

County of Crawford

Single Audit

December 31, 2021

MaherDuessel

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COUNTY OF CRAWFORD, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the County's primary government basic financial statements as listed in the table of contents.

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 and Unmodified Opinions section of our report, the accompanying 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, 2021 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying 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, 2021, 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.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to

meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on the 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. The effects of not including the County's legally separate component units on the aggregate discretely presented component units have not been determined.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 supplementary information listed in the table of contents and the schedule of expenditures of federal awards, 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, 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.

Mahe Duessel

Pittsburgh, Pennsylvania
September 30, 2022

**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, 2021. 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 \$71.6 million at December 31, 2021.
- The total fund balance of the County's General Fund at December 31, 2021 was \$35.5 million.
- The County's real property tax rate continued at 21.15 mills for 2021.

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.
- 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

The County reports three major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues,

MANAGEMENT'S DISCUSSION AND ANALYSIS

expenditures, and changes in fund balances for these three *major* funds (General, Human Services, and COVID-19 County Relief Fund). 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 Custodial Funds. The Custodial Funds are the fees, fines, and costs, etc., collected by the County Row Officers, held in trust for disbursement to third parties.

Custodial Funds – Custodial funds are custodial in nature and do not involve measurement of results of operations. Custodial 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 custodial funds can be found on pages 54 to 57 of this report.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021 and 2020 is presented below:

County of Crawford, Pennsylvania
Summary Statements of Net Position
December 31, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 43,123,216	\$ 31,073,720	\$ 17,622,614	\$ 15,445,908	\$ 60,745,830	\$ 46,519,628
Capital assets	50,093,107	51,449,257	1,170,335	1,272,742	51,263,442	52,721,999
Total Assets	93,216,323	82,522,977	18,792,949	16,718,650	112,009,272	99,241,627
Deferred outflows of resources	2,187,710	2,753,642	572,394	862,663	2,760,104	3,616,305
Liabilities						
Current and other liabilities	17,852,254	10,972,746	2,249,382	2,142,220	20,101,636	13,114,966
Non-current liabilities	14,005,000	20,059,625	-	1,721,362	14,005,000	21,780,987
Total Liabilities	31,857,254	31,032,371	2,249,382	3,863,582	34,106,636	34,895,953
Deferred inflows of resources	7,194,379	4,222,598	1,882,344	1,322,859	9,076,723	5,545,457
Net Position						
Net investment in capital assets	35,528,107	36,339,257	1,170,335	1,272,742	36,698,442	37,611,999
Restricted	3,872,804	3,360,369	-	-	3,872,804	3,360,369
Unrestricted	16,951,489	10,322,024	14,063,282	11,122,130	31,014,771	21,444,154
Total Net Position	\$ 56,352,400	\$ 50,021,650	\$ 15,233,617	\$ 12,394,872	\$ 71,586,017	\$ 62,416,522

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 \$71.6 million at December 31, 2021, an increase from December 31, 2020 of approximately \$9.2 million. The increase is mainly a result of positive change in net position for the General Fund.

Of the net position, \$3.9 million is restricted for various purposes; \$31 million is unrestricted and available to support operations or provide for the payment of long-term debt at the government-wide level; and \$36.7 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, 2021 and 2020:

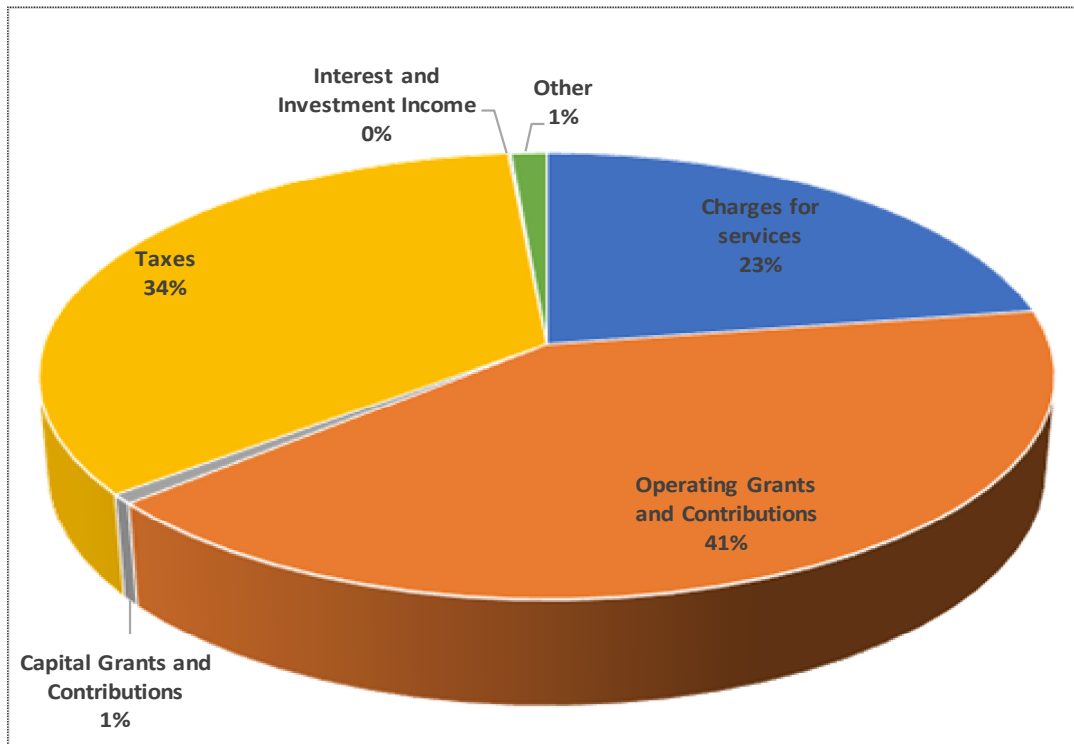
County of Crawford, Pennsylvania Change in Net Position Year Ended December 31, 2021 (With Comparative Totals for the Year Ended December 31, 2020)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,638,267	\$ 5,955,137	\$ 11,260,302	\$ 12,069,040	\$ 17,898,569	\$ 18,024,177
Operating grants and contributions	32,557,423	29,221,300	-	-	32,557,423	29,221,300
Capital grants and contributions	550,748	742,604	-	-	550,748	742,604
General revenues:						
Taxes	27,244,669	27,273,550	-	-	27,244,669	27,273,550
Interest and investment income	73,547	176,703	1,705	2,973	75,252	179,676
Other	645,173	(31,964)	393,607	1,058,694	1,038,780	1,026,730
Total revenues	<u>67,709,827</u>	<u>63,337,330</u>	<u>11,655,614</u>	<u>13,130,707</u>	<u>79,365,441</u>	<u>76,468,037</u>
Program expenses:						
General government	15,608,475	18,626,997	-	-	15,608,475	18,626,997
Public safety	12,201,302	10,794,937	-	-	12,201,302	10,794,937
Public works	1,905,358	1,163,438	-	-	1,905,358	1,163,438
Human services	22,079,649	16,629,658	8,816,869	10,804,782	30,896,518	27,434,440
Culture and recreation	847,090	700,185	-	-	847,090	700,185
Conservation and development	333,756	332,461	-	-	333,756	332,461
Unallocated insurance claims and related expenses	8,099,694	7,720,651	-	-	8,099,694	7,720,651
Interest	303,753	357,802	-	-	303,753	357,802
Total program expenses	<u>61,379,077</u>	<u>56,326,129</u>	<u>8,816,869</u>	<u>10,804,782</u>	<u>70,195,946</u>	<u>67,130,911</u>
Change in Net Position	6,330,750	7,011,201	2,838,745	2,325,925	9,169,495	9,337,126
Net position - beginning	<u>50,021,650</u>	<u>43,010,449</u>	<u>12,394,872</u>	<u>10,068,947</u>	<u>62,416,522</u>	<u>53,079,396</u>
Net position - ending	<u>\$ 56,352,400</u>	<u>\$ 50,021,650</u>	<u>\$ 15,233,617</u>	<u>\$ 12,394,872</u>	<u>\$ 71,586,017</u>	<u>\$ 62,416,522</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, 2021:

**County of Crawford, Pennsylvania
Government-Wide Sources of Revenues
Total Revenues \$79,365,441**



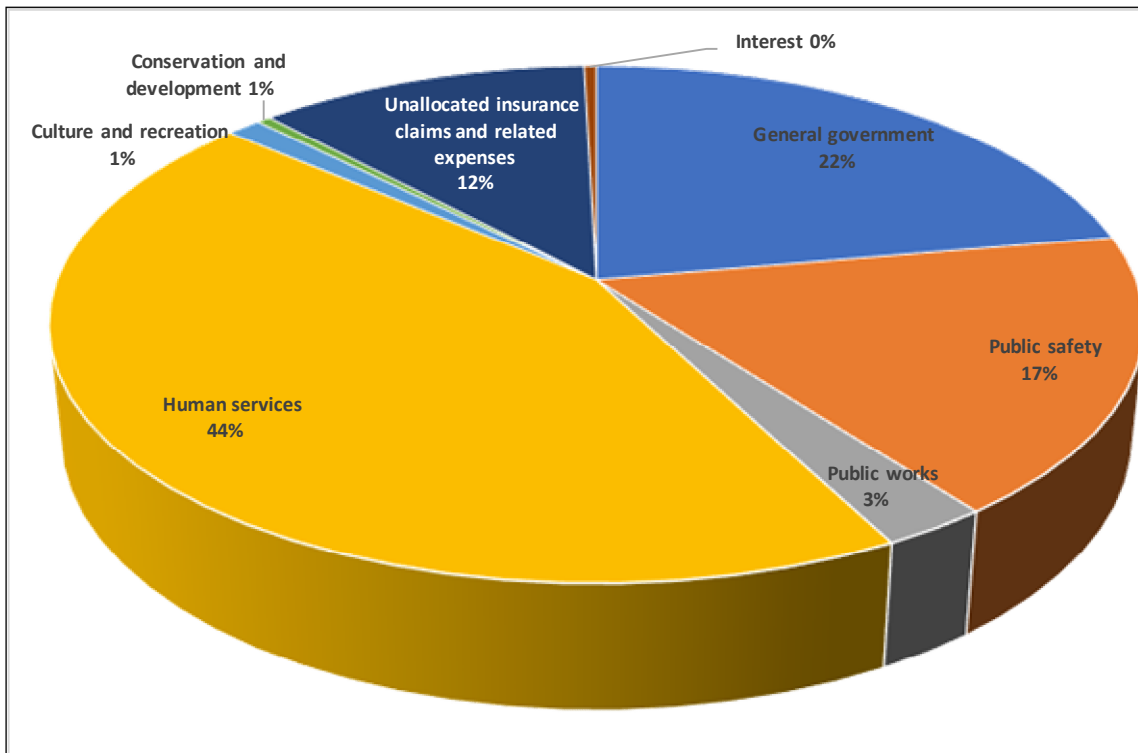
The government-wide revenues of \$79.4 million were derived primarily from taxes and operating grants and contributions, which make up 34% and 41% of total revenues, respectively. The next largest source of revenue was charges for services, which is 23% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

PROGRAM EXPENSES

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2021:

County of Crawford, Pennsylvania Government-Wide Program Expenses Total Expenses \$70,195,946



The largest area of expenses was Human Services, which totaled \$30.9 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 \$15.6 million represented 22% of all expenses, followed by Public Safety with \$12.2 million in expenses representing 17% of expenses, and Unallocated Insurance Claims and Related Expenses at \$8.1 million or 12% of the total.

