payment of the obligation is probable, and (3) the amount can be reasonably estimated. Unused vacation leave is paid upon an employee's retirement or upon termination after one year of service. Sick leave not taken is paid only to retiring

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employees, at varying rates. No liability for these amounts is included in the governmental fund statements, only in the proprietary fund statements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes such items as advances and prepaid expenditures.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. The County's restricted fund balances consist of external enabling legislation for the federal, state, or local government grants.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the County Commissioners. Such commitment is made via a resolution of the County Commissioners and must be made prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the County Commissioners.
- Assigned – This category represents intentions of the County to use the funds for specific purposes. The County Commissioners have the authority to assign amounts to be used for specific purposes.
- Unassigned – This category includes the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications.

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The County's policy is to apply expenditures against any non-spendable funds, restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balances.

Net Position

Accounting standards requires the classification of net position into these components – net investment in capital assets; restricted; and unrestricted. These classifications are defined below:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

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Allocation of Indirect Expenses

The County allocates indirect expenses, primarily comprised of central governmental services, to operating functions and programs benefiting from those services. Central services include overall County management, centralized budgetary formulation and oversight, accounting, financial reporting, information technology services, personnel, purchasing, cash management, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. These charges are included in direct expenses in the statement of activities.

Budgets and Budgetary Accounting

The County adopts an annual budget for its General Fund on a cash basis. Unexpended budget appropriations expire at year-end and do not carry forward to future periods. The budgetary control for the Human Services Fund is maintained through enforcement of related grant provisions.

On or before October 1 of each year, each department submits a proposed operating budget for the ensuing calendar year. The proposed budgets include proposed expenditures and the means of financing them. The proposed budget is compiled and made available for public inspection for at least 20 days prior to the date for adopting the budget. After the inspection period has been satisfied, the budget is legally adopted no later than December 31 of the year before the one for which it is effective.

The appropriated budget is prepared by fund, function, and department. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Encumbrance accounting is employed in the Liquid Fuels Fund, one of the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported in fund balance and do not constitute expenditures or liabilities, because the commitments will be appropriated and honored during the subsequent year.

The following is a reconciliation of the actual results of operations in the statement of revenues, expenditures, and changes in fund balance – General Fund to the budgetary cash basis of accounting used in the statement of revenues, expenditures, and changes in fund balance – budget and actual – General Fund.

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	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ 730,370
Adjustment to reconcile accounts and property taxes receivable to budgetary basis	(430,156)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	<u>469,000</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u>\$ 769,214</u>

For the year ended December 31, 2019, expenditures exceeded appropriations in the General Fund. These overages were funded by excess of revenues over budget amounts.

Estimates

The preparation of the financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ than those estimates.

Adopted Pronouncements

The following GASB statement was adopted for the year ended December 31, 2019: Statement No. 95 (Postponement of the Effective Dates of Certain Authoritative Guidance). This statement postponed the effective dates for the GASB Statement Nos. 83-93 below for one year with the exception of No. 87, which was postponed 18 months.

Pending Pronouncements

GASB has issued several statements that will become effective in future years, including Statement Nos. 83 (Certain Asset Retirement Obligations), 84 (Fiduciary Activities), 87 (Leases), 88 (Certain Debt Disclosures), 89 (Interest Costs before the End of a Construction Period), 90 (Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61), 91 (Conduit Debt Obligations), 92 (Omnibus 2020) 93 (Replacement of Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), 96 (Subscription-Based Information Technology Arrangements), and 97

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(Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans). Management has not yet determined the impact of these statements on the County's financial statements.

3. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. The statutes allow pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds and other investments consistent with sound business practice.

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County's formal investment policy does not limit its investment choices based on credit ratings by nationally recognized statistical rating organizations.

Governmental and Business Type Activities

Deposits

The following is a description of the County's deposit risks:

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. Of the bank balance of \$14,463,845 at December 31, 2019, \$497,040 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits, with carrying amounts of \$12,687,154 as of December 31, 2019, are reported as cash and cash equivalents.

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Cash Equivalent Investments

The County's cash equivalent investment in the Pennsylvania Local Government Investment Trust (PLGIT) (an external investment) cannot be classified by risk category because the investment is not evidenced by securities that exist in physical or book entry form. PLGIT was established as a common law trust organized under laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of this fund is to enable such governmental units to pool available funds for investment. The County's position in the external investment pool is the same as the value of the pool shares and is reported at amortized cost, which approximates fair value. All investments in external investment pools that are not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The investments in PLGIT-Class require no minimum balance, no minimum initial investment, and a one-day minimum investment period. The investments in PLGIT-Prime require no minimum balance, no minimum initial investment, and limits redemptions or exchanges to two per calendar month. The PLGIT annual audit report is available on their website.

As of December 31, 2019 the investment in PLGIT of \$1,425,450 (book and bank balance), is considered to be a cash equivalent for presentation on the government-wide statement of net position and the governmental funds balance sheet.

Investments

As of December 31, 2019, the County had the following investments:

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Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Governmental activities					
Debt securities:					
U.S. Treasury Notes and Bonds	\$ 331,575	\$ -	\$ 331,575	\$ -	\$ -
U.S. Government Agency Obligations	858,408	168,829	543,797	90,140	55,642
Certificates of deposit	3,507,733	70,074	3,437,659	-	-
Total debt securities and certificates of deposit	4,697,716	<u>\$ 238,903</u>	<u>\$ 4,313,031</u>	<u>\$ 90,140</u>	<u>\$ 55,642</u>
Money markets	1,721,197				
Total	<u>\$ 6,418,913</u>				

U.S. Treasury Notes and Bonds and U.S. Government Agency Obligations are valued at fair value using various techniques, which may consider the reported sales of similar securities, market price quotations, and data (such as broker quotes, yields, bids, and reference data) (Level 2). The County's investments in money markets and certificates of deposit are reported at amortized cost, which approximates market.

The following is a description of the County's investment risks:

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the County will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The County does not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2019, the full bank balance of all of the County's certificates of deposits and money market funds were insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. As of December 31, 2019, the County's remaining investment balance of \$1,189,983 (bank and book balance) was exposed to custodial credit risk. All of the County's investments, other than certificates of deposits, were uninsured and held by the counterparty. The counterparty is a member of the Securities Investor Protection Corporation (SIPC), which provides insurance coverage up to \$500,000 of the net equity balance, including up to \$250,000 in cash, in the event the counterparty fails, owing the County cash and securities that are missing from their

COUNTY OF CRAWFORD, PENNSYLVANIA

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accounts. This coverage does not extend to losses incurred due to fraud, misrepresentation, or investment decisions.

Concentration of Credit Risk - The County's investment policy is to invest in U.S. Government or federal agency securities for which there is no limit to the investment amount.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy is to invest funds to meet its projected cash flow requirements. Investments are made at the discretion of the County, as long as such investments are made at approved financial institutions and are fully collateralized by securities with a fair value equal to or exceeding the cost of the investment. Investments must be made in accordance with the Commonwealth of Pennsylvania's Act 72. The County's investments in PLGIT and money markets have maturities of less than one year.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. As of December 31, 2019, the County's investments in PLGIT and debt securities have received AAA and AA ratings, respectively, from Standard & Poor's.

Agency Funds

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$1,484,644 and the bank balance was \$1,660,181. Of the bank balance, \$530,577 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

Pension Trust Fund – Deposits

The Pension Trust Fund deposits are held separately from those of other County funds. The Pension Trust Fund cash and cash equivalents book value and bank balance was \$2,770,992 at December 31, 2019. None of the bank balance was covered by federal deposit insurance. The entire bank balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

COUNTY OF CRAWFORD, PENNSYLVANIA

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Pension Trust Fund - Investments

The Pension Trust Fund investments are held separately from those of other County funds. The County's Pension Committee determines the investment managers for the Pension Trust Fund and meet periodically with the trustees to discuss the general categories of investments to be made.

The Pension Trust Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The Pension Trust Fund had the following recurring fair value measurements at December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds - fixed income	\$ 9,882,132	\$ 9,882,132	\$ -	\$ -
Mutual funds - equity:				
Real estate	3,420,347	3,420,347	-	-
Large blend	17,163,819	17,163,819	-	-
Small blend	1,503,270	1,503,270	-	-
Foreign large blend	16,805,681	16,805,681	-	-
Mid cap growth	3,416,912	3,416,912	-	-
Total Mutual Funds - Equity	42,310,029	42,310,029	-	-
Private equity trust	1,902,976	-	-	1,902,976
Total Investments by Fair Value Level	54,095,137	\$ 52,192,161	\$ -	\$ 1,902,976
Money markets	283,979			
Investments Measured at NAV:				
Global Opportunities Fund	13,095,119			
Hedge Fund	4,702,812			
Alternative Core Bond Fund	11,463,148			
Total Investments measured at NAV	29,261,079			
Total investments measured at fair value	\$ 83,640,195			

Mutual funds and common stock classified in Level 1 are valued using quoted market prices in active markets for those securities. Private equity trusts classified in Level 3 are valued based upon the County's share of the trust assets held. The underlying assets of the private equity trust are primarily invested in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations, and venture/growth capital investment funds, as well as securities,

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including co-investments. The Pension Trust Fund’s investment in money markets of \$283,979 is reported at amortized cost, which approximates market.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as determined by investment managers under the so-called “practical expedient” is presented on the following table. The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met.

