

# County of Crawford

Single Audit

December 31, 2022

**MaherDuessel**

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# COUNTY OF CRAWFORD, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2022

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YEAR ENDED DECEMBER 31, 2022

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## Independent Auditor's Report

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

### **Report on the Audit of the Financial Statements**

#### **Adverse and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Crawford, Pennsylvania (County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's primary government basic financial statements as listed in the table of contents.

#### **Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter described in the Basis for Adverse Opinion and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the County as of December 31, 2022 or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the County as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Adverse Opinion on Aggregate Discretely Presented Component Units**

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

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

#### **Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units**

The financial statements referred to above do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units have not been determined.

#### **Change in Accounting Principle**

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 87, "*Leases*," which requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not

absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of

management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Maher Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023



**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, 2022. 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 - 49).

## ***FINANCIAL HIGHLIGHTS***

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$82.8 million at December 31, 2022.
- The total fund balance of the County's General Fund at December 31, 2022 was \$40.8 million.
- The County's real property tax rate continued at 21.15 mills for 2022.

## ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

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

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

A detailed explanation of all three components follows:

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

- The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

expenditures, and changes in fund balances for these four *major* funds (General, Human Services, COVID-19 County Relief, and Opioid Settlement). Data from the other *nonmajor* governmental funds are combined into a single, aggregated presentation (total nonmajor funds). Individual fund data for the other governmental funds is provided as additional information in the form of combining statements elsewhere in this report.

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

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

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

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

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

*Custodial Funds* – Custodial funds are custodial in nature and do not involve measurement of results of operations. Custodial funds are used to account for cash collected by elected row officers (Sheriff, Treasurer, Register of Wills, Recorder of Deeds, Prothonotary, District Justice Courts, and Clerk of Courts) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected. A financial statement for the custodial funds can be found on pages 55 to 58 of this report.

**3. Notes to Financial Statements** – The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 13 to 49 of this report.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Required Supplementary Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding and its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 50 to 52 of this report.

The combining and individual fund statements for nonmajor governmental funds are presented as additional information immediately following the required pension supplementary information on pages 53 to 54 of this report.

### ***FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE***

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The County's net position at December 31, 2022 and 2021 is presented below:

County of Crawford, Pennsylvania  
Summary Statements of Net Position  
December 31, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 52,065,203	\$ 43,123,216	\$ 20,119,739	\$ 17,622,614	\$ 72,184,942	\$ 60,745,830
Capital assets	52,139,184	50,093,107	995,096	1,170,335	53,134,280	51,263,442
<b>Total Assets</b>	<b>104,204,387</b>	<b>93,216,323</b>	<b>21,114,835</b>	<b>18,792,949</b>	<b>125,319,222</b>	<b>112,009,272</b>
Deferred outflows of resources	11,723,619	2,187,710	2,876,674	572,394	14,600,293	2,760,104
<b>Liabilities</b>						
Current and other liabilities	16,846,285	17,852,254	2,471,793	2,249,382	19,318,078	20,101,636
Non-current liabilities	32,703,350	14,005,000	4,287,483	-	36,990,833	14,005,000
<b>Total Liabilities</b>	<b>49,549,635</b>	<b>31,857,254</b>	<b>6,759,276</b>	<b>2,249,382</b>	<b>56,308,911</b>	<b>34,106,636</b>
Deferred inflows of resources	684,338	7,194,379	167,919	1,882,344	852,257	9,076,723
<b>Net Position</b>						
Net investment in capital assets	38,134,184	35,528,107	995,096	1,170,335	39,129,280	36,698,442
Restricted	8,687,217	3,872,804	-	-	8,687,217	3,872,804
Unrestricted	18,872,632	16,951,489	16,069,218	14,063,282	34,941,850	31,014,771
<b>Total Net Position</b>	<b>\$ 65,694,033</b>	<b>\$ 56,352,400</b>	<b>\$ 17,064,314</b>	<b>\$ 15,233,617</b>	<b>\$ 82,758,347</b>	<b>\$ 71,586,017</b>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82.8 million at December 31, 2022, an increase from December 31, 2021 of approximately \$11.2 million. The increase is mainly a result of positive change in net position for the General Fund.

Of the net position, \$8.7 million is restricted for various purposes; \$35 million is unrestricted and available to support operations or provide for the payment of long-term debt at the government-wide level; and \$39.1 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, 2022 and 2021:

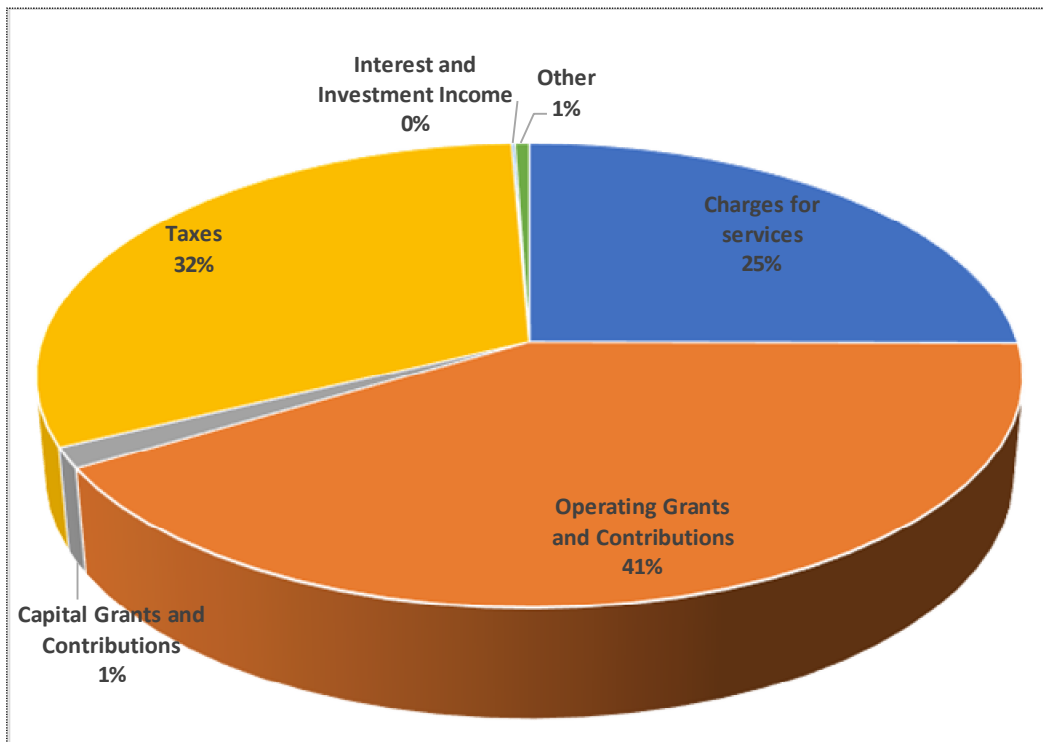
County of Crawford, Pennsylvania						
Change in Net Position						
Year Ended December 31, 2022						
(With Comparative Totals for the Year Ended December 31, 2021)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 10,554,708	\$ 6,638,267	\$ 11,153,322	\$ 11,260,302	\$ 21,708,030	\$ 17,898,569
Operating grants and contributions	35,738,166	32,557,423	-	-	35,738,166	32,557,423
Capital grants and contributions	1,265,593	550,748	-	-	1,265,593	550,748
General revenues:						
Taxes	27,249,820	27,244,669	-	-	27,249,820	27,244,669
Interest and investment income	99,542	73,547	2,684	1,705	102,226	75,252
Other	477,522	645,173	-	393,607	477,522	1,038,780
Total revenues	<u>75,385,351</u>	<u>67,709,827</u>	<u>11,156,006</u>	<u>11,655,614</u>	<u>86,541,357</u>	<u>79,365,441</u>
Program expenses:						
General government	14,911,726	15,608,475	-	-	14,911,726	15,608,475
Public safety	14,110,921	12,201,302	-	-	14,110,921	12,201,302
Public works	1,787,016	1,905,358	-	-	1,787,016	1,905,358
Human services	23,094,836	22,079,649	9,325,309	8,816,869	32,420,145	30,896,518
Culture and recreation	1,132,426	847,090	-	-	1,132,426	847,090
Conservation and development	2,123,466	333,756	-	-	2,123,466	333,756
Unallocated insurance claims and related expenses	8,598,326	8,099,694	-	-	8,598,326	8,099,694
Interest	285,001	303,753	-	-	285,001	303,753
Total program expenses	<u>66,043,718</u>	<u>61,379,077</u>	<u>9,325,309</u>	<u>8,816,869</u>	<u>75,369,027</u>	<u>70,195,946</u>
<b>Change in Net Position</b>	9,341,633	6,330,750	1,830,697	2,838,745	11,172,330	9,169,495
Net position - beginning	<u>56,352,400</u>	<u>50,021,650</u>	<u>15,233,617</u>	<u>12,394,872</u>	<u>71,586,017</u>	<u>62,416,522</u>
Net position - ending	<u>\$ 65,694,033</u>	<u>\$ 56,352,400</u>	<u>\$ 17,064,314</u>	<u>\$ 15,233,617</u>	<u>\$ 82,758,347</u>	<u>\$ 71,586,017</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, 2022:

**County of Crawford, Pennsylvania  
Government-Wide Sources of Revenues  
Total Revenues \$86,541,357**



The government-wide revenues of \$86.5 million were derived primarily from taxes and operating grants and contributions, which make up 32% and 41 of total revenues, respectively. The next largest source of revenue was charges for services, which is 25% of total revenues.