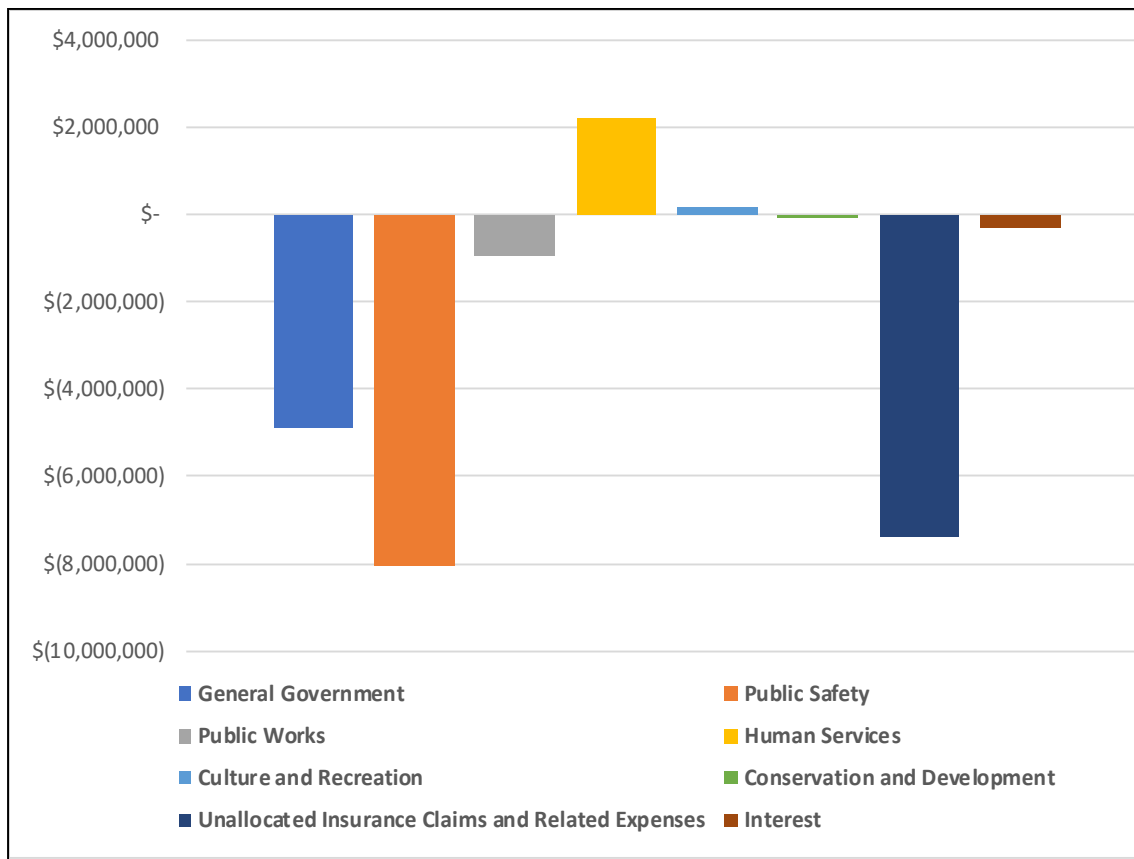
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021:

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

Public safety required the most general revenues for support, needing \$8 million during 2021.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County reports three major governmental funds (General, Human Services Fund, and COVID-19 County Relief Fund). The Human Services Fund consists of Mental Health and Intellectual Disabilities, Children and Youth Services, and Early Intervention Services.

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),

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021 and 2020:

MANAGEMENT'S DISCUSSION AND ANALYSIS

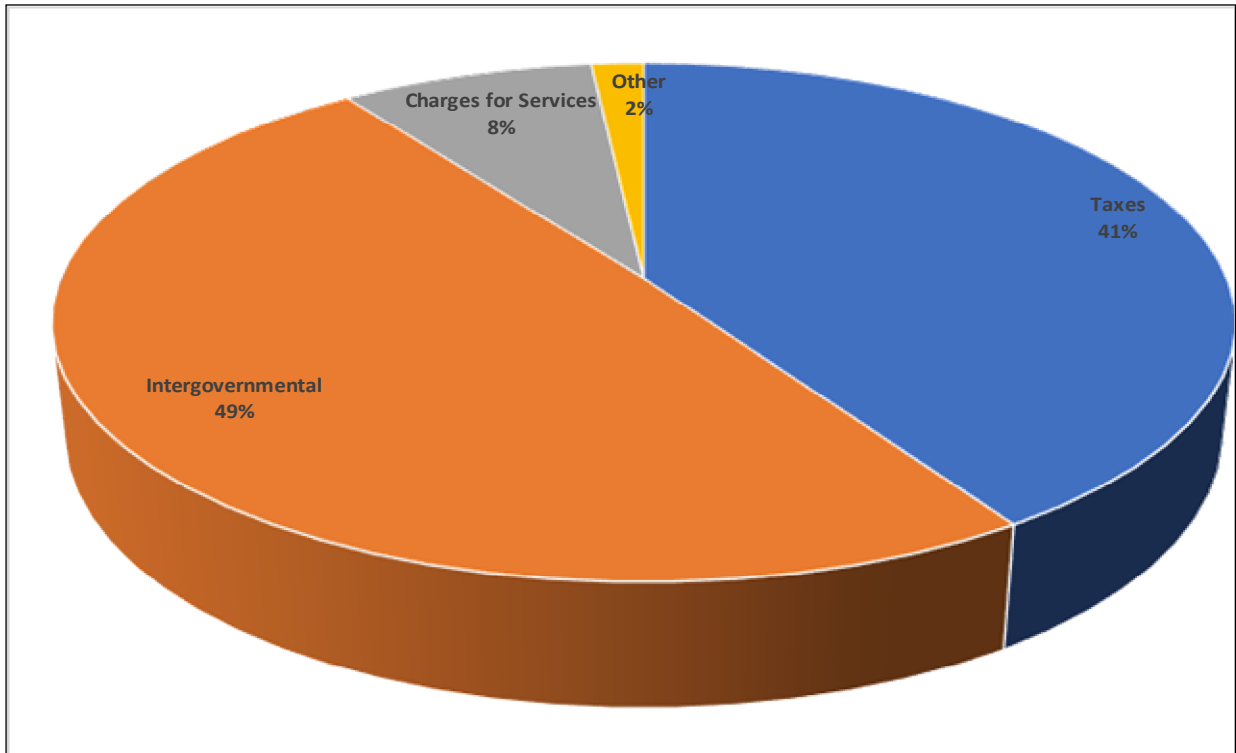
County of Crawford, Pennsylvania
 Statements of Revenues, Expenditures, and Changes in Fund Balances
 Years Ended December 31, 2021 and 2020

	Governmental Funds	
	2021	2020
Revenues:		
Taxes	\$ 27,469,864	\$ 27,182,734
Intergovernmental	33,108,171	29,963,904
Charges for services	5,488,017	4,722,747
Fines and forfeitures	319,653	312,349
Investment earnings	73,307	172,379
Payment in lieu of taxes	142,277	153,676
Miscellaneous	599,772	588,563
Total revenues	67,201,061	63,096,352
Expenditures:		
General government	18,510,919	21,337,915
Public safety	14,469,282	12,485,252
Public works	1,502,348	766,072
Human services	24,437,081	20,336,133
Culture and recreation	796,941	606,907
Conservation and development	470,566	441,387
Debt service	847,453	1,325,400
Total expenditures	61,034,590	57,299,066
(Deficiency) of Revenues Over Expenditures	6,166,471	5,797,286
Other Financing Sources (Uses):		
Gain from sale of assets	4,060	25,864
Transfers in	8,247,342	2,009,525
Transfers out	(8,247,342)	(2,009,525)
Total other financing sources	4,060	25,864
Net Change in Fund Balance	6,170,531	5,823,150
Fund balance, beginning	29,708,823	23,885,673
Fund balance, ending	\$ 35,879,354	\$ 29,708,823

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2021 were:

**County of Crawford, Pennsylvania
Governmental Funds
Revenues Classified by Source
Total Revenues \$67,201,061**

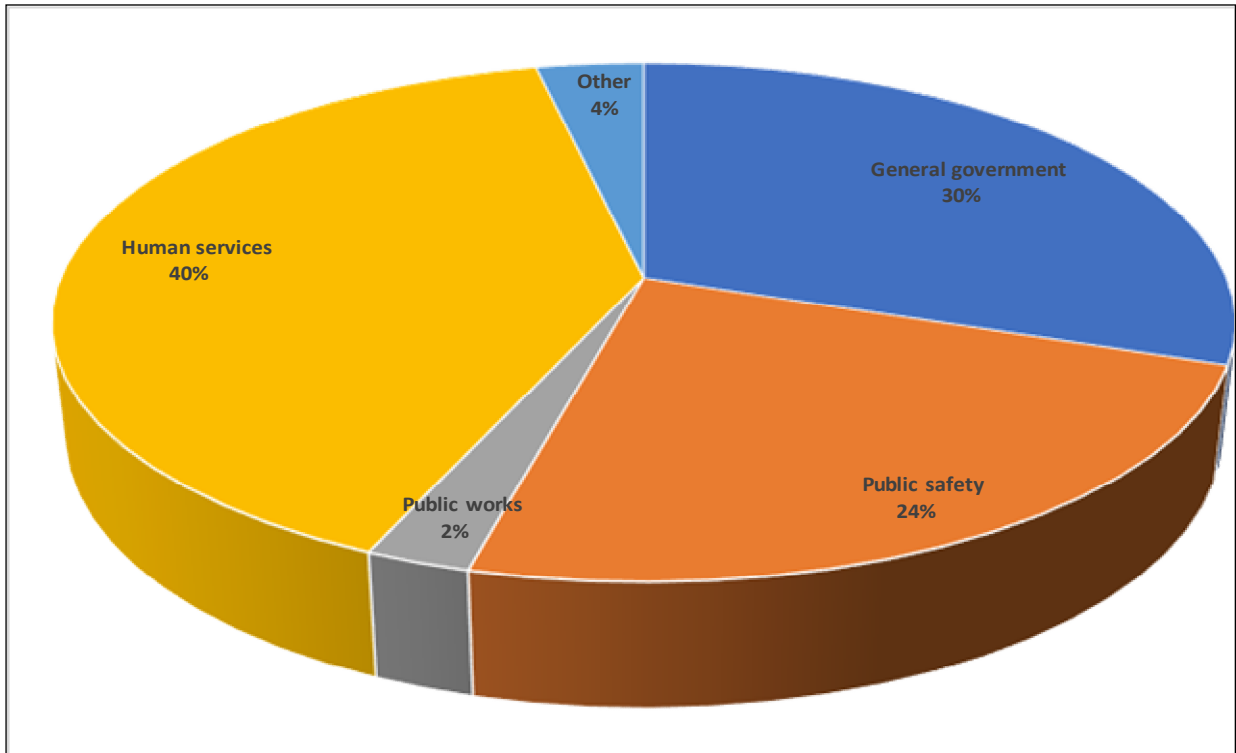


Governmental fund revenues totaled \$67.2 million for the year ended December 31, 2021, of which \$33.1 million (49%) came from Intergovernmental (Federal and State) revenues. Taxes accounted for \$27.5 million (41%) in revenue. Charges for services reached \$5.5 million (8%) in revenue. Other revenues of \$1.1 million including fines and forfeitures, investment earnings, payment in lieu of taxes, and miscellaneous revenues in total comprise approximately 2% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds expenditures, by function, for the year ended December 31, 2021 were:

**County of Crawford, Pennsylvania
Governmental Funds
Expenditures Classified by Function
Total Expenditures \$61,034,590**

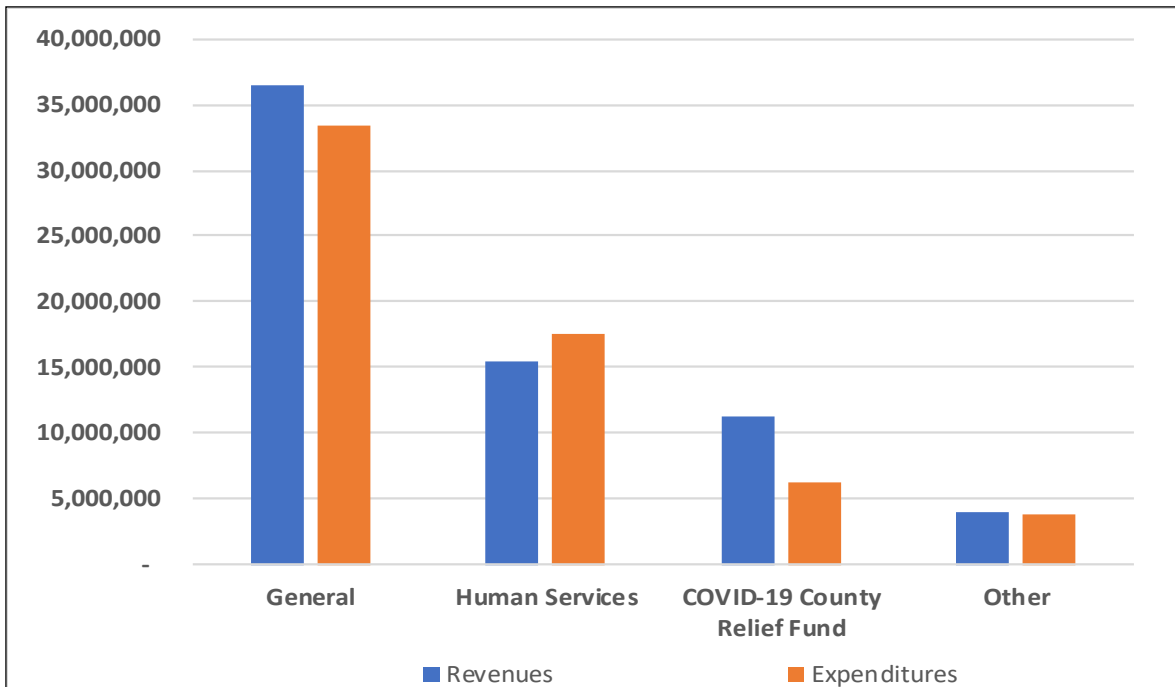


Governmental fund expenditures totaled \$61 million for the year ended December 31, 2021, of which \$18.5 million (30%) were general governmental expenditures. Human services and public safety expenditures were \$24.5 million (40%) and \$14.4 million (24%), respectively. Expenditures for public works were approximately \$1.5 million (2%). Other expenditures totaling \$2.1 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, 2021.

**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, 2021 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 \$3,873,299 or 11% of final budgeted revenues of \$35 million.

The County had an unfavorable variance between the final budget and actual revenue of approximately \$1.6 million. The primary factors causing the variance were intergovernmental revenues were down \$1.4 million, charges for services were down \$0.7 million, investment earnings were down \$0.2 million and taxes were up \$1 million more than anticipated.