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Opportunities Fund (1)	\$ 13,095,119	\$ -	Monthly	22nd calendar day of prior month
Hedge Fund (2)	4,702,812	-	Quarterly	45 - 60 days
Alternative Core Bond Fund (3)	<u>11,463,148</u>	-	Daily	None
Total Investments Measured at NAV	<u><u>\$ 29,261,079</u></u>			

(1) *Global Opportunities Fund.* This investment type includes the Wellington Trust Company, National Association, CTF Global Opportunities Fund (Global Opportunities Fund). The investment strategy of the Global Opportunities Fund is to provide a long-term total return in excess of the MSCI All Country World Index.

(2) *Hedge Fund.* This investment type includes the ABS Offshore SPC (Hedge Fund). The investment strategy of the Hedge Fund is to generate global equity market returns while maintaining a moderate level of risk, as measured by the standard deviation of monthly returns.

(3) *Alternative Core Bond Fund.* This investment type includes the IR&M Core Bond Fund LLC (Bond Fund). The investment strategy of the Bond Fund is to outperform the Bloomberg Barclays U.S. Aggregate Index by investing primarily in investment-grade fixed income securities; corporate securities; municipal securities; 144A securities; convertible securities; inflation-indexed securities; U.S dollar-denominated debt of foreign issuers; structured securities including residential mortgage backed securities, mortgage pass-throughs and collateralized mortgage obligations, asset-backed securities, and commercial mortgage backed securities; preferred and hybrid capital securities and money market instruments.

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The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of the future fair values. Furthermore, although the Pension Trust Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a description of the County's Pension Trust Fund investment risks:

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County does not have a formal investment policy for credit risk. As of December 31, 2019, the County's Pension Trust Fund does not have any investments in fixed income securities.

Custodial Credit Risk - For investments, custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the Pension Trust Fund will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside entity. The County's Pension Trust Fund does not have a formal investment policy for custodial credit risk.

Interest Rate Risk – The Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2019, the County's Pension Trust Fund does not have any investments in fixed income securities.

Risks and Uncertainties

Financial instruments, which potentially expose the County to concentrations of credit risk, include investments in marketable securities. As a matter of policy, the County maintains investment balances only with institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate risk and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such a change could materially affect the amount reported on the statement of net position.

COUNTY OF CRAWFORD, PENNSYLVANIA

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4. Property Taxes

The County is permitted by state law to levy taxes up to 25 mills of assessed valuation. The millage rate levied by the County for the year ended December 31, 2019 was 21.85 mills (property tax), applied to an assessable base of \$1,229,475,437 for general County purposes. Of this amount, 0.9 mills is restricted for payment of interest and principal on the indebtedness incurred under the Local Government Debt Act to finance the construction of the new Judicial Center and 0.7 mills is for the library tax assessment. Property taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. These taxes are billed by the County and collected by elected tax collectors. Taxes paid through April 30 are reduced by a 3% discount. Amounts paid after June 30 are assessed a 10% penalty. The current year tax levy becomes delinquent after December 31. The County collects delinquent property taxes on behalf of itself and other taxing authorities within the County.

Current property taxes receivable at December 31, 2019 consist of the face value of the tax levy uncollected at year-end. Taxes collected within 60 days are recorded as revenue in the fund-level statements, with the balance of the levy accounted for as unavailable revenue.

5. Allowance for Uncollectibles

All trade and tax receivables are shown net of an allowance for uncollectibles. The County estimates the allowance for uncollectibles using historical collection data and, in certain cases, specific account analysis.

The Care Center accounts receivable are shown net of an allowance for uncollectible accounts totaling \$76,175.

Property tax receivables are shown net of an allowance for uncollectible accounts equal to \$167,995.

Per capita tax receivables are shown net of an allowance for uncollectible accounts equal to \$12,746.

COUNTY OF CRAWFORD, PENNSYLVANIA

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6. Promissory Notes Receivable

In 2008, the County loaned the Crawford County Regional Airport Authority (Airport Authority) \$393,206 to be repaid by increasing increments over a fifteen-year term at zero percent interest, beginning in 2009. In April 2017, the County agreed to modify the Promissory Note with the Airport Authority changing the required annual principal repayments to \$20,000 annually for the years 2017 through 2027, with a final payment of \$3,206 due on or before June 30, 2028. The Airport Authority is current with their repayments.

In April 2017, the County entered into a loan agreement with Hudson Commonwealth Asset Management, LLC (Hudson) to finance the development and construction of low-income residential rental units in the Borough of Conneaut Lake, Pennsylvania, to be known as Evans Square. Under the agreement, the County will loan Hudson \$25,000 of Pennsylvania Act 137 funds for a period of thirty years at zero percent interest. During November 2017, the loan agreement was amended with an additional amount of \$30,000 to bring the total loan to \$55,000. The loan matures on April 5, 2047, at which time the entire loan principal is due and payable.

As of December 31, 2019, promissory notes receivable, included in other assets on the statement of net position, total \$218,206.

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2019

7. Capital Assets

A summary of governmental activities capital assets for the year ended December 31, 2019 is as follows:

	Balance at January 1, 2019	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2019
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 637,636	\$ -	\$ -	\$ 637,636
Construction in progress	3,075,428	-	(3,075,428)	-
Total capital assets, not being depreciated	3,713,064	-	(3,075,428)	637,636
Capital assets, being depreciated:				
Buildings	42,571,954	3,090,161	-	45,662,115
Land improvements	1,781,470	-	-	1,781,470
Equipment	7,764,824	414,913	-	8,179,737
Vehicles	1,663,971	-	-	1,663,971
Infrastructure	20,552,649	761,304	-	21,313,953
Total capital assets, being depreciated	74,334,868	4,266,378	-	78,601,246
Less: accumulated depreciation	(25,608,234)	(2,183,890)	-	(27,792,124)
Total capital assets, being depreciated, net	48,726,634	2,082,488	-	50,809,122
Governmental activities, capital assets, net	\$ 52,439,698	\$ 2,082,488	\$ (3,075,428)	\$ 51,446,758

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 864,207
Public safety	673,289
Public works	422,490
Human services	104,839
Culture and recreation	119,065
Total depreciation expense - governmental activities	\$ 2,183,890

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2019

A summary of business-type activities capital assets for the year ended December 31, 2019 is as follows:

	January 1, 2019	Transfers/ Additions	Deletions	December 31, 2019
Business-type activities:				
Capital assets, being depreciated:				
Buildings	\$ 5,558,551	\$ 43,139	\$ -	\$ 5,601,690
Land improvements	763,586	6,750	-	770,336
Equipment	1,219,736	43,234	-	1,262,970
Vehicles	182,755	31,425	-	214,180
Total capital assets, being depreciated	<u>7,724,628</u>	<u>124,548</u>	<u>-</u>	<u>7,849,176</u>
Less: accumulated depreciation	<u>(6,202,716)</u>	<u>(187,657)</u>	<u>-</u>	<u>(6,390,373)</u>
Total capital assets, being depreciated, net	<u>1,521,912</u>	<u>(63,109)</u>	<u>-</u>	<u>1,458,803</u>
Business-type activities, capital assets, net	<u>\$ 1,521,912</u>	<u>\$ (63,109)</u>	<u>\$ -</u>	<u>\$ 1,458,803</u>

8. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2019, as well as interfund transfers for the year ended December 31, 2019, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 3,564,447	\$ 917,926	\$ -	\$ 2,171,426
Human Services	919,362	773,085	2,171,426	-
Aggregate remaining funds	-	112,619	-	-
Business-type activities:				
Care Center	-	2,680,179	-	-
Internal Service Fund	-	-	-	-
	<u>\$ 4,483,809</u>	<u>\$ 4,483,809</u>	<u>\$ 2,171,426</u>	<u>\$ 2,171,426</u>

COUNTY OF CRAWFORD, PENNSYLVANIA

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The primary purpose of the interfund payable amounts due for the Human Services, aggregate remaining, and Care Center funds is for expenses, such as pension, payroll, and cost allocation expenses, which are initially paid by and reimbursed to the General Fund. A large portion of the General Fund interfund transfers out and Human Service Fund transfers in represents the County's required contribution to various programs based upon Pennsylvania Department of Human Services requirements.

Included in the Human Services Fund on the balance sheet is \$3,093,837 of cash advance from the General Fund to cover timing difference of receivables.

9. Crawford County Employees' Retirement System

Summary of Significant Accounting Policies

Financial information of the Crawford County Employees' Retirement System (Plan) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Employer contributions to the Plan are recognized when due as required by applicable law. Employee contributions are recognized in the period in which the contribution is due. Investments are reported at fair value as further described in Note 3.

Plan Description

The Plan, as administrated by the County's Retirement Board (Board), is a single-employer defined benefit pension plan governed by the County Pension Law Act 96 (Act) of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. Management of the Plan is vested in the Board, which consists of five members: three elected County Commissioners, the County Chief Clerk, and the County Treasurer. The benefit provisions were established by action of the Board on January 1, 1962. The Board retains exclusive control over the plan document. The Plan is qualified under Internal Revenue Code Section 401 (a) and thus is tax-exempt. The Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available.