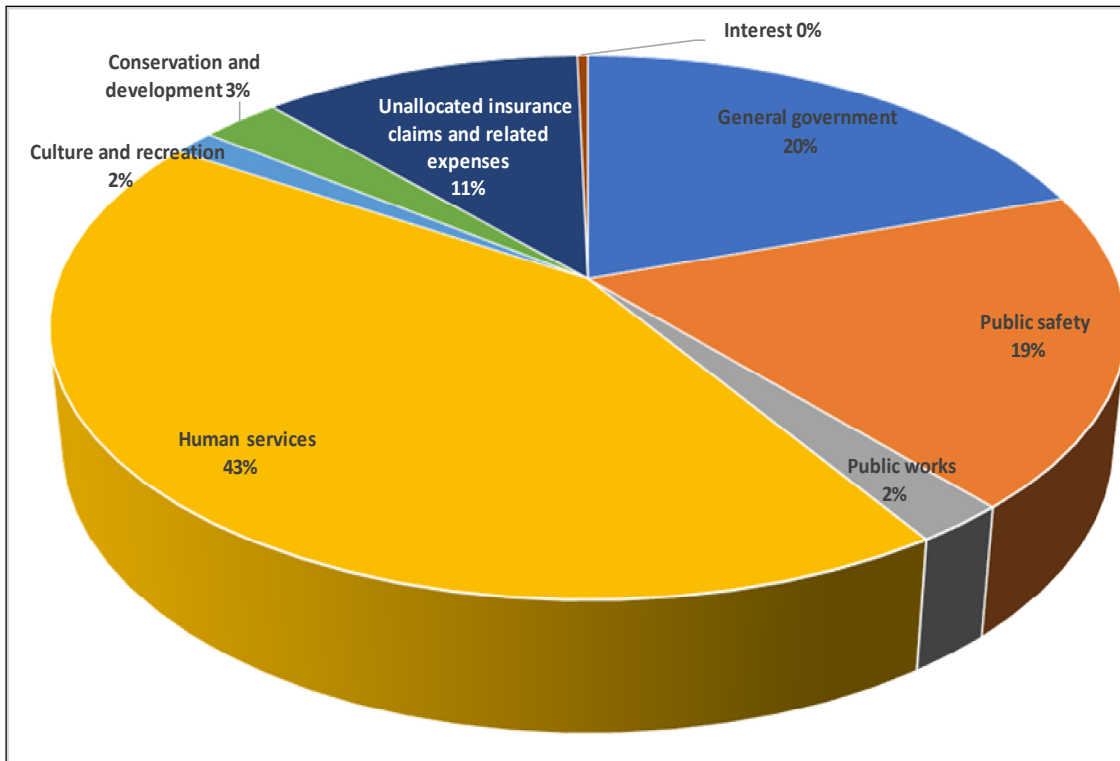


# MANAGEMENT'S DISCUSSION AND ANALYSIS

## *PROGRAM EXPENSES*

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2022:

**County of Crawford, Pennsylvania  
Government-Wide Program Expenses  
Total Expenses \$75,369,027**



The largest area of expenses was Human Services, which totaled \$32.4 million or 43% of all expenses. Human Services provides a vast array of social services programs including Children and Youth, Mental Health, Intellectual Disabilities, and Early Intervention Services. Human Services expenses also include the operation of the Crawford County Care Center, a County-operated nursing home. Following Human Services, General Government at \$14.9 million represented 20% of all expenses, followed by Public Safety with \$14.1 million in expenses representing 19% of expenses, and Unallocated Insurance Claims and Related Expenses at \$8.6 million or 11% of the total.

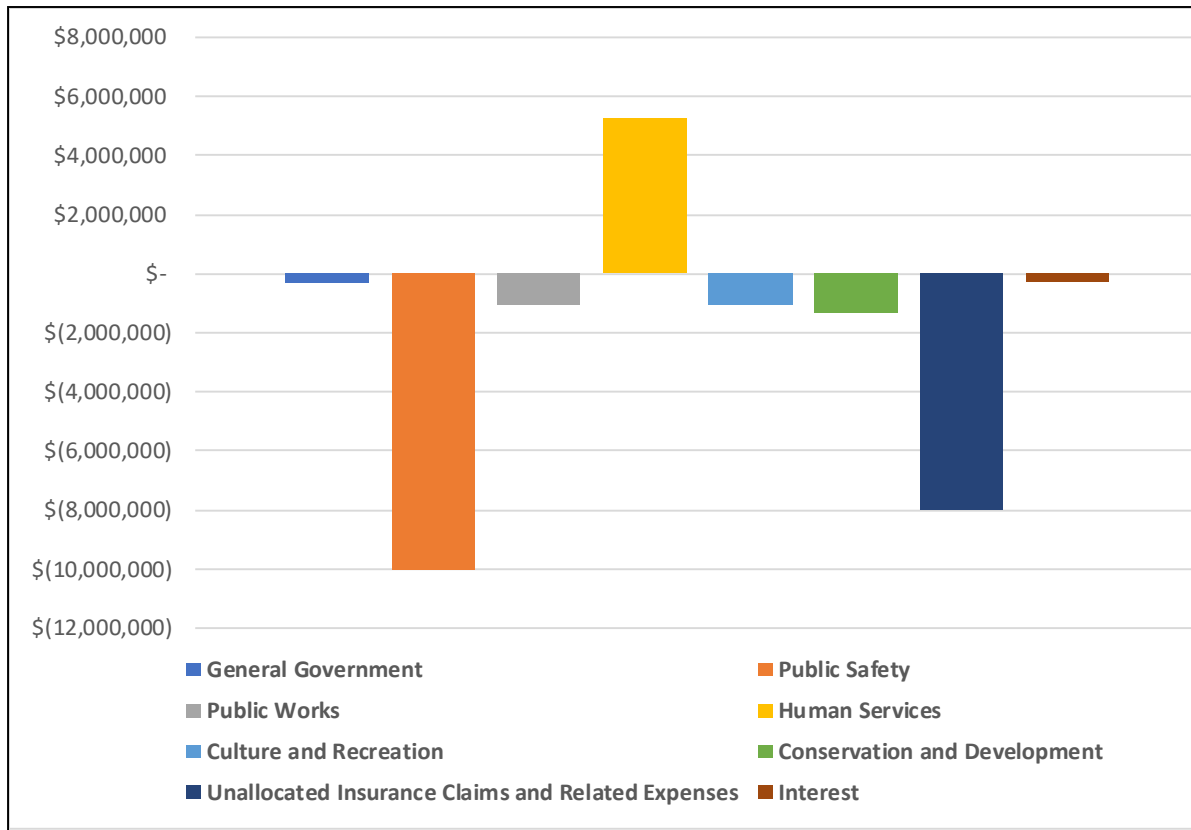
# MANAGEMENT'S DISCUSSION AND ANALYSIS

## *NET PROGRAM EXPENSES/REVENUES*

Net program expenses/revenues indicate the amount of support required from taxes and other general revenues for the year. The following chart graphically depicts the net program expenses/revenues by function/program for the year ended December 31, 2022:

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

Public safety required the most general revenues for support, needing \$10 million during 2022.



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## ***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

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

The County also reports total nonmajor governmental funds, which include several nonmajor funds. The largest of these include: Liquid Fuels, Community Development Block Grant (CDBG), and 911. The combining statements of the nonmajor governmental funds can be found on pages 53 through 54.