The County's actual expenditures for 2021 were less than the final budget by approximately \$0.03 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's total investment in capital assets as of December 31, 2021 amounts to \$50.1 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, 2021, the County has \$14.6 million of long-term debt.

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, 2021

Assets	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 41,747,258	\$ 3,955,124	\$ 45,702,382
Investments	748,686	-	748,686
Receivables:			
Accounts receivable, net	877,106	1,524,460	2,401,566
Taxes receivable, net	2,830,413	-	2,830,413
Intergovernmental receivable	6,503,733	32,043	6,535,776
Internal balances	(11,892,425)	11,892,425	-
Prepaid expenses and other assets	1,856,821	100,399	1,957,220
Capital assets, not being depreciated/amortized	1,626,893	-	1,626,893
Capital assets, net of accumulated depreciation/amortization	48,466,214	1,170,335	49,636,549
Net pension asset	451,624	118,163	569,787
Total Assets	93,216,323	18,792,949	112,009,272
Deferred Outflows of Resources			
Deferred outflows of resources for pension	2,187,710	572,394	2,760,104
Liabilities			
Accounts payable	2,336,152	1,143,577	3,479,729
Accrued payroll and related liabilities	827,965	173,447	1,001,412
Accrued interest payable	38,197	-	38,197
Intergovernmental payable	193,496	-	193,496
Due to other governments	-	30,311	30,311
Unearned revenue	12,372,625	583,495	12,956,120
Compensated absences	1,523,819	318,552	1,842,371
Notes payable - current portion	560,000	-	560,000
Noncurrent liabilities:			
Notes payable, net of current portion	14,005,000	-	14,005,000
Total Liabilities	31,857,254	2,249,382	34,106,636
Deferred Inflows of Resources			
Deferred inflows of resources for pension	7,194,379	1,882,344	9,076,723
Net Position			
Net investment in capital assets	35,528,107	1,170,335	36,698,442
Restricted for:			
Adoption counseling	21,509	-	21,509
Child support enforcement	365,904	-	365,904
District attorney	45,215	-	45,215
Offender supervision	451,903	-	451,903
Other	158,571	-	158,571
Substance abuse education	4,065	-	4,065
Tourism promotion	40,399	-	40,399
Roads and bridges	738,057	-	738,057
Emergency services	1,109,091	-	1,109,091
Other special revenue fund services	566,998	-	566,998
Commissary fund	371,092	-	371,092
Unrestricted	16,951,489	14,063,282	31,014,771
Total Net Position	\$ 56,352,400	\$ 15,233,617	\$ 71,586,017

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

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	\$ 15,608,475	\$ 3,592,909	\$ 7,147,596	\$ -	\$ (4,867,970)	\$ -	\$ (4,867,970)
Public safety	12,201,302	706,104	3,454,678	-	(8,040,520)	-	(8,040,520)
Public works	1,905,358	-	422,564	550,748	(932,046)	-	(932,046)
Human services	22,079,649	1,336,425	20,522,024	-	(221,200)	-	(221,200)
Culture and recreation	847,090	75,879	958,539	-	187,328	-	187,328
Conservation and development	333,756	197,289	52,022	-	(84,445)	-	(84,445)
Unallocated insurance claims and related expenses	8,099,694	729,661	-	-	(7,370,033)	-	(7,370,033)
Interest	303,753	-	-	-	(303,753)	-	(303,753)
Total governmental activities	61,379,077	6,638,267	32,557,423	550,748	(21,632,639)	-	(21,632,639)
Business-type activities:							
Human services	8,816,869	11,260,302	-	-	-	2,443,433	2,443,433
Total business-type activities	8,816,869	11,260,302	-	-	-	2,443,433	2,443,433
Total primary government	\$ 70,195,946	\$ 17,898,569	\$ 32,557,423	\$ 550,748	(21,632,639)	2,443,433	(19,189,206)
General revenues:							
Taxes:							
Property taxes					26,573,745	-	26,573,745
Per capita taxes					212,788	-	212,788
Hotel taxes					458,136	-	458,136
Payments in lieu of taxes					142,277	-	142,277
Unrestricted investment earnings					73,547	1,705	75,252
Gain (Loss) on disposal of capital asset					4,060	31,577	35,637
Miscellaneous					498,836	362,030	860,866
Total general revenues					27,963,389	395,312	28,358,701
Change in Net Position					6,330,750	2,838,745	9,169,495
Net position - beginning					50,021,650	12,394,872	62,416,522
Net position - ending					\$ 56,352,400	\$ 15,233,617	\$ 71,586,017

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	General Fund	Human Services Fund	COVID-19 County Relief Fund	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 26,564,891	\$ 696,257	\$ 9,812,463	\$ 2,509,706	\$ 39,583,317
Investments	748,686	-	-	-	748,686
Receivables:					
Accounts receivable, net	470,715	373,697	-	32,694	877,106
Taxes receivable, net	2,830,413	-	-	-	2,830,413
Intergovernmental receivable	1,125,124	4,845,655	-	532,954	6,503,733
Due from other funds	6,932,860	637,910	-	-	7,570,770
Prepaid expenses and other assets	1,019,739	41,921	-	71,812	1,133,472
Total Assets	\$ 39,692,428	\$ 6,595,440	\$ 9,812,463	\$ 3,147,166	\$ 59,247,497
Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)					
Liabilities:					
Accounts payable	\$ 960,365	\$ 1,191,055	\$ 40,799	\$ 143,933	\$ 2,336,152
Accrued payroll and related liabilities	578,325	205,946	-	43,694	827,965
Intergovernmental payable	-	-	-	193,496	193,496
Due to other funds	633,913	619,103	4,368,571	34,290	5,655,877
Unearned revenue	-	6,764,200	5,389,512	218,913	12,372,625
Total Liabilities	2,172,603	8,780,304	9,798,882	634,326	21,386,115
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	1,982,028	-	-	-	1,982,028
Fund Balance (Deficit):					
Nonspendable - prepaid expenses and other assets	896,533	41,921	-	71,812	1,010,266
Restricted:					
Adoption counseling	21,509	-	-	-	21,509
Child support enforcement	365,904	-	-	-	365,904
District attorney	45,215	-	-	-	45,215
Offender supervision	451,903	-	-	-	451,903
Other	158,571	-	13,581	-	172,152
Substance abuse education	4,065	-	-	-	4,065
Tourism promotion	40,399	-	-	-	40,399
Roads and bridges	-	-	-	738,057	738,057
Emergency services	-	-	-	1,109,091	1,109,091
Other special revenue	-	-	-	566,998	566,998
Commissary fund	371,092	-	-	-	371,092
Committed:					
Capital projects	214,200	-	-	-	214,200
Contingencies	25,000	-	-	-	25,000
District attorney	713	-	-	-	713
Warden	3,809	-	-	-	3,809
Assigned:					
Capital projects	-	-	-	26,882	26,882
Flower fund	6,335	-	-	-	6,335
Unassigned	32,932,549	(2,226,785)	-	-	30,705,764
Total Fund Balance (Deficit)	35,537,797	(2,184,864)	13,581	2,512,840	35,879,354
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 39,692,428	\$ 6,595,440	\$ 9,812,463	\$ 3,147,166	\$ 59,247,497

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, 2021

Total Fund Balance - Governmental Funds			\$ 35,879,354
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.			50,093,107
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.			1,982,028
Internal service funds are used by management to charge the costs of 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.			(10,920,028)
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:			
Notes payable	\$ (14,565,000)		
Accrued interest on notes	(38,197)		
Compensated absences	<u>(1,523,819)</u>	(16,127,016)	
The net pension asset is reflected on the statement of financial position, but is not recorded in the governmental fund statements.			451,624
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>(5,006,669)</u>
Net Position of Governmental Activities			<u>\$ 56,352,400</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, 2021

	General Fund	Human Services Fund	COVID-19 County Relief Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 27,469,864	\$ -	\$ -	\$ -	\$ 27,469,864
Intergovernmental	4,043,847	14,111,965	11,256,740	3,695,619	33,108,171
Charges for services	3,956,405	1,344,796	-	186,816	5,488,017
Fines and forfeitures	319,653	-	-	-	319,653
Investment earnings	56,363	-	15,690	1,254	73,307
Payment in lieu of taxes	142,277	-	-	-	142,277
Miscellaneous	438,979	70,966	-	89,827	599,772
Total revenues	36,427,388	15,527,727	11,272,430	3,973,516	67,201,061
Expenditures:					
Current:					
General government	16,885,755	-	958,543	666,621	18,510,919
Public safety	11,822,584	799,733	35,599	1,811,366	14,469,282
Public works	878,332	-	-	624,016	1,502,348
Human services	1,684,653	16,698,935	5,270,867	782,626	24,437,081
Culture and recreation	796,941	-	-	-	796,941
Conservation and development	470,566	-	-	-	470,566
Debt service:					
Principal	545,000	-	-	-	545,000
Interest	302,453	-	-	-	302,453
Total expenditures	33,386,284	17,498,668	6,265,009	3,884,629	61,034,590
Excess (Deficiency) of Revenues Over Expenditures	3,041,104	(1,970,941)	5,007,421	88,887	6,166,471
Other Financing Sources (Uses):					
Proceeds from sale of assets	4,060	-	-	-	4,060
Transfers in	6,276,401	1,970,941	-	-	8,247,342
Transfers out	(3,253,502)	-	(4,993,840)	-	(8,247,342)
Total other financing sources (uses)	3,026,959	1,970,941	(4,993,840)	-	4,060
Net Change in Fund Balance	6,068,063	-	13,581	88,887	6,170,531
Fund balance (deficit) - beginning	29,469,734	(2,184,864)	-	2,423,953	29,708,823
Fund balance (deficit) - ending	<u>\$ 35,537,797</u>	<u>\$ (2,184,864)</u>	<u>\$ 13,581</u>	<u>\$ 2,512,840</u>	<u>\$ 35,879,354</u>

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, 2021

Net Change in Fund Balance - Total Governmental Funds \$ 6,170,531

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 exceeded capital outlays in the current period. (1,356,150)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (225,195)

The issuance of long-term debt (e.g., bonds, notes, 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. 545,000

Internal service funds are used by management to charge the costs of 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. (1,237,397)

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. 2,433,961

Change in Net Position of Governmental Activities \$ 6,330,750

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, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,881,232	\$ 26,881,232	\$ 27,849,692	\$ 968,460
Intergovernmental	3,982,998	3,982,998	2,609,450	(1,373,548)
Charges for services	3,482,410	3,482,410	2,733,016	(749,394)
Fines and forfeitures	310,000	310,000	216,955	(93,045)
Investment earnings	213,825	213,825	3,214	(210,611)
Payment in lieu of taxes	149,276	149,276	91,750	(57,526)
Miscellaneous	210,529	210,529	59,945	(150,584)
Total revenues	<u>35,230,270</u>	<u>35,230,270</u>	<u>33,564,022</u>	<u>(1,666,248)</u>
Expenditures:				
Current:				
General government	16,672,221	16,672,221	16,528,039	144,182
Public safety	11,385,805	11,385,805	11,628,134	(242,329)
Public works	279,000	279,000	870,239	(591,239)
Human services	1,803,758	1,803,758	1,622,956	180,802
Culture and recreation	216,315	216,315	782,566	(566,251)
Conservation and development	538,721	538,721	460,111	78,610
Debt service:				
Principal	545,000	545,000	522,380	22,620
Interest	317,164	317,164	293,680	23,484
Capital outlay	1,000,047	1,000,047	-	1,000,047
Total expenditures	<u>32,758,031</u>	<u>32,758,031</u>	<u>32,708,105</u>	<u>49,926</u>
Excess of Revenues Over Expenditures	<u>2,472,239</u>	<u>2,472,239</u>	<u>855,917</u>	<u>(1,616,322)</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	-	4,060	4,060
Transfers in	-	-	6,276,401	6,276,401
Transfers out	(2,472,239)	(2,472,239)	(3,253,502)	(781,263)
Total other financing sources (uses)	<u>(2,472,239)</u>	<u>(2,472,239)</u>	<u>3,026,959</u>	<u>5,499,198</u>
Net Change in Fund Balance	-	-	3,882,876	<u>\$ 3,882,876</u>
Fund balance - beginning	<u>29,469,734</u>	<u>29,469,734</u>	<u>29,469,734</u>	
Fund balance - ending	<u>\$ 29,469,734</u>	<u>\$ 29,469,734</u>	<u>\$ 33,352,610</u>	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2021

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,955,124	\$ 2,163,941
Receivables:		
Accounts receivable, net	1,524,460	-
Prepaid expenses and other assets	100,399	723,349
Total current assets	5,612,026	2,887,290
Non-current assets:		
Capital assets, net of accumulated depreciation and amortization	1,170,335	-
Net pension asset	118,163	-
Total Assets	6,900,524	2,887,290
Deferred Outflows of Resources		
Deferred outflows of resources for pension	572,394	-
Liabilities		
Current liabilities:		
Accounts payable and incurred insurance expenses	1,143,577	-
Accrued payroll and related liabilities	173,447	-
Due to other governments	30,311	-
Due to other funds	1,914,893	-
Unearned revenue	583,495	-
Compensated absences	318,552	-
Total current liabilities	4,164,275	-
Total Liabilities	4,164,275	-
Deferred Inflows of Resources		
Deferred inflows of resources for pension	1,882,344	-
Net Position		
Net investment in capital assets	1,170,335	-
Unrestricted	255,964	2,887,290
Total Net Position	1,426,299	\$ 2,887,290
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	13,807,318	
Net Position of Business-type Activities (page 1)	\$ 15,233,617	