All full-time County employees become Plan members immediately upon becoming an employee. Membership in the Plan is optional for elected officials. At January 1, 2019 measurement date, plan membership consisted of the following:

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Inactive plan members or beneficiaries currently receiving benefits	297
Inactive plan members entitled to but not yet receiving benefits	70
Active plan members	<u>556</u>
Total plan members	<u><u>923</u></u>

Benefits Provided

Retirement Benefit – Plan members with 20 years of service are eligible to retire at age 55. Plan members that have completed five years of credited service or who have attained age 60 are eligible to retire. Members are eligible for voluntary early retirement upon completion of 20 years of service and involuntary early retirement upon completion of eight years of service. Members are fully vested upon completion of five years of credited service or reaching 60 years of age. Retirement benefits for Plan members are calculated as a percent of the member’s highest three-year average salary times the member’s years of service depending on class basis, plus a monthly annuity based on the actuarial equivalent of the member’s accumulated contributions with credited interest.

Disability Retirement Benefit – All Plan members are eligible for disability benefits upon total and permanent disability after five years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of highest average salary at time of retirement plus a monthly annuity based on the actuarial equivalent of the member’s accumulated contributions with credited interest.

Death Benefit – Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member’s contributions paid in a lump sum. Upon the death of a terminated or retired member, the beneficiary will receive survivor benefits, if any, in accordance with the form under which benefits were being paid to the member. In any event, the total amount of benefits paid to the deceased benefit and beneficiary must, at least, equal the member’s accumulated contributions with interest.

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

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Contributions

The Plan participants and the County are obligated by the plan document to make all required contributions to the Plan. Participants are required to contribute 8% of their annual covered salary. The contributions required of the County are actuarially determined. The County contributed the required \$2,600,745 for 2019.

Changes in Net Pension Liability

The changes in the net pension liability of the County for the year ended December 31, 2019 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	\$ 92,331,555	\$ 72,017,012	\$ 20,314,543
Changes for the year:			
Service cost	3,181,605	-	3,181,605
Interest	6,935,923	-	6,935,923
Differences between expected and actual experience	(278,283)	-	(278,283)
Contributions - employer	-	2,600,745	(2,600,745)
Contributions - employee	-	2,480,405	(2,480,405)
Net investment income	-	12,298,485	(12,298,485)
Benefit payments, including refunds	(5,613,275)	(5,613,275)	-
Administrative expense	-	(26,759)	26,759
Other changes	-	2,683,440	(2,683,440)
Net changes	4,225,970	14,423,041	(10,197,071)
Balances at December 31, 2019	\$ 96,557,525	\$ 86,440,053	\$ 10,117,472
Plan fiduciary net position as a percentage of the total pension liability			89.52%

Actuarial assumptions – The total pension liability was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

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Actuarial assumptions:

Investment rate of return	7.5%
Projected salary increases	4.5%
Underlying inflation rate	3.0%
Cost-of-living adjustments	n/a

Actuarial assumptions are based on past experience under the Plan and reasonable future expectations which represent the best estimate of anticipated experience under the Plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

Mortality rates are based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement.

Changes in Actuarial Assumptions – The Plan recognized no changes in actuarial assumptions for the December 31, 2019 actuarial valuation.

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

Long-Term Expected Rate of Return – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target asset allocation as of December 31, 2019:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.5%	5.4% - 6.4%
International equity	32.5%	5.5% -6.5%
Fixed income	30.0%	1.3% -3.3%
Real estate/ alternative	15.0%	4.5% -5.5%
Cash	0.0%	0.0% - 1.0%
	100.0%	

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2019, the annual money-weighted rate of return on Plan investments, net of investment expense, was 21.75%.

Concentrations – At December 31, 2019, the Plan had no investments in any one issuer that exceeded 5%. In addition, the Plan did not have any investment transactions with related parties during the year.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan calculated using the discount rates described above, as well as what the Plan’s net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
\$ 20,759,591	\$ 10,117,472	\$ 1,215,155

COUNTY OF CRAWFORD, PENNSYLVANIA

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Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the County recognized pension expense of approximately \$779,000. At December 31, 2019, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 104,396	\$ 619,917
Net difference between projected and actual earnings on pension plan investments	-	225,159
Total	<u>\$ 104,396</u>	<u>\$ 845,076</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ (51,394)
2021	(172,057)
2022	920,545
2023	(1,417,161)
2024	<u>(20,613)</u>
	<u>\$ (740,680)</u>

10. Noncurrent Liabilities

General Obligation Bonds

On December 30, 2010, the County issued \$1,688,000 of Taxable Recovery Zone Economic Development Bonds, Series B of 2010, bearing interest at 4.51% and maturing September 1, 2016 - 2020. The proceeds of the Series B Bonds, net of issuance costs of, were deposited into the Capital Projects Fund to be used to fund certain capital projects. The County has filed irrevocable elections to be eligible for 45% interest refunds on the Series B Bonds. The amounts of expected interest refunds over the life of the bonds are \$274,977 on the Series B Bonds.

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Annual debt service requirements to maturity related to the above-discussed noncurrent liabilities are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 420,000	\$ 18,340	\$ 438,340

Construction Notes Payable

On November 19, 2015, the County issued a Tax-Exempt General Obligation Note, Series of 2015 (2015 Construction Note). The 2015 Construction Note is in the form of a draw-down, term loan with a maximum principal amount of \$10,000,000 to finance the construction of the Judicial Center. At December 31, 2019, the full \$10,000,000 was drawn on the 2015 Construction Note. Until November 19, 2020 (the "Initial Change Date"), the 2015 Construction Note bears interest at a rate of 2.22% per annum on the outstanding principal balance. On the Initial Change Date and every 60 months thereafter until the maturity date, the interest will be adjusted and reset at 65% of the sum of the then current Federal Home Loan Bank of Pittsburgh five-year rate plus 2.25%; however, the interest rate shall not increase to more than 3.22% on the Initial Change Date, more than 3.97% on the second Change Date, more than 4.47% on the third Change Date, nor more than 4.97% on the final Change Date. Repayment of principal began in November 2017 and ends in November 2040.

Annual debt service requirements to maturity on the 2015 Construction Note are as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 320,000	\$ 201,354	\$ 521,354
2021	325,000	194,250	519,250
2022	335,000	187,035	522,035
2023	340,000	179,598	519,598
2024	350,000	172,050	522,050
2025-2029	1,890,000	740,037	2,630,037
2030-2034	2,230,000	516,150	2,746,150
2035-2039	2,680,000	249,750	2,929,750
2040	600,000	13,320	613,320
	\$ 9,070,000	\$ 2,453,544	\$ 11,523,544

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On January 5, 2016, the County issued a Tax-Exempt General Obligation Note, Series of 2016 (2016 Construction Note). The 2016 Construction Note is in the form of a draw-down, term loan with a maximum principal amount of \$7,000,000 to finance the construction of the Judicial Center. At December 31, 2019, the full amount of \$7,000,000 was drawn on the 2016 Construction Note. Until January 5, 2021 (the "Initial Change Date"), the Construction Note bears interest at a rate of 2.22% per annum on the outstanding principal balance. On the Initial Change Date and every 60 months thereafter until the maturity date, the interest will be adjusted and reset at 65% of the sum of the then current Federal Home Loan Bank of Pittsburgh five-year rate plus 2.25%; however, the interest rate shall not increase to more than 3.22% on the Initial Change Date, more than 3.97% on the second Change Date, more than 4.47% on the third Change Date, nor more than 4.97% on the final Change Date. Repayment of principal began in November 2018 and runs through November 2041.

Annual debt service requirements to maturity on the 2016 Construction Note are as follows:

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 215,000	\$ 145,854	\$ 360,854
2021	220,000	140,970	360,970
2022	225,000	135,975	360,975
2023	230,000	130,869	360,869
2024	235,000	125,652	360,652
2025-2029	1,280,000	544,677	1,824,677
2030-2034	1,510,000	388,167	1,898,167
2035-2039	1,825,000	200,355	2,025,355
2040-2041	835,000	18,759	853,759
	<u>\$ 6,575,000</u>	<u>\$ 1,831,278</u>	<u>\$ 8,406,278</u>

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Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2019 was as follows:

	Balance at January 1, 2019	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
<u>Governmental Activities</u>					
GOB, Series B of 2010	\$ 800,000	\$ -	\$ (380,000)	\$ 420,000	\$ 420,000
GON, Series of 2015	9,385,000	-	(315,000)	9,070,000	320,000
GON, Series of 2016	6,790,000	-	(215,000)	6,575,000	215,000
Compensated absences	1,274,005	42,460	-	1,316,465	1,316,465
Noncurrent liabilities	<u>\$ 18,249,005</u>	<u>\$ 42,460</u>	<u>\$ (910,000)</u>	<u>\$ 17,381,465</u>	<u>\$ 2,271,465</u>
<u>Business-Type Activities</u>					
Compensated absences	<u>\$ 441,441</u>	<u>\$ -</u>	<u>\$ (25,952)</u>	<u>\$ 415,489</u>	<u>\$ 415,489</u>

11. Leases

The County leases certain office space and equipment under operating lease arrangements expiring over the next several years, which contain cancellation provisions and are subject to annual appropriations. The following is a schedule of future minimum lease payments for operating leases with initial or remaining lease terms in excess of one year as of December 31, 2019:

2020	\$ 708,650
2021	615,252
2022	409,224
2023	286,967
2024	242,415
2025-2026	433,492
	<u>\$ 2,696,000</u>

Total rent payments made during 2019 amounted to approximately \$1.1 million.