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, 2022 and 2021:

# MANAGEMENT'S DISCUSSION AND ANALYSIS

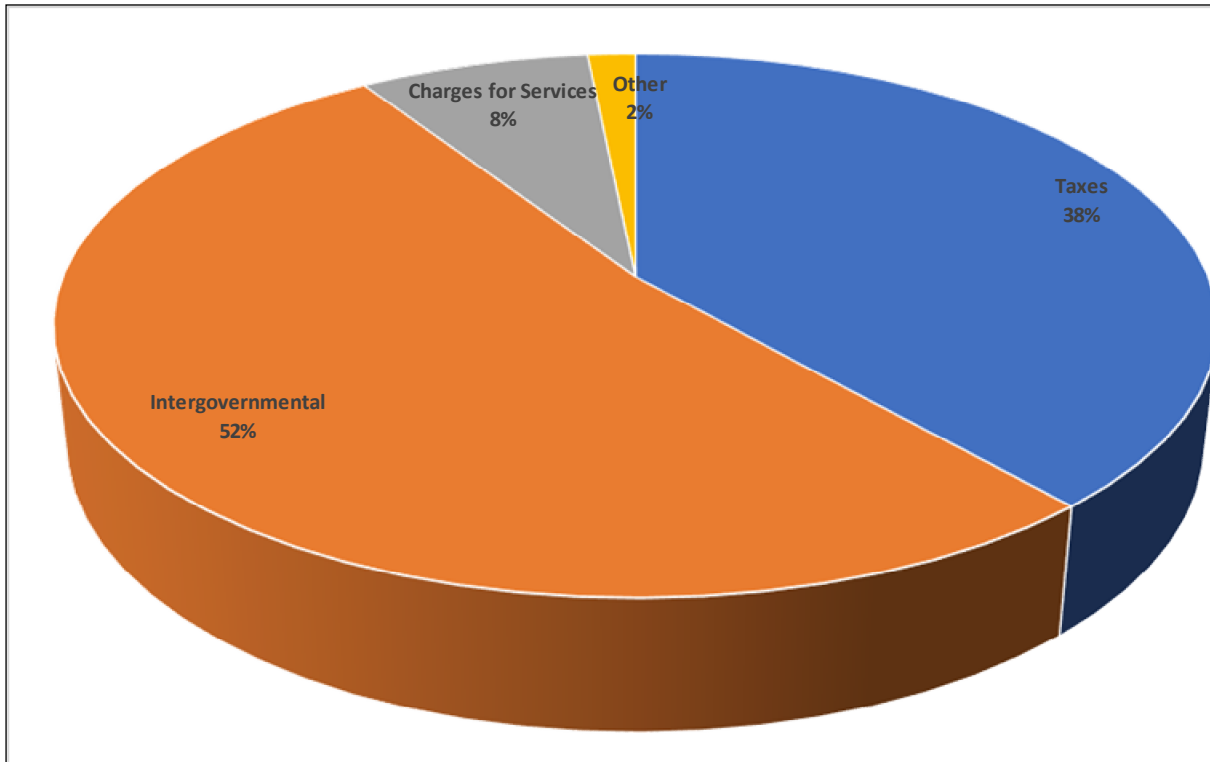
County of Crawford, Pennsylvania  
 Statements of Revenues, Expenditures, and Changes in Fund Balances  
 Years Ended December 31, 2022 and 2021

	Governmental Funds	
	2022	2021
<b>Revenues:</b>		
Taxes	\$ 27,318,644	\$ 27,469,864
Intergovernmental	37,003,759	33,108,171
Charges for services	5,379,409	5,488,017
Fines and forfeitures	272,160	319,653
Investment earnings	98,243	73,307
Payment in lieu of taxes	140,185	142,277
Miscellaneous	606,953	599,772
Total revenues	70,819,353	67,201,061
<b>Expenditures:</b>		
General government	19,273,497	18,510,919
Public safety	15,173,126	14,469,282
Public works	1,372,771	1,502,348
Human services	24,070,553	24,437,081
Culture and recreation	1,090,008	796,941
Conservation and development	2,204,481	470,566
Debt service	1,604,765	847,453
Total expenditures	64,789,201	61,034,590
<b>(Deficiency) of Revenues Over Expenditures</b>	<b>6,030,152</b>	<b>6,166,471</b>
<b>Other Financing Sources (Uses):</b>		
Gain from sale of assets	-	4,060
Transfers in	12,895,725	8,247,342
Transfers out	(12,895,725)	(8,247,342)
Total other financing sources	-	4,060
<b>Net Change in Fund Balance</b>	<b>6,030,152</b>	<b>6,170,531</b>
Fund balance, beginning	35,879,354	29,708,823
Fund balance, ending	\$ 41,909,506	\$ 35,879,354

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental funds revenues, by source, for the year ended December 31, 2022 were:

**County of Crawford, Pennsylvania  
Governmental Funds  
Revenues Classified by Source  
Total Revenues \$70,819,353**

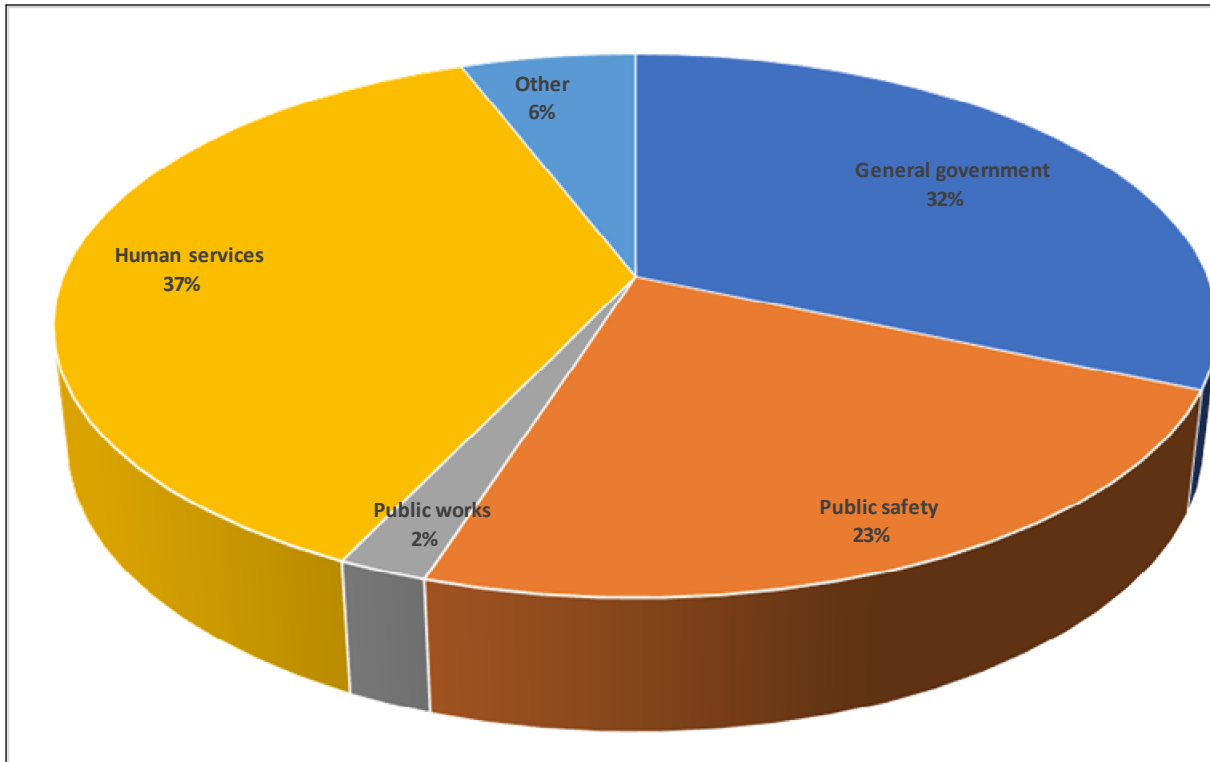


Governmental fund revenues totaled \$70.8 million for the year ended December 31, 2022, of which \$37 million (52%) came from Intergovernmental (Federal and State) revenues. Taxes accounted for \$27.3 million (38%) in revenue. Charges for services reached \$5.4 million (8%) in revenue. Other revenues of \$1.1 million including fines and forfeitures, investment earnings, payment in lieu of taxes, and miscellaneous revenues in total comprise approximately 2% of total revenues.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental funds expenditures, by function, for the year ended December 31, 2022 were:

**County of Crawford, Pennsylvania  
Governmental Funds  
Expenditures Classified by Function  
Total Expenditures \$64,789,201**

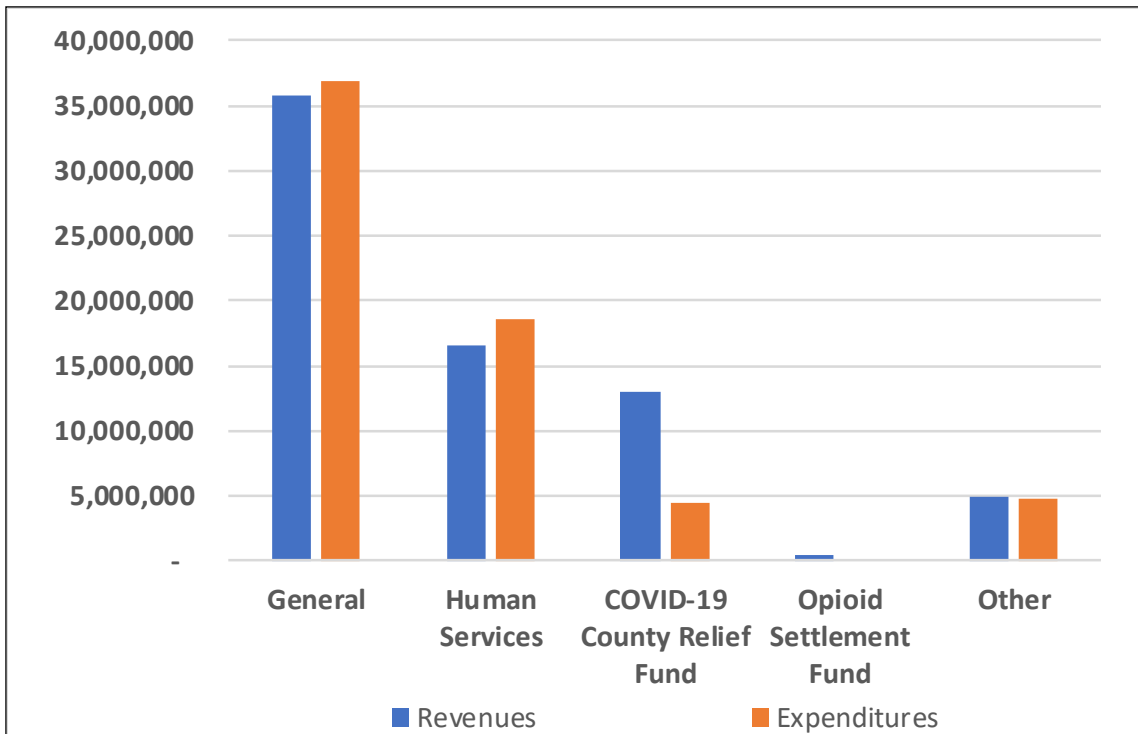


Governmental fund expenditures totaled \$64.8 million for the year ended December 31, 2022, of which \$20.4 million (32%) were general governmental expenditures. Human services and public safety expenditures were \$24.1 million (37%) and \$15.2 million (23%), respectively. Expenditures for public works were approximately \$1.4 million (2%). Other expenditures totaling \$3.7 million (6%) were made for culture and recreation, conservation and development, and debt service.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart graphically depicts the total revenues received and expenditures incurred for the governmental funds for the year ended December 31, 2022.

