

County of Crawford, Pennsylvania

Single Audit

December 31, 2013

MaherDuessel
Certified Public Accountants

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COUNTY OF CRAWFORD, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2013

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Independent Auditor's Report

Board of County Commissioners
County of Crawford, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Crawford, Pennsylvania (County), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements referred to above do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the County as of December 31, 2013 or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the County as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension information on pages i through xiv and 39 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of

additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Similarly, the accompanying schedule of DPW expenditures is presented for purposes of additional analysis as required by the Commonwealth of Pennsylvania Department of Public Welfare and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the DPW expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the DPW expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
August 15, 2014

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, 2013. 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 - 38).

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities by \$60.3 million at December 31, 2013.
- As of December 31, 2013, unrestricted net position was \$38.2 million or 63% of total expenses.
- The total fund balance of the General Fund at December 31, 2013 was \$28.1 million or 98% of the total fund balance.
- The County's real property tax rate was 18.85 mills for 2013 and 2012.

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 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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 38 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding and its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 39 to 41 of this report.

The combining and individual fund statements are presented as additional information immediately following the required pension supplementary information on pages 42 to 43 of this report.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County presents its financial statements using the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" 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, 2013 and 2012 is presented below:

**County of Crawford, Pennsylvania
Summary Statements of Net Position
December 31, 2013 and 2012**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 39,424,025	\$ 41,406,726	\$ 7,061,890	\$ 6,143,031	\$ 46,485,915	\$ 47,549,757
Capital assets	<u>22,021,263</u>	<u>22,878,654</u>	<u>1,194,466</u>	<u>1,255,768</u>	<u>23,215,729</u>	<u>24,134,422</u>
Total Assets	<u>61,445,288</u>	<u>64,285,380</u>	<u>8,256,356</u>	<u>7,398,799</u>	<u>69,701,644</u>	<u>71,684,179</u>
Liabilities						
Current and other liabilities	4,222,715	5,884,314	774,902	1,384,191	4,997,617	7,268,505
Non-current liabilities	<u>4,074,137</u>	<u>3,263,577</u>	<u>303,278</u>	<u>-</u>	<u>4,377,415</u>	<u>3,263,577</u>
Total Liabilities	<u>8,296,852</u>	<u>9,147,891</u>	<u>1,078,180</u>	<u>1,384,191</u>	<u>9,375,032</u>	<u>10,532,082</u>
Net Position						
Net investment in capital assets	19,130,367	19,126,044	1,194,466	866,213	20,324,833	19,992,257
Restricted	1,825,460	1,784,987	-	-	1,825,460	1,784,987
Unrestricted	<u>32,192,609</u>	<u>34,226,458</u>	<u>5,983,710</u>	<u>5,148,395</u>	<u>38,176,319</u>	<u>39,374,853</u>
Total Net Position	<u>\$ 53,148,436</u>	<u>\$ 55,137,489</u>	<u>\$ 7,178,176</u>	<u>\$ 6,014,608</u>	<u>\$ 60,326,612</u>	<u>\$ 61,152,097</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$60.3 million at December 31, 2013, a decrease from December 31, 2012 of approximately \$0.8 million. The decrease is mainly attributable to the purchase of capital assets and payments of long-term debt.

Of the net position, \$1.8 million is restricted for various purposes; \$38.2 million is unrestricted and available to support operations or provide for the payment of long-term debt at the government-wide level; and \$20.3 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, 2013 and 2012:

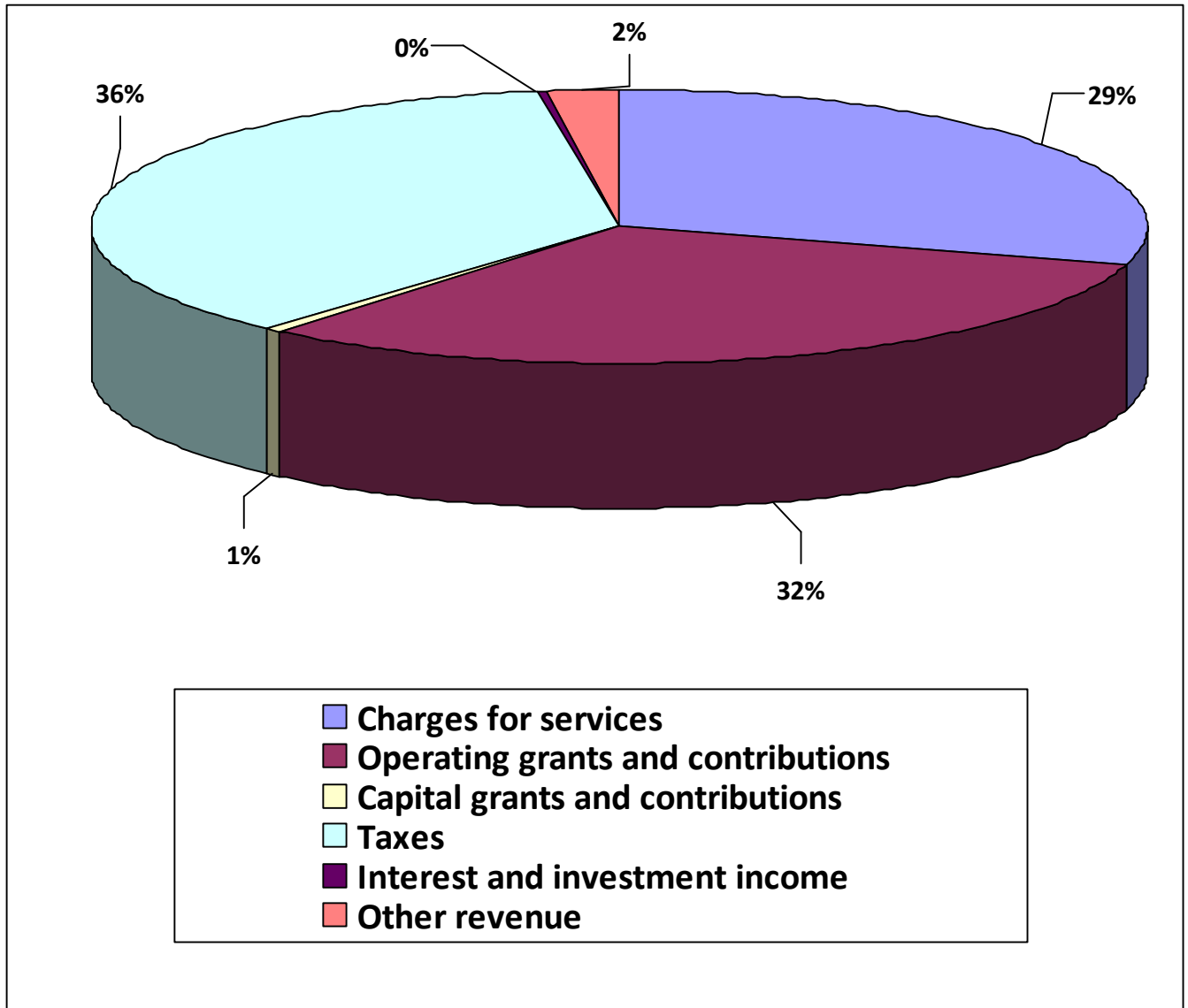
County of Crawford, Pennsylvania						
Change in Net Position						
Year Ended December 31, 2013						
(With Comparative Totals for the Year Ended December 31, 2012)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,400,634	\$ 6,725,595	\$ 13,053,884	\$ 12,005,898	\$ 18,454,518	\$ 18,731,493
Operating grants and contributions	19,740,873	20,985,568	-	-	19,740,873	20,985,568
Capital grants and contributions	439,834	330,502	-	-	439,834	330,502
General revenues:						
Taxes	22,458,536	22,913,664	-	-	22,458,536	22,913,664
Interest and investment income	97,087	57,692	1,193	1,757	98,280	59,449
Other	1,433,964	740,307	-	-	1,433,964	740,307
Total revenues	<u>49,570,928</u>	<u>51,753,328</u>	<u>13,055,077</u>	<u>12,007,655</u>	<u>\$ 62,626,005</u>	<u>\$ 63,760,983</u>
Program expenses:						
General government	14,023,287	14,368,799	-	-	14,023,287	14,368,799
Public safety	10,612,594	11,757,647	-	-	10,612,594	11,757,647
Public works	724,772	859,857	-	-	724,772	859,857
Human services	17,214,874	20,382,432	11,880,474	12,623,553	29,095,348	33,005,985
Culture and recreation	531,620	579,490	-	-	531,620	579,490
Conservation and development	280,751	336,347	-	-	280,751	336,347
Insurance claims and related expenses	6,352,441	-	-	-	6,352,441	-
Interest	144,253	160,876	11,035	37,068	155,288	197,944
Total program expenses	<u>49,884,592</u>	<u>48,445,448</u>	<u>11,891,509</u>	<u>12,660,621</u>	<u>61,776,101</u>	<u>61,106,069</u>
Special item - impairment loss	(1,675,389)	-	-	-	(1,675,389)	-
Change in Net Position	(1,989,053)	3,307,880	1,163,568	(652,966)	(825,485)	2,654,914
Net position - beginning	<u>55,137,489</u>	<u>51,829,609</u>	<u>6,014,608</u>	<u>6,667,574</u>	<u>61,152,097</u>	<u>58,497,183</u>
Net position - ending	<u>\$ 53,148,436</u>	<u>\$ 55,137,489</u>	<u>\$ 7,178,176</u>	<u>\$ 6,014,608</u>	<u>\$ 60,326,612</u>	<u>\$ 61,152,097</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, 2013:

**County of Crawford, Pennsylvania
Government-Wide Sources of Revenues
Total Revenues \$62,626,005**



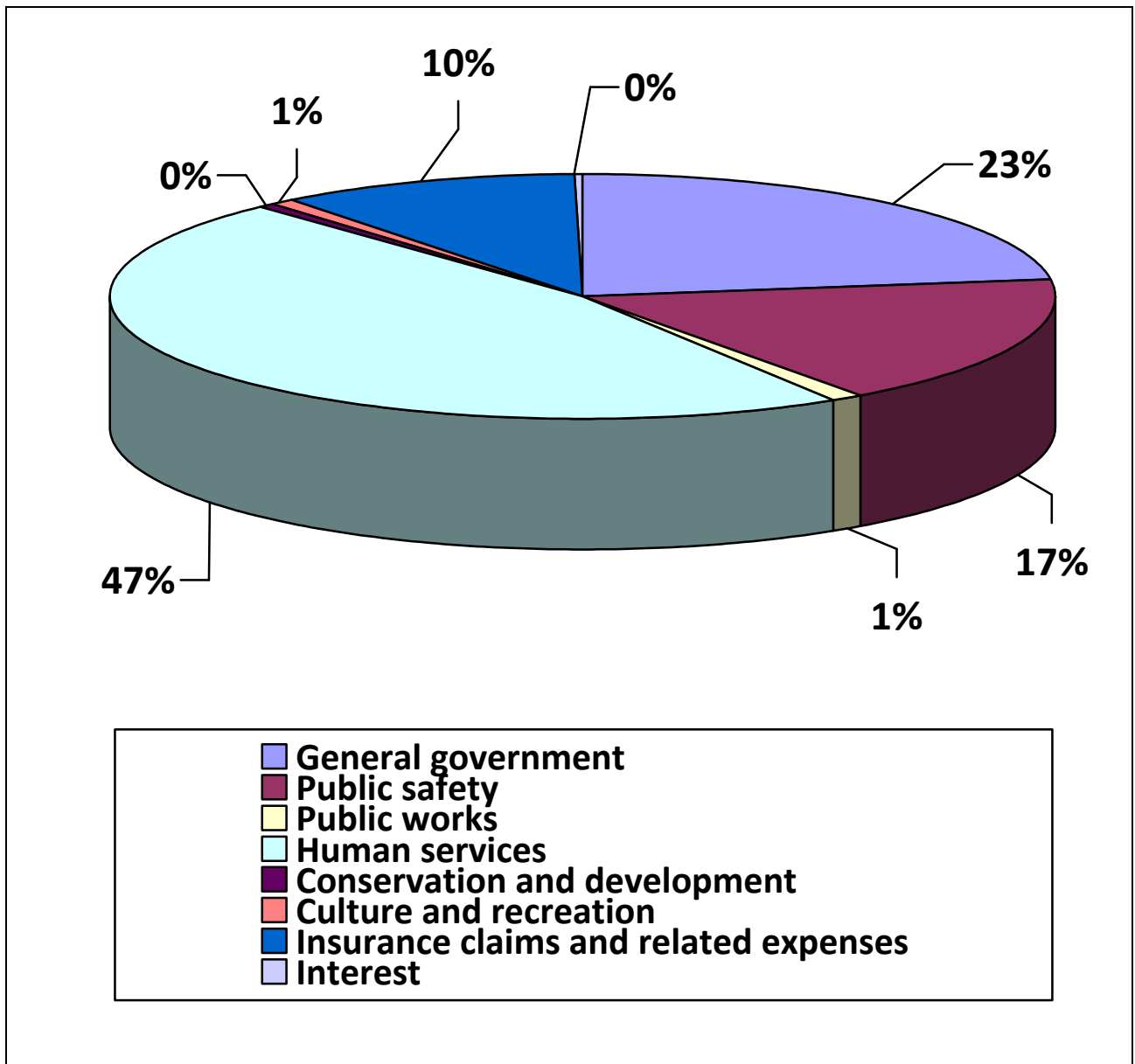
The government-wide revenues of \$62.6 million were derived primarily from taxes, which make up 36% of total revenues. The second largest source of revenue for the County was program-based operating grants and contributions, representing 32% of the total revenues. The third largest source of revenue was charges for services, which is 29% of the 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, 2013:

**County of Crawford, Pennsylvania
Government-Wide Program Expenses
Total Expenses \$61,776,101**



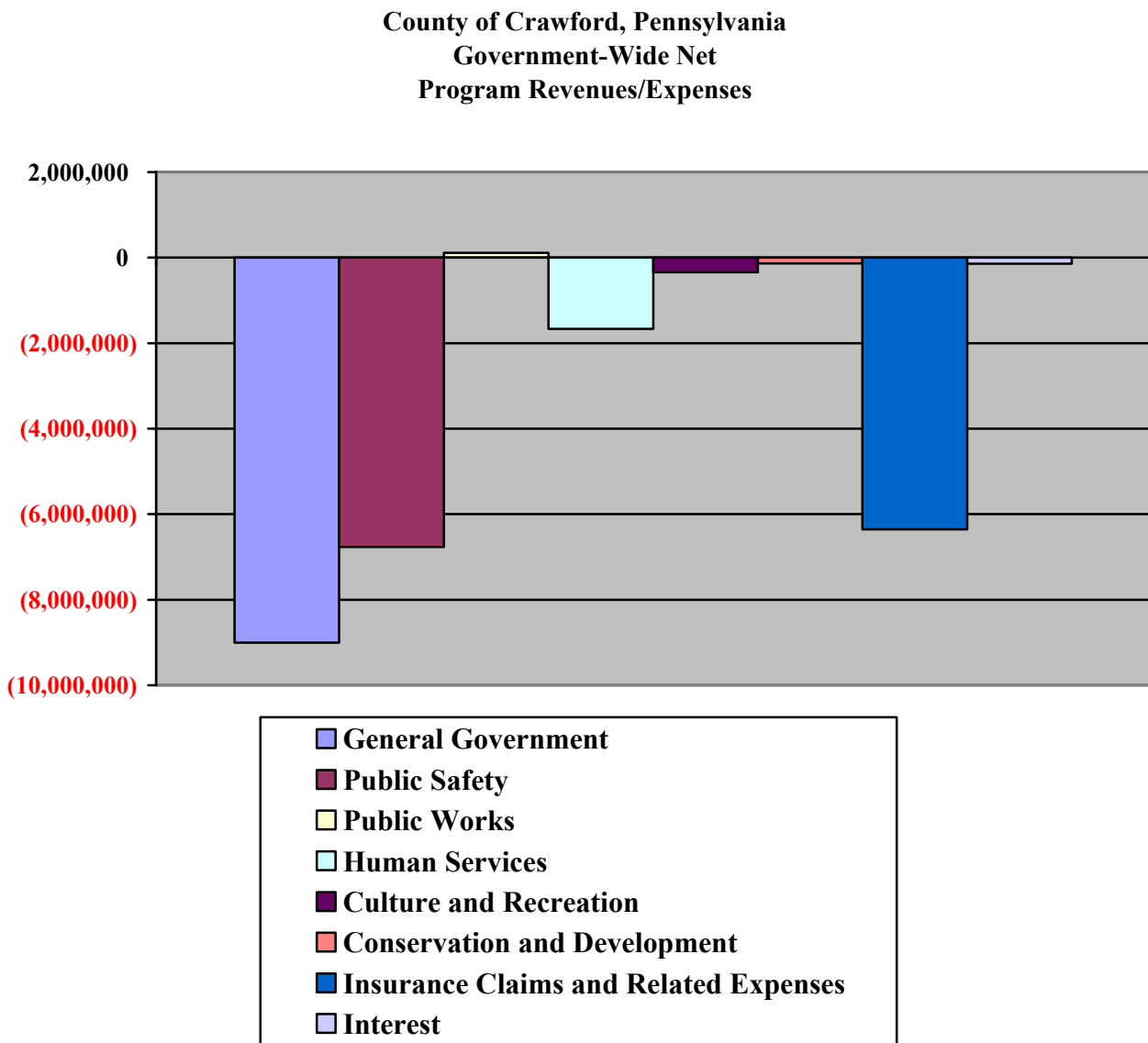
The largest area of expenses was Human Services which totaled \$29.1 million or 47% of all expenses. Human Services provides a vast array of social services programs including Children and Youth, Mental Health, Intellectual Disabilities, and Early Intervention Services. Human Service Expenses also include the operation of the Crawford County Care Center, a county operated nursing home. Following Human Services totaling \$14.0 million, General Government

MANAGEMENT'S DISCUSSION AND ANALYSIS

represented 23% of all expenses, followed by Public Safety with \$10.6 million in expenses representing 17% of expenses, and Insurance Claims and Related Expenses at \$6.4 million or 10% of the total. The next largest area of expense was Public Works at \$0.7 million or 1% of the total, followed by Culture and Recreation, with \$0.5 million in expenses or 1%, Conservation and Development at \$0.3 million or 1%, and interest payments on long-term debt at \$0.2 million or .25%.

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, 2013.



General government required the most general revenues for support needing \$9 million during 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

The County also reports total nonmajor governmental funds, which include several nonmajor funds. The largest of these include: Liquid Fuels, 911, 911 Wireless, CDBG, and Capital Projects. The combining statements of the nonmajor governmental funds can be found on pages 42 through 43.

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, 2013 and 2012:

MANAGEMENT'S DISCUSSION AND ANALYSIS

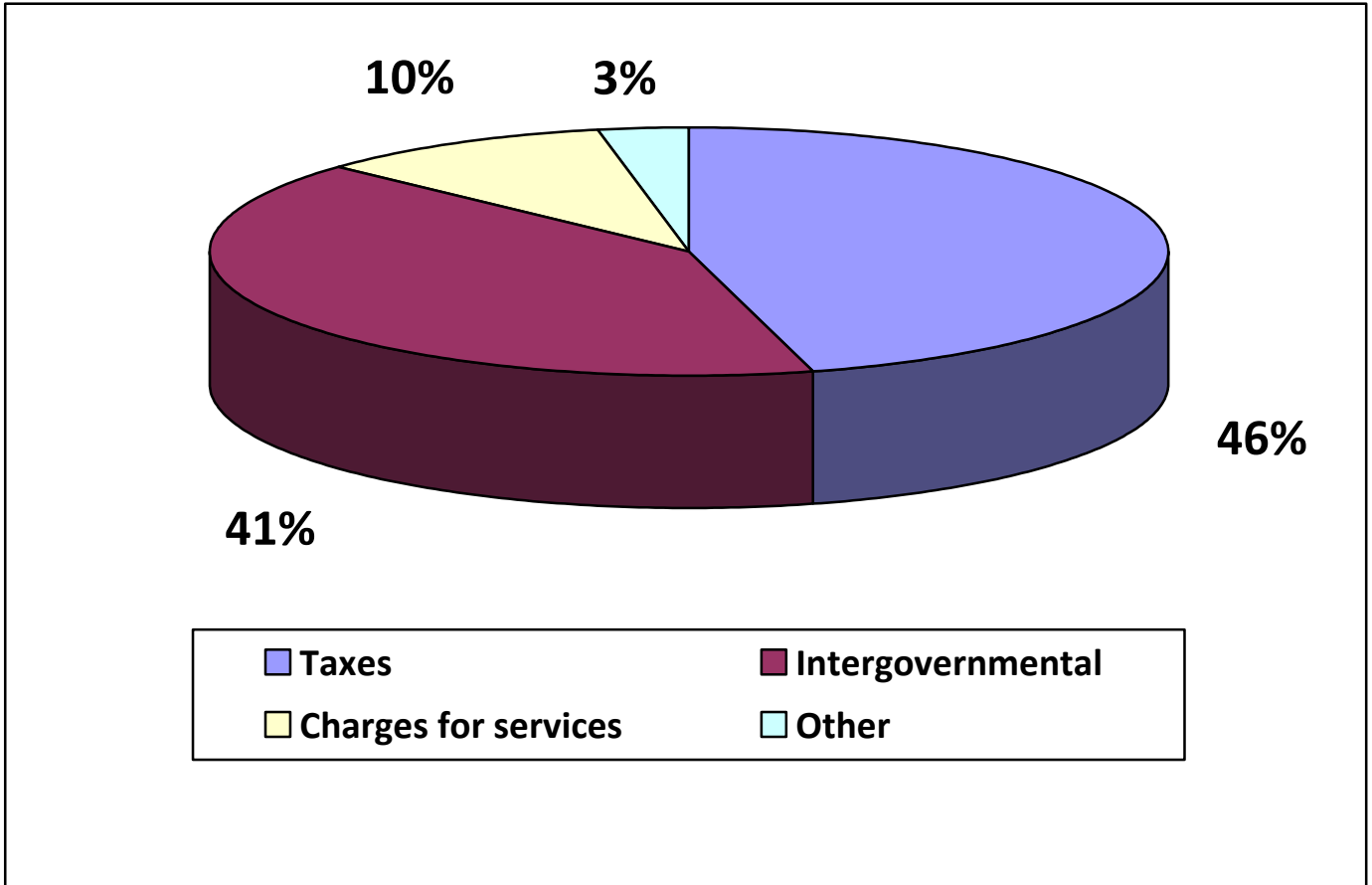
County of Crawford, Pennsylvania Statements of Revenues, Expenditures, and Changes in Fund Balances Years Ended December 31, 2013 and 2012

	Governmental Funds	
	2013	2012
Revenues:		
Taxes	\$ 22,837,587	\$ 22,856,259
Intergovernmental	20,180,707	21,316,070
Charges for services	5,036,910	6,343,156
Fine and forfeitures	246,818	290,961
Investment earnings	81,163	43,149
Rental income	-	17,562
Payment in lieu of taxes	142,317	153,213
Miscellaneous	707,089	584,310
Total revenues	<u>49,232,591</u>	<u>51,604,680</u>
Expenditures:		
General government	16,265,716	15,074,230
Public safety	11,619,580	11,638,797
Public works	886,042	1,760,499
Human services	18,382,660	20,404,019
Culture and recreation	446,841	466,154
Conservation and recreation	338,040	330,537
Debt service	1,494,341	1,009,322
Total expenditures	<u>49,433,220</u>	<u>50,683,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(200,629)</u>	<u>921,122</u>
Other Financing Sources (Uses):		
Transfers in	1,739,617	1,696,750
Transfers out	(1,739,617)	(1,718,591)
Total other financing sources (uses)	<u>-</u>	<u>(21,841)</u>
Net Change in Fund Balance	<u>(200,629)</u>	<u>899,281</u>
Fund balance, beginning	<u>28,788,835</u>	<u>27,889,554</u>
Fund balance, ending	<u>\$ 28,588,206</u>	<u>\$ 28,788,835</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds revenues, by source, for the year ended December 31, 2013 were:

**County of Crawford, Pennsylvania
Governmental Fund
Revenues Classified by Source
Total Revenues \$49,232,591**

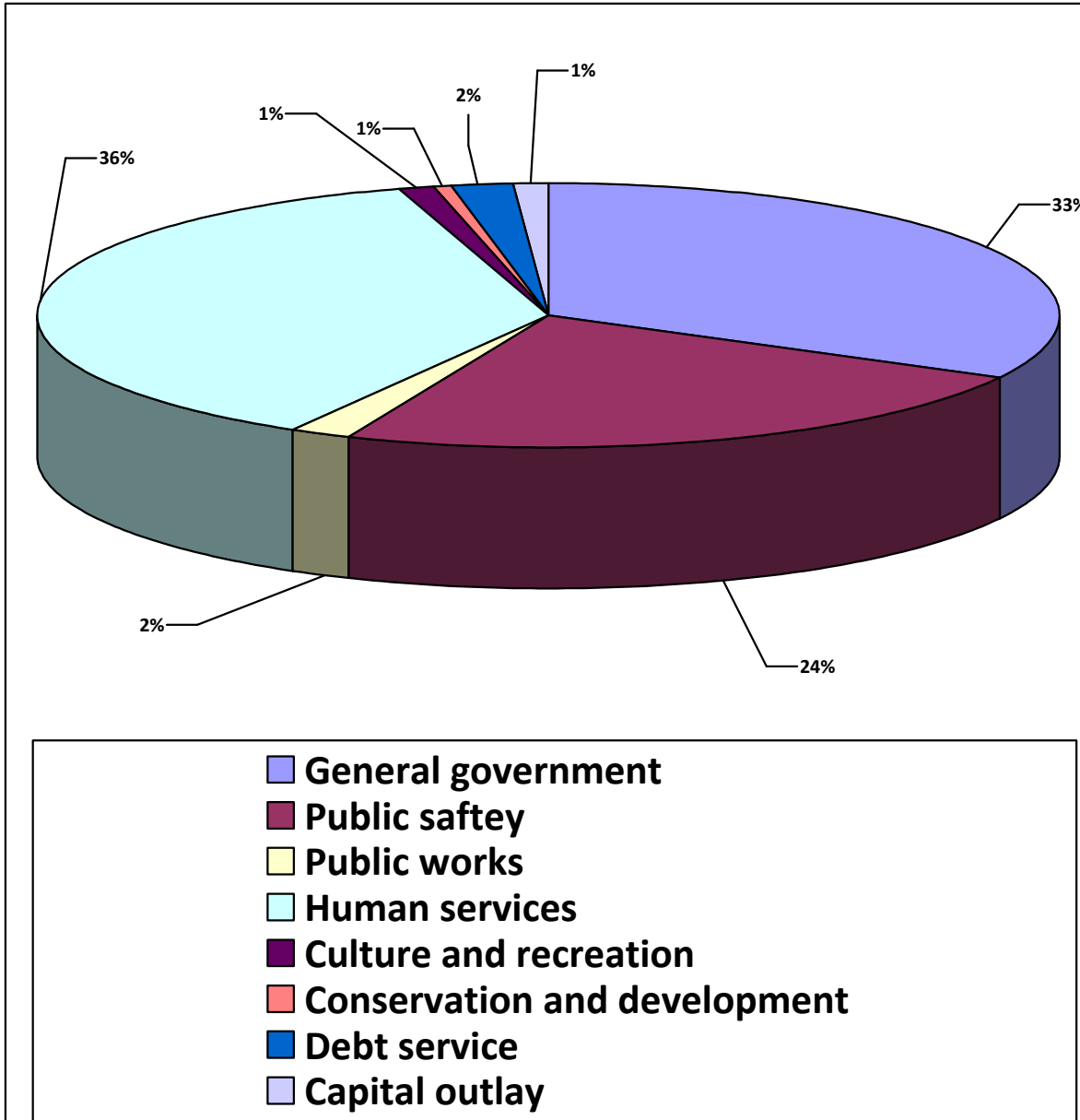


Governmental funds revenues totaled \$49.2 million for the year ended December 31, 2013, of which \$22.8 million (46%) came from Taxes. Intergovernmental (Federal and State) revenues accounted for \$20.2 million (41%) in revenue. Charges for services reached \$5.0 million (10%) in revenue. Other revenues including fines and forfeitures, investment earnings, rental income, payment in lieu of taxes, and miscellaneous revenues in total comprise approximately 3% of total revenues.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds expenditures, by function, for the year ended December 31, 2013 were:

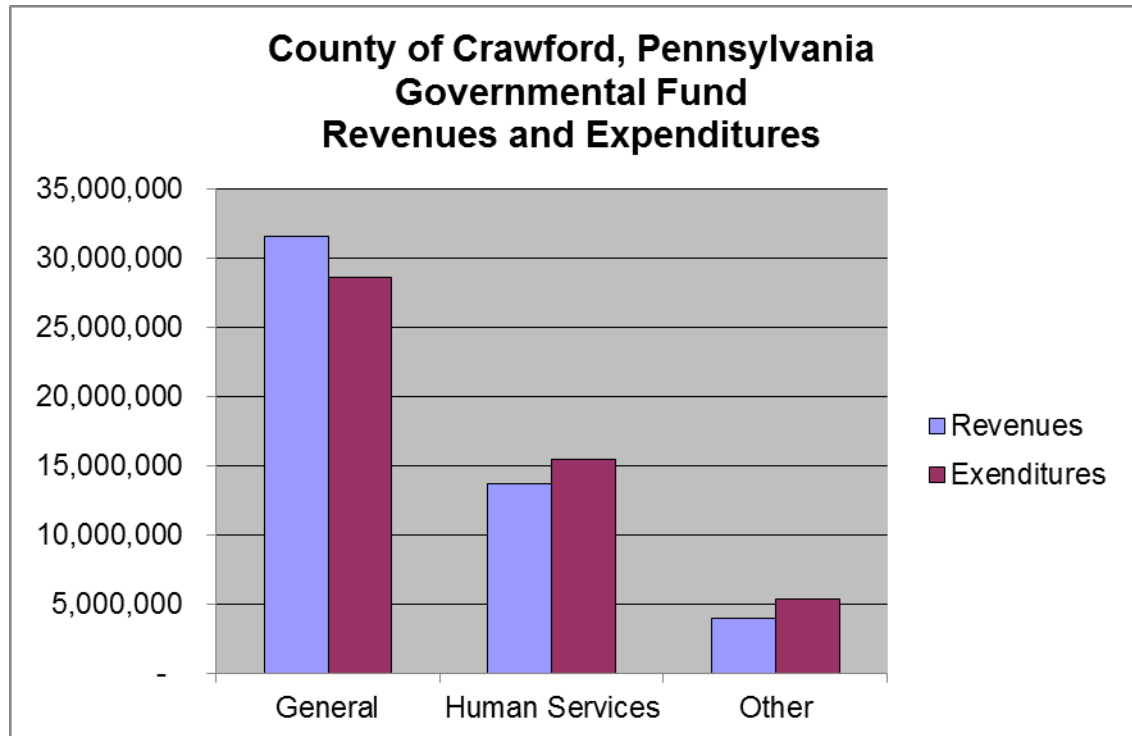
**County of Crawford, Pennsylvania
Governmental Funds
Expenditures Classified by Function
Total Expenditures \$ 49,433,220**



Governmental funds expenditures totaled \$49.4 million for the year ended December 31, 2013, of which \$18.4 million (36%) were human services expenditures. General government and public safety expenditures were \$16.3 million (33%) and \$11.6 million (24%), respectively.

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, 2013:



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, 2013 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 \$1.0 million.

The County had a variance between the final budget and actual revenue of approximately (\$4,980,072). The largest contributors to the variance was the deficiency of tax revenue versus the budget, as the County budget includes the collection of the school, city, township, and borough taxes, which are transferred to an Agency fund at year-end. In addition, there was a surplus of intergovernmental revenues and charges for services over the budgeted amount due to non-budgeting for several pass-through grants, increased CYS Title IV-E funding, increased Domestic Relations Title IV-D funding, and receipt of the Act 13 Unconventional Wells grant.

The County had a favorable variance between the final budget and actual expenditures of approximately \$5,697,176. The majority of this variance occurred in the General Government function, which shows approximately \$4.7 million in favorable variance. The variance is primarily due to the County budgeting for school, city, township, and borough taxes collected and remitted; however, similar to the tax revenues noted above, such activity is transferred to an Agency fund at year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS

The County's total investment in capital assets including infrastructure as of December 31, 2013 amounts to \$23,215,729, net of accumulated depreciation. This investment includes land and land improvements, buildings, equipment, vehicles, and infrastructure. There was an increase in capital assets during the year due to the purchase of county vehicles, IT equipment, bridge maintenance, security equipment, video upgrades, and Tower construction.

LONG-TERM DEBT

As of December 31, 2013, the County has \$4,377,415 of long-term debt, including compensated absences, of which \$1,785,745 is payable in 2014.

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, 2013

Assets	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 30,130,918	\$ 4,575,598	\$ 34,706,516
Receivables:			
Accounts receivable, net	858,763	2,348,160	3,206,923
Taxes receivable, net	3,759,950	-	3,759,950
Intergovernmental receivable	3,972,819	-	3,972,819
Internal balances	(53,143)	53,143	-
Prepaid expenses and other assets	754,718	84,989	839,707
Capital assets, not being depreciated/amortized	637,636	-	637,636
Capital assets, net of accumulated depreciation/amortization	21,383,627	1,194,466	22,578,093
Total Assets	61,445,288	8,256,356	69,701,644
Liabilities			
Accounts payable	2,220,782	443,004	2,663,786
Accrued payroll and related liabilities	711,628	331,898	1,043,526
Accrued interest payable	33,948	-	33,948
Intergovernmental payable	3,897	-	3,897
Unearned revenue	895,766	-	895,766
Net pension obligation	356,694	-	356,694
Noncurrent liabilities:			
Due within one year	1,482,467	303,278	1,785,745
Due in more than one year	2,591,670	-	2,591,670
Total Liabilities	8,296,852	1,078,180	9,375,032
Net Position			
Net investment in capital assets	19,130,367	1,194,466	20,324,833
Restricted for:			
Adoption counseling	15,134	-	15,134
Offender supervision	297,394	-	297,394
Operating reserve	104,746	-	104,746
Substance abuse education	6,343	-	6,343
District attorney	39,703	-	39,703
Roads and bridges	670,381	-	670,381
Emergency services	413,849	-	413,849
Other special revenue fund services	277,910	-	277,910
Unrestricted	32,192,609	5,983,710	38,176,319
Total Net Position	\$ 53,148,436	\$ 7,178,176	\$ 60,326,612

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013

<u>Functions/Programs</u>	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	\$ 14,023,287	\$ 2,929,812	\$ 2,090,930	\$ -	\$ (9,002,545)	\$ -	\$ (9,002,545)
Public safety	10,612,594	1,259,664	2,582,912	-	(6,770,018)	-	(6,770,018)
Public works	724,772	379,341	26,117	430,896	111,582	-	111,582
Human services	17,214,874	653,267	14,895,696	-	(1,665,911)	-	(1,665,911)
Culture and recreation	531,620	132,309	50,000	7,438	(341,873)	-	(341,873)
Conservation and development	280,751	46,241	95,218	1,500	(137,792)	-	(137,792)
Unallocated insurance claims and related expenses	6,352,441	-	-	-	(6,352,441)	-	(6,352,441)
Interest	144,253	-	-	-	(144,253)	-	(144,253)
Total governmental activities	49,884,592	5,400,634	19,740,873	439,834	(24,303,251)	-	(24,303,251)
Business-type activities:							
Human services	11,880,474	13,053,884	-	-	-	1,173,410	1,173,410
Interest	11,035	-	-	-	-	(11,035)	(11,035)
Total business-type activities	11,891,509	13,053,884	-	-	-	1,162,375	1,162,375
Total primary government	\$ 61,776,101	\$ 18,454,518	\$ 19,740,873	\$ 439,834	(24,303,251)	1,162,375	(23,140,876)
General revenues:							
Taxes:							
Property taxes					21,994,188	-	21,994,188
Per capita taxes					210,069	-	210,069
Hotel taxes					254,279	-	254,279
Payments in lieu of taxes					142,317	-	142,317
Unrestricted investment earnings					97,087	1,193	98,280
Miscellaneous					1,291,647	-	1,291,647
Special item - impairment loss					(1,675,389)	-	(1,675,389)
Total general revenues and special item					22,314,198	1,193	22,315,391
Change in Net Position					(1,989,053)	1,163,568	(825,485)
Net position - beginning					55,137,489	6,014,608	61,152,097
Net position - ending					\$ 53,148,436	\$ 7,178,176	\$ 60,326,612

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2013

	General Fund	Human Services Fund	Total Nonmajor Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 25,702,990	\$ -	\$ 4,009,803	\$ 29,712,793
Receivables:				
Accounts receivable, net	178,340	170,980	140,477	489,797
Taxes receivable, net	3,759,950	-	-	3,759,950
Intergovernmental receivable	918,407	2,966,859	87,553	3,972,819
Due from other funds	2,199,442	1,708,470	-	3,907,912
Prepaid expenses and other assets	766,488	111,609	6,000	884,097
Total Assets	\$ 33,525,617	\$ 4,957,918	\$ 4,243,833	\$ 42,727,368
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$ 377,268	\$ 777,949	\$ 120,008	\$ 1,275,225
Cash advance from General Fund	-	5,362,907	-	5,362,907
Accrued payroll and related liabilities	511,985	192,521	7,122	711,628
Intergovernmental payable	114	-	3,783	3,897
Due to other funds	1,708,470	567,225	744,062	3,019,757
Unearned revenue	-	672,098	223,668	895,766
Total Liabilities	2,597,837	7,572,700	1,098,643	11,269,180
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	2,869,982	-	-	2,869,982
Fund Balance (Deficit):				
Nonspendable - prepaid items	413,282	-	-	413,282
Restricted:				
Adoption counseling	15,134	-	-	15,134
Offender supervision	297,394	-	-	297,394
Operating Reserve	104,746	-	-	104,746
Substance abuse education	6,343	-	-	6,343
District attorney	39,703	-	-	39,703
Roads and bridges	-	-	670,381	670,381
Emergency services	-	-	413,849	413,849
Other special revenue	-	-	277,910	277,910
Committed:				
Operating Reserve	185,718	-	-	185,718
District attorney	1,189	-	-	1,189
Warden	4,435	-	-	4,435
Woodcock Park	4,287	-	-	4,287
Debt service	862,673	-	-	862,673
Assigned:				
Capital projects	-	-	1,783,050	1,783,050
Unassigned	26,122,894	(2,614,782)	-	23,508,112
Total Fund Balance (Deficit)	28,057,798	(2,614,782)	3,145,190	28,588,206
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 33,525,617	\$ 4,957,918	\$ 4,243,833	\$ 42,727,368

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, 2013

Total Fund Balance - Governmental Funds			\$ 28,588,206
Amounts reported for governmental activities in the statement of net position (page 1) are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			22,021,263
Property taxes receivable will be collected next year and are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			2,869,982
Internal service funds are used by management to charge the costs of general liability, workers' compensation, and health care to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			4,133,764
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:			
Bonds payable	\$ (2,300,000)		
Notes payable	(590,896)		
Accrued interest on bonds	(33,948)		
Compensated absences	<u>(1,183,241)</u>	(4,108,085)	
Net pension obligation is reflected on the statement of financial position, but is not considered a use of available resources for the fund statements.			<u>(356,694)</u>
Net Position of Governmental Activities			<u><u>\$ 53,148,436</u></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, 2013