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12. Self-Insurance

The County maintains a self-insurance program for a portion of its liability coverage plan and a self-insurance program for health care coverage, which are accounted for as an internal service fund. The County previously maintained self-insurance coverage for workers' compensation. Effective November 1, 2014, the County became fully insured for workers' compensation through the Pennsylvania Counties Workers' Compensation Trust (PComp). Any liabilities existing at October 31, 2014 are recorded in the fund, with all new claims being handled through PComp.

General Liability

The County's self-funded liability coverage plan covers the first \$90,000 of claims, with any excess claims being covered through commercial insurance policies. The fund charges premiums to the General Fund based on an amount determined by the administering insurance company. Insurance companies serve as claims administrators, whereby they review and process claims. The premiums are based on anticipated claims, estimated costs of administering the plan, and satisfying claims. The County maintains insurance policies that limit the County's maximum commercial liability per occurrence to \$10,000. Claims expenditures and liabilities are reported when it is probable that a loss can be reasonably estimated.

Health Care

The County maintains a self-insurance program for health and prescription drug coverage for eligible employees. Employees contribute between \$74.98 and \$198.50 per month depending on level of coverage and if the employee is in a union. The employee has the option to participate in a voluntary wellness program, which includes a 50% discount on their contributions if they complete required tasks. The discounted contributions for both union and non-union are between \$37.34 and \$99.24 per month. If an employee's spouse is on the County's plan but has insurance available through their employer, they are charged a \$100 spousal surcharge. The fund charges premiums to each County department based on the number of participating employees. The premiums are based on estimated costs for health care coverage during the year. The fund covers claims up to \$90,000 per person, per illness, with the excess claims being covered through commercial insurance policies. Claims expenditures and liabilities are reported when it is probable that a loss can be reasonably estimated.

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The following represents changes in those aggregate liabilities for workers' compensation, liability coverage, and health care during the past two years:

	Workers' Compensation Coverage Plan	Liability Coverage Plan	Health Care Plan	Total
Liability at January 1, 2018	\$ 112	\$ 12,445	\$ 420,761	\$ 524,010
Incurred claims and claim adjustments	1,353	23,860	5,574,092	5,599,305
Payments on claims and claim adjustment expenses	(1,352)	(5,636)	(5,994,853)	(6,001,841)
Liability at December 31, 2018	113	30,669	-	30,782
Incurred claims and claim adjustments	1,385	1,436	6,172,821	6,175,642
Payments on claims and claim adjustment expenses	(1,382)	(11,793)	(6,172,821)	(6,185,996)
Liability at December 31, 2019	\$ 116	\$ 20,312	\$ -	\$ 20,428

13. Commitments and Contingencies

The County participates in both state and federally assisted grant programs. These grant programs are subject to program compliance audits by the grantors or their representatives. The County is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The Care Center is subject to the laws and regulations governing the Medicare and Medicaid programs. These laws and regulations are complex and subject to interpretation. The Care Center believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government reviews and interpretation as well as significant regulatory action including fines, penalties, refunding of prior reimbursements, and exclusion from the Medicare and Medicaid programs.

Effective February 2019, the County entered into a three-year agreement with Affinity Health Services, Inc. to provide certain management services to the Care Center. Monthly compensation under the agreement is \$25,000 for the first twelve-month period; \$25,625 for the second twelve-month period; and \$26,522 for the third twelve-month period. The monthly compensation includes all costs associated with the provision of a full-time Administrator for the Care Center.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

14. Revenue Concentration

Of the County's total governmental revenues, approximately 38% and 33% is derived from taxes and intergovernmental revenues, respectively. Taxes consist of the collection of property and per capita taxes. Intergovernmental revenues consist of federal and state operating grants from various funding sources used to finance projects and services provided to Crawford County citizens. Substantially all revenue received in the enterprise fund is derived predominantly from third-party payers. The County has amounts receivable arising from the property tax levies, earned income, and various other activities. These amounts are generally due from taxpayers and citizens of the County and are, thus, subject to the economic conditions of that geographic area.

15. Tax Abatements

The County's Local Economic Revitalization Tax Assistance (LERTA) tax abatement is authorized by Board Resolution. Recipients are eligible for tax abatement for various reasons such as development costs, property location, or renovations that would otherwise result in increased property assessment. All LERTA tax abatements are based on the increase of value of the improvement. The County's Keystone Opportunity Zones (KOZ/KOEZ) abatement is authorized by the State. Upon approval from the State credits are issued for the value of the land and improvements.

The following are the County's tax abatement programs:

- 5-year LERTA - available for residential properties, defined by Municipality.
- 5-year Commercial LERTA - available for commercial/industrial properties, defined by Municipality.
- 10-year Commercial LERTA - available for commercial/industrial properties, defined by Municipality.
- 1-year KOZ/KOEZ – available as defined by the State within specified zones of County

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Tax abatements are recaptured by the County at the end of the abatement period. There were no amounts received or receivable from other governments in association with the foregone taxes. The County did not make other commitments other than to reduce taxes as part of the tax abatement agreements.

During 2019, real estate tax abatements were as follows:

Abatements	Tax Dollars
LERTA Residential	\$ 10,092
LERTA Commercial	5,355
KOZ/KOEZ	39,331

16. Subsequent Event

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections have been found in a number of countries around the world, including the United States. The coronavirus and its associated impacts on supply chains, travel, employee productivity and other economic activities has had, and may continue to have, a material effect on financial markets and economic activity. The extent of the impact of the coronavirus on County's operational and financial performance is currently uncertain and cannot be predicted.

During May 2020, the County was awarded an allocation of \$7.6 million of federal CARES Act Funding for COVID related expenses.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
Total Pension Liability:						
Service cost	\$ 3,181,605	\$ 3,012,123	\$ 3,251,143	\$ 3,317,096	\$ 1,017,412	\$ 923,741
Interest	6,935,923	6,613,852	6,213,102	5,943,610	5,620,200	5,245,366
Differences between expected and actual experience	(278,283)	133,759	(808,061)	(1,859,677)	2,275,883	2,268,873
Benefit payments, including refunds of member contributions	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
Net Changes in Total Pension Liability	4,225,970	4,913,368	3,194,734	3,260,361	5,241,885	5,036,977
Total Pension Liability - Beginning	92,331,555	87,418,187	84,223,453	80,963,092	75,721,207	70,684,230
Total Pension Liability - Ending (a)	\$ 96,557,525	\$ 92,331,555	\$ 87,418,187	\$ 84,223,453	\$ 80,963,092	\$ 75,721,207
Plan Fiduciary Net Position:						
Contributions - employer	\$ 2,600,745	\$ 2,601,045	\$ 2,544,392	\$ 2,594,482	\$ 2,422,992	\$ 2,225,894
Contributions - member	2,480,405	2,347,845	2,247,009	2,238,483	2,246,842	2,124,387
Net investment income	12,298,485	(6,302,617)	10,447,406	3,831,385	(1,433,734)	1,501,131
Benefit payments, including refunds of member contributions	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
Administrative expense	(26,759)	(26,561)	(25,560)	(27,068)	(27,088)	(25,969)
Other	2,683,440	59,271	-	-	-	-
Net Change in Plan Fiduciary Net Position	14,423,041	(6,167,383)	9,751,797	4,496,614	(462,598)	2,424,440
Plan Fiduciary Net Position - Beginning	72,017,012	78,184,395	68,432,598	63,935,984	64,398,582	61,974,142
Plan Fiduciary Net Position - Ending (b)	\$ 86,440,053	\$ 72,017,012	\$ 78,184,395	\$ 68,432,598	\$ 63,935,984	\$ 64,398,582
Net Pension Liability - Ending (a-b)	\$ 10,117,472	\$ 20,314,543	\$ 9,233,792	\$ 15,790,855	\$ 17,027,108	\$ 11,322,625
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.52%	78.00%	89.44%	81.25%	78.97%	85.05%
Covered Payroll	\$ 24,950,434	\$ 24,294,460	\$ 23,698,140	\$ 25,041,954	\$ 23,861,279	\$ 22,188,086
Net Pension Liability as a Percentage of Covered Payroll	40.55%	83.62%	38.96%	63.06%	71.36%	51.03%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to schedules of required supplementary information - pension plan.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -
PENSION PLAN

SCHEDULES OF COUNTY CONTRIBUTIONS
AND INVESTMENT RETURNS

YEAR ENDED DECEMBER 31
LAST TEN YEARS*

	2019	2018	2017	2016	2015	2014
Schedule of County Contributions:						
Actuarially determined contribution	\$ 2,600,745	\$ 2,601,045	\$ 2,544,392	\$ 2,594,482	\$ 2,422,992	\$ 2,225,894
Contributions in relation to the actuarially determined contribution	2,600,745	2,601,045	2,544,392	2,594,482	2,422,992	2,225,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 24,950,434	\$ 24,294,460	\$ 23,698,140	\$ 25,041,954	\$ 23,861,279	\$ 22,188,086
Contributions as a percentage of covered payroll	10.42%	10.71%	10.74%	10.36%	10.15%	10.03%
Investment Returns:						
Annual money-weighted rate of return, net of investment expense	21.75%	-8.10%	15.71%	6.30%	-2.53%	3.82%

* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to schedules of required supplementary information - pension plan.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

YEAR ENDED DECEMBER 31, 2019

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

Actuarial valuation date	1/1/2019
Actuarial cost method	Entry Age Normal
Asset valuation method	The asset method that is prescribed by Pennsylvania State Law, Act 44
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Withdrawal rates	Members not eligible to retire are assumed to terminate employment in accordance with a percentage of the withdrawal rates set forth in Table T-7 of the Actuary's Handbook.
Mortality Table	2013 RP Annuitant and Non-Annuitant for males and females with no projected improvement
Retirement Rates	Members eligible to retire are assumed to retire in accordance with the following rates: 55-59 7% 60-61 8% 62-64 15% 65 34% 66-70 23% 71-79 21% 80 100%

Benefit Changes

There have been no changes in the Plan benefits from 2014 through 2019.