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



## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The statement of revenues, expenditures, and changes in fund balance – budget to actual – General Fund for the year ended December 31, 2022 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 \$5,228,711 or 14.6% of final budgeted revenues of \$36 million.

The County had a favorable variance between the final budget and actual revenue of approximately \$780,000. The primary factor causing the variance was due to revenue overage as a result of ARPA Revenue Replacement.

The County's actual expenditures for 2022 exceeded the final budget by approximately \$4.3 million. The primary factor causing the variance was increase in expenditures as a result of COVID-19.

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## ***CAPITAL ASSETS***

The County's total investment in capital assets as of December 31, 2022 amounts to \$52.1 million, net of accumulated depreciation. This investment includes construction in progress, land and land improvements, buildings, equipment, vehicles, and infrastructure. There was a slight increase in capital assets during the year due to capital outlays exceeding depreciation expense.

## ***LONG-TERM DEBT***

As of December 31, 2022, the County has \$14 million of long-term debt.

## ***CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT***

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

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



## **FINANCIAL STATEMENTS**

# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 48,068,470	\$ 5,707,385	\$ 53,775,855
Investments	717,205	-	717,205
Receivables:			
Accounts receivable, net	5,253,679	1,083,020	6,336,699
Taxes receivable, net	2,827,148	-	2,827,148
Intergovernmental receivable	5,314,755	-	5,314,755
Internal balances	(13,273,116)	13,273,116	-
Prepaid expenses and other assets	743,451	56,218	799,669
Capital assets, not being depreciated/amortized	4,737,635	21,257	4,758,892
Capital assets, net of accumulated depreciation/amortization	47,401,549	973,839	48,375,388
Right-of-use asset, net of accumulated amortization	2,413,611	-	2,413,611
<b>Total Assets</b>	<b>104,204,387</b>	<b>21,114,835</b>	<b>125,319,222</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources for pension	11,723,619	2,876,674	14,600,293
<b>Liabilities</b>			
Accounts payable	3,165,511	1,600,979	4,766,490
Accrued payroll and related liabilities	886,515	306,966	1,193,481
Accrued interest payable	34,198	-	34,198
Intergovernmental payable	60,785	-	60,785
Unearned revenue	9,953,756	289,199	10,242,955
Compensated absences	1,510,778	274,649	1,785,427
Notes payable - current portion	570,000	-	570,000
Lease liability - current portion	664,742	-	664,742
Noncurrent liabilities:			
Notes payable, net of current portion	13,435,000	-	13,435,000
Lease liability, net of current portion	1,795,108	-	1,795,108
Net pension liability	17,473,242	4,287,483	21,760,725
<b>Total Liabilities</b>	<b>49,549,635</b>	<b>6,759,276</b>	<b>56,308,911</b>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources for pension	684,338	167,919	852,257
<b>Net Position</b>			
Net investment in capital assets	38,134,184	995,096	39,129,280
Restricted for:			
Adoption counseling	22,459	-	22,459
Child support enforcement	346,125	-	346,125
District attorney	46,757	-	46,757
Offender supervision	434,508	-	434,508
Other	160,382	-	160,382
Substance abuse education	4,024	-	4,024
Tourism promotion	39,827	-	39,827
Opioid settlement	4,649,763	-	4,649,763
Roads and bridges	747,320	-	747,320
Emergency services	1,213,107	-	1,213,107
Other special revenue fund services	717,197	-	717,197
Commissary fund	305,748	-	305,748
Unrestricted	18,872,632	16,069,218	34,941,850
<b>Total Net Position</b>	<b>\$ 65,694,033</b>	<b>\$ 17,064,314</b>	<b>\$ 82,758,347</b>

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 14,911,726	\$ 3,354,075	\$ 11,256,572	\$ -	\$ (301,079)	\$ -	\$ (301,079)
Public safety	14,110,921	666,839	3,424,099	-	(10,019,983)	-	(10,019,983)
Public works	1,787,016	-	26,118	747,919	(1,012,979)	-	(1,012,979)
Human services	23,094,836	5,584,974	20,935,663	-	3,425,801	-	3,425,801
Culture and recreation	1,132,426	100,384	7,710	-	(1,024,332)	-	(1,024,332)
Conservation and development	2,123,466	223,290	88,004	517,674	(1,294,498)	-	(1,294,498)
Unallocated insurance claims and related expenses	8,598,326	625,146	-	-	(7,973,180)	-	(7,973,180)
Interest	285,001	-	-	-	(285,001)	-	(285,001)
Total governmental activities	66,043,718	10,554,708	35,738,166	1,265,593	(18,485,251)	-	(18,485,251)
<b>Business-type activities:</b>							
Human services	9,325,309	11,153,322	-	-	-	1,828,013	1,828,013
Total business-type activities	9,325,309	11,153,322	-	-	-	1,828,013	1,828,013
Total primary government	\$ 75,369,027	\$ 21,708,030	\$ 35,738,166	\$ 1,265,593	(18,485,251)	1,828,013	(16,657,238)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					26,532,693	-	26,532,693
Per capita taxes					203,783	-	203,783
Hotel taxes					513,344	-	513,344
Payments in lieu of taxes					140,185	-	140,185
Unrestricted investment earnings					99,542	2,684	102,226
Gain (loss) on disposal of capital asset					(162,047)	-	(162,047)
Miscellaneous					499,384	-	499,384
Total general revenues					27,826,884	2,684	27,829,568
<b>Change in Net Position</b>					9,341,633	1,830,697	11,172,330
Net position - beginning					56,352,400	15,233,617	71,586,017
Net position - ending					\$ 65,694,033	\$ 17,064,314	\$ 82,758,347