	General Fund	Human Services Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 22,837,587	\$ -	\$ -	\$ 22,837,587
Intergovernmental	4,509,105	12,889,925	2,781,677	20,180,707
Charges for services	3,229,298	677,276	1,130,336	5,036,910
Fines and forfeitures	246,818	-	-	246,818
Investment earnings	64,132	-	17,031	81,163
Payment in lieu of taxes	142,317	-	-	142,317
Miscellaneous	560,228	102,694	44,167	707,089
Total revenues	31,589,485	13,669,895	3,973,211	49,232,591
Expenditures:				
Current:				
General government	14,047,645	-	2,218,071	16,265,716
Public safety	9,329,198	824,055	1,466,327	11,619,580
Public works	286,117	-	599,925	886,042
Human services	2,721,487	14,642,134	1,019,039	18,382,660
Culture and recreation	446,841	-	-	446,841
Conservation and development	338,040	-	-	338,040
Debt service:				
Principal	815,000	-	46,714	861,714
Interest	116,406	-	32,382	148,788
Capital outlay	483,839	-	-	483,839
Total expenditures	28,584,573	15,466,189	5,382,458	49,433,220
Excess (Deficiency) of Revenues Over Expenditures	3,004,912	(1,796,294)	(1,409,247)	(200,629)
Other Financing Sources (Uses):				
Transfers in	11,401	1,728,216	-	1,739,617
Transfers out	(1,722,163)	-	(17,454)	(1,739,617)
Total other financing sources (uses)	(1,710,762)	1,728,216	(17,454)	-
Net Change in Fund Balance	1,294,150	(68,078)	(1,426,701)	(200,629)
Fund balance (deficit) - beginning	26,763,648	(2,546,704)	4,571,891	28,788,835
Fund balance (deficit) - ending	\$ 28,057,798	\$ (2,614,782)	\$ 3,145,190	\$ 28,588,206

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, 2013

Net Change in Fund Balance - Total Governmental Funds \$ (200,629)

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 capital outlays exceeded depreciation expense in the current period. 817,998

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (379,051)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and 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. 861,714

Internal service funds are used by management to charge the costs of general liability, workers' compensation, and health care insurance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. (1,358,515)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,730,570)

Change in Net Position of Governmental Activities \$ (1,989,053)

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, 2013

	Budgeted Amounts		Actual amounts (Budgetary Basis) (See Note 2)	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,792,200	\$ 26,792,200	\$ 23,224,854	\$ (3,567,346)
Intergovernmental	5,980,179	5,980,179	4,243,050	(1,737,129)
Charges for services	2,684,065	2,684,065	3,075,285	391,220
Fines and forfeitures	287,000	287,000	234,249	(52,751)
Investment earnings	101,500	101,500	62,928	(38,572)
Payment in lieu of taxes	155,942	155,942	135,699	(20,243)
Miscellaneous	193,120	193,120	237,869	44,749
Total revenues	36,194,006	36,194,006	31,213,934	(4,980,072)
Expenditures:				
Current:				
General government	18,734,336	18,734,336	14,003,571	4,730,765
Public safety	9,150,089	9,150,089	9,300,526	(150,437)
Public works	260,000	260,000	285,236	(25,236)
Human services	4,459,271	4,459,271	2,707,936	1,751,335
Culture and recreation	350,286	350,286	445,428	(95,142)
Conservation and development	347,607	347,607	337,038	10,569
Debt service:				
Principal	815,000	815,000	812,574	2,426
Interest	72,746	72,746	116,011	(43,265)
Capital outlay	-	-	483,839	(483,839)
Total expenditures	34,189,335	34,189,335	28,492,159	5,697,176
Excess (Deficiency) of Revenues Over Expenditures	2,004,671	2,004,671	2,721,775	717,104
Other Financing Sources (Uses):				
Transfers in	(14,559)	(14,559)	11,401	25,960
Transfers out	(1,990,112)	(1,990,112)	(1,722,163)	267,949
Total other financing sources (uses)	(2,004,671)	(2,004,671)	(1,710,762)	293,909
Net Change in Fund Balance	-	-	1,011,013	\$ 1,011,013
Fund balance - beginning	26,763,648	26,763,648	26,763,648	
Fund balance - ending	<u>\$ 26,763,648</u>	<u>\$ 26,763,648</u>	<u>\$ 27,774,661</u>	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2013

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,575,598	\$ 5,781,032
Receivables:		
Accounts receivable, net	2,348,160	368,966
Due from other funds	-	16,355
Prepaid expenses and other assets	84,989	266,000
Total current assets	7,008,747	6,432,353
Non-current assets:		
Capital assets, net of accumulated depreciation and amortization of \$5,194,635	1,194,466	-
Total Assets	8,203,213	6,432,353
Liabilities		
Current liabilities:		
Accounts payable	443,004	945,557
Accrued payroll and related liabilities	331,898	-
Due to other funds	877,512	26,998
Unearned revenue	-	395,379
Compensated absences	303,278	-
Total Current Liabilities	1,955,692	1,367,934
Net Position		
Net investment in capital assets	1,194,466	-
Unrestricted	5,053,055	5,064,419
Total Net Position	6,247,521	\$ 5,064,419
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	930,655	
Net Position of Business-type Activities (page 1)	\$ 7,178,176	

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, 2013

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Operating Revenues:		
Charges for services	\$ 13,051,627	\$ -
Miscellaneous	2,257	126,176
Employer contributions	-	6,493,274
Total Operating Revenues	13,053,884	6,619,450
Operating Expenses:		
Personnel services	9,613,164	-
Materials and supplies	1,075,988	-
Services	1,377,794	-
Depreciation and amortization	248,782	-
Bad debt	571,659	-
Other operating expenses	634,535	767,570
Claims	-	5,584,871
Total Operating Expenses	13,521,922	6,352,441
Operating income (loss)	(468,038)	267,009
Nonoperating Revenues (Expenses):		
Investment earnings	1,193	15,924
Interest expense	(11,035)	-
Total nonoperating revenues (expenses)	(9,842)	15,924
Change in Net Position	(477,880)	282,933
Net position - beginning	6,725,401	4,781,486
Net position - ending	6,247,521	\$ 5,064,419
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund.	(1,641,448)	
Change in Net Position of Business-type Activities (page 2)	\$ 1,163,568	

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2013

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 12,973,628	\$ 6,937,792
Payments to employees for salaries and benefits	(9,597,904)	-
Payments to suppliers and claimants	(3,603,266)	(6,157,964)
Net cash provided by (used in) operating activities	(227,542)	779,828
Cash Flows from Investing Activities:		
Interest on investments	1,193	15,924
Cash Flows from Non-Capital Financing Activities:		
Transfers from other funds	315,660	10,643
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(187,480)	-
Principal paid on capital debt	(383,964)	-
Interest paid on capital debt	(11,035)	-
Net cash provided by (used in) capital and related financing activities	(582,479)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(493,168)	806,395
Cash and cash equivalents at January 1, 2013	5,068,766	4,974,637
Cash and cash equivalents at December 31, 2013	\$ 4,575,598	\$ 5,781,032
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (468,038)	\$ 267,009
Adjustments to reconcile change in operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	248,782	-
Change in current assets:		
Accounts receivable	(80,256)	(77,037)
Prepaid expenses and other assets	(5,983)	(266,000)
Change in current liabilities:		
Accounts payable	62,693	460,477
Accrued payroll and related liabilities	12,643	-
Unearned revenue	-	395,379
Compensated absences	2,617	-
Net cash provided by (used in) operating activities	\$ (227,542)	\$ 779,828

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2013

Assets	Nonexpendable Pension Trust Fund	Agency Funds
Cash and cash equivalents	\$ 5,631,419	\$ 2,740,478
Receivables	55,775	-
Investments, at fair value:		
Money market funds	617,994	-
Bond mutual funds	14,683,250	-
Equity mutual funds	33,553,799	-
Corporate bonds	2,075,442	-
Hedge funds	2,280,746	-
Alternative investment mutual funds	3,083,411	-
Total Assets	61,981,836	2,740,478
Liabilities		
Due to others	7,694	2,740,478
Net Position Held in Trust for Pension Benefits	\$ 61,974,142	\$ -

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2013

	<u>Nonexpendable Pension Trust</u>
Additions:	
<hr/>	
Contributions:	
Employer	\$ 2,512,794
Plan members	1,999,558
	<hr/>
Total contributions	4,512,352
	<hr/>
Investment earnings:	
Net increase in the fair value of investments	5,079,737
Interest and dividends	1,761,172
	<hr/>
Total investment earnings	6,840,909
Less investment expense	(111,810)
	<hr/>
Net investment earnings	6,729,099
	<hr/>
Miscellaneous:	
Other	27,565
	<hr/>
Total additions	11,269,016
	<hr/>
Deductions:	
<hr/>	
Administrative expenses	27,781
Benefits	2,695,821
	<hr/>
Total deductions	2,723,602
	<hr/>
Change in Net Position	8,545,414
Net position - beginning	53,428,728
	<hr/>
Net position - ending	\$ 61,974,142
	<hr/> <hr/>

See accompanying notes to financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 to the Transportation Authority.

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

Crawford County Solid Waste Authority (Solid Waste Authority) - This authority was created to oversee the management of municipal solid waste in Crawford County. The County subsidizes the operations of the Solid Waste Authority.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 Redevelopment Authority - This authority was created for the purpose of revitalizing the Crawford County Industrial Park.

Crawford County Airport Authority - This authority oversees the operations of the Port Meadville Airport.

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 (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.

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.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences 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. Only the portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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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 Crawford County Care Center and the internal service fund are charges to customers for services provided. Operating expenses for enterprise funds and internal service funds 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 Crawford County Care Center patient revenue is reported at the estimated net realizable amounts from the residents and third-party payers. Revenues under third-party payer agreements are subject to audit and retroactive adjustment. Provisions for estimated third-party payer settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and ultimate final settlements are reported as adjustments become known.

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

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that measure and report all assets, liabilities, deferred inflows of resources, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting.

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise fund:

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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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Additionally, the County reports the following funds:

The *Internal Service Fund* accounts for self-insured general liability, 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 *Agency Funds* are custodial in nature and do not involve measurement of results of operations. Agency Funds are used to account for cash collected by elected row officers (Register of Wills and Recorder of Deeds, Sheriff, Prothonotary and 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 advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated, so that only the net amount is included as internal balances in the business-type activities column.

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with a maturity of three months or less when purchased.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Investments

Investments are stated at fair value based on current market prices.

Interfund Receivables and Payables

Activities between governmental funds that are representative of temporary lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). All other balances outstanding between the governmental activities and fiduciary funds are reported in the government-wide financial statements as “internal balances.”

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 expenditures/expenses 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 estimated fair market value at the date of donation.

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

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

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

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2013

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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. The portion of the liability recorded for sick leave relates only to the buy-back which occurs on January 31 of the subsequent year. No liability for these amounts is included in the governmental funds.

Long-Term Obligations

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

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Fund Balance

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

- Nonspendable – This category represents funds that are not in spendable form and includes such items as advances and prepaid expenditures.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. The County's restricted fund balances consist of external enabling legislation for the federal, state, or local government grants. This category includes funds that are legally restricted for adoption counseling, offender supervision, operating reserve, substance abuse education, district attorney, roads and bridges, emergency services, and other special revenue.
- 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. This category includes operating reserve, district attorney, warden, Woodcock Park, and debt service.
- 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. This category includes amounts set aside for capital projects.
- 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:

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2013

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

As of December 31, 2013, all of the County’s restricted net position is expendable.

- 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, 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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.

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

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

Encumbrance accounting is employed in the Liquid Fuels Fund, one of the governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances 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)	\$ 1,294,150
Adjustment to reconcile accounts and real estate taxes receivable to budgetary basis	(375,551)
Adjustment to reconcile prepaids and accounts and wages payable to budgetary basis	<u>92,414</u>
Net change in fund balance - General Fund budgetary basis (cash basis)	<u><u>\$ 1,011,013</u></u>

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

For the year ended December 31, 2013, expenditures exceeded appropriations in the public safety department, public works department, culture and recreation department, debt service interest payments, and capital outlay of the General Fund. These overages were funded by greater than anticipated revenues and by available fund balance. Also, tax revenues and general government expenses were significantly less than budgeted as the County budgets for the school, city, township, and borough taxes; however, such funds are reclassified to an Agency Fund at year-end.

Estimates

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

Adopted Pronouncements

The County has adopted GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities.”* This Statement reclassifies certain items that were reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. Taxes collected within the availability period, previously reported as liabilities, are now reported as deferred inflows of resources, unavailable revenue – property taxes on the governmental funds’ balance sheet.

Pending Pronouncements

GASB has issued Statement No. 67, *“Financial Reporting for Pension Plans,”* effective for financial statements for periods beginning after June 15, 2013, and has also issued Statement No. 68, *“Accounting and Financial Reporting for Pensions,”* and Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date,”* effective for fiscal years beginning after June 15, 2014. These Statements revise existing guidance for the financial reports of most pension plans, and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The effect of implementation of these Statements has not yet been determined.

GASB has issued Statement No. 69, *“Government Combinations and Disposals of Government Operations,”* effective for fiscal years beginning after December 15, 2013 (the County’s financial statements for the year ended December 31, 2014). GASB Statement No. 69 provides new accounting and financial reporting standards for government mergers and acquisitions and for government operations that have been transferred or sold. The effect of implementation of this Statement has not yet been determined.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

GASB has issued Statement No. 70, “*Accounting and Financial Reporting for Non-exchange Financial Guarantees*,” effective for financial statements for periods beginning after June 15, 2013 (the County’s financial statements for the year ending December 31, 2014). This Statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The effect of implementation of this Statement has not yet been determined.

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. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the 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 has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2013, investments in PLGIT and INVEST have received an AAAM rating from Standard & Poor’s.

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 \$34,895,300 at December 31, 2013, \$636,474 was covered by federal depository insurance. The remaining balance of \$34,258,826 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 \$34,706,516 as of December 31, 2013, are reported as cash and cash equivalents in the statement of net position.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Agency Fund

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 \$2,740,478 and the bank balance was \$3,012,954. Of the bank balance, \$788,065 was covered by federal depository insurance. The remaining balance of \$2,224,889 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 include book value of \$5,631,419 at December 31, 2013. The bank balance of the checking deposit as of December 31, 2013 was \$5,631,419. The 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

The Pension Trust Fund investments are held separately from those of other County funds. Investments of the plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Hedge funds are valued using the net asset value per share as determined by the hedge fund administrators as provided by the custodian. The County's Pension Committees determine 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 following is a description of the County's Pension Trust Fund deposit and 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, 2013, the County's Pension Trust Fund investments in corporate bonds were not rated.