Change in Actuarial Assumptions

There have been no changes in the actuarial assumptions from 2014 through 2019.

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes other than debt services or capital projects. Following are the Special Revenue Funds used by the County:

The **Liquid Fuels Fund** accounts for state aid revenues used for the building and improving of roads and bridges through the County.

The **Community Development Block Grant Fund** is used to account for the revenue and expenditures appropriated from the Housing and Community Act of 1974 for the purpose of improving water systems, sanitary sewer systems, storm sewers, housing rehabilitation, public/community facilities, streets and roads, and the removal of architectural barriers.

The **911 Fund** is used to account for money received from phone user charges and potential County contributions to operate the County's emergency communication systems, as well as grants received from the state for E-911 upgrades.

The **Special Revenue All Other Fund** accounts for all other funds that account for proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The restricted or committed resources comprise a substantial portion of the inflows reported in the special revenue fund.

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Special Revenue All Other		
Assets						
Cash and cash equivalents	\$ 671,781	\$ 103	\$ 728,539	\$ 929,262	\$ 26,822	\$ 2,356,507
Receivables:						
Accounts receivable, net	25,073	-	9	8,119	-	33,201
Intergovernmental receivable	1	35,395	369,983	19,606	-	424,985
Prepaid expenses and other assets	620	-	9,745	55,423	-	65,788
Total Assets	\$ 697,475	\$ 35,498	\$ 1,108,276	\$ 1,012,410	\$ 26,822	\$ 2,880,481
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ 31,869	\$ 145	\$ 10,727	\$ 57,408	\$ -	\$ 100,149
Accrued payroll and related liabilities	1,895	-	27,983	-	-	29,878
Intergovernmental payable	-	-	-	114,659	-	114,659
Due to other funds	9,552	35,251	65,074	2,742	-	112,619
Unearned revenue	-	102	-	286,441	-	286,543
Total Liabilities	43,316	35,498	103,784	461,250	-	643,848
Fund Balance:						
Nonspendable	620	-	9,745	55,423	-	65,788
Restricted:						
Roads and bridges	653,539	-	-	-	-	653,539
Emergency services	-	-	994,747	-	-	994,747
Hazmat	-	-	-	131,617	-	131,617
Affordable housing	-	-	-	85,057	-	85,057
Records improvement	-	-	-	279,063	-	279,063
Assigned:	-	-	-	-	-	-
Capital projects	-	-	-	-	26,822	26,822
Total Fund Balance	654,159	-	1,004,492	551,160	26,822	2,236,633
Total Liabilities and Fund Balance	\$ 697,475	\$ 35,498	\$ 1,108,276	\$ 1,012,410	\$ 26,822	\$ 2,880,481

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Special Revenue All Other		
Revenues:						
Intergovernmental	\$ 516,123	\$ 485,880	\$ 1,501,345	\$ 1,006,362	\$ -	\$ 3,509,710
Charges for services	-	-	-	167,682	-	167,682
Investment earnings	3,374	99	1,911	1,930	101	7,415
Miscellaneous	10	-	58,575	7,151	-	65,736
Total revenues	519,507	485,979	1,561,831	1,183,125	101	3,750,543
Expenditures:						
Current:						
General government	-	485,979	-	13,493	-	499,472
Public safety	-	-	1,531,789	48,538	-	1,580,327
Public works	766,253	-	-	-	-	766,253
Human services	-	-	-	1,016,603	-	1,016,603
Total expenditures	766,253	485,979	1,531,789	1,078,634	-	3,862,655
Net Change in Fund Balance	(246,746)	-	30,042	104,491	101	(112,112)
Fund balance - beginning	900,905	-	974,450	446,669	26,721	2,348,745
Fund balance - ending	<u>\$ 654,159</u>	<u>\$ -</u>	<u>\$ 1,004,492</u>	<u>\$ 551,160</u>	<u>\$ 26,822</u>	<u>\$ 2,236,633</u>

AGENCY FUNDS

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

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2019

	Balance at January 1, 2019	Additions	Deductions	Balance at December 31, 2019
Assets				
Cash and cash equivalents	\$ 1,810,052	\$ 20,308,773	\$ 20,634,181	\$ 1,484,644
Due from other governments	5,505	-	5,505	-
Total Assets	\$ 1,815,557	\$ 20,308,773	\$ 20,639,686	\$ 1,484,644
Liabilities				
Due to others	\$ 1,815,557	\$ 20,308,773	\$ 20,639,686	\$ 1,484,644
Total Liabilities	\$ 1,815,557	\$ 20,308,773	\$ 20,639,686	\$ 1,484,644

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Receipts	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>					
Passed Through the Pennsylvania Department of Agriculture:					
Food Distribution Cluster:					
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	\$ 13,130	\$ 11,795	\$ 11,795
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	59,099	6,500	6,500
Subtotal - Food Distribution Cluster				18,295	18,295
Rural Housing Preservation Grants	N/A	10.433	3,037	3,037	-
Total U.S. Department of Agriculture				21,332	18,295
<u>U.S. Department of Housing and Urban Development</u>					
Continuum of Care Program	N/A	14.267	116,517	116,517	116,517
Passed Through the Pennsylvania Department of Community and Economic Development:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii					
Emergency Solutions Grant Program	N/A	14.228	453,145	485,979	-
	N/A	14.231	61,180	80,265	77,169
Subtotal				566,244	77,169
Total U.S. Department of Housing and Urban Development				682,761	193,686
<u>U.S. Department of Justice</u>					
Bulletproof Vest Partnership Program	N/A	16.607	3,830	3,830	-
Passed Through the Pennsylvania Commission on Crime and Delinquency:					
Violence Against Women Formula Grants	26303-2	16.588	110,846	92,727	50,000
State Criminal Alien Assistance Program	2016-H1494-PA-AP	16.606	4,983	4,983	-
Total U.S. Department of Justice				101,540	50,000
<u>U.S. Department of Transportation</u>					
Passed Through the Pennsylvania Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	N/A	20.205	194,827	73,018	-
Passed Through the Pennsylvania Emergency Management Agency:					
Interagency Hazardous Materials Public Sector Training and Planning Grants	FEMA-DR4030-PA-103	20.703	624	624	-
Total U.S. Department of Transportation				73,642	-
<u>U.S. Department of Education</u>					
Passed Through the Pennsylvania Department of Human Services:					
Special Education - Grants for Infants and Families	N/A	84.181	56,391	58,284	58,284
Total U.S. Department of Education				58,284	58,284
<u>U.S. Election Assistance Commission</u>					
Passed Through the Pennsylvania Department of State:					
2018 HAVA Election Security Grants	N/A	90.404	82,782	87,139	-
Total U.S. Election Assistance Commission				87,139	-
<u>U.S. Department of Health and Human Services</u>					
Passed Through the Pennsylvania Department of Human Services:					
Guardianship Assistance	N/A	93.090	17,812	22,432	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019
(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Receipts	Expenditures	Passed through to Subrecipients
<u>U.S. Department of Health and Human Services (continued)</u>					
Passed Through the Pennsylvania Department of Human Services:					
Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	47,087	23,543	23,543
Promoting Safe and Stable Families	N/A	93.556	4,507	4,507	-
TANF Cluster:					
Temporary Assistance for Needy Families	N/A	93.558		157,937	157,937
Temporary Assistance for Needy Families	ME# 9661600620	93.558		7,601	7,601
Subtotal - TANF Cluster			206,141	165,538	165,538
Child Support Enforcement	ME#3321114020	93.563	1,047,045	836,954	-
Child Support Enforcement	ME#3321114020	93.563		106,663	-
Subtotal				943,617	-
Stephanie Tubbs Jones Child Welfare Services Program	N/A	93.645	232,122	232,122	232,122
Foster Care - Title IV-E	N/A	93.658		2,120,674	2,120,674
Foster Care - Title IV-E - JPO	N/A	93.658		5,850	-
Subtotal			1,245,432	2,126,524	2,120,674
Adoption Assistance	N/A	93.659	371,094	522,434	-
Social Services Block Grant - Mental Health	N/A	93.667	38,065	38,065	38,065
Social Services Block Grant - Intellectual Disabilities	N/A	93.667	40,275	40,275	40,275
Social Services Block Grant - Children and Youth Services	N/A	93.667	75,677	75,677	75,677
Subtotal				154,017	154,017
Chafee Foster Care Independence Program	ME#102011600	93.674	40,610	51,912	51,912
Medicaid Cluster:					
Medical Assistance Program - Transportation	N/A	93.778	502,608	525,959	525,959
Medical Assistance Program - Children and Youth Services	N/A	93.778	3,461	3,601	-
Medical Assistance Program - Intellectual Disabilities	N/A	93.778	216,806	208,714	21,438
Medical Assistance Program - Early Intervention	N/A	93.778	6,401	8,927	-
Medical Assistance Program - Mental Health	N/A	93.778	55,588	82,533	-
Medical Assistance Program - Domestic Relations	N/A	93.778	279	258	-
Subtotal - Medicaid Cluster				829,992	547,397
Block Grants for Community Mental Health Services	N/A	93.958	116,837	109,848	64,925
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	N/A	93.104	750,000	300,786	173,558
Passed Through the Pennsylvania Intermediate Unit #1:					
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	5U79SM061503-04	93.243	1,455	4,474	-
Passed Through the Pennsylvania Department of Drug and Alcohol Programs:					
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	373,649	700,265	-
Substance Abuse Prevention and Treatment Block Grant (Opioid STR)	N/A	93.788	221,798	225,045	225,045
Total U.S. Department of Health and Human Services				6,417,056	3,758,731
<u>U.S. Department of Homeland Security</u>					
Passed Through the Pennsylvania Emergency Management Agency:					
Emergency Management Performance Grants	N/A	97.042	93,778	87,169	-
Homeland Security Grant Program	N/A	97.067	7,593	7,593	-
Total U.S. Department of Homeland Security				94,762	-
Total Expenditures of Federal Awards				\$ 7,536,516	\$ 4,078,996