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, 2021

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Operating Revenues:		
Charges for services	\$ 11,196,640	\$ -
Employer contributions	-	8,490,915
Miscellaneous	63,662	-
Total operating revenues	11,260,302	8,490,915
Operating Expenses:		
Personnel services	6,980,318	-
Materials and supplies	1,311,350	-
Services	1,134,398	-
Other operating expenses	193,434	1,398,454
Depreciation	130,024	-
Bad debt	696,203	-
Incurred claims and adjustments	-	6,701,240
Total operating expenses	10,445,727	8,099,694
Operating income (loss)	814,575	391,221
Nonoperating Revenues:		
COVID-19 Funding	362,030	-
Investment earnings	1,705	240
Sale of assets	31,577	-
Total nonoperating revenues (expenses)	395,312	240
Change in Net Position	1,209,887	391,461
Net position - beginning	216,412	2,495,829
Net position - ending	1,426,299	\$ 2,887,290
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	(1,628,858)	
Change in Net Position of Business-type Activities (page 2)	\$ 2,838,745	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 11,987,020	\$ 9,016,932
Payments to employees for salaries and benefits	(8,801,847)	-
Payments to suppliers and claimants	(3,422,281)	(8,239,552)
Net cash provided by (used in) operating activities	(237,108)	777,380
Cash Flows from Investing Activities:		
Interest on investments	1,705	240
Net cash provided by (used in) investing activities	1,705	240
Cash Flows from Non-Capital Financing Activities:		
Receipts from COVID-19 funding	362,030	-
Net cash provided by (used in) non-capital financing activities	362,030	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(27,617)	-
Proceeds from sale of capital assets	31,577	-
Net cash provided by (used in) capital and related financing activities	3,960	-
Net Increase in Cash and Cash Equivalents	130,587	777,620
Cash and cash equivalents at January 1, 2021	3,824,537	1,386,321
Cash and cash equivalents at December 31, 2021	\$ 3,955,124	\$ 2,163,941
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 814,575	\$ 391,221
Adjustments to reconcile change in operating income (loss) to net cash used in operating activities:		
Pension expense	(989,771)	-
Depreciation expense	130,024	-
Bad debt expense	(696,203)	-
Change in assets and liabilities:		
Accounts receivable	1,195,456	526,017
Intergovernmental receivable	13,096	-
Prepaid expenses and other assets	(58,941)	(23,666)
Accounts payable and incurred insurance expenses	(58,266)	(116,192)
Accrued payroll and related liabilities	(29,796)	-
Due to other governments	30,311	-
Due to other funds	(752,506)	-
Unearned revenue	227,465	-
Compensated absences	(62,552)	-
Net cash provided by (used in) operating activities	\$ (237,108)	\$ 777,380

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2021

	Pension Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 2,406,394	\$ 1,628,894
Receivables	20,694	-
Investments:		
Money markets	318,622	-
Mutual funds - fixed income	11,684,136	-
Mutual funds - equity	56,380,329	-
Private equity trust	3,287,316	-
Global opportunities fund	16,575,434	-
Hedge fund	5,501,115	-
Alternative core bond fund	13,395,694	-
	109,569,734	1,628,894
Liabilities		
Accounts payable	9,349	-
Due to other governments	-	1,452,975
Escrow liability	-	175,919
	9,349	1,628,894
Net Position Restricted for Pension Benefits	\$ 109,560,385	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2021

	Pension Trust Fund	Custodial Funds
Additions:		
<hr/>		
Contributions:		
Employer	\$ 2,449,381	\$ -
Plan members	2,427,702	-
	4,877,083	-
Total contributions		-
Investment earnings (loss):		
Net increase (decrease) in the fair value of investments	10,816,521	-
Interest and dividends	2,535,990	-
	13,352,511	-
Total investment earnings (loss)		-
Less investment expense	(91,313)	-
	13,261,198	-
Net investment earnings (loss)		-
Miscellaneous:		
Other	278	
Collections for Other Individuals and Governments:		
Sheriff's Office	-	523,367
Jail	-	365,267
Prothonotary	-	278,862
Register of Wills	-	6,863,786
Orphans Court	-	90,892
Clerk of Courts	-	1,706,473
Tax Claim	-	844,153
Domestic Relation Support	-	143,469
CYS Social Security Collective	-	24,618
District Courts	-	1,610,771
Patient Pers Allowance	-	525,889
Juvenile Probation	-	6,220
State Fund	-	269,624
	-	13,253,391
Total collections for other individuals and governments		-
Total additions	18,138,559	13,253,391
Deductions:		
<hr/>		
Administrative expenses	26,843	-
Benefits	6,441,530	-
Payments to other governments	-	12,283,571
Other custodial disbursements	-	969,820
	6,468,373	13,253,391
Total deductions		-
Change in Net Position	11,670,186	-
Net position - beginning	97,890,199	-
Net position - ending	\$ 109,560,385	\$ -

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

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 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 tax 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 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 custodial 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.

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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

The *COVID-19 County Relief Fund* accounts for the proceeds of revenue received in response to the Coronavirus relief.

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 *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds utilized to account for those financial activities include: Liquid Fuels, CDBG, 911 and other.

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

The *Internal Service Fund* accounts for self-insured workers' compensation 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 *Custodial 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.

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 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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

Fair Value Measurements

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.

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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

Allowance for Doubtful Accounts

All trade and taxes receivable have been reported net of allowance for doubtful accounts. The County estimates the allowance for uncollectibles using historical collection data and in certain cases, specific account analysis.

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 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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

- 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.

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. A budget was not legally adopted for the COVID County Relief Fund.

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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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.

	<u>General Fund</u>
Net change in fund balance - General Fund as presented (modified accrual)	\$ 6,068,063
Adjustment to reconcile accounts and property taxes receivable to budgetary basis	(2,863,366)
Adjustment to reconcile prepaids and accounts/wages payable to budgetary basis	<u>678,179</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u>\$ 3,882,876</u>

Accounting 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022). Management has not yet determined the impact of these statements on the 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 \$47,570,503 at December 31, 2021, \$1,554,949 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 \$45,549,463 as of December 31, 2021, are reported as cash and cash equivalents.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021, the investment in PLGIT of \$152,919 (book balance), is considered to be a cash equivalent for presentation on the government-wide statement of net position and the governmental funds balance sheet.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Investments

As of December 31, 2021, the County had the following non-pension investments:

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	\$ 53,610	\$ -	\$ 53,610	\$ -	\$ -
U.S. Government Agency Obligations	551,585	22,545	63,168	24,909	440,963
Total debt securities	605,195	22,545	116,778	24,909	440,963
Certificates of deposit	136,924	-	136,924	-	-
Total debt securities and certificates of deposit	742,119	\$ 22,545	\$ 253,702	\$ 24,909	\$ 440,963
Money markets	6,567				
Total	\$ 748,686				

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, 2021, 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, 2021, the County's remaining investment balance of \$605,195 (bank and book balance) was exposed to custodial credit risk. All of the County's investments, other than certificates of deposits,

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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 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, 2021, the County's investments in PLGIT and debt securities have received AAA and AA ratings, respectively, from Standard & Poor's.

Custodial 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 \$1,358,756 and the bank balance was \$1,859,305. Of the bank balance, \$159,726 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 \$2,406,394 at December 31, 2021. None of the bank balance was covered by federal deposit insurance.

COUNTY OF CRAWFORD, PENNSYLVANIA

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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.

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, 2021:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds - fixed income	\$ 11,684,136	\$ 11,684,136	\$ -	\$ -
Mutual funds - equity:				
Real estate	5,782,013	5,782,013	-	-
Large blend	22,604,898	22,604,898	-	-
Small blend	2,378,543	2,378,543	-	-
Foreign large blend	18,922,351	18,922,351	-	-
Mid cap growth	3,672,752	3,672,752	-	-
Tactical allocation	3,019,772	3,019,772	-	-
Total Mutual Funds - Equity	56,380,329	56,380,329	-	-
Private equity trust	3,287,316	-	-	2,421,559
Total Investments by Fair Value Level	71,351,781	\$ 68,064,465	\$ -	\$ 2,421,559
Money markets	318,622			
Investments Measured at NAV:				
Global Opportunities Fund	16,575,434			
Hedge Fund	5,501,115			
Alternative Core Bond Fund	13,395,694			
Total Investments measured at NAV	35,472,243			
Total investments measured at fair value	\$ 107,142,646			

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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, including co-investments. The Pension Trust Fund's investment in money markets of \$318,622 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)	\$ 16,575,434	\$ -	Monthly	22nd calendar day of prior month
Hedge Fund (2)	5,501,115	-	Quarterly	45 - 60 days
Alternative Core Bond Fund (3)	13,395,694	-	Daily	None
Total Investments Measured at NAV	\$ 35,472,243			

(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

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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.

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, 2021, 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, 2021, the County's Pension Trust Fund does not have any investments in fixed income securities.

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, 2021 was 21.85 mills (property tax), applied to an assessable base of \$1,236,584,951 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

COUNTY OF CRAWFORD, PENNSYLVANIA

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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, 2021 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

The Care Center accounts receivable are shown net of an allowance for uncollectible accounts totaling \$581,782.

Property tax receivables are shown net of an allowance for uncollectible accounts equal to \$137,684.

Per capita tax receivables are shown net of an allowance for uncollectible accounts equal to \$12,195.

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

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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, 2021, promissory notes receivable, included in other assets on the statement of net position, total \$178,206.

7. Capital Assets

A summary of governmental activities capital assets for the year ended December 31, 2021 is as follows:

	Balance at January 1, 2021	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 637,636	\$ -	\$ -	\$ 637,636
Construction in progress	2,207,278	406,816	(1,624,837)	989,257
Total capital assets, not being depreciated	<u>2,844,914</u>	<u>406,816</u>	<u>(1,624,837)</u>	<u>1,626,893</u>
Capital assets, being depreciated:				
Buildings	45,334,304	70,450	-	45,404,754
Land improvements	915,334	1,482,892	-	2,398,226
Equipment	6,776,695	491,239	(470,091)	6,797,843
Vehicles	1,631,101	128,817	(67,964)	1,691,954
Infrastructure	20,613,856	-	-	20,613,856
Total capital assets, being depreciated	<u>75,271,290</u>	<u>2,173,398</u>	<u>(538,055)</u>	<u>76,906,633</u>
Less: accumulated depreciation	<u>(26,666,947)</u>	<u>(2,311,527)</u>	<u>538,055</u>	<u>(28,440,419)</u>
Total capital assets, being depreciated, net	<u>48,604,343</u>	<u>(138,129)</u>	<u>-</u>	<u>48,466,214</u>
Governmental activities, capital assets, net	<u>\$ 51,449,257</u>	<u>\$ 268,687</u>	<u>\$ (1,624,837)</u>	<u>\$ 50,093,107</u>

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 930,983
Public safety	771,741
Public works	420,887
Human services	74,342
Culture and recreation	<u>113,574</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,311,527</u></u>

A summary of business-type activities capital assets for the year ended December 31, 2021 is as follows:

	January 1, 2021	Transfers/ Additions	Deletions	December 31, 2021
Business-type activities:				
Capital assets, being depreciated:				
Buildings	\$ 5,601,690	\$ -	\$ -	\$ 5,601,690
Land improvements	770,336	-	-	770,336
Equipment	1,282,755	27,617	(12,346)	1,298,026
Vehicles	<u>218,110</u>	<u>-</u>	<u>(51,098)</u>	<u>167,012</u>
Total capital assets, being depreciated	<u>7,872,891</u>	<u>27,617</u>	<u>(63,444)</u>	<u>7,837,064</u>
Less: accumulated depreciation	<u>(6,600,149)</u>	<u>(130,024)</u>	<u>63,444</u>	<u>(6,666,729)</u>
Total capital assets, being depreciated, net	<u>1,272,742</u>	<u>(102,407)</u>	<u>-</u>	<u>1,170,335</u>
Business-type activities, capital assets, net	<u><u>\$ 1,272,742</u></u>	<u><u>\$ (102,407)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,170,335</u></u>

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8. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2021, as well as interfund transfers for the year ended December 31, 2021, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 7,028,908	\$ 638,670	\$ 6,276,401	\$ 3,255,308
Human Services	639,716	669,561	1,972,747	-
COVID-19 County Relief Fund	-	4,368,571	-	4,993,840
Aggregate remaining funds	-	35,622	-	-
Business-type activities:				
Care Center	-	1,956,200	-	-
	<u>\$ 7,668,624</u>	<u>\$ 7,668,624</u>	<u>\$ 8,249,148</u>	<u>\$ 8,249,148</u>

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. In addition, a large portion of the General Fund interfund transfers and interfund receivable balance from the COVID-19 County Relief Fund represents the County's use of general government salaries and wages related to the allocation of revenue of the American Rescue Plan (ARP).