Custodial Credit Risk - For deposits and 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

COUNTY OF CRAWFORD, PENNSYLVANIA

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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. The County's Pension Trust Fund investments in mutual funds cannot be classified by risk category, because they are not evidenced by securities that exist in physical or book entry form. As of December 31, 2013, the County's Pension Trust Fund money markets balance of \$617,994 included in investments (bank and book balance) was exposed to 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. The County's Pension Trust Fund investments in corporate bonds will mature in one to five years.

Risks and Uncertainties

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

4. REAL ESTATE 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, 2013 was 18.25 mills (real estate tax) and 0.6 mills (library tax assessment) applied to an assessable base of \$1,183,493,948 for general County purposes. Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. These taxes are billed by the County and collected by elected tax collectors. Taxes paid through April 30 are reduced by a 3% discount. Amounts paid after June 30 are assessed a 10% penalty. The current year tax levy becomes delinquent at December 31. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

Current real estate taxes receivable at December 31, 2013 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.

COUNTY OF CRAWFORD, PENNSYLVANIA

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5. ALLOWANCE FOR UNCOLLECTIBLES

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

The Care Center accounts receivable are shown net of an allowance for uncollectible accounts totaling \$464,179.

Property tax receivables are shown net of an allowance for uncollectibles equal to \$421,505 calculated as follows:

<u>Year</u>	<u>Uncollectible</u>
2013	2%
2012	2.5%
2011	5.5%
2010	8.5%
2009	75%
2008	55%
2007 and prior	100%

Per capita tax receivables are shown net of an allowance for uncollectibles equal to \$10,511.

6. PROMISSORY NOTES

Included in other assets on the statement of net position are two promissory notes from the Crawford County Regional Airport Authority (Airport Authority) and the Crawford County Fair Dairy Committee (Dairy Committee). In 2008, the County loaned the Airport Authority \$393,206 to be repaid by increasing increments over a fifteen-year term at zero percent interest, beginning in 2009. The County also loaned the Dairy Committee \$130,000 in 2008, to be repaid in annual installments of \$15,000 at zero percent interest. As of December 31, 2013, promissory notes receivable total \$353,206.

7. CAPITAL ASSETS

A summary of governmental activities fixed assets for the year ended December 31, 2013 is as follows:

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

	Balance at January 1, 2013	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2013
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 637,636	\$ -	\$ -	\$ 637,636
Construction in progress	1,425,389	-	(1,425,389)	-
Total capital assets, not being depreciated	2,063,025	-	(1,425,389)	637,636
Capital assets, being depreciated:				
Buildings	19,784,162	-	(250,000)	19,534,162
Land improvements	1,092,406	830,361	-	1,922,767
Equipment	6,784,143	675,559	(131,702)	7,328,000
Vehicles	1,292,374	232,815	(110,891)	1,414,298
Infrastructure	10,722,086	330,236	-	11,052,322
Total capital assets, being depreciated	39,675,171	2,068,971	(492,593)	41,251,549
Less: accumulated depreciation	(18,859,542)	(1,250,973)	242,593	(19,867,922)
Total capital assets, being depreciated net	20,815,629	817,998	(250,000)	21,383,627
Governmental activities, capital assets, net	\$ 22,878,654	\$ 817,998	\$(1,675,389)	\$ 22,021,263

Renovations and construction of the planned Judicial and Governmental Centers ceased during 2013. The building cost (\$250,000) and the related renovations previously recorded as construction in progress (\$1,425,389) are considered to be fully impaired at December 31, 2013 and have been written down to \$0, which is considered to be the fair value based upon an appraisal performed on the property. As such, an impairment loss totaling \$1,675,389 has been recognized in the Statement of Activities as a special item. The County anticipates transferring the building in 2014.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 306,862
Public safety	508,344
Public works	231,947
Human services	85,150
Culture and recreation	118,670
Total depreciation expense - governmental activities	\$ 1,250,973

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

A summary of business-type activities fixed assets for the year ended December 31, 2013 is as follows:

	January 1, 2013	Additions	Deletions	December 31, 2013
Business-type activities:				
Capital assets, being depreciated:				
Buildings	\$ 5,151,058	\$ 13,257	\$ -	\$ 5,164,315
Land improvements	432,642	174,223	-	606,865
Equipment	506,868	-	-	506,868
Vehicles	111,053	-	-	111,053
	6,201,621	187,480	-	6,389,101
Total capital assets, being depreciated				
Less: accumulated depreciation	(4,951,444)	(243,191)	-	(5,194,635)
Total capital assets, being depreciated net	1,250,177	(55,711)	-	1,194,466
Business-type activities, capital assets, net	\$ 1,250,177	\$ (55,711)	\$ -	\$ 1,194,466

Depreciation expense and amortization expense on other assets charged to the single business-type activity was \$243,191 and \$5,591, respectively, and was charged to human services expense.

8. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Individual fund receivable and payable balances at December 31, 2013, as well as interfund transfers for the year ended December 31, 2013, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 2,199,442	\$ 1,708,470	\$ 11,401	\$ 1,722,163
Human Services	1,708,470	567,225	1,728,216	-
Aggregate remaining funds	-	744,062	-	17,454
Business-type activities:				
Care Center	-	877,512	-	-
Internal Service Fund	16,355	26,998	-	-
	\$ 3,924,267	\$ 3,924,267	\$ 1,739,617	\$ 1,739,617

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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 Public Welfare requirements. The purpose of the majority of the interfund payables due from the General Fund are amounts due for Human Services unpaid match contributions. 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, which are initially paid and reimbursed to the General Fund.

9. CRAWFORD COUNTY EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Crawford County Employees' Retirement System (Plan), as administrated by the County, 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. The Plan is reported as the Employees' Retirement Fund in the accompanying financial statements. Separate Plan financial statements are not available. The benefit provisions were established by action of the Board of Trustees of the system 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.

All full-time County employees become Plan participants immediately upon becoming an employee. Membership in the Plan is optional for elected officials. The Plan requires each member to contribute a percentage of their salary to the Plan. The Plan provides retirement, death, and disability benefits to Plan members and their beneficiaries.

At January 1, 2013, the date of the most recent valuation, participants in the Plan were as follows:

Retirees and beneficiaries	233
Deferred vested	40
Active employees:	
Vested	405
Nonvested	188

Summary of Significant Accounting Policies

Financial information of the Plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due as required by the Act and the

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments of the Plan are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Gains (losses) on unrealized appreciation (depreciation) of investments' market value above (below) cost are recognized in the period of appreciation (depreciation).

At December 31, 2013, there were no individual investments that are required to be disclosed that constituted more than 5% of any of the Plan net position available for benefits. In addition, the Plan did not have any investment transactions with related parties during the year.

Contributions and Funding Policy

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 using the entry age funding method. Participant contributions totaled \$1,999,558 in 2013. The costs of administering the Plan are financed through investment earnings.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The County's annual pension cost and related information is as follows:

Annual pension cost	\$ 2,496,807
Contributions made	\$ 2,512,794
Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age
Asset valuation method	Method prescribed by Pennsylvania State Law, Act 44
Amoritization method	Level Percentage of Projected Payroll
Amoritization period	9.24 years
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	4.5%
Cost of living adjustments	35% change in C.P.I.

* Includes inflation at 3%.

The County has a net pension obligation (NPO) of \$356,694 as of December 31, 2013.

Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
12/31/2011	\$ 2,074,365	100.9%	\$ 389,856
12/31/2012	2,364,200	100.7%	372,681
12/31/2013	2,496,807	100.6%	356,694

Funded Status

The County's funded status and related information for the Plan as of the latest actuarial valuation date, January 1, 2013, is as follows:

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Excess of Assets Over (Under) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Excess of AAL as a Percentage of Covered Payroll</u>
\$ 53,433,326	\$ 67,455,631	\$(14,022,305)	79.2%	\$ 21,568,850	-65.0%

The required schedule of funding progress included as required supplementary information immediately following the notes to financial statements presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

As noted above, certain pension information and calculations are based upon an actuarial valuation performed as of January 1, 2013. The next actuarial valuation will be performed as of January 1, 2014.

Change in Actuarial Assumption

Effective January 1, 2013, the Plan recognized assumption changes in the asset valuation method and the mortality table. The effect of these changes is an increase in the actuarial asset value of \$3,605,170 and an increase in the actuarial accrued liability of \$614,553.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation to the plan for the current year is as follows:

Annual required contribution (ARC)	\$ 2,512,794
Interest on net pension obligation	27,951
Adjustment to the ARC	<u>(43,938)</u>
Annual pension cost (APC)	2,496,807
Contribution made	<u>2,512,794</u>
Change in net pension obligation (NPO)	(15,987)
NPO, January 1, 2013	<u>372,681</u>
NPO, December 31, 2013	<u><u>\$ 356,694</u></u>

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

10. LONG-TERM LIABILITIES

General Obligation Bonds

In October 1991, the County issued \$5,558,566 of General Obligation Bonds, of which \$2,680,000 are current interest bonds issued at par and \$2,878,566 are capital appreciation bonds. The proportionate shares of the initial liability were recorded in the primary government governmental activities and business-type activities in the amounts of \$1,216,626 and \$4,341,940, respectively. These activities are being charged annually for their proportionate shares of the interest accreting on the capital appreciation bonds. The liability in the primary governmental activities was fully paid off in 2004. Proceeds, net of \$148,022 issuance costs, were placed into an escrow fund to defease \$3,740,000 of the Series 1988 Bonds and \$1,205,000 of the Series 1989 Bonds. The remaining \$133,550 was placed into the Crawford County Construction Fund. The interest rates, which vary according to maturity date, range from 4.40% to 7.05%. The Bonds' final maturity was June 1, 2013.

On December 30, 2010, the County issued \$2,410,000 of Refunding Bonds, Series C of 2010. The Series C Bonds bear interest at 1.66%. The proceeds were used to pay issuance costs of \$17,054, to redeem \$2,345,000 remaining principal balance on 1999 General Obligation Bonds, and to pay interest on those bonds to February 1, 2011, the date on which the 1999 Bonds were called. The Bonds' final maturity was September 1, 2013.

Additionally, on December 30, 2010, the County issued an aggregate amount \$2,300,000 General Obligation Bonds, comprised of \$612,000 Taxable Build America Bonds, Series A of 2010, bearing interest at 4.11% and maturing September 1, 2014 - 2016; and \$1,688,000 Taxable Recovery Zone Economic Development Bonds, Series B of 2010, bearing interest at 4.51% and maturing September 1, 2016 - 2020. The proceeds of the Series A and B Bonds, net of issuance costs of \$32,553, were deposited into the Capital Projects Fund to be used to fund certain capital projects. The County has filed irrevocable elections to be eligible for 35% and 45% interest refunds on the Series A and B Bonds, respectively. The amounts of expected interest refunds over the life of the bonds are \$39,272 on the Series A Bonds and \$274,977 on the Series B Bonds.

Note Payable

A 5.25% note is payable in monthly installments of \$6,591, including interest, commencing July 1, 1998 and continuing until July 9, 2016, at which time a balloon payment is due. The purpose of the note is to help fund renovations at the Quality Living Center. The note is collateralized by the tangible property located within the Quality Living Center.

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

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 299,226	\$ 132,558	\$ 431,784
2015	331,874	119,492	451,366
2016	794,796	95,992	890,788
2017	330,000	66,989	396,989
2018	355,000	51,899	406,899
2019-2020	780,000	54,007	834,007
	\$ 2,890,896	\$ 520,937	\$ 3,411,833

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013 was as follows:

	Balance at January 1, 2013	Additions	Reductions	Balance at December 31, 2013	Due Within One Year
<u>Governmental Activities</u>					
QLC Note	\$ 637,610	\$ -	\$ (46,714)	\$ 590,896	\$ 49,226
GOB, Series A of 2010	612,000	-	-	612,000	250,000
GOB, Series B of 2012	1,688,000	-	-	1,688,000	-
GOB, Series C of 2012	815,000	-	(815,000)	-	-
Compensated absences	1,107,538	1,406,727	(1,331,024)	1,183,241	1,183,241
Long-term liabilities	\$ 4,860,148	\$ 1,406,727	\$ (2,192,738)	\$ 4,074,137	\$ 1,482,467
<u>Business-Type Activities</u>	Balance at January 1, 2013	Accretion/ Additions	Reductions	Balance at December 31, 2013	Due Within One Year
Bond series - 1991	\$ 383,964	\$ 11,036	\$ (395,000)	\$ -	\$ -
Compensated absences	300,661	455,004	(452,387)	303,278	303,278
Long-term liabilities	\$ 684,625	\$ 466,040	\$ (847,387)	\$ 303,278	\$ 303,278

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, 2013:

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

2014	\$ 601,624
2015	507,526
2016	401,223
2017	125,355
2018	<u>1,423</u>
	<u>\$ 1,637,151</u>

Total rent payments made during 2013 amounted to \$660,717.

12. SELF-INSURANCE

The County maintains a self-insurance program for its workers' compensation coverage plan, a self-insurance program for a portion of its liability coverage plan, and a self-insurance program for health care coverage, which are all accounted for as an internal service fund.

Worker's Compensation and General Liability

The County has long been granted an exemption from the necessity of insuring its liability to pay compensation under the Pennsylvania Workers' Compensation Act (the Act), 77 P.S. p.1 et. Seq, such exemption being commonly referred to as self-insured status. In order to continue to remain in self-insured status, the County secures the payment of benefits under the Act in accordance with section 501 of the Act and applicable regulations.