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Human Services Fund	COVID-19 County Relief Fund	Opioid Settlement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 25,831,904	\$ 603,593	\$ 15,554,606	\$ 191,237	\$ 2,799,226	\$ 44,980,566
Investments	717,205	-	-	-	-	717,205
Receivables:						
Accounts receivable, net	731,585	342,624	-	4,170,424	9,046	5,253,679
Taxes receivable, net	2,827,148	-	-	-	-	2,827,148
Intergovernmental receivable	1,160,445	2,847,017	-	-	1,307,293	5,314,755
Due from other funds	14,483,660	1,506,033	-	288,102	-	16,277,795
Prepaid expenses and other assets	632,115	39,370	-	-	71,966	743,451
<b>Total Assets</b>	<b>\$ 46,384,062</b>	<b>\$ 5,338,637</b>	<b>\$ 15,554,606</b>	<b>\$ 4,649,763</b>	<b>\$ 4,187,531</b>	<b>\$ 76,114,599</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,559,824	\$ 1,145,955	\$ 28,312	\$ -	\$ 184,236	\$ 2,918,327
Accrued payroll and related liabilities	641,165	199,897	-	-	45,453	886,515
Intergovernmental payable	-	-	-	-	60,785	60,785
Due to other funds	1,503,361	574,874	11,360,127	-	863,720	14,302,082
Unearned revenue	-	5,602,775	4,094,177	-	256,804	9,953,756
<b>Total Liabilities</b>	<b>3,704,350</b>	<b>7,523,501</b>	<b>15,482,616</b>	<b>-</b>	<b>1,410,998</b>	<b>28,121,465</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue - property taxes	1,913,204	-	-	-	-	1,913,204
Unavailable revenue - opioid settlement	-	-	-	4,170,424	-	4,170,424
<b>Total Deferred Inflows of Resources</b>	<b>1,913,204</b>	<b>-</b>	<b>-</b>	<b>4,170,424</b>	<b>-</b>	<b>6,083,628</b>
<b>Fund Balance (Deficit):</b>						
Nonspendable - prepaid expenses and other assets	632,115	39,370	-	-	71,966	743,451
Restricted:						
Adoption counseling	22,459	-	-	-	-	22,459
Child support enforcement	346,125	-	-	-	-	346,125
District attorney	46,757	-	-	-	-	46,757
Offender supervision	434,508	-	-	-	-	434,508
Other	160,382	-	71,990	-	-	232,372
Substance abuse education	4,024	-	-	-	-	4,024
Tourism promotion	39,827	-	-	-	-	39,827
Opioid settlement	-	-	-	479,339	-	479,339
Roads and bridges	-	-	-	-	747,320	747,320
Emergency services	-	-	-	-	1,213,107	1,213,107
Other special revenue	-	-	-	-	717,197	717,197
Commissary fund	305,748	-	-	-	-	305,748
Committed:						
Capital projects	214,200	-	-	-	-	214,200
Contingencies	25,000	-	-	-	-	25,000
District attorney	589	-	-	-	-	589
Warden	3,589	-	-	-	-	3,589
Assigned:						
Capital projects	-	-	-	-	26,943	26,943
Flower fund	6,915	-	-	-	-	6,915
Unassigned	38,524,270	(2,224,234)	-	-	-	36,300,036
<b>Total Fund Balance (Deficit)</b>	<b>40,766,508</b>	<b>(2,184,864)</b>	<b>71,990</b>	<b>479,339</b>	<b>2,776,533</b>	<b>41,909,506</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>	<b>\$ 46,384,062</b>	<b>\$ 5,338,637</b>	<b>\$ 15,554,606</b>	<b>\$ 4,649,763</b>	<b>\$ 4,187,531</b>	<b>\$ 76,114,599</b>

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, 2022

<b>Total Fund Balance - Governmental Funds</b>			\$ 41,909,506
Amounts reported for governmental activities in the statement of net position (page 1) are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.			52,139,184
Some of the County's property taxes receivable and other revenue will be collected next year and are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			6,083,628
The right-of-use asset, net of accumulated amortization, is not a current financial resource, and is not reported as an asset in the governmental funds.			2,413,611
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			(12,408,109)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year-end consist of:			
Notes payable	\$ (14,005,000)		
Accrued interest on notes	(34,198)		
Lease liability	(2,459,850)		
Compensated absences	<u>(1,510,778)</u>	(18,009,826)	
The net pension liability is reflected on the statement of financial position, but is not recorded in the governmental fund statements.			(17,473,242)
Deferred outflows and inflows of resources for pension are recorded and amortized in the statement of net position and are not recorded on the fund financial statements.			<u>11,039,281</u>
<b>Net Position of Governmental Activities</b>			<u>\$ 65,694,033</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, 2022