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

COUNTY OF CRAWFORD, PENNSYLVANIA

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value as further described in Note 3. All administrative costs are paid from the Plan assets. The County does not issue a separate financial report for the Plan.

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, 2021 measurement date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	329
Inactive plan members entitled to but not yet receiving benefits	76
Active plan members	<u>558</u>
Total plan members	<u><u>963</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.

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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.

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 \$2,449,381 for 2021.

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Changes in Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2021 were as follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances at December 31, 2020	\$ 105,106,186	\$ 97,890,199	\$ 7,215,987
Changes for the year:			
Service cost	2,646,680	-	2,646,680
Interest	7,833,002	-	7,833,002
Differences between expected and actual experience	(146,981)	-	(146,981)
Changes of assumptions	-	-	-
Contributions - employer	-	2,449,381	(2,449,381)
Contributions - employee	-	2,427,702	(2,427,702)
Net investment income	-	13,280,988	(13,280,988)
Benefit payments, including refunds	(6,448,289)	(6,442,621)	(5,668)
Administrative expense	-	(45,264)	45,264
Net changes	<u>3,884,412</u>	<u>11,670,186</u>	<u>(7,785,774)</u>
Balances at December 31, 2021	<u>\$ 108,990,598</u>	<u>\$ 109,560,385</u>	<u>\$ (569,787)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)			<u>100.52%</u>

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Actuarial assumptions – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2021, and rolled forward to December 31, 2021, using the following actuarial assumptions, applied to all periods in the measurement:

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 PubG-2010 Mortality Table for male and females with generational mortality improvement using MP19.

Changes in Actuarial Assumptions – No changes since prior 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

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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, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100.0%</u>	

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, 2021, the annual money-weighted rate of return on Plan investments, net of investment expense, was 13.56%.

Concentrations – At December 31, 2021, 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 (asset) 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 (asset).

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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the Plan calculated using the discount rates described above, as well as what the Plan’s net pension liabilities (assets) 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%)
\$ 11,893,363	\$ (569,787)	\$ (11,232,930)

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

For the year ended December 31, 2021, the County recognized pension expense of approximately (\$960,000). At December 31, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,336	\$ 615,359
Changes in assumption	2,719,767	-
Net difference between projected and actual earnings on pension plan investments	-	8,461,365
Total	\$ 2,760,103	\$ 9,076,724

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

Year Ending December 31,	
2022	\$ (673,562)
2023	(3,011,268)
2024	(1,620,340)
2025	(1,005,800)
2026	(5,651)
	\$ (6,316,621)

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10. Noncurrent Liabilities

Construction Notes Payable – Direct Borrowing

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. 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
2022	\$ 335,000	\$ 166,478	\$ 501,478
2023	340,000	159,858	499,858
2024	350,000	153,140	503,140
2025	355,000	146,224	501,224
2026	365,000	139,209	504,209
2027-2031	2,015,000	582,821	2,597,821
2032-2036	2,395,000	369,710	2,764,710
2037-2040	2,270,000	114,312	2,384,312
	<u>\$ 8,425,000</u>	<u>\$ 1,831,752</u>	<u>\$ 10,256,752</u>

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. 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

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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
2022	\$ 225,000	\$ 118,563	\$ 343,563
2023	230,000	114,219	344,219
2024	235,000	109,777	344,777
2025	240,000	105,240	345,240
2026	250,000	100,605	350,605
2027-2031	1,360,000	428,006	1,788,006
2032-2036	1,625,000	287,140	1,912,140
2037-2041	1,975,000	117,308	2,092,308
	<u>\$ 6,140,000</u>	<u>\$ 1,380,858</u>	<u>\$ 7,520,858</u>

In the event of a default on the above notes, the entire principal balance shall, at the option of the holder, accelerate and shall be and become immediately due and payable without notice or demand and the County will pay the registered owner's reasonable costs and expenses incurred in collection of the amounts due hereunder.

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Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2021 was as follows:

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
<u>Governmental Activities</u>					
Direct borrowings:					
GON, Series of 2015	\$ 8,750,000	\$ -	\$ (325,000)	\$ 8,425,000	\$ 335,000
GON, Series of 2016	6,360,000	-	(220,000)	6,140,000	225,000
Compensated absences	1,550,544	-	(26,725)	1,523,819	1,523,819
Noncurrent liabilities	<u>\$ 16,660,544</u>	<u>\$ -</u>	<u>\$ (571,725)</u>	<u>\$ 16,088,819</u>	<u>\$ 2,083,819</u>
<u>Business-Type Activities</u>					
Compensated absences	<u>\$ 381,104</u>	<u>\$ -</u>	<u>\$ (62,552)</u>	<u>\$ 318,552</u>	<u>\$ 318,552</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, 2021:

2022	\$ 339,136
2023	161,988
2024	73,641
2025	51,559
2026	44,411
Thereafter	<u>7,850</u>
	<u>\$ 678,585</u>

Total rent payments made during 2021 amounted to approximately \$883,000.

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YEAR ENDED DECEMBER 31, 2021

12. Self-Insurance

The County maintains a self-insurance program for a self-insurance program for health care coverage, which is 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.

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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

	Workers' Compensation Coverage Plan	Health Care Plan	Total
Liability at January 1, 2020	\$ 116	\$ -	\$ 116
Incurred claims and claim adjustments	1,426	8,243,056	8,244,482
Payments on claims and claim adjustment expenses	(1,423)	(8,240,605)	(8,242,028)
Liability at December 31, 2020	119	2,451	2,570
Incurred claims and claim adjustments	358	8,381,514	8,381,872
Payments on claims and claim adjustment expenses	(109,581)	(8,274,861)	(8,384,442)
Liability at December 31, 2021	\$ (109,104)	\$ 109,104	\$ -

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. In March 2021, the contract was amended to include the

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

following objectives: provide a monthly operational review, provide quarterly compliance review, provide financial guidance and support, provide a mock survey, provide support in relationship to managing COVID-19, and provide additional support at the request of the Care Center. The total professional fee for these is \$1,375 per day for Clinical Consultant/Operations Consultant, with an off-site hourly fee increase of \$165.00 per hour, and \$1,250 per day for Financial Consultant/Marketing Consultant, with an off-site hourly increase of \$50.00 per hour. Additionally, travel expenses for on-site services are to be paid to Affinity Health Services, Inc. In November 2021, an additional agreement was entered into for revenue cycle management to assist with preparing, processing, and submitting claims to governmental and third-party payors for services provided. The total professional fee for these services is \$90.00 per hour.

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.

Subsequent to year-end, the County entered into a construction commitment related to capital building additions with an estimated project cost of \$559,000 for windows to be funded through cash flows.

14. Revenue Concentration

Of the County's total governmental revenues, approximately 43% and 47% 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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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

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 2021, real estate tax abatements were as follows:

Abatements	Tax Dollars
LERTA Residential	\$ 5,380
LERTA Commercial	2,919
KOZ/KOEZ	24,098

**REQUIRED SUPPLEMENTARY
INFORMATION**

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -
PENSION PLAN

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

YEAR ENDED DECEMBER 31
LAST TEN YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service cost	\$ 2,646,680	\$ 2,663,015	\$ 3,181,605	\$ 3,012,123	\$ 3,251,143	\$ 3,317,096	\$ 1,017,412	\$ 923,741
Interest	7,833,002	7,531,870	6,935,923	6,613,852	6,213,102	5,943,610	5,620,200	5,245,366
Differences between expected and actual experience	(146,981)	(414,348)	(278,283)	133,759	(808,061)	(1,859,677)	2,275,883	2,268,873
Changes of assumptions	-	4,368,111	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(6,448,289)	(5,599,987)	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
Net Changes in Total Pension Liability	3,884,412	8,548,661	4,225,970	4,913,368	3,194,734	3,260,361	5,241,885	5,036,977
Total Pension Liability - Beginning	105,106,186	96,557,525	92,331,555	87,418,187	84,223,453	80,963,092	75,721,207	70,684,230
Total Pension Liability - Ending (a)	\$ 108,990,598	\$ 105,106,186	\$ 96,557,525	\$ 92,331,555	\$ 87,418,187	\$ 84,223,453	\$ 80,963,092	\$ 75,721,207
Plan Fiduciary Net Position:								
Contributions - employer	\$ 2,449,381	\$ 2,625,980	\$ 2,600,745	\$ 2,601,045	\$ 2,544,392	\$ 2,594,482	\$ 2,422,992	\$ 2,225,894
Contributions - member	2,427,702	2,438,634	2,480,405	2,347,845	2,247,009	2,238,483	2,246,842	2,124,387
Net investment income	13,280,988	12,015,874	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	(6,442,621)	(5,605,654)	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
Administrative expense	(45,264)	(24,688)	(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	11,670,186	11,450,146	14,423,041	(6,167,383)	9,751,797	4,496,614	(462,598)	2,424,440
Plan Fiduciary Net Position - Beginning	97,890,199	86,440,053	72,017,012	78,184,395	68,432,598	63,935,984	64,398,582	61,974,142
Plan Fiduciary Net Position - Ending (b)	\$ 109,560,385	\$ 97,890,199	\$ 86,440,053	\$ 72,017,012	\$ 78,184,395	\$ 68,432,598	\$ 63,935,984	\$ 64,398,582
Net Pension Liability (Asset) - Ending (a-b)	\$ (569,787)	\$ 7,215,987	\$ 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 (Asset)	100.52%	93.13%	89.52%	78.00%	89.44%	81.25%	78.97%	85.05%
Covered Payroll	\$ 25,136,842	\$ 25,263,872	\$ 24,950,434	\$ 24,294,460	\$ 23,698,140	\$ 25,041,954	\$ 23,861,279	\$ 22,188,086
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-2.27%	28.56%	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*

	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of County Contributions:								
Actuarially determined contribution	\$ 2,449,381	\$ 2,625,980	\$ 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	2,449,381	2,625,980	2,600,745	2,601,045	2,544,392	2,594,482	2,422,992	2,225,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,136,842	\$ 25,263,872	\$ 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	9.74%	10.39%	10.42%	10.71%	10.74%	10.36%	10.15%	10.03%
Investment Returns:								
Annual money-weighted rate of return, net of investment expense	13.56%	14.41%	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, 2021

Actuarial Methods and Assumptions Used in Determining the Contribution Rate

Actuarial valuation date	1/1/2021
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years.
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	SOA Pub-2010 for general employees with generational projection using Scale MP-2019.
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 2021.

Change in Actuarial Assumptions

There have been no changes in the actuarial assumptions in 2021.

For the January 1, 2020, valuation, the accumulated deduction valuation method and the asset valuation method were changed. The Pub-2010 for general employees mortality table was adopted.

There were 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, 2021

Assets	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Special Revenue All Other		
Cash and cash equivalents	\$ 756,915	\$ 156	\$ 711,124	\$ 1,014,629	\$ 26,882	\$ 2,509,706
Receivables:						
Accounts receivable, net	20,471	-	17	12,206	-	32,694
Intergovernmental receivable	2,648	53,794	467,883	8,629	-	532,954
Prepaid expenses and other assets	-	-	16,303	55,509	-	71,812
Total Assets	\$ 780,034	\$ 53,950	\$ 1,195,327	\$ 1,090,973	\$ 26,882	\$ 3,147,166
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ 38,708	\$ 49,855	\$ 10,080	\$ 45,290	\$ -	\$ 143,933
Accrued payroll and related liabilities	2,353	-	41,341	-	-	43,694
Intergovernmental payable	-	-	-	193,496	-	193,496
Due to other funds	916	3,939	18,512	10,923	-	34,290
Unearned revenue	-	156	-	218,757	-	218,913
Total Liabilities	41,977	53,950	69,933	468,466	-	634,326
Fund Balance:						
Nonspendable	-	-	16,303	55,509	-	71,812
Restricted:						
Roads and bridges	738,057	-	-	-	-	738,057
Emergency services	-	-	1,109,091	-	-	1,109,091
Hazmat	-	-	-	87,178	-	87,178
Affordable housing	-	-	-	141,745	-	141,745
Records improvement	-	-	-	338,075	-	338,075
Assigned:						
Capital projects	-	-	-	-	26,882	26,882
Total Fund Balance	738,057	-	1,125,394	622,507	26,882	2,512,840
Total Liabilities and Fund Balance	\$ 780,034	\$ 53,950	\$ 1,195,327	\$ 1,090,973	\$ 26,882	\$ 3,147,166

COUNTY OF CRAWFORD, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2021

	Special Revenue Funds				Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Special Revenue All Other		
Revenues:						
Intergovernmental	\$ 467,909	\$ 607,791	\$ 1,879,580	\$ 740,339	\$ -	\$ 3,695,619
Charges for services	-	-	-	186,816	-	186,816
Investment earnings	160	-	430	659	5	1,254
Miscellaneous	34,276	-	55,475	76	-	89,827
Total revenues	502,345	607,791	1,935,485	927,890	5	3,973,516
Expenditures:						
Current:						
General government	-	607,554	-	59,067	-	666,621
Public safety	-	-	1,751,478	59,888	-	1,811,366
Public works	624,016	-	-	-	-	624,016
Human services	-	-	-	782,626	-	782,626
Total expenditures	624,016	607,554	1,751,478	901,581	-	3,884,629
Excess (Deficiency) of Revenues Over Expenditures	(121,671)	237	184,007	26,309	5	88,887
Other Financing Sources (Uses):						
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net Change in Fund Balance	(121,671)	237	184,007	26,309	5	88,887
Fund balance - beginning	859,728	(237)	941,387	596,198	26,877	2,423,953
Fund balance - ending	<u>\$ 738,057</u>	<u>\$ -</u>	<u>\$ 1,125,394</u>	<u>\$ 622,507</u>	<u>\$ 26,882</u>	<u>\$ 2,512,840</u>