On a regular basis, the Pennsylvania Department of Labor and Industry, Bureau of Workers' Compensation Division, calculates the funding status of the County's Workers' Compensation dedicated asset account. This dedicated asset account must meet the required asset level as prescribed by applicable regulations. The County has recently received exemption from the Department of Labor from the necessity of insuring its liability to pay compensation as provided for and subject to the Act and authorized it to operate as a self-insurer for the period of January 1, 2013 to January 1, 2014. The State has changed the beginning of the future annual self-insurance periods to January 1, the beginning of the County's fiscal year. This realignment will enable the State to monitor the filing of each renewal application.

The outstanding liability is calculated based on taking an average of the last three years' outstanding liabilities. The average calculation took into consideration any change in the number of claims between years and any change in the number of long-term claims. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

The County's self-funded liability coverage plan covers the first \$125,000 of claims, with any excess claims being covered through commercial insurance policies. The fund charges premiums to the General Fund based on an amount determined by the administering insurance company. Insurance companies serve as claims administrators, whereby they review and process claims. The premiums are based on anticipated claims, estimated costs of administering the plan, and satisfying claims. The County maintains insurance policies that limit the County's maximum workers' compensation liability per occurrence to \$500,000 and the maximum commercial liability per occurrence to \$25,000. Claims expenditures and liabilities are reported when it is probable that a loss can be reasonably estimated.

Health Care

Beginning on January 1, 2013, the County maintains a self-insurance program for health and prescription drug coverage for eligible employees. Employees contribute between \$43.08 and \$132.96 per month depending on level of coverage. The fund charges premiums to each County department based on number of employees. The premiums are based on estimated costs for health care coverage during the year. The fund covers claims up to \$125,000 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.

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

	Workers' Compensation Coverage Plan	Liability Coverage Plan	Health Care Plan	Total
Liability at January 1, 2012	\$ 191,410	\$ 56,937	\$ -	\$ 248,347
Incurred claims and claim adjustments	260,964	86,995	-	347,959
Payments on claims and claim adjustment expenses	(67,335)	(43,891)	-	(111,226)
Liability at December 31, 2012	<u>385,039</u>	<u>100,041</u>	<u>-</u>	<u>485,080</u>
Incurred claims and claim adjustments	63,200	165,357	5,821,151	6,049,708
Payments on claims and claim adjustment expenses	(53,214)	(175,408)	(5,360,609)	(5,589,231)
Liability at December 31, 2013	<u>\$ 395,025</u>	<u>\$ 89,990</u>	<u>\$ 460,542</u>	<u>\$ 945,557</u>

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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, and exclusion from the Medicare and Medicaid programs.

At December 31, 2013, the Care Center has construction commitments totaling \$135,863 for a bathroom renovation project. The Care Center has received a \$72,000 County Commissioners Association of Pennsylvania Inter Governmental Transfer Grant to cover a portion of the cost of such project. Funds are expected to be received in 2014 once the project is completed.

14. REVENUE CONCENTRATION

Of the County's total governmental revenues for the primary government, approximately 46% and 41% is derived from taxes and intergovernmental revenues, respectively. Taxes consist of the collection of real estate 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.

**Required Supplementary
Information**

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	Excess of AAL as a Percentage of Covered Payroll
1/1/2008	\$ 45,333,128	\$ 46,873,125	\$ (1,539,997)	96.7%	\$ 18,333,627	-8.4%
1/1/2009	45,042,546	50,076,977	(5,034,431)	89.9%	17,830,389	-28.2%
1/1/2010	45,440,729	55,168,873	(9,728,144)	82.4%	20,157,693	-48.3%
1/1/2011	46,393,920	58,385,248	(11,991,328)	79.5%	20,755,123	-57.8%
1/1/2012	48,912,973	62,824,581	(13,911,608)	77.9%	21,092,999	-66.0%
1/1/2013	53,433,326	67,455,631	(14,022,305)	79.2%	21,568,850	-65.0%

See accompanying note to supplementary schedules.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES

DECEMBER 31, 2013

<u>Calendar Year</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	\$ 730,553	100%
2009	1,111,705	112%
2010	1,778,081	100%
2011	2,092,659	100%
2012	2,381,375	100%
2013	2,512,794	100%

See accompanying note to supplementary schedules.

COUNTY OF CRAWFORD, PENNSYLVANIA

NOTE TO SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013

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

Actuarial valuation date	1/1/2013
Actuarial cost method	Entry Age
Asset valuation method	Method prescribed by Pennsylvania State Law, Act 44
Amortization method	Level Percentage of Projected Payroll
Amortization period	9.24 years
Actuarial assumptions:	
Investment rate of return*	7.5%
Projected salary increases*	4.5%
Cost of living adjustments	35% change in C.P.I.

* Includes inflation at 3%.

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 and 911 Wireless Funds** are 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.

Capital Projects Fund

The following Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds:

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

COUNTY OF CRAWFORD, PENNSYLVANIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2013

Assets	Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	911 Wireless	Special Revenue All Other		
Cash and cash equivalents	\$ 695,607	\$ 388	\$ 377,125	\$ 186,474	\$ 325,219	\$ 2,424,990	\$ 4,009,803
Receivables:							
Accounts receivable, net	60,102	-	60,185	-	20,190	-	140,477
Intergovernmental receivable	-	250	-	-	87,303	-	87,553
Prepaid expenses and other assets	-	-	-	-	6,000	-	6,000
Total Assets	\$ 755,709	\$ 638	\$ 437,310	\$ 186,474	\$ 438,712	\$ 2,424,990	\$ 4,243,833
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 71,677	\$ 15	\$ 5,517	\$ 5,318	\$ 15,640	\$ 21,841	\$ 120,008
Accrued payroll and related liabilities	7,122	-	-	-	-	-	7,122
Intergovernmental payable	-	-	-	-	3,783	-	3,783
Due to other funds	6,529	238	17,944	27,641	71,611	620,099	744,062
Unearned revenue	-	385	-	153,515	69,768	-	223,668
Total Liabilities	85,328	638	23,461	186,474	160,802	641,940	1,098,643
Fund Balance:							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Roads and bridges	670,381	-	-	-	-	-	670,381
Emergency services	-	-	413,849	-	-	-	413,849
Hazmat	-	-	-	-	94,191	-	94,191
Affordable housing	-	-	-	-	53,634	-	53,634
Records improvement	-	-	-	-	130,085	-	130,085
Assigned	-	-	-	-	-	1,783,050	1,783,050
Total Fund Balance	670,381	-	413,849	-	277,910	1,783,050	3,145,190
Total Liabilities and Fund Balance	\$ 755,709	\$ 638	\$ 437,310	\$ 186,474	\$ 438,712	\$ 2,424,990	\$ 4,243,833

COUNTY OF CRAWFORD, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	911 Wireless	Total Other Special Revenue		
Revenues:							
Intergovernmental	\$ 308,743	\$ 664,432	\$ -	\$ 748,621	\$ 1,059,881	\$ -	\$ 2,781,677
Charges for services	379,341	-	599,008	-	151,987	-	1,130,336
Investment earnings	2,751	-	1,485	2,346	1,513	8,936	17,031
Miscellaneous	2,041	-	29,474	4	12,648	-	44,167
Total revenues	692,876	664,432	629,967	750,971	1,226,029	8,936	3,973,211
Expenditures:							
Current:							
General government	-	664,432	-	-	103,179	1,450,460	2,218,071
Public safety	-	-	615,646	750,971	99,710	-	1,466,327
Public works	599,925	-	-	-	-	-	599,925
Human services	-	-	-	-	1,019,039	-	1,019,039
Debt service:							
Principal	-	-	-	-	46,714	-	46,714
Interest	-	-	-	-	32,382	-	32,382
Total expenditures	599,925	664,432	615,646	750,971	1,301,024	1,450,460	5,382,458
Excess (Deficiency) of Revenues Over Expenditures	92,951	-	14,321	-	(74,995)	(1,441,524)	(1,409,247)
Other Financing Sources (Uses):							
Transfers out	-	-	(6,503)	-	(10,951)	-	(17,454)
Net Change in Fund Balance	92,951	-	7,818	-	(85,946)	(1,441,524)	(1,426,701)
Fund balance - beginning	577,430	-	406,031	-	363,856	3,224,574	4,571,891
Fund balance - ending	<u>\$ 670,381</u>	<u>\$ -</u>	<u>\$ 413,849</u>	<u>\$ -</u>	<u>\$ 277,910</u>	<u>\$ 1,783,050</u>	<u>\$ 3,145,190</u>

AGENCY FUNDS

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

COUNTY OF CRAWFORD, PENNSYLVANIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2013

	Balance at January 1, 2013	Additions	Deductions	Balance at December 31, 2013
Assets				
Cash and cash equivalents	\$ 2,615,559	\$ 20,883,991	\$ 20,759,072	\$ 2,740,478
Total Assets	\$ 2,615,559	\$ 20,883,991	\$ 20,759,072	\$ 2,740,478
Liabilities				
Due to others	\$ 2,615,559	\$ 20,883,991	\$ 20,759,072	\$ 2,740,478
Total Liabilities	\$ 2,615,559	\$ 20,883,991	\$ 20,759,072	\$ 2,740,478

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed Through the Pennsylvania Department of Agriculture:				
Emergency Food Assistance Cluster:				
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	\$ 7,404	\$ 7,047
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	38,855	<u>38,855</u>
Subtotal				<u>45,902</u>
Passed Through the Department of Public Welfare:				
State Administration Matching Grants for the Supplemental Nutrition Assistance Program				
	N/A	10.561	3,306	<u>3,306</u>
Total U.S. Department of Agriculture				<u>49,208</u>
<u>U.S. Department of Housing and Urban Development</u>				
Home Investment Partnerships Program				
	N/A	14.239	182,554	182,554
Passed Through the Pennsylvania Department of Community and Economic Development:				
Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii				
	N/A	14.228	664,182	664,432
Emergency Solutions Grant Program				
	N/A	14.231	29,647	<u>29,647</u>
Subtotal				<u>694,079</u>
Total U.S. Department of Housing and Urban Development				<u>876,633</u>
<u>U.S. Department of Justice</u>				
Bulletproof Vest Partnership Program				
	N/A	16.607	4,418	4,418
Passed Through the Pennsylvania Commission on Crime and Delinquency:				
Juvenile Accountability Block Grants				
	2010-JB-01-22771	16.523	5,000	5,000
Juvenile Accountability Block Grants				
	2013-JB-01 01-23998	16.523	5,000	<u>4,875</u>
Subtotal				<u>9,875</u>
Violence Against Women Formula Grants				
	23793	16.588	125,000	125,000
State Criminal Alien Assistance Program				
	2013-H2972-AP-PA	16.606	901	901
JAG Program Cluster:				
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories				
	23870	16.803	3,644	3,644
Edward Byrne Memorial Justice Assistance Grant Program				
	23461	16.738	13,005	<u>12,829</u>
Subtotal				<u>16,473</u>
Total U.S. Department of Justice				<u>156,667</u>
<u>U.S. Department of Transportation</u>				
Passed Through the Pennsylvania Department of Transportation:				
Highway Planning and Construction				
	N/A	20.205	332,328	<u>380,002</u>
Passed Through the Pennsylvania Emergency Management Agency:				
Interagency Hazardous Materials Public Sector Training and Planning Grants				
	N/A	20.703	10,114	<u>10,114</u>
Total U.S. Department of Transportation				<u>390,116</u>
<u>U.S. General Services Administration</u>				
Passed Through the Pennsylvania Department of General Services:				
Donation of Federal Surplus Personal Property				
	N/A	39.003	7,655	<u>7,655</u>
Total U.S. General Services Administration				<u>7,655</u>
<u>U.S. Department of Education</u>				
Passed Through the Pennsylvania Department of Public Welfare:				
Special Education - Grants for Infants and Families				
	N/A	84.181	96,865	<u>96,865</u>
Total U.S. Department of Education				<u>96,865</u>
<u>U.S. Election Assistance Commission</u>				
Passed Through the Pennsylvania Department of State:				
Help America Vote Act Requirements Payments				
	N/A	90.401	8,870	<u>-</u>
Total U.S. Election Assistance Commission				<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through the Pennsylvania Department of Public Welfare:				
Guardianship Assistance				
	N/A	93.090	29,765	29,765

(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, 2013

(Continued)

Federal Grantor / Pass-Through Grantor / Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>				
Passed Through the Pennsylvania Department of Public Welfare:				
Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	42,518	42,518
Temporary Assistance for Needy Families	N/A	93.558	285,036	285,036
Temporary Assistance for Needy Families	ME# 9661600620	93.558	6,390	6,390
Temporary Assistance for Needy Families	N/A	93.558	17,484	<u>17,484</u>
Subtotal				<u>308,910</u>
Child Support Enforcement	ME#3321114020	93.563	735,733	671,037
Child Support Enforcement	ME#3321114020	93.563	153,516	<u>153,516</u>
Subtotal				<u>824,553</u>
Child Care Development Fund Cluster:				
Child Care and Development Block Grant	N/A	93.575	432,292	432,292
Child Care Mandatory and Matching Funds of the Child Care Development Fund	N/A	93.596	178,276	<u>178,276</u>
Subtotal				<u>610,568</u>
Stephanie Tubbs Jones Child Welfare Services Program	N/A	93.645	239,307	239,307
Foster Care - Title IV-E	N/A	93.658	1,541,213	1,541,213
Adoption Assistance	N/A	93.659	340,258	340,258
Social Services Block Grant	N/A	93.667	260,341	260,341
Chafee Foster Care Independence Program	ME#102011600	93.674	65,455	65,455
Medical Assistance Program - Transportation	N/A	93.778	387,286	392,925
Medical Assistance Program - Children and Youth Services	N/A	93.778	10,431	6,738
Medical Assistance Program -Mental Health/Intellectual Disabilities	N/A	93.778	956,062	953,135
Medical Assistance Program - Early Intervention	N/A	93.778	175,084	<u>154,699</u>
Subtotal				<u>1,507,497</u>
Block Grants for Community Mental Health Services	N/A	93.958	64,924	64,924
Block Grants for Prevention and Treatment of Substance Abuse	SAP 4100053124	93.959	329,954	<u>329,954</u>
Total U.S. Department of Health and Human Services				<u>6,165,263</u>
<u>U.S. Department of Homeland Security</u>				
Passed Through the Pennsylvania Emergency Management Agency:				
Emergency Management Performance Grants	N/A	97.042	57,880	57,880
Homeland Security Grant Program	N/A	97.067	11,584	<u>9,410</u>
Total U.S. Department of Homeland Security				<u>67,290</u>
Total Expenditures of Federal Awards				<u>\$ 7,809,697</u>

(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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards for the year ended December 31, 2013 is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. EMERGENCY FOOD ASSISTANCE PROGRAM

In-kind values are reported in the schedule of expenditures of federal awards at the fair value of the commodities received and disbursed.