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the County of Crawford, Pennsylvania (County) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the net position, change in net position, or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The County's federal awards are recognized following the cost principles of the Uniform Guidance. The County has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

3. Emergency Food Assistance Program

In-kind values are reported in the Schedule at the fair value of the commodities received and disbursed.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF DEPARTMENT OF HUMAN SERVICES EXPENDITURES

YEAR ENDED DECEMBER 31, 2019

<u>Programs</u>	<u>Combined Federal/ State Expenditures</u>
Mental Health Services	\$ 2,961,883
Intellectual Disabilities Services	1,657,029
Early Intervention Services	667,367
Children and Youth	9,149,233 *
Homeless Assistance Program	212,962
Medical Assistance Transportation Program	858,190
Child Support Enforcement	943,617
HSDf Block Grant	<u>97,551</u>
Total combined state/federal expenditures	<u>\$ 16,547,832</u>

* Denotes major programs for DHS purposes. The portion of Children and Youth related to Title IV-E Foster Care was tested as major.

County of Crawford, Pennsylvania

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended December 31, 2019

**Independent Auditor’s 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***

**Board of County
Commissioners
County of Crawford,
Pennsylvania**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the

business-type activities, each major fund, and the aggregate remaining fund information of the County of Crawford, Pennsylvania (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated September 29, 2020. An adverse opinion was issued on the discretely presented component units opinion unit because, as discussed in Note 1 to the financial statements, the County’s basic financial statements include only the activity of the primary government, and do not include the activity of its legal separate component units. An unmodified opinion was issued on the financial statements of the County as listed in the table of contents.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters

that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mahe Duessel

Pittsburgh, Pennsylvania
September 29, 2020

Independent Auditor’s Report on Compliance for Each Major Federal and Pennsylvania Department of Human Services (DHS) Program and on Internal Control over Compliance Required by the Uniform Guidance and the DHS *Single Audit Supplement*

**Board of County Commissioners
County of Crawford,
Pennsylvania**

Report on Compliance for Each Major Federal and DHS Program

We have audited the County of Crawford, Pennsylvania's (County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* that could have a direct and material effect on each of the County’s major federal and DHS programs for the year ended December 31, 2019. The County’s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The County’s major DHS programs are identified on the Schedule of DHS Expenditures.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and DHS programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal and DHS programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance, and the DHS *Single Audit Supplement* 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 or DHS program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Auditor's Report on Compliance for Each Major Federal
and Pennsylvania Department of Human Services (DHS) Program and on
Internal Control over Compliance Required by the Uniform Guidance and
the DHS Single Audit Supplement

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and DHS program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal and DHS Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and DHS programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or DHS program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or DHS program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the County'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 or DHS 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 or DHS program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DHS program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Auditor's Report on Compliance for Each Major Federal
and Pennsylvania Department of Human Services (DHS) Program and on
Internal Control over Compliance Required by the Uniform Guidance and
the DHS Single Audit Supplement

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and DHS Single Audit Supplement. Accordingly, this report is not suitable for any other purpose.

Mahe Duessel

Pittsburgh, Pennsylvania
September 29, 2020

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2019

I. Summary of Audit Results

1. Type of auditor's report issued: Adverse Opinion on Aggregate Discretely Presented Component Units, not prepared in accordance with Generally Accepted Accounting Principles; Unmodified Opinion on all other opinion units, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

7. Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.658	Foster Care – Title IV-E

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? yes no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

COUNTY OF CRAWFORD, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2019

NONE

County of Crawford, Pennsylvania

DHS-Funded Financial Assistance Program Exhibits

**Years Ended June 30, 2019, September 30, 2019,
and December 31, 2019
with Independent Accountant's Report**

Independent Accountant’s Report on Applying Agreed-Upon Procedures

**Board of County
Commissioners
County of Crawford,
Pennsylvania**

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Human Services (DHS), and the County of Crawford, Pennsylvania (County), solely to assist you with respect to the financial schedules and exhibits of the County required by the DHS Single Audit Supplement for fiscal years ended June 30, 2019, September 30, 2019, and December 31, 2019. The County’s management is responsible for the financial schedules and exhibits. The sufficiency of these procedures is solely the responsibility of those specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified, by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for the fiscal years ended June 30, 2019, September 30, 2019, and December 31, 2019, have been accurately compiled and reflect the audited books and records of the County. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Child Support Enforcement	A-1 (a)	Comparison of Single Audit Expenditures with Reported Expenditures
	A-1 (b)	PACSES OCSE 157 Data Reliability Validation
	A-1 (d)	Comparison of Single Audit Title IV-D Account with Reported Title IV-D Account
Medical Assistance Transportation Program	III	Schedule of Revenues and Expenditures
Early Intervention Services	V(a)EI	Schedule of Revenues, Expenditures, and Carryover Funds
	V(b)EI	Report of Income and Expenditures
Block Grant Counties	VI(a)BG-S	Schedule of Fund Balances - Summary Report
	VI(b)BG-S	Schedule of Fund Balances - Summary Report

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Accountant's Report on
Applying Agreed-Upon Procedures

- b. We have inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.
- c. The processes detailed in paragraphs (a) and (b) above disclosed no adjustments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial schedules and exhibits noted above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania Department of Human Services and the County of Crawford, Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Maher Duessel

Pittsburgh, Pennsylvania
September 29, 2020

COUNTY OF CRAWFORD, PENNSYLVANIA
CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Exhibit A-1 (a)

	Single Audit Expenditures					Reported Expenditures					Single Audit Over/(Under) Reported				
	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A - B - C)	Amt. Paid	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A - B - C)	Amt. Paid	A. Total	B. Unallowable	C. Incentive Paid Costs	Net (A - B - C)	Amt. Paid
Quarter Ending: 3/31/2019															
1. Salary & Overhead	\$ 343,583	\$ 11,005	\$ 27,943	\$ 304,635	\$ 201,059	\$ 343,583	\$ 11,005	\$ 27,943	\$ 304,635	\$ 201,059	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	3,790	127	-	3,663	2,418	3,790	127	-	3,663	2,418	-	-	-	-	-
4. Blood Testing Fees	153	-	-	153	101	153	-	-	153	101	-	-	-	-	-
5. Blood Testing Costs	398	-	398	-	-	398	-	398	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 340,038	\$ 10,878	\$ 28,341	\$ 300,819	\$ 198,540	\$ 340,038	\$ 10,878	\$ 28,341	\$ 300,819	\$ 198,540	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 6/30/2019															
1. Salary & Overhead	\$ 371,927	\$ 12,757	\$ 26,984	\$ 332,186	\$ 219,243	\$ 371,927	\$ 12,757	\$ 26,984	\$ 332,186	\$ 219,243	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,661	96	-	2,565	1,693	2,661	96	-	2,565	1,693	-	-	-	-	-
4. Blood Testing Fees	110	-	-	110	73	110	-	-	110	73	-	-	-	-	-
5. Blood Testing Costs	304	-	304	-	-	304	-	304	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 369,460	\$ 12,661	\$ 27,288	\$ 329,511	\$ 217,477	\$ 369,460	\$ 12,661	\$ 27,288	\$ 329,511	\$ 217,477	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 09/30/2019															
1. Salary & Overhead	\$ 361,822	\$ 13,372	\$ 28,602	\$ 319,848	\$ 211,100	\$ 361,822	\$ 13,372	\$ 28,602	\$ 319,848	\$ 211,100	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,653	101	-	2,552	1,684	2,653	101	-	2,552	1,684	-	-	-	-	-
4. Blood Testing Fees	57	-	-	57	38	57	-	-	57	38	-	-	-	-	-
5. Blood Testing Costs	285	-	285	-	-	285	-	285	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 359,397	\$ 13,271	\$ 28,887	\$ 317,239	\$ 209,378	\$ 359,397	\$ 13,271	\$ 28,887	\$ 317,239	\$ 209,378	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 12/31/2019															
1. Salary & Overhead	\$ 385,986	\$ 14,091	\$ 26,859	\$ 345,036	\$ 227,724	\$ 385,986	\$ 14,091	\$ 26,859	\$ 345,036	\$ 227,724	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,363	91	-	2,272	1,500	2,363	91	-	2,272	1,500	-	-	-	-	-
4. Blood Testing Fees	202	-	-	202	133	202	-	-	202	133	-	-	-	-	-
5. Blood Testing Costs	474	-	474	-	-	474	-	474	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 383,895	\$ 14,000	\$ 27,333	\$ 342,562	\$ 226,091	\$ 383,895	\$ 14,000	\$ 27,333	\$ 342,562	\$ 226,091	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT PACSES OCSE 157 DATA RELIABILITY VALIDATION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Exhibit A-1 (b)

County Crawford

Year Ended 9/30/2019

OCSE 157 Report Line Number	Number of Cases Reviewed	Case Problems Found
Line #1 IV-D cases open at the end of the fiscal year.	*	*
Line #2 IV-D cases open at the end of the fiscal year with support orders established.	*	*
Line #5 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock.	*	*
Line #6 Children in IV-D cases open during or at the end of the fiscal year with paternity established or acknowledged.	*	*
Line #24 Total amount of current support due for the fiscal year (for IV-D cases, excluding emancipated children).	*	*
Line #25 Total amount of support disbursed as current support during the fiscal year (for IV-D cases, excluding emancipated children).	*	*
Line #28 Cases with arrears due during the fiscal year (10/1/18 - 9/30/19)	*	*
Line #29 Cases paying toward arrears during the fiscal year (10/1/18 - 9/30/19)	*	*

* - Domestic Relations was not audited as a major program during 2019.