CUSTODIAL FUNDS

Custodian funds are custodial in nature and do not involve measurement of results of operations. Custodian 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

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

DECEMBER 31, 2021

	<u>Sheriff's Office</u>	<u>Jail</u>	<u>Prothonotary</u>	<u>Register of Wills</u>	<u>Orphans Court</u>	<u>Clerk of Courts</u>	<u>Tax Claim</u>	<u>Domestic Relation Support</u>	<u>CYS Social Security Collective</u>
Assets									
Cash and cash equivalents	\$ 124,020	\$ 53,036	\$ 79,214	\$ 476	\$ 3,539	\$ 132,413	\$ 1,014,116	\$ 13,202	\$ 3,094
Receivables	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Investments:									
Money markets	-	-	-	-	-	-	-	-	-
Mutual funds - fixed income	-	-	-	-	-	-	-	-	-
Mutual funds - equity	-	-	-	-	-	-	-	-	-
Private equity trust	-	-	-	-	-	-	-	-	-
Global opportunities fund	-	-	-	-	-	-	-	-	-
Hedge fund	-	-	-	-	-	-	-	-	-
Alternative core bond fund	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 124,020</u>	<u>\$ 53,036</u>	<u>\$ 79,214</u>	<u>\$ 476</u>	<u>\$ 3,539</u>	<u>\$ 132,413</u>	<u>\$ 1,014,116</u>	<u>\$ 13,202</u>	<u>\$ 3,094</u>
Liabilities									
Due to other governments	\$ 124,020	\$ 53,036	\$ 49,480	\$ 476	\$ 3,539	\$ 132,413	\$ 1,014,116	\$ 13,202	\$ -
Escrow liability	-	-	29,734	-	-	-	-	-	3,094
Total Liabilities	<u>\$ 124,020</u>	<u>\$ 53,036</u>	<u>\$ 79,214</u>	<u>\$ 476</u>	<u>\$ 3,539</u>	<u>\$ 132,413</u>	<u>\$ 1,014,116</u>	<u>\$ 13,202</u>	<u>\$ 3,094</u>

(Continued)

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

DECEMBER 31, 2021
(Continued)

	Magistrate 30-2-01	Magistrate 30-3-01	Magistrate 30-3-03	Magistrate 30-3-06	Patient Responsibility Trust	Juvenile Probation	State Fund	JPO Graduated Response Fund	Total
Assets									
Cash and cash equivalents	\$ 17,599	\$ 17,013	\$ 8,811	\$ 9,994	\$ 111,503	\$ 31,247	\$ 9,276	\$ 341	\$ 1,628,894
Receivables	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Investments:									
Money markets	-	-	-	-	-	-	-	-	-
Mutual funds - fixed income	-	-	-	-	-	-	-	-	-
Mutual funds - equity	-	-	-	-	-	-	-	-	-
Private equity trust	-	-	-	-	-	-	-	-	-
Global opportunities fund	-	-	-	-	-	-	-	-	-
Hedge fund	-	-	-	-	-	-	-	-	-
Alternative core bond fund	-	-	-	-	-	-	-	-	-
Total Assets	\$ 17,599	\$ 17,013	\$ 8,811	\$ 9,994	\$ 111,503	\$ 31,247	\$ 9,276	\$ 341	\$ 1,628,894
Liabilities									
Due to other governments	\$ 17,599	\$ 17,013	\$ 8,811	\$ 9,994	\$ -	\$ -	\$ 9,276	\$ -	\$ 1,452,975
Escrow liability	-	-	-	-	111,503	31,247	-	341	175,919
Total Liabilities	\$ 17,599	\$ 17,013	\$ 8,811	\$ 9,994	\$ 111,503	\$ 31,247	\$ 9,276	\$ 341	\$ 1,628,894

(Concluded)

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

DECEMBER 31, 2021

	Sheriff's Office	Jail	Prothonotary	Register of Wills	Orphans Court	Clerk of Courts	Tax Claim	Domestic Relation Support	CYS Social Security Collective
Additions:									
Contributions:									
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-	-	-	-
Total contributions	-	-	-	-	-	-	-	-	-
Investment earnings (loss):									
Net increase (decrease) in the fair value of investments	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-
Total investment earnings (loss)	-	-	-	-	-	-	-	-	-
Less investment expense	-	-	-	-	-	-	-	-	-
Net investment earnings (loss)	-	-	-	-	-	-	-	-	-
Collections for Other Individuals and Governments:									
Sheriff's Office	523,367	-	-	-	-	-	-	-	-
Jail	-	365,267	-	-	-	-	-	-	-
Prothonotary	-	-	278,862	-	-	-	-	-	-
Register of Wills	-	-	-	6,863,786	-	-	-	-	-
Orphans Court	-	-	-	-	90,892	-	-	-	-
Clerk of Courts	-	-	-	-	-	1,706,473	-	-	-
Tax Claim	-	-	-	-	-	-	844,153	-	-
Domestic Relation Support	-	-	-	-	-	-	-	143,469	-
CYS Social Security Collective	-	-	-	-	-	-	-	-	24,618
District Courts	-	-	-	-	-	-	-	-	-
Patient Pers Allowance	-	-	-	-	-	-	-	-	-
Juvenile Probation	-	-	-	-	-	-	-	-	-
State Fund	-	-	-	-	-	-	-	-	-
Total Collections for Other Individuals and Governments	523,367	365,267	278,862	6,863,786	90,892	1,706,473	844,153	143,469	24,618
Total additions	523,367	365,267	278,862	6,863,786	90,892	1,706,473	844,153	143,469	24,618
Deductions:									
Administrative expenses	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Payments to other governments	523,367	365,267	278,862	6,863,786	90,892	1,706,473	844,153	-	-
Other custodial disbursements	-	-	-	-	-	-	-	143,469	24,618
Total deductions	523,367	365,267	278,862	6,863,786	90,892	1,706,473	844,153	143,469	24,618
Change in Net Position	-	-	-	-	-	-	-	-	-
Net Position:									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS

DECEMBER 31, 2021
(Continued)

	Magistrate 30-2-01	Magistrate 30-3-01	Magistrate 30-3-03	Magistrate 30-3-06	Patient Responsibility Trust	Juvenile Probation	State Fund	JPO Graduated Response Fund	Total
Additions:									
Contributions:									
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-	-	-	-
Total contributions	-	-	-	-	-	-	-	-	-
Investment earnings (loss):									
Net increase (decrease) in the fair value of investments	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-
Total investment earnings (loss)	-	-	-	-	-	-	-	-	-
Less investment expense	-	-	-	-	-	-	-	-	-
Net investment earnings (loss)	-	-	-	-	-	-	-	-	-
Collections for Other Individuals and Governments:									
Sheriff's Office	-	-	-	-	-	-	-	-	523,367
Jail	-	-	-	-	-	-	-	-	365,267
Prothonotary	-	-	-	-	-	-	-	-	278,862
Register of Wills	-	-	-	-	-	-	-	-	6,863,786
Orphans Court	-	-	-	-	-	-	-	-	90,892
Clerk of Courts	-	-	-	-	-	-	-	-	1,706,473
Tax Claim	-	-	-	-	-	-	-	-	844,153
Domestic Relation Support	-	-	-	-	-	-	-	-	143,469
CYS Social Security Collective	-	-	-	-	-	-	-	-	24,618
District Courts	390,792	463,037	326,811	430,131	-	-	-	-	1,610,771
Patient Pers Allowance	-	-	-	-	525,889	-	-	-	525,889
Juvenile Probation	-	-	-	-	-	6,220	-	-	6,220
State Fund	-	-	-	-	-	-	269,624	-	269,624
Total Collections for Other Individuals and Governments	390,792	463,037	326,811	430,131	525,889	6,220	269,624	-	13,253,391
Total additions	390,792	463,037	326,811	430,131	525,889	6,220	269,624	-	13,253,391
Deductions:									
Administrative expenses	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Payments to other governments	390,792	463,037	326,811	430,131	-	-	-	-	12,283,571
Other custodial disbursements	-	-	-	-	525,889	6,220	269,624	-	969,820
Total deductions	390,792	463,037	326,811	430,131	525,889	6,220	269,624	-	13,253,391
Change in Net Position	-	-	-	-	-	-	-	-	-
Net Position:									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Concluded)

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2021

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Grantor's Number	Federal Assistance Listing 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	\$ 3,857	\$ 17,427	\$ 17,427
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	-	7,000	7,000
Subtotal - Food Distribution Cluster				24,427	24,427
Total U.S. Department of Agriculture				24,427	24,427
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the Pennsylvania Department of Community and Economic Development:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	N/A	14.228	717,081	607,553	-
Total U.S. Department of Housing and Urban Development				607,553	-
<u>U.S. Department of Justice</u>					
Bulletproof Vest Partnership Program	N/A	16.607	2,058	1,863	-
Passed Through the Pennsylvania Commission on Crime and Delinquency:					
Violence Against Women Formula Grants	28830, 34575	16.588	181,875	158,775	98,438
COVID-19 Coronavirus Emergency Supplemental Funding Program	33314	16.034	64,103	30,990	-
Total U.S. Department of Justice				191,628	98,438
<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	-	75,351	-
Highway Planning and Construction - Transportation Alternatives Set-Aside Program	N/A	20.205	-	396,422	-
Subtotal 20.205 Highway Planning and Construction Program/Cluster				471,773	-
Passed Through the Pennsylvania Emergency Management Agency:					
Interagency Hazardous Materials Public Sector Training and Planning Grants	FEMA-DR4030-PA-103	20.703	1,284	825	-
Total U.S. Department of Transportation				472,598	-
<u>U.S. Department of Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	8,219,096	5,029,439	-
Passed Through the Pennsylvania Department of Human Services:					
COVID-19 - Emergency Rental Assistance Program	1904952786	21.023	7,330,123	5,270,867	5,270,867
Total U.S. Department of Treasury				10,300,306	5,270,867
<u>U.S. Department of Education</u>					
Passed Through the Pennsylvania Department of Human Services:					
Special Education - Grants for Infants and Families	H181A150015	84.181	62,070	62,070	62,070
Total U.S. Department of Education				62,070	62,070
<u>U.S. Department of Health and Human Services</u>					
Passed Through the Pennsylvania Department of Human Services:					
Guardianship Assistance - Title IV-E SPLC	N/A	93.090	24,998	26,643	-
Guardianship Assistance - SPLC (ITG)	N/A	93.090	19	34	-
Subtotal 93.090				26,677	-

(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, 2021

(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Grantor's Number	Federal Assistance Listing Number	Receipts	Expenditures	Passed through to Subrecipients
U.S. Department of Health and Human Services (continued)					
Passed Through the Pennsylvania Department of Human Services:					
Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	47,087	39,239	39,239
COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution	N/A	93.498	583,495	967,428	-
Promoting Safe and Stable Families	N/A	93.556	3,553	5,168	-
Temporary Assistance for Needy Families	N/A	93.558	-	257,146	257,146
Temporary Assistance for Needy Families	ME# 9661600620	93.558	-	52,659	52,659
Subtotal 93.558				309,805	309,805
Child Support Enforcement	ME#3321114020	93.563	955,267	911,461	-
Child Support Enforcement	ME#3321114020	93.563	111,105	130,151	-
Subtotal 93.563				1,041,612	-
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	1,747,859	1,192,223	1,192,223
Foster Care - Title IV-E (ITG)	N/A	93.658	19,495	16,032	-
Foster Care - Title IV-E - JPO	N/A	93.658	234	-	-
COVID-19 - Foster Care - Title IV-E	N/A	93.658	34,368	34,368	34,368
Subtotal 93.658				1,242,623	1,226,591
Adoption Assistance	N/A	93.659	672,871	662,866	-
Adoption Assistance - ITG	N/A	93.659	600	887	-
Subtotal 93.659				663,753	-
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 93.667				154,017	154,017
Child Abuse Prevention and Treatment Act (Plans of Safe Care)	N/A	93.669	553	2,202	2,202
Chafee Foster Care Independence Program	ME#102011600	93.674	10,302	55,856	55,856
Chafee Foster Care Independence Program	2101PACILC	93.674	-	107,500	107,500
Subtotal 93.674				163,356	163,356
Medicaid Cluster:					
Medical Assistance Program - Transportation	N/A	93.778	351,895	361,313	361,313
Medical Assistance Program - Children and Youth Services	N/A	93.778	2,144	5,921	-
Medical Assistance Program - Intellectual Disabilities	N/A	93.778	271,458	85,356	-
Medical Assistance Program - Early Intervention	N/A	93.778	67,513	72,822	-
Medical Assistance Program - Mental Health	N/A	93.778	38,232	11,310	-
Medical Assistance Program - Domestic Relations	N/A	93.778	1,047	-	-
Subtotal 93.778 Medicaid Cluster				536,722	361,313
Block Grants for Community Mental Health Services	N/A	93.958	118,081	157,565	147,962
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	N/A	93.104	350,000	285,289	258,370
Passed Through the Pennsylvania Department of Drug and Alcohol Programs:					
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	400,001	400,001	400,001
Substance Abuse Prevention and Treatment Block Grant (Opioid STR)	N/A	93.788	127,602	127,602	127,602
Total U.S. Department of Health and Human Services				6,355,181	3,422,580
U.S. Department of Homeland Security					
Passed Through the Pennsylvania Emergency Management Agency:					
Emergency Management Performance Grants	N/A	97.042	96,569	96,378	-
Homeland Security Grant Program	N/A	97.067	3,780	3,780	-
Total U.S. Department of Homeland Security				100,158	-
Total Expenditures of Federal Awards				\$ 18,113,921	\$ 8,878,382

(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, 2021

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, 2021. 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.