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF DEPARTMENT OF PUBLIC WELFARE EXPENDITURES

YEAR ENDED DECEMBER 31, 2013

<u>Programs</u>	<u>Combined Federal/ State Expenditures</u>
Mental Health Services	\$ 2,599,871
Intellectual Disabilities Services	1,726,494
Early Intervention Services	554,499
Child Care Information Services	610,568 *
Children and Youth	7,770,018 *
Homeless Assistance Program	207,229
Medical Assistance Transportation Program	818,338
Child Support Enforcement	889,249 *
State Administrative Matching Grants for Supplemental Nutrition Assistance	3,306
HSDF Block Grant	<u>77,943</u>
Total combined state/federal expenditures	<u>\$ 15,257,515</u>

* Denotes major programs for DPW purposes. The amount expended under major DPW programs for the year ended December 31, 2013 is \$9,269,835 or 61% of total DPW financial assistance.

County of Crawford, Pennsylvania

Independent Auditor's Reports
Required by OMB Circular A-133

Year Ended December 31, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 15, 2014, which was adverse because the financial statements do not include financial data for the County's legally separate component units.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See Findings 2013-1 and 2013-2 in the schedule of findings and questioned costs.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Maher Duessel

Pittsburgh, Pennsylvania
August 15, 2014

Independent Auditor's Report on Compliance for Each Major Federal and Pennsylvania Department of Public Welfare (DPW) Program and on Internal Control over Compliance Required by OMB Circular A-133 and the DPW Single Audit Supplement

Board of County Commissioners
County of Crawford, Pennsylvania

Report on Compliance for Each Major Federal and DPW Program

We have audited the County of Crawford, Pennsylvania's (County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* and the Pennsylvania Department of Public Welfare (DPW) *Single Audit Supplement* that could have a direct and material effect on each of the County's major federal and DPW programs for the year ended December 31, 2013. 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 DPW programs are identified on the Schedule of DPW Expenditures.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and DPW programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal and DPW programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133, and the DPW Single Audit supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or DPW program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and DPW Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and DPW programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or DPW program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or DPW program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or DPW program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DPW program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DPW 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose

Maher Duessel

Pittsburgh, Pennsylvania
August 15, 2014

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2013

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, Adverse Opinion on Aggregate Discretely Presented Component Units

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

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

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

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

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

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

7. Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.563	Child Support Enforcement
93.575 & 93.596	Child Care Development Fund Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2013

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

Finding 2013-1 – Internal Control over Payroll

Condition: During our review of the payroll process, we noted two out of a sample of forty timesheets tested that did not include approval of employee time entries by the applicable department head.

Criteria: Review of employee's hourly reporting is essential for determining the accuracy of such reporting. In addition, the County of Crawford's (County) internal practice requires that all timesheets be approved prior to payroll being processed.

Cause: The County does not have procedures in place to ensure that all timesheets are approved before the payroll is processed.

Effect: As the timesheets noted above were not approved, a risk exists that time being reported may include erroneous or fraudulent hours worked or use of personal, sick, vacation, or compensated time off.

Recommendation: We recommend that a process be developed that ensures all timesheets are reviewed and approved prior to payroll being processed.

Views of Responsible Official and Planned Corrective Action: Management agrees with the finding. See separate Corrective Action Plan.

Finding 2013-2 - Internal Control over Financial Reporting

Condition: During the audit process, various 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 financials). Then, using the information provided by management, the auditors prepared the GAAP financials, which were subsequently reviewed by management. These adjustments were necessary to properly reflect current year operations.

Criteria: Auditing standards have placed more 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.

Cause: Due to the complexity of changing accounting and reporting requirements, it is unlikely the County would have the resources available to prepare their own external financial statements.

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

COUNTY OF CRAWFORD, PENNSYLVANIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2013

Recommendation: Although we recognize management's efforts and improvements over the prior year report as they have reduced the number of journal entries, we recommend that management continue to evaluate their internal controls over the financial reporting process to ensure that the financial statements are prepared in accordance with GAAP.

Views of Responsible Official and Planned Corrective Action: Management agrees with the finding. See separate Corrective Action Plan.

III. Findings and questioned costs for federal awards.

No matters were reported

COUNTY OF CRAWFORD, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2013

Finding 2012-1- Internal Control over Financial Reporting

Condition: Various 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 financials). Then, using the information provided by management, the auditors prepared the GAAP financials, which were subsequently reviewed by management. These adjustments were necessary to adjust the beginning of the year fund balance/net position and to properly reflect current year operations.

Recommendation: Policies and procedures should be adopted to ensure that the County of Crawford's (County) financial statements are prepared in accordance with GAAP. A person independent of the daily general ledger maintenance should review the financial statements to ensure the accuracy to such statements.

Status: Finding remains; see current year finding 2013-2.

Finding 2012-2 - Internal Control over Payroll

Condition: Two out of a sample of forty timesheets tested did not include approval of employee time entries by the applicable department head. One employee was a department head approving their own timesheet.

Recommendation: A process should be developed that ensures all timesheets are reviewed and approved prior to payroll being processed.

Status: Finding remains; see current year finding 2013-1.

Finding 2012-3 - Delinquent Tax Collections

Condition: The County's Treasurer's Office acts as the Tax Claim Office collecting both current and delinquent taxes. With only one office collecting these receipts, there is lack of segregation of duties over the tax collection process. This risk is exemplified as various individuals within the Treasurer's office have the ability to make adjustments to assessment balances due.

Recommendation: County should consider segregating the responsibility for the collection of delinquent and current taxes. In addition, the County should institute procedures for monitoring the collection delinquent tax collections, including the review of all assessment changes by a party independent of such changes. These procedures would help to ensure the completeness and integrity of the outstanding tax balances and ensure that the County receives all money collected.

Status: Finding was resolved in 2013.

COUNTY OF CRAWFORD, PENNSYLVANIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2013

Finding 2012-4 - Subrecipient Monitoring

Federal Agency: Department of Health and Human Services

Pass-through Agency: Pennsylvania Department of Public Welfare

Programs: Temporary Assistance for Needy Families – CFDA No. 93.558 and Foster Care – Title IV-E – CFDA No. 93.658

Condition: The County did not consistently inform their subrecipients of the total amount provided to them from each federal program.

Recommendation: County should implement procedures to track the subrecipients that should be notified of the amount of funding distributed to them under each federal program and then notify those subrecipients of the federal award information on an annual basis.

Status: Finding was resolved in 2013.

Finding 2012-5 – Eligibility Documentation

Federal Agency: Department of Health and Human Services

Pass-through Agency: Pennsylvania Department of Public Welfare

Programs: Adoption Assistance – CFDA No. 93.659

Condition: Of twenty-five participant files reviewed in the Adoption Assistance program, four files which required eligibility documentation were not maintained. The missing eligibility documentation in the noted files supports that the child had special needs, that a reasonable effort was made to place the child for adoption without a subsidy, and that the agreement for the subsidy was signed and in effect before the final decree of adoption.

Recommendation: The County should implement procedures to ensure that proper documentation is maintained to support the outlined eligibility requirements per the Compliance Supplement. In addition, the County should implement a formal documents destruction policy to ensure that future eligibility documentation is maintained for all active participants.

Status: Finding was resolved in 2013.

County of Crawford, Pennsylvania

DPW-Funded Financial Assistance
Program Exhibits

Years Ended June 30, 2013 and December 31, 2013
with Independent Accountant's Report

Independent Accountant’s Report on Applying Agreed-Upon Procedures

Board of County Commissioners
 County of Crawford, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania Department of Public Welfare (DPW), and the County of Crawford, Pennsylvania (County), solely to assist you with respect to the financial schedules and exhibits of the County required by the DPW Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DPW. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DPW for the fiscal years ended June 30, 2013 and December 31, 2013, 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 DPW Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Child Support Enforcement	A-1 (a)	Comparison of Single Audit Expenditures with Reported Expenditures
	A-1 (b)	PACSES OCSE 157 Data Reliability Validation
Children and Youth Social Service Programs	I	Fiscal Summary
Medical Assistance Transportation Program	III	Schedule of Revenues and Expenditures
Early Intervention Services	V(a)EI	Schedule of Revenues, Expenditures, and Carryover Funds
	V(b)EI	Report of Income and Expenditures
Block Grant Counties	VI(a)BG	Schedule of Fund Balances - Summary Report
	VI(b)BG	Schedule of Fund Balances - Summary Report
Child Care Information Services	VIII (b) - (d)	CCIS Recap

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

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

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

* * * * *

This report is intended solely for the information and use of the Department of Public Welfare and should not be used by those who have not agreed to the procedures, and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Maier Duessel

Pittsburgh, Pennsylvania
August 15, 2014

COUNTY OF CRAWFORD, PENNSYLVANIA
CHILD SUPPORT ENFORCEMENT
COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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: 3/31/2013															
1. Salary & Overhead	\$ 342,697	\$ 14,008	\$ 28,741	\$ 299,948	\$ 197,966	\$ 342,697	\$ 14,008	\$ 28,741	\$ 299,948	\$ 197,966	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	7,223	254	-	6,969	4,600	7,223	254	-	6,969	4,600	-	-	-	-	-
4. Blood Testing Fees	465	-	-	465	307	465	-	-	465	307	-	-	-	-	-
5. Blood Testing Costs	928	-	928	-	-	928	-	928	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 335,937	\$ 13,754	\$ 29,669	\$ 292,514	\$ 193,059	\$ 335,937	\$ 13,754	\$ 29,669	\$ 292,514	\$ 193,059	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 6/30/2013															
1. Salary & Overhead	\$ 225,806	\$ 31,164	\$ 39,079	\$ 155,563	\$ 102,672	\$ 225,806	\$ 31,164	\$ 39,079	\$ 155,563	\$ 102,672	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	4,039	152	-	3,887	2,565	4,039	152	-	3,887	2,565	-	-	-	-	-
4. Blood Testing Fees	161	-	-	161	106	161	-	-	161	106	-	-	-	-	-
5. Blood Testing Costs	768	-	768	-	-	768	-	768	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 222,374	\$ 31,012	\$ 39,847	\$ 151,515	\$ 100,001	\$ 222,374	\$ 31,012	\$ 39,847	\$ 151,515	\$ 100,001	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 09/30/2013															
1. Salary & Overhead	\$ 335,042	\$ 15,859	\$ 23,263	\$ 295,920	\$ 195,307	\$ 335,042	\$ 15,859	\$ 23,263	\$ 295,920	\$ 195,307	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	6,917	279	-	6,638	4,381	6,917	279	-	6,638	4,381	-	-	-	-	-
4. Blood Testing Fees	348	-	-	348	230	348	-	-	348	230	-	-	-	-	-
5. Blood Testing Costs	1,280	-	1,280	-	-	1,280	-	1,280	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 329,057	\$ 15,580	\$ 24,543	\$ 288,934	\$ 190,696	\$ 329,057	\$ 15,580	\$ 24,543	\$ 288,934	\$ 190,696	\$ -	\$ -	\$ -	\$ -	\$ -
Quarter Ending: 12/31/2013															
1. Salary & Overhead	\$ 332,116	\$ 15,049	\$ 18,099	\$ 298,968	\$ 197,319	\$ 332,116	\$ 15,049	\$ 18,099	\$ 298,968	\$ 197,319	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	6,341	263	-	6,078	4,011	6,341	263	-	6,078	4,011	-	-	-	-	-
4. Blood Testing Fees	321	-	-	321	212	321	-	-	321	212	-	-	-	-	-
5. Blood Testing Costs	1,024	-	1,024	-	-	1,024	-	1,024	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 326,478	\$ 14,786	\$ 19,123	\$ 292,569	\$ 193,096	\$ 326,478	\$ 14,786	\$ 19,123	\$ 292,569	\$ 193,096	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD SUPPORT ENFORCEMENT PACSES OCSE 157 DATA RELIABILITY VALIDATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Exhibit A-1 (b)

County Crawford

Year Ended 12/31/2013

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	None
Line #2 IV-D cases open at the end of the fiscal year with support orders established.	5	None
Line #5 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock.	5	None
Line #6 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock with paternity resolved.	5	None
Line #21 IV-D cases open at the end of the fiscal year with medical support ordered.	5	None
Line #23 IV-D cases open at the end of the fiscal year with health insurance provided as ordered.	5	None
Line #24 Total amount of current support due for the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line #25 Total amount of support disbursed as current support during the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line #28 Cases with arrears due during the fiscal year (10/1/09 - 9/30/10)	5	None
Line #29 Cases with disbursements on arrears during the fiscal year (10/1/09 - 9/30/10)	5	None