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT COMPARISON OF SINGLE AUDIT TITLE IV-D ACCOUNT WITH REPORTED TITLE IV-D ACCOUNT

FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2019

Exhibit A-1 (d)

	<u>Single Audit Title IV-D Account</u>	<u>Reported Title IV-D Account</u>	<u>Single Audit Over (Under) Reported</u>
Balance, January 1	<u>\$ 321,708</u>	<u>\$ 321,708</u>	<u>\$ -</u>
Receipts:			
Reimbursements	969,888	969,888	-
Incentives	134,165	134,165	-
Title XIX incentives	279	279	-
Program income	4,913	4,913	-
Genetic testing costs	565	565	-
Maintenance of effort (MOE)	<u>486,451</u>	<u>486,451</u>	<u>-</u>
	1,596,261	1,596,261	-
Intrafund Transfers - In	<u>134,165</u>	<u>134,165</u>	<u>-</u>
Funds Available	<u>2,052,134</u>	<u>2,052,134</u>	<u>-</u>
Disbursements:			
Incentive paid costs	111,847	111,847	-
Transfers to General Fund	1,462,096	1,462,096	-
Vendor payments	-	-	-
Other - refunds/credits	<u>-</u>	<u>-</u>	<u>-</u>
	1,573,943	1,573,943	-
Intrafund Transfers - Out	<u>134,165</u>	<u>134,165</u>	<u>-</u>
Balance, December 31	<u><u>\$ 344,026</u></u>	<u><u>\$ 344,026</u></u>	<u><u>\$ -</u></u>

The Title IV-D account is part of the General Fund pooled checking account.

COUNTY OF CRAWFORD, PENNSYLVANIA

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2019

Exhibit III

	<u>Reported</u>	<u>Actual</u>
Service Data:		
<hr/>		
Expenditures:		
Group I clients	\$ 792,019	\$ 792,019
Group II clients	-	-
	<hr/>	<hr/>
Total expenditures	<u>\$ 792,019</u>	<u>\$ 792,019</u>
Allocation Data:		
<hr/>		
Revenues:		
Department of Human Services	\$ 790,737	\$ 790,737
Interest income	1,282	1,282
	<hr/>	<hr/>
Total revenues	<u>792,019</u>	<u>792,019</u>
Funds expended:		
Operating costs	787,699	787,699
Administrative costs	4,320	4,320
	<hr/>	<hr/>
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

Indirect Cost Rate: 36.2%

COUNTY OF CRAWFORD, PENNSYLVANIA

EARLY INTERVENTION SERVICES SCHEDULE OF REVENUES, EXPENDITURES, AND CARRYOVER FUNDS

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2019

Exhibit V (a) EI

Sources of DHS Funding	Appropriation	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$ 47,042	\$ 297,942	\$ 344,984	\$ 344,984	\$ -	\$ -	\$ -
2. Early Intervention Training	10235	-	4,431	4,431	4,431	-	-	-
3. Early Intervention Administration	10235	4,530	128,639	133,169	90,204	42,965	-	42,965
4. Infant & Toddlers w/Disabilities (Part C)	70170	-	62,070	62,070	62,070	-	-	-
5. IT&F Waiver Administration	10235/70184	-	12,802	12,802	12,802	-	-	-
6. Reserved	00001	-	-	-	-	-	-	-
TOTAL EARLY INTERVENTION SERVICES		\$ 51,572	\$ 505,884	\$ 557,456	\$ 514,491	\$ 42,965	\$ -	\$ 42,965

COUNTY OF CRAWFORD, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2019

Exhibit V (b) EI

	Admin Office	Early Intervention	Service Coordination	Total
TOTAL ALLOCATION				\$ 557,456
II. TOTAL EXPENDITURES	\$ 124,548	\$ 272,909	\$ 313,951	711,408
III. COSTS OVER ALLOCATION				
A. County Funded Eligible	-	-	-	-
B. County Funded Ineligible	9,115	-	-	9,115
C. Other Eligible	-	-	-	-
D. Other Ineligible	-	-	-	-
Subtotal Costs Over Allocation	9,115	-	-	9,115
IV. REVENUES				
A. Program Service Fees	-	-	-	-
B. Private Insurance	-	-	-	-
C. Medical Assistance	-	-	129,038	129,038
D. Earned Interest	637	-	616	1,253
E. Other	1,767	-	-	1,767
Subtotal Revenues	2,404	-	129,654	132,058
V. DHS REIMBURSEMENT				
A. DHS Categorical Funding 90%	90,204	245,618	165,867	501,689
B. DHS Categorical Funding 100%	12,802	-	-	12,802
Subtotal DHS reimbursement	103,006	245,618	165,867	514,491
VI. 10% County Match	10,023	27,291	18,430	55,744
VII. TOTAL DHS REIMBURSEMENT & COUNTY MATCH	\$ 113,029	\$ 272,909	\$ 184,297	\$ 570,235
VIII. TOTAL CARRYOVER				\$ 42,965

COUNTY OF CRAWFORD, PENNSYLVANIA

BLOCK GRANT COUNTIES
 COUNTY REPORT OF INCOME AND EXPENDITURES
 COUNTY HUMAN SERVICES BLOCK GRANT
 SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2019

Exhibit VI (a) BG-S

County Match	5.64%
Actual County Match (\$)	\$ 237,433
Actual County Match (%)	5.64%

Block Grant Reporting	Sources of Funding	Appropriation	DHS Allocation	Costs Eligible for DHS Participation						Balance of Funds	Adjustments	Total Fund Balance
				Mental Health	Intellectual Disabilities	Homeless Assistance	HSS	D&A	Total			
	1. State Human Services Block Grant	Multiple	\$ 4,242,760	\$ 2,423,367	\$ 892,178	\$ 203,076	\$ 66,142	\$ 448,011	\$ 4,032,774	\$ 209,986	\$ 28,641	\$ 238,627
	2. SSBG	Multiple	78,340	38,065	40,275	-	-	-	78,340	-	-	-
	3. SABG	80884	-	-	-	-	-	-	-	-	-	-
	4. CMHSBG	70167	96,478	96,478	-	-	-	-	96,478	-	-	-
	5. MA	70175	181,143	-	181,143	-	-	-	181,143	-	-	-
	6. Crisis Counseling	80222	-	-	-	-	-	-	-	-	-	-
	Total for Block Grant		\$ 4,598,721	\$ 2,557,910	\$ 1,113,596	\$ 203,076	\$ 66,142	\$ 448,011	\$ 4,388,735	209,986	\$ 28,641	\$ 238,627

Retained Earnings	
I. Unexpended Allocation	\$ 209,986
II. Maximum Retained Earnings (5%)	212,138
Amount to be returned to DHS	-
IV. Total Requested Retained Earnings	\$ 209,986

Prior Year Retained Earnings	
I. FY 17-18 Retained Earnings	\$ 178,329
II. Total Expended Retained Earnings 5%	177,037
IV. Amount to be Returned to DHS	\$ 1,202

COUNTY OF CRAWFORD, PENNSYLVANIA

COUNTY REPORT OF INCOME AND EXPENDITURES
 COUNTY HUMAN SERVICES BLOCK GRANT
 NON-BLOCK GRANT SUMMARY REPORT
 SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2019