Cash receipts are shown on the Schedule on the cash basis of accounting, as required by the various Commonwealth of Pennsylvania pass-through agencies.

3. Emergency Food Assistance Program

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

4. Pennsylvania Commission on Crime and Delinquency (PCCD)

As of reporting period ending December 31, 2020, the cumulative expenditures for grants 26303-3 and 28830 were \$135,000 and \$180,227, respectively. This had no impact on the major programs or other testing relating to the 2020 audit year.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES EXPENDITURES

YEAR ENDED DECEMBER 31, 2021

Programs	Combined Federal/ State Expenditures
Mental Health Services	\$ 2,707,265
Emergency Rental Assistance Program (ERAP)	5,270,867 *
COVID-19 Prover Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution	967,428 *
Intellectual Disabilities Services	1,846,403
Early Intervention Services	565,434
Children and Youth	8,459,149
Homeless Assistance Program	196,117
Medical Assistance Transportation Program	725,747
Child Support Enforcement	1,041,612 *
HSDf Block Grant	86,542
Total combined state/federal expenditures	\$ 21,866,564

* Denotes inclusion of major programs for DHS purposes.

County of Crawford, Pennsylvania

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended December 31, 2021

**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, 2021, 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 30, 2022. 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.

Report on 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) as a basis for designing 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 that might be

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

material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a material weakness.

Report on 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 financial statements. 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*.

County’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 30, 2022

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

Qualified and Unmodified Opinions

We have audited the County of Crawford, Pennsylvania's (County) compliance with the types of compliance requirements identified as subject to audit in the *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, 2021. 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.

Qualified Opinion on the Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (93.498)

In our opinion, except for the compliance described in the Basis of Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution for the year ended December 31, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2021.

Basis for Qualified and Unmodified Opinions

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); and the *DHS Single Audit Supplement*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and DHS program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution (93.498)

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Reporting as described in Finding 2021-002 for the Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution, ALN 93.498.

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal and DHS programs.

Auditor's Responsibility for Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a

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

high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and the *DHS Single Audit Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and DHS programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and DHS Single Audit Supplement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material

Board of County Commissioners
County of Crawford, Pennsylvania
Independent Auditor's Report on Compliance for Each Major Federal
and DHS Program and on Internal Control over Compliance

weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2021-002 to be a material weakness.

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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs.

The County's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Maher Duessel
Pittsburgh, Pennsylvania
September 30, 2022

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

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 for COVID-19 – Emergency Rental Assistance Program, COVID-19 – Coronavirus State and Local Fiscal Recovery Funds, and Child Support Enforcement. Qualified for Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution.

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>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
93.498	COVID-19 – Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution
93.563	Child Support Enforcement

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

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

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

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

Finding 2021-001 – Internal Control over Financial Reporting and Account Adjustments

Condition: During the audit process, material adjustments were proposed by the auditors in order that the financial statements could be prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjustments were recorded related to the County for approximately \$100,000 to accrue accounts payable, for approximately \$508,000 to correct fund balance, for approximately \$160,000 to correct prepaid expenses, and to correct the ARPA account for unearned revenue of approximately \$3 million, as well as to reallocate expenses to the proper Funds. In addition, adjustments were recorded related to the Crawford County Care Center for approximately \$600,000 to correct unearned revenue, as well as an approximately \$200,000 entry to adjust for depreciation, as well as various additional entries related to accounts receivable and interfund receivables/payables. These adjustments were necessary to properly reflect current year operations and balances as of the year-end.

Management does review and accept the financial statements prior to their final issuance and approves the adjustments to the financial statements.

Criteria: Auditing standards place emphasis on determining an entity's ability to fully prepare their own external financial statements, including the posting of all adjustments necessary to present GAAP financials and evaluating the need for all necessary financial statement disclosures. Reliance on auditors to ensure comprehensive financial reporting is considered to be an internal control deficiency.

Cause: The County did not reconcile some of its balance sheet accounts, including prepaid expenses, accounts receivable, interfund receivable/payables, capital assets, accounts payable, unearned revenues, and fund balance, to the general ledger and posting adjustments, as necessary, for balances to be recorded in accordance with GAAP.

Effect: Material adjustments were required to be recorded in order for the financial statements to be prepared in accordance with GAAP.

Recommendation: We recommend that management evaluate their internal controls over the financial reporting process and ensure that an individual is assigned to reconcile balance sheet accounts on a monthly, quarterly and annual basis. We also recommend that a second individual is assigned to review the reconciliations and ensure that the financial statements are prepared in accordance with GAAP.

Management's Response: Management agrees with this finding. See separate Corrective Action Plan.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2021

III. Findings and questioned costs for federal awards.

Finding 2021-002 – Internal Control and Non-Compliance over Reporting related to the COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution major program

U.S. Department of Health and Human Services Passed Through the Pennsylvania Department of Human Services – ALN 93.498

Condition: During our testing of the Provider Relief Fund (PRF) program, we noted that an adjustment was required to properly state the reports. We noted that the Crawford County Care Center reported the same expenses on both Phase 1 and Phase 2 Reports to Health Resources & Services Administration (HRSA). It was noted that while these amounts are duplicated amongst the reports, the Crawford County Care Center had eligible lost revenue and expenses within the reportable periods to apply to the amount that was duplicated. The Crawford County Care Center was unable to amend previously submitted reports to correct the reports for the required adjustment.

Criteria: In accordance with federal compliance requirements, reporting for the PRF is required to show expenditures or lost revenue on key line items.

Cause: Expense amounts reported were duplicated due to lack of proper review of the cumulative key line items prior to submission

Effect: An error was made in the reporting on the Phase 1 and Phase 2 PRF report. However, we note there was no impact to total funding received or retained by the Crawford County Care Center due to the error, as lost revenue was eligible to be applied to this amount and there were additional allowable expenses that related to this program.

Recommendation: We recommend that management evaluate their internal controls over the reporting process to ensure that the individual responsible for review of reports prior to submission reviews the cumulative impact of the Provider Relief Fund report amounts to ensure amounts are not duplicated.

Management's Response: Management agrees with this finding. See separate Corrective Action Plan.

COUNTY OF CRAWFORD, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2021

Finding 2020-001 – Internal Control over Financial Reporting and Account Adjustments

Statement of Condition: During the audit process, material adjustments were proposed by the auditors in order that the financial statements could be prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). One adjustment was for approximately \$500,000 to remove an uncollectible receivable and the other adjustment was for approximately \$4 million of duplicate expenses and unearned revenues. These adjustments were necessary to properly reflect current year operations and balances as of the year-end.

Management does review and accept the financial statements prior to their final issuance and approves the adjustments to the financial statements.

Current Status: Corrective action is not yet completed.

County of Crawford, Pennsylvania

DHS-Funded Financial Assistance Program Exhibits

**Years Ended June 30, 2021, September 30, 2021,
and December 31, 2021
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, on the financial schedules and exhibits of the County of Crawford (County) required by the Pennsylvania Department of Human Services (DHS) Single Audit Supplement for fiscal years ended June 30, 2021, September 30, 2021, and December 31, 2021. The County's management is responsible for the financial schedules and exhibits.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules for each of the programs listed below, which summarize amounts reported to DHS for fiscal years ended June 30, 2021 and December 31, 2021, 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.

Program Name

Child Support Enforcement
Medical Assistance Transportation
Early Intervention Services
Block Grant Counties

- 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.

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

- c. The processes detailed in paragraphs (a) and (b) above disclosed no adjustments and/or findings.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. 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.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Maier Duessel

Pittsburgh, Pennsylvania
September 30, 2022

COUNTY OF CRAWFORD, PENNSYLVANIA
CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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: 3/31/2021															
1. Salary & Overhead	\$ 357,298	\$ 13,503	\$ 27,148	\$ 316,647	\$ 208,987	\$ 357,298	\$ 13,503	\$ 27,148	\$ 316,647	\$ 208,987	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,877	113	-	2,764	1,824	2,877	113	-	2,764	1,824	-	-	-	-	-
4. Blood Testing Fees	226	-	-	226	149	226	-	-	226	149	-	-	-	-	-
5. Blood Testing Costs	364	-	741	(377)	(249)	364	-	741	(377)	(249)	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 354,559	\$ 13,390	\$ 27,889	\$ 313,280	\$ 206,765	\$ 354,559	\$ 13,390	\$ 27,889	\$ 313,280	\$ 206,765	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 6/30/2021															
1. Salary & Overhead	\$ 384,856	\$ 14,744	\$ 28,055	\$ 342,057	\$ 225,758	\$ 384,856	\$ 14,744	\$ 28,055	\$ 342,057	\$ 225,758	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,936	117	-	2,819	1,861	2,936	117	-	2,819	1,861	-	-	-	-	-
4. Blood Testing Fees	253	-	-	253	167	253	-	-	253	167	-	-	-	-	-
5. Blood Testing Costs	529	-	531	(2)	(1)	529	-	531	(2)	(1)	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 382,196	\$ 14,627	\$ 28,586	\$ 338,983	\$ 223,729	\$ 382,196	\$ 14,627	\$ 28,586	\$ 338,983	\$ 223,729	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 09/30/2021															
1. Salary & Overhead	\$ 354,518	\$ 14,205	\$ 27,675	\$ 312,638	\$ 206,341	\$ 354,518	\$ 14,205	\$ 27,675	\$ 312,638	\$ 206,341	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,375	101	-	2,274	1,501	2,375	101	-	2,274	1,501	-	-	-	-	-
4. Blood Testing Fees	199	-	-	199	131	199	-	-	199	131	-	-	-	-	-
5. Blood Testing Costs	500	-	500	-	-	500	-	500	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 352,444	\$ 14,104	\$ 28,175	\$ 310,165	\$ 204,709	\$ 352,444	\$ 14,104	\$ 28,175	\$ 310,165	\$ 204,709	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 12/31/2021															
1. Salary & Overhead	\$ 467,014	\$ 19,213	\$ 28,623	\$ 419,178	\$ 276,657	\$ 467,014	\$ 19,213	\$ 28,623	\$ 419,178	\$ 276,657	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	1,768	75	-	1,693	1,117	1,768	75	-	1,693	1,117	-	-	-	-	-
4. Blood Testing Fees	351	-	-	351	232	351	-	-	351	232	-	-	-	-	-
5. Blood Testing Costs	605	-	605	-	-	605	-	605	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 465,500	\$ 19,138	\$ 29,228	\$ 417,134	\$ 275,308	\$ 465,500	\$ 19,138	\$ 29,228	\$ 417,134	\$ 275,308	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT PACSES OCSE 157 DATA RELIABILITY VERIFICATION

FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-1 (b)

County: Crawford

Year Ended December 31, 2021

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	5	0
Line #2 IV-D cases open at the end of the fiscal year with support orders established	5	0
Line #5 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock	5	0
Line #6 Children in IV-D cases open, during or at the end of the fiscal year with paternity established or acknowledged	5	0
Line #24 Total amount of current support due for the fiscal year for IV-D cases, excluding emancipated children	5	0
Line #25 Total amount of support disbursed as current support during the fiscal year for IV-D cases, excluding emancipated children	5	0
Line #28 Cases with arrears due during the fiscal year	5	0
Line #29 Cases paying toward arrears during the fiscal year	5	0

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

FOR THE YEAR ENDED DECEMBER 31, 2021

Exhibit A-1 (c)

County Crawford County Year Ended December 31, 2021

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	\$ 358,103	\$ -	<input type="checkbox"/> Separate Bank Account <input checked="" type="checkbox"/> Restricted Fund - General Ledger <input type="checkbox"/> Other: Domestic Relations
March 31	354,079	354,079	
June 30	366,617	366,617	
September 30	362,466	362,466	
December 31	355,705	355,705	