COUNTY OF CRAWFORD, PENNSYLVANIA

COUNTY CHILDREN AND YOUTH SOCIAL SERVICE PROGRAMS

FISCAL SUMMARY

JULY 1, 2010 THROUGH JUNE 30, 2011

(CAPTURING ALL EXPENDITURES PAID THROUGH JUNE 30, 2013)

Exhibit I

	A	B	C	D	E	F	G	H	I	J	K
	Grand Total	Prog Inc	Title IV-E	TANF	Title XX	Title IV-B	Other Funding	Medical Assistance	Net Total	State Act 148	Local Share
Net Child Welfare Expend											
01. 100% Reimbursement	\$ 163,739	\$ 307	\$ 29,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,428	\$ 134,428	\$ -
02. 90% Reimbursement	803,607	14,796	236,103	17,766	-	-	-	-	534,942	481,448	53,494
03. 80% Reimbursement	6,925,842	186,065	1,700,034	253,143	75,677	207,112	-	-	4,503,811	3,603,045	900,766
04. 60% Reimbursement	1,134,961	11,805	156,498	-	-	39,377	-	3,761	923,520	554,113	369,407
05. 50% Reimbursement	129,049	-	-	-	-	-	-	-	129,049	64,526	64,523
06. Total Child Welfare Exp.	9,157,198	212,973	2,121,639	270,909	75,677	246,489	-	3,761	6,225,750	4,837,560	1,388,190
YDC/YFC Placement Costs											
07. 60% DPW Participation	98,496	4,310							94,186	56,512	37,674
08. NON-Reimbursable Expenditures	2,610	-	-						2,610	-	2,610
09. Total Expenditures	\$ 9,258,304	\$ 217,283	\$ 2,121,639	\$ 270,909	\$ 75,677	\$ 246,489	\$ -	\$ 3,761	\$ 6,322,546	\$ 4,894,072	\$ 1,428,474
10. IL Grant Funds Reported			-								
11. HSDF Included in Prog. Income	\$ -					123,670					57,523
14. State Act 148 - Line 6	\$ 4,837,560					5,559,233					4,837,560
15. State Act 148 Allocation											
c. Adjusted State Share (Lower of 14 or 15)											
Subsidized Permanent Legal Custodianship SPLC	Total Subsidies		Number of Days		Number of Children						
	\$ 48,926		3,439		11						

COUNTY OF CRAWFORD, PENNSYLVANIA

MEDICAL ASSISTANCE TRANSPORTATION PROGRAM SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit III

	<u>Reported</u>	<u>Actual</u>
Service Data:		
<hr/>		
Expenditures:		
Group I clients	\$ 755,236	\$ 755,236
Group II clients	70,068	70,068
	<hr/>	<hr/>
Total expenditures	<u>\$ 825,304</u>	<u>\$ 825,304</u>
Allocation Data:		
<hr/>		
Revenues:		
Department of Public Welfare	\$ 824,851	\$ 824,851
Interest income	453	453
	<hr/>	<hr/>
Total revenues	<u>825,304</u>	<u>825,304</u>
Funds expended:		
Operating costs	614,610	614,610
Administrative costs	210,694	210,694
	<hr/>	<hr/>
Excess Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CRAWFORD, PENNSYLVANIA

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

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit V(a)EI

Sources of DPW Funding	Appropriation	DPW Funds Available			Cost Eligible for DPW Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6)	Total fund Balance (7)
		Carryover Funds (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$ -	\$ 233,248	\$ 233,248	\$ 224,482	\$ 8,766	\$ -	\$ 8,766
2. Early Intervention Training	10235	-	4,431	4,431	4,431	-	-	-
3. Early Intervention Administration	10235	5,214	106,955	112,169	110,815	1,354	-	1,354
4. Infant & Toddlers w/Disabilities (Part C)	70170	-	96,865	96,865	96,865	-	229	229
5. IT&F Waiver Administration	10235/70184	-	12,802	12,802	12,802	-	-	-
7. Total		\$ 5,214	\$ 454,301	\$ 459,515	\$ 449,395	\$ 10,120	\$ 229	\$ 10,349

COUNTY OF CRAWFORD, PENNSYLVANIA

EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit V(b)EI

		Admin Office	Early Intervention	Supports Coordination	Total
	TOTAL ALLOCATION				\$ 459,515
II.	TOTAL EXPENDITURES	\$ 135,929	\$ 235,826	\$ 297,381	669,136
III.	COSTS OVER ALLOCATION				
	A. County Funded Eligible	-	-	-	-
	B. County Funded Ineligible	-	-	-	-
	C. Other Eligible	-	-	-	-
	D. Other Ineligible	-	-	-	-
	Subtotal Costs Over Allocation	-	-	-	-
IV.	REVENUES				
	A. Program Service Fees	-	-	-	-
	B. Private Insurance	-	-	-	-
	C. Medical Assistance	-	-	171,233	171,233
	D. Earned Interest	-	-	-	-
	E. Other	-	-	-	-
	Subtotal Revenues	-	-	171,233	171,233
V.	DPW REIMBURSEMENT				
	A. DPW Categorical Funding 90% Subtotal	110,815	212,244	113,534	436,593
	B. DPW Categorical Funding 100% Subtotal	12,802	-	-	12,802
VI.	COUNTY Match				
	10% County Match	12,312	23,582	12,614	48,508
	Subtotal County Match	12,312	23,582	12,614	48,508
VII.	TOTAL DPW REIMBURSEMENT & COUNTY MATCH	\$ 135,929	\$ 235,826	\$ 126,148	497,903
VIII.	TOTAL CARRYOVER				\$ 10,120

COUNTY OF CRAWFORD, PENNSYLVANIA

BLOCK GRANT COUNTIES
SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VI(a) BG

County Match	5.50%
Actual County Match (\$)	\$ 231,312
Actual County Match (%)	5.53%

Block Grant Reporting	Cost Eligible for DPW Participation									Balance of Funds	Adjustments	Total Fund Balance	
	Appropriation	DPW Allocation	Mental Health	Intellectual Disability	Homeless Assistance	Child Welfare	HSS	D&A	Total				
Sources of Funding													
1. State Human Services Block Grant	1ZZZZ	\$ 4,239,669	\$ 2,331,527	\$ 881,039	\$ 218,104	\$ 291,503	\$ 104,031	\$ 358,923	\$ 4,185,127	\$ 54,542	\$ 7,238	\$ 61,780	
2. SSBG	7XXXX	78,340	38,065	40,275	-	-	-	-	78,340	-	-	-	
3. SABG	70113	-	-	-	-	-	-	-	-	-	-	-	
4. CMHSBG	70167	64,925	64,925	-	-	-	-	-	64,925	-	-	-	
5. MA	7YYYY	182,789	-	168,141	-	-	-	-	168,141	14,648	-	14,648	
6. Crisis Counseling	80222	-	-	-	-	-	-	-	-	-	-	-	
Total for Block Grant		\$ 4,565,723	\$ 2,434,517	\$ 1,089,455	\$ 218,104	\$ 291,503	\$ 104,031	\$ 358,923	\$ 4,496,533	\$ 69,190	\$ 7,238	\$ 76,428	

Retained Earnings	
I. Unexpended Allocation	\$ 61,780
II. Maximum Retained Earnings (3%)	127,190
III. Waiver Requested Money (if applicable)	-
IV. Total Requested Retained Earnings	\$ 54,542

COUNTY OF CRAWFORD, PENNSYLVANIA

BLOCK GRANT COUNTIES
SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VI(b) BG

Sources of Funding	Appropriation	Total Carryover	Allotment	DPW Allocation	Costs Eligible for DPW Participation	Balance of Funds	Adjustments	Total Fund Balance
Mental Health Services								
1. State - FY 2011-12 Norristown State Hospital	10248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. State - Personal Care Home Funding	10252	-	-	-	-	-	-	-
3. Federal - PATH Homeless Grant	70154	-	42,328	42,328	42,328	-	-	-
4. Federal - Capitalization of POMS	70522	-	-	-	-	-	-	-
5. Federal - Youth Suicide Prevention	70651	-	-	-	-	-	-	-
6. Federal - Jail Diversion & Trauma Recovery	70747	-	-	-	-	-	-	-
7. Federal - Bio-Terrorism Hospital Preparedness	70127	-	-	-	-	-	-	-
8. Federal - Adult Health Quality Measures	70127	-	-	-	-	-	-	-
Subtotal Mental Health Services		-	42,328	42,328	42,328	-	-	-
Intellectual Disabilities Services								
1. Other	10255	-	-	-	-	-	-	-
2. Elwyn	10236	-	-	-	-	-	-	-
3. Money Follows the Person	10263	-	-	-	-	-	-	-
Subtotal Intellectual Disabilities Services		-	-	-	-	-	-	-
Total for Block Grant		\$ -	\$ 42,328	\$ 42,328	\$ 42,328	\$ -	\$ -	\$ -

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD CARE INFORMATION SERVICES CCIS RECAP

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VIII(b)

CONTRACTOR:	Crawford County Commissioners	COUNTY:	Crawford
FEDERAL ID NO.:	25-6001059	PREPARED BY:	Stacey L. Baker
CONTRACT NO.:	DC12-209545	PHONE NO.:	

	Low Income		Former TANF		LI & FT TOTAL
	ADMIN	SERVICE	ADMIN	SERVICE	
Revenue					
DPW Funds	\$ 195,996	\$ 1,202,879	\$ 38,867	\$ 317,491	\$ 1,755,233
Interest		74		-	74
Audit Adjustments	-		-		-
Other (e.g., Penalties)	-		-		-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
Total Revenue	\$ 195,996	\$ 1,202,953	\$ 38,867	\$ 317,491	\$ 1,755,307
Expenditures					
Final Report Totals	\$ 207,720	\$ 1,210,011	\$ 41,519	\$ 317,236	\$ 1,776,486
		-		-	-
		-		-	-
		-		-	-
		-		-	-
		-		-	-
Total Expenditures	\$ 207,720	\$ 1,210,011	\$ 41,519	\$ 317,236	\$ 1,776,486
Subtotal-LIFT	\$ (11,724)	\$ (7,058)	\$ (2,652)	\$ 255	\$ (21,179)

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD CARE INFORMATION SERVICES CCIS RECAP

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VIII(b) (Continued)

CONTRACTOR:	Crawford County Commissioners	COUNTY:	Crawford
FEDERAL ID NO.:	25-6001059	PREPARED BY:	Stacey L. Baker
CONTRACT NO.:	DC12-209545	PHONE NO.:	

	TANF FSS	TANF SERVICE		TANF TOTAL
		TRAINING	WORKING	
Revenue				
DPW Funds	\$ 42,513	\$ 97,882	\$ 43,995	\$ 184,390
Interest	-	-	-	-
Audit Adjustments	-	-	-	-
Other (e.g., Penalties)	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Revenue	\$ 42,513	\$ 97,882	\$ 43,995	\$ 184,390
Expenditures				
Final Report Totals	\$ 40,130	\$ 99,648	\$ 45,981	\$ 185,759
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Expenditures	\$ 40,130	\$ 99,648	\$ 45,981	\$ 185,759
TOTAL DUE DPW	\$ 2,383	\$ (1,766)	\$ (1,986)	\$ (1,369)

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD CARE INFORMATION SERVICES CCIS RECAP

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VIII(c)

CONTRACTOR:	Crawford County Commissioners	COUNTY:	Crawford
FEDERAL ID NO.:	25-6001059	PREPARED BY:	Stacey L. Baker
CONTRACT NO.:	11-209545	PHONE NO.:	814-337-8055

	STATE MOE/GA FSS	SERVICE		STATE MOE/GA TOTAL
		STATE MOE	GENL ASSIST/WS2	
Revenue				
DPW Funds	\$ 13,795	\$ 37,910	\$ -	\$ 51,705
Interest	-	-	-	-
Audit Adjustments	-	-	-	-
Other (e.g., Penalties)	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Revenue	\$ 13,795	\$ 37,910	\$ -	\$ 51,705
Expenditures				
Final Report Totals	\$ 13,023	\$ 38,091	\$ -	\$ 51,114
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Expenditures	\$ 13,023	\$ 38,091	\$ -	\$ 51,114
TOTAL DUE DPW	\$ 772	\$ (181)	\$ -	\$ 591

COUNTY OF CRAWFORD, PENNSYLVANIA

CHILD CARE INFORMATION SERVICES CCIS RECAP

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2013

Exhibit VIII(d)

CONTRACTOR:	Crawford County Commissioners	COUNTY:	Crawford
FEDERAL ID NO.:	25-6001059	PREPARED BY:	Stacey L. Baker
CONTRACT NO.:	11-209545	PHONE NO.:	814-337-8055

	FOOD STAMPS			TOTAL
	FSS	SERVICE	TOTAL	
Revenue				
DPW Funds	\$ 4,656	\$ 14,505	\$ 19,161	\$ 255,255
Interest	-	-	-	-
Audit Adjustments	-	-	-	-
Other (e.g., Penalties)	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Revenue	\$ 4,656	\$ 14,505	\$ 19,161	\$ 255,255
Expenditures				
Final Report Totals	\$ 4,395	\$ 12,989	\$ 17,384	254,256
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Expenditures	\$ 4,395	\$ 12,989	\$ 17,384	\$ 254,256
TOTAL DUE DPW	\$ 261	\$ 1,516	\$ 1,777	\$ 999

COUNTY OF CRAWFORD, PENNSYLVANIA

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YEAR ENDED DECEMBER 31, 2013

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