Exhibit VI (b) BG-S

Sources of Funding	Appropriation	Total Carryover	Allotment	DHS Allocation	Costs Eligible for DHS Participation	Balance of Funds	Adjustments	Total Fund Balance
A. Mental Health Services								
1 State - Employment	10248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 State - Network of Care	10248	-	-	-	-	-	-	-
3 Federal - Infusing Peer Specialist into Crisis Services - TTI	70127	-	-	-	-	-	-	-
4 Federal - PATH Homeless Grant	70154	-	47,087	47,087	47,087	-	-	-
5 Federal - CMHSBG - FEP/Doctor Adair Project	70167	-	-	-	-	-	-	-
6 Federal - CMHSBG - ECMH Endorsement	70167	-	4,500	4,500	2,273	2,227	-	2,227
7 Federal - CMHSBG - Housing Training Scholarships	70167	-	5,000	5,000	3,994	1,006	-	1,006
8 Federal - CMHSBG - Allegheny Family Network	70167	-	-	-	-	-	-	-
9 Federal - CMHSBG - TCM On-Line Training	70167	-	-	-	-	-	-	-
10 Federal - CMHSBG - Survey Project	70167	-	-	-	-	-	-	-
11 Federal - Capitalization of POMS	70522	-	-	-	-	-	-	-
12 Federal - PA System of Care Grant	70976	321,305	450,000	771,305	280,697	490,608	-	490,608
13 Federal - Project Launch	71021	-	-	-	-	-	-	-
14 Federal - Hospital Preparedness Program	80222	-	-	-	-	-	-	-
15 Federal - Bio-Terrorism Hospital Preparedness	80343	-	-	-	-	-	-	-
16 Reserved								
Subtotal Mental Health Services		321,305	506,587	827,892	334,051	493,841	-	493,841
B. Intellectual Disabilities Services								
1 Temporary NBG Funds for Regional Collaboratives	10255	-	-	-	-	-	-	-
2 Elwyn	10236	-	-	-	-	-	-	-
3 One Time Pass Through Non-Block Grant	10255	-	-	-	-	-	-	-
4 Reserved								
Subtotal Intellectual Disabilities Services		-	-	-	-	-	-	-
C. Drug & Alcohol Services								
1 State - Centers of Excellence	10262	-	-	-	-	-	-	-
Subtotal Drug & Alcohol Services		-	-	-	-	-	-	-
Total for Non-Block Grant Reporting		\$ 321,305	\$ 506,587	\$ 827,892	\$ 334,051	\$ 493,841	\$ -	\$ 493,841

**Information Required by
Pennsylvania Department of
Human Services**

Year Ended December 31, 2019
with Independent Accountant's Report

Independent Accountant's Report on Applying Agreed-Upon Procedures

**Board of County
Commissioners
County of Crawford,
Pennsylvania**

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Human Services (DHS) and the County of Crawford (County), solely to assist you with respect to the reconciliation schedule required by the DHS *Single Audit Supplement* for the year ended December 31, 2019.

The County's management is responsible for the reconciliation schedule. The sufficiency of these procedures is solely the responsibility of those specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures to be performed on the reconciliation schedule are as follows:

- A) Agree the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards (SEFA).
- B) Agree the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- C) Recalculate the amounts listed under the "Difference" column and the "% Difference" column.
- D) Agree the amounts listed under the "Difference" column to the audited books and records of the County.
- E) Agree the "Detailed Explanation of the Differences" to the audited books and records of the County.
- F) Based on the procedures detailed in paragraphs (A) through (E) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (list each separately.).

See attached Exhibit XX for the results of the procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the reconciliation schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Accountant's Report on Applying
Agreed-Upon Procedures

procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commonwealth of Pennsylvania Department of Human Services and the County of Crawford, Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mahe Duessel

Pittsburgh, Pennsylvania
September 29, 2020

COUNTY OF CRAWFORD, PENNSYLVANIA

RECONCILIATION - FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES EXPENDITURES PER THE SEFA TO REVENUE RECEIVED PER THE PENNSYLVANIA AUDIT CONFIRMATION REPLY

YEAR ENDED DECEMBER 31, 2019

EXHIBIT XX

CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
Special Education - Grants for Infants and Families	84.181	\$ 58,284	\$ 56,391	\$ 1,893	3%	Payment timing difference.
Guardianship Assistance	93.090	22,432	17,812	4,620	26%	Payment timing difference.
Community Mental Health Services for Children with SED	93.104	300,786	750,000	(449,214)	-60%	1
Projects for Assistance in Transition from Homelessness (PATH)	93.150	23,543	47,087	(23,544)	-50%	1
Promoting Safe and Stable Families	93.556	4,507	4,507	-	0%	n/a
Temporary Assistance for Needy Families	93.558	165,538	206,141	(40,603)	-20%	Payment timing difference.
Child Support Enforcement	93.563	943,617	1,047,046	(103,429)	-10%	Payment timing difference.
Stephanie Tubbs Jones Child Welfare Services Program	93.645	232,122	232,122	-	0%	n/a
Foster Care - Title IV-E	93.658	2,126,524	1,245,432	881,092	71%	2
Adoption Assistance	93.659	522,434	371,094	151,340	41%	Payment timing difference.
Social Services Block Grants	93.667	154,017	154,017	-	0%	n/a
Chafee Foster Care Independence Program	93.674	51,912	40,610	11,302	28%	Payment timing difference.
Medical Assistance Program	93.778	829,992	785,143	44,849	6%	Payment timing difference.
Block Grants for Community Mental Health Services	93.958	109,848	116,837	(6,989)	-6%	Payment timing difference.

n/a - amounts are in agreement

1. Payment timing difference and funds not spent prior to year end.
2. Payment on prior year state confirmation, received in 2019 by the County and 2019 year end timing differences

**Information Required by
Pennsylvania Department of
Human Services**

Year Ended December 31, 2019
with Independent Accountant's Report

County Children and Youth Agency Monitoring Schedule

Independent Accountant's Report on Applying Agreed-Upon Procedures

**Board of County
Commissioners
County of Crawford,
Pennsylvania**

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Human Services (DHS) and the County of Crawford (County), solely to assist you with respect to the reconciliation schedule required by the DHS *Single Audit Supplement* for the year ended December 31, 2019.

The County's management is responsible for the reconciliation schedule. The sufficiency of these procedures is solely the responsibility of those specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures to be performed on the reconciliation schedule are as follows:

- A) Reconcile the list of providers under "Provider Name" column A to the providers who were paid for In-Home Purchased Services during the year according to the County's general ledger, cash disbursements journal, or similar record. Note any providers who were paid during the year, but were not included on this schedule.
- B) Agree the response in column B to the appropriate Provider contract.
- C) Agree the information in columns C through I to the County's monitoring records for In-Home Purchased Service Providers.
- D) Based on the procedures detailed in paragraphs (a) through (c) above, disclose any exceptions or findings which have not been reflected on the corresponding schedule (List each separately.).

See attached Exhibit XXI for the results of the procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the reconciliation schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Accountant's Report on Applying
Agreed-Upon Procedures

This report is intended solely for the information and use of the Commonwealth of Pennsylvania Department of Human Services and the County of Crawford, Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mahe Duessel

Pittsburgh, Pennsylvania
September 29, 2020

COUNTY OF CRAWFORD, PENNSYLVANIA

COUNTY CHILDREN AND YOUTH AGENCY CHILD PROTECTIVE SERVICES LAW (CPSL) MONITORING OF IN-HOME PURCHASED SERVICE PROVIDERS

YEAR ENDED DECEMBER 31, 2019

EXHIBIT XXI

County: Crawford Period Ended: December 31, 2019

A Provider Name	B Does Provider Contract Include CPSL Requirements	C Most Recent Monitoring Date	D Monitored During the Current Year (Yes/No)	If Column D is Yes			H Date Follow-Up Was Done On Prior Year Monitoring	I Has Provider Implemented the CAP
				E List Any Exceptions Noted During Current Year Monitoring	F If Applicable Was CAP Submitted	G Is CAP Acceptable to CCYA		
A Place for Hope, Healing and Trans.	Yes		No					
Blended Spirits Ranch	Yes		No					
Center for Family Services	Yes	5/23/2019	Yes	1	yes	yes	yes	yes
Community Alternatives	Yes	4/26/2017	No					
Counseling and Assessment Svcs.	Yes		No					
Crawford Co Drug and Alcohol	Yes		No					
Family Services of NW PA	Yes	11/18/2019	yes	2	No	N/A	N/A	N/A
Jones, Martha (Family Development)	Yes	12/20/2019	Yes	3	yes	yes	yes	yes
Meadville Medical Center- MBW	Yes		No					
Parkside Psychological Associates	Yes	2/6/2020	No					
Vocational & Psychological Svcs	Yes		No					
Youth Advocate Programs	Yes	6/27/2017	No					

1. Outdated documentation in personnel files; need a better reminder/alert system to indicate when old license, insurance, etc. are expired. They are currently in the process of making sure valid copies of personnel licenses, insurance, etc. are in the files. Written Purchase Policy is needed. They have a process in place, but it needs to be written.

2. Recommended adding a copy of the employee's I-9 in their personnel file. It was also recommended that the fathers consistently be rated on the FAST assessment.

3. Some initial paperwork and discharge paperwork was missing from the files. Sign individual encounter forms for each session, not weekly to ensure accuracy of hours and dates. Submit encounter forms with invoices so CYS Fiscal can review accuracy of billing. Overbilling was identified, billed Provider and County received reimbursement. Will monitor again in 2020.

NOTE: CAPs are discussed during the exit conference with the provider. It is usually more of a verbal discussion rather than a formal letter.

COUNTY OF CRAWFORD, PENNSYLVANIA

SINGLE AUDIT REPORT DISTRIBUTION LIST TO STATE AND FEDERAL ENTITIES

YEAR ENDED DECEMBER 31, 2019

Single Audit Clearinghouse Bureau of the Census Building 66, Room 2417 1201 East 10th Street Jeffersonville, IN 47132	electronic
Bureau of Workmen's Compensation Self-Insurance Division 1171 South Cameron Street Room 103 Harrisburg, PA 17104	1 copy
Commonwealth of Pennsylvania DHS Bureau of Financial Operations Bertolino Building - Third Floor P.O. Box 2675 Harrisburg, PA 17105-2675	electronic