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, 2021

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>\$ 358,103</u>	<u>\$ 358,103</u>	<u>\$ -</u>
Receipts:			
Reimbursements	1,027,986	1,027,986	-
Incentives	111,105	111,105	-
Title XIX incentives	1,047	1,047	-
Program income	1,621	1,621	-
Genetic testing costs	1,143	1,143	-
Maintenance of effort (MOE)	530,798	530,798	-
Other - Recycling of printers	<u>8</u>	<u>8</u>	<u>-</u>
	1,673,708	1,673,708	-
Intrafund Transfers - In	<u>111,105</u>	<u>111,105</u>	<u>-</u>
Funds Available	<u>2,142,916</u>	<u>2,142,916</u>	<u>-</u>
Disbursements:			
Incentive paid costs	113,503	113,503	-
Transfers to General Fund	1,562,603	1,562,603	-
Vendor payments	-	-	-
Bank Charges	-	-	-
Other - refunds/credits	<u>-</u>	<u>-</u>	<u>-</u>
	1,676,106	1,676,106	-
Intrafund Transfers - Out	<u>111,105</u>	<u>111,105</u>	<u>-</u>
Balance, December 31	<u><u>\$ 355,705</u></u>	<u><u>\$ 355,705</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, 2021

Exhibit III

	<u>Reported</u>	<u>Actual</u>
Service Data:		
<hr/>		
Expenditures:		
Group I clients	\$ 653,199	\$ 653,199
Group II clients	-	-
	<hr/>	<hr/>
Total expenditures	<u>\$ 653,199</u>	<u>\$ 653,199</u>
Allocation Data:		
<hr/>		
Revenues:		
Department of Human Services	\$ 653,199	\$ 653,199
Interest income	581	581
	<hr/>	<hr/>
Total revenues	<u>653,780</u>	<u>653,780</u>
Funds expended:		
Operating costs	650,310	650,310
Administrative costs	3,156	3,156
	<hr/>	<hr/>
Excess Revenues over Expenditures	<u>\$ 315</u>	<u>\$ 315</u>

Indirect Cost Rate: 9.98%

COUNTY OF CRAWFORD, PENNSYLVANIA

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

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2021

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	\$ 46,092	\$ 288,111	\$ 334,203	\$ 226,720	\$ 107,483	\$ 43	\$ 107,526
2. Early Intervention Training	10235	-	4,431	4,431	4,431	-	-	-
3. Early Intervention Administration	10235	18,124	55,717	73,841	23,584	50,257	16	50,273
4. Infant & Toddlers w/Disabilities (Part C)	70170	-	62,070	62,070	62,070	-	-	-
5. IT&F Waiver Administration	10235/70184	-	71,939	71,939	68,513	3,426	-	3,426
6. Reserved	00001	-	-	-	-	-	-	-
TOTAL EARLY INTERVENTION SERVICES		\$ 64,216	\$ 482,268	\$ 546,484	\$ 385,318	\$ 161,166	\$ 59	\$ 161,225

COUNTY OF CRAWFORD, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2021

Exhibit V (b) EI

	Admin Office	Early Intervention	Service Coordination	Total
TOTAL ALLOCATION				\$ 546,484
II. TOTAL EXPENDITURES	\$ 176,930	\$ 136,898	\$ 298,447	612,275
III. COSTS OVER ALLOCATION				
A. County Funded Eligible	-	-	-	-
B. County Funded Ineligible	13,700	-	-	13,700
C. Other Eligible	-	-	-	-
D. Other Ineligible	-	-	-	-
Subtotal Costs Over Allocation	13,700	-	-	13,700
IV. REVENUES				
A. Program Service Fees	-	-	-	-
B. Private Insurance	-	-	-	-
C. Medical Assistance	-	-	106,067	106,067
D. Medical Assistance Admin Claims - EI Waiver	5,935	-	-	5,935
E. Medical Assistance Admin Claims - EI Other	62,578	-	-	62,578
F. Earned Interest	-	-	470	470
G. Other	-	-	3,007	3,007
Subtotal Revenues	68,513	-	109,544	178,057
V. DHS REIMBURSEMENT				
A. DHS Categorical Funding 90%	23,584	123,208	170,013	316,805
B. DHS Categorical Funding 100%	68,513	-	-	68,513
Subtotal DHS reimbursement	92,097	123,208	170,013	385,318
VI. 10% County Match	2,620	13,690	18,890	35,200
VII. TOTAL DHS REIMBURSEMENT & COUNTY MATCH	\$ 94,717	\$ 136,898	\$ 188,903	\$ 420,518
VIII. TOTAL CARRYOVER				\$ 161,166

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, 2021

Exhibit VI (a) BG-S

County Match	5.64%
Actual County Match (\$)	\$ 241,285
Actual County Match (%)	5.64%

Block Grant Reporting	Appropriation	Costs Eligible for DHS Participation							Balance of Funds	Adjustments	Total Fund Balance
		DHS Allocation	Mental Health	Intellectual Disabilities	Homeless Assistance	HSS	D&A	Total			
Sources of Funding											
1. State Human Services Block Grant	Multiple	\$ 4,316,269	\$ 2,561,152	\$ 755,910	\$ 193,151	\$ 72,150	\$ 519,011	\$ 4,101,374	\$ 214,895	\$ 9,277	\$ 224,172
2. SSBG	Multiple	78,340	38,065	40,275				78,340	-	-	-
3. SABG	80884										
4. CMHSBG	70167	110,956	110,956					110,956			
5. Medicaid Administration - Federal (HCQU Lead Counties Only)	70175										
Total for Block Grant		\$ 4,505,565	\$ 2,710,173	\$ 796,185	\$ 193,151	\$ 72,150	\$ 519,011	\$ 4,290,670	214,895	\$ 9,277	\$ 224,172

Retained Earnings	
I. Unexpended Allocation	\$ 214,895
II. Maximum Retained Earnings (5%)	215,669
Amount to be returned to DHS	-
IV. Total Requested Retained Earnings	\$ 214,895

Prior Year Retained Earnings	
I. FY 20-21 Retained Earnings	\$ 191,081
II. Total Expended Retained Earnings 5%	176,735
IV. Amount to be Returned to DHS	\$ 14,346

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, 2021

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 - Prevention/Early Intervention/Recovery	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 - First Episode Psychosis	70167	-	-	-	-	-	-	-
6 Federal - CMHSBG - IECMH Endorsement	70167	6,552	2,448	9,000	9,000	-	-	-
7 Federal - CMHSBG - Housing Training Scholarships	70167	6,006	3,994	10,000	8,942	1,058	-	1,058
8 Federal - CMHSBG - Network of Care	70167	-	-	-	-	-	-	-
9 Federal - CMHSBG - TCM On-Line Training	70167	-	-	-	-	-	-	-
10 Federal - 988 Planning Initiative	70651	-	1,000	1,000	-	1,000	-	1,000
11 Federal - PA System of Care Grant	70976	600,169	350,000	950,169	282,989	667,180	5,250	672,430
12 Federal - Project Launch	71021	-	-	-	-	-	-	-
13 Federal - Bio-Terrorism Hospital Preparedness	80343	-	-	-	-	-	-	-
14 Federal - SERG-Tree of Life	82583	-	-	-	-	-	-	-
15 Reserved								
Subtotal Mental Health Services		612,727	404,529	1,017,256	348,018	669,238	5,250	674,488
B. Intellectual Disabilities Services								
1 Reserved								
2 Elwyn	10236	-	-	-	-	-	-	-
3 One Time Pass Through Non-Block Grant	10255	-	-	-	-	-	-	-
4 Reserved								
Subtotal Intellectual Disabilities Services		-	-	-	-	-	-	-
Total for Non-Block Grant Reporting		\$ 612,727	\$ 404,529	\$ 1,017,256	\$ 348,018	\$ 669,238	\$ 5,250	\$ 674,488

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

Year Ended December 31, 2021
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, with respect to the reconciliation schedule of the County of Crawford (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) Single Audit Supplement for the year ended December 31, 2021. The County is responsible for the reconciliation schedule.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

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

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. 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.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Maier Duessel

Pittsburgh, Pennsylvania
September 30, 2022

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, 2021

EXHIBIT XX

ALN Name	ALN Number	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
COVID - Emergency Rental Assistance Program	21.023	\$ 5,270,867	\$ 7,330,123	\$ (2,059,256)	-28%	1
Special Education - Grants for Infants and Families	84.181	62,070	46,552	15,518	33%	1
Guardianship Assistance	93.090	26,677	24,220	2,457	10%	1
Community Mental Health Services for Children with SED	93.104	285,289	-	285,289	N/A	2
Projects for Assistance in Transition from Homelessness (PATH)	93.150	39,239	35,316	3,923	11%	1
Provider Relief Fund	93.498	967,428	-	967,428	N/A	2
Promoting Safe and Stable Families	93.556	5,168	3,553	1,615	45%	1
Temporary Assistance for Needy Families	93.558	309,805	-	309,805	N/A	2
Child Support Enforcement	93.563	1,041,612	955,267	86,345	9%	1
Stephanie Tubbs Jones Child Welfare Services Program	93.645	232,122	174,091	58,031	33%	1
Foster Care - Title IV-E	93.658	1,242,623	1,370,010	(127,387)	-9%	1
Adoption Assistance	93.659	663,753	634,172	29,581	5%	1
Social Services Block Grants	93.667	154,017	115,513	38,504	33%	1
Child Abuse Prevention and Treatment Act (Plans of Safe Care)	93.669	2,202	533	1,669	313%	1
Chafee Foster Care Independence Program	93.674	163,356	10,302	153,054	1486%	1
Medical Assistance Program	93.778	536,722	618,777	(82,055)	-13%	1
Block Grants for Community Mental Health Services	93.958	157,565	87,967	69,598	79%	1

n/a - amounts are in agreement

1. The difference is due to timing based on the audit confirmation reflecting cash payments versus the modified accrual accounting of federal expenditures on the schedule of federal expenditures. Management believes this calculation represents federal expenditures.
2. State confirmation excludes ALN.

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

Year Ended December 31, 2021
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, with respect to the reconciliation schedule of the County of Crawford (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) Single Audit Supplement for the year ended December 31, 2021. The County is responsible for the reconciliation schedule.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting DHS in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. 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
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We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of DHS and the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Mahe Duessel

Pittsburgh, Pennsylvania
September 30, 2022

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, 2021

EXHIBIT XXI

County: Crawford Period Ended: December 31, 2021

A	B	C	D	If Column D is Yes			H	I
Provider Name	Does Provider Contract Include CPSL Requirements	Most Recent Monitoring Date	Monitored During the Current Year (Yes/No)	List Any Exceptions Noted During Current Year Monitoring	If Applicable Was CAP Submitted	Is CAP Acceptable to CCYA	Date Follow-Up Was Done On Prior Year Monitoring	Has Provider Implemented the CAP
A Place for Hope, Healing and Trans.	Yes	3/17/2021	Yes	See below	n/a	n/a	n/a	n/a
Bethesda	Yes		No					
Blended Spirits Ranch	Yes		No					
Center for Family Services	Yes	11/3/2021	Yes	See below	n/a	n/a	n/a	n/a
Children's Aid Society of Mercer	Yes		No					
Community Alternatives	Yes	9/22/2021	Yes	See below	n/a	n/a	n/a	n/a
Crawford Co Drug and Alcohol	Yes	10/21/2020	No					
Family Services of NW PA	Yes	11/18/2019	No	Fiscal monitoring done on June 2021 invoice - no errors				
Jones, Martha (Family Development)	Yes	12/31/2021	Yes	Fiscal monitoring done every month in 2021 - no errors	n/a	n/a	Jan - Dec 2021	Yes
Parkside Psychological Associates	Yes	2/6/2020	No					
Tradewinds Counseling Services	Yes		No					
Vocational & Psychological Svcs	Yes		No					
Youth Advocate Programs	Yes	6/27/2017	No	Monitoring scheduled for 5/9/2022				

A Place for Hope, Healing and Trans. It was recommended that she should develop a Mission Statement and hang it in the office as well as place in the file. It was also recommended that she develop a checklist for the client files as well as tabbed sections to ensure the files contain the necessary documents in a more organized manner.

Center for Family Services: Due to lack of back-up or missing required info on back-up documentation, CYS requested a reimbursement in the amount of \$237.83. It was recommended that they ensure that the encounter/contact forms are filled out properly and signed. The dates and times should be legible and easy to understand. Pd. \$237.83 ck# 1623; All back-up encounter/contact sheets requested for January, February and March invoices as follow-up for monitoring.

Community Alternatives: Due to lack of back-up or missing required info on back-up documentation, CYS requested a reimbursement in the amount of \$250.96. Underbilling was also discovered. CYS requested Community Alternatives to send an invoice for the services that were not billed in the amount of \$188.48. It was recommended that they implement an LEP Policy (Limited English Proficiency); develop a purchasing policy with an approval process; have staff take CPR and First Aid training as soon as it is available and send certificates to CYS when received (in person trainings are behind due to COVID); one staff member's driver's license in file was expired- we requested an updated copy in file and to be sent to CYS. Ensure that all encounter/contact forms are filled out properly and signed. The back-up documentation should be readily available upon request by CYS at all times. Pd. \$250.96 Ck # 14848

NOTE: CAPs are discussed during the exit conference with the provider. It is usually more of a verbal discussion rather than a formal letter.
Fiscal monitor: a "spot check" where all back-up is requested for an invoice to check accuracy of billing (contact sheets, encounter forms, etc).

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2021

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