	General Fund	Human Services Fund	COVID-19 County Relief Fund	Opioid Settlement Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 27,318,644	\$ -	\$ -	\$ -	\$ -	\$ 27,318,644
Intergovernmental	3,791,040	15,546,318	12,922,339	-	4,744,062	37,003,759
Charges for services	3,775,075	953,617	-	479,052	171,665	5,379,409
Fines and forfeitures	272,160	-	-	-	-	272,160
Investment earnings	29,005	-	65,302	287	3,649	98,243
Payment in lieu of taxes	140,185	-	-	-	-	140,185
Miscellaneous	412,710	132,742	-	-	61,501	606,953
Total revenues	35,738,819	16,632,677	12,987,641	479,339	4,980,877	70,819,353
<b>Expenditures:</b>						
Current:						
General government	19,264,947	-	-	-	8,550	19,273,497
Public safety	12,299,982	984,357	69,647	-	1,819,140	15,173,126
Public works	246,896	-	-	-	1,125,875	1,372,771
Human services	1,782,741	17,274,531	4,426,774	-	586,507	24,070,553
Culture and recreation	1,090,008	-	-	-	-	1,090,008
Conservation and development	1,033,004	-	18,281	-	1,153,196	2,204,481
Debt service:						
Principal	879,519	308,857	-	-	12,033	1,200,409
Interest	356,135	36,338	-	-	11,883	404,356
Total expenditures	36,953,232	18,604,083	4,514,702	-	4,717,184	64,789,201
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,214,413)	(1,971,406)	8,472,939	479,339	263,693	6,030,152
<b>Other Financing Sources (Uses):</b>						
Transfers in	10,924,319	1,971,406	-	-	-	12,895,725
Transfers out	(4,481,195)	-	(8,414,530)	-	-	(12,895,725)
Total other financing sources (uses)	6,443,124	1,971,406	(8,414,530)	-	-	-
<b>Net Change in Fund Balance</b>	5,228,711	-	58,409	479,339	263,693	6,030,152
Fund balance (deficit) - beginning	35,537,797	(2,184,864)	13,581	-	2,512,840	35,879,354
Fund balance (deficit) - ending	\$ 40,766,508	\$ (2,184,864)	\$ 71,990	\$ 479,339	\$ 2,776,533	\$ 41,909,506

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, 2022

**Net Change in Fund Balance - Total Governmental Funds** \$ 6,030,152

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. 2,208,124

The net effect of the disposal of capital assets. (162,047)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,101,600

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 560,000

Internal service funds are used by management to charge the costs of workers' compensation and health care insurance to individual funds. The net revenue (loss) of certain activities of internal service funds is reported with governmental activities. (1,488,081)

Some expenses (including pension) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,908,115)

**Change in Net Position of Governmental Activities** \$ 9,341,633

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 27,141,105	\$ 27,141,105	\$ 27,318,644	\$ 177,539
Intergovernmental	3,689,496	3,689,496	3,791,040	101,544
Charges for services	3,349,692	3,349,692	3,775,075	425,383
Fines and forfeitures	310,000	310,000	272,160	(37,840)
Investment earnings	21,025	21,025	29,005	7,980
Payment in lieu of taxes	154,591	154,591	140,185	(14,406)
Miscellaneous	296,701	296,701	412,710	116,009
<b>Total revenues</b>	<b>34,962,610</b>	<b>34,962,610</b>	<b>35,738,819</b>	<b>776,209</b>
<b>Expenditures:</b>				
Current:				
General government	16,803,875	16,803,875	19,264,947	(2,461,072)
Public safety	11,559,678	11,559,678	12,299,982	(740,304)
Public works	208,000	208,000	246,896	(38,896)
Human services	1,792,327	1,792,327	1,782,741	9,586
Culture and recreation	232,730	232,730	1,090,008	(857,278)
Conservation and development	539,838	539,838	1,033,004	(493,166)
Debt service:				
Principal	560,000	560,000	879,519	(319,519)
Interest	289,000	289,000	356,135	(67,135)
Capital outlay	650,364	650,364	-	650,364
<b>Total expenditures</b>	<b>32,635,812</b>	<b>32,635,812</b>	<b>36,953,232</b>	<b>(4,317,420)</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,326,798</b>	<b>2,326,798</b>	<b>(1,214,413)</b>	<b>(3,541,211)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	10,924,319	10,924,319
Transfers out	(2,326,798)	(2,326,798)	(4,481,195)	(2,154,397)
<b>Total other financing sources (uses)</b>	<b>(2,326,798)</b>	<b>(2,326,798)</b>	<b>6,443,124</b>	<b>8,769,922</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>5,228,711</b>	<b>\$ 5,228,711</b>
Fund balance - beginning	35,537,797	35,537,797	35,537,797	
Fund balance - ending	<u>\$ 35,537,797</u>	<u>\$ 35,537,797</u>	<u>\$ 40,766,508</u>	

See accompanying notes to financial statements.



# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

DECEMBER 31, 2022

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,707,385	\$ 3,087,904
Receivables:		
Accounts receivable, net	1,083,020	-
Prepaid expenses and other assets	56,218	-
Total current assets	6,846,623	3,087,904
Non-current assets:		
Capital assets, not being depreciated/amortized	21,257	-
Capital assets, net of accumulated depreciation and amortization	973,839	-
<b>Total Assets</b>	7,841,719	3,087,904
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources for pension	2,876,674	-
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and incurred insurance expenses	1,600,979	247,184
Accrued payroll and related liabilities	306,966	-
Due to other funds	1,975,713	-
Unearned revenue	289,199	-
Compensated absences	274,649	-
Total current liabilities	4,447,506	247,184
Noncurrent liabilities:		
Net pension liability	4,287,483	-
<b>Total Liabilities</b>	8,734,989	247,184
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources for pension	167,919	-
<b>Net Position</b>		
Net investment in capital assets	995,096	-
Unrestricted	820,389	2,840,720
<b>Total Net Position</b>	1,815,485	\$ 2,840,720
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	15,248,829	
<b>Net Position of Business-type Activities (page 1)</b>	\$ 17,064,314	

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, 2022

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
<b>Operating Revenues:</b>		
Charges for services	\$ 10,137,827	\$ -
COVID-19 Funding	1,008,360	-
Employer contributions	-	8,550,457
Miscellaneous	7,135	-
Total operating revenues	11,153,322	8,550,457
<b>Operating Expenses:</b>		
Personnel services	7,792,887	-
Materials and supplies	1,082,485	-
Services	1,254,597	-
Other operating expenses	281,545	1,472,804
Depreciation	202,574	-
Bad debt	152,732	-
Incurred claims and adjustments	-	7,125,522
Total operating expenses	10,766,820	8,598,326
Operating income (loss)	386,502	(47,869)
<b>Nonoperating Revenues:</b>		
Investment earnings	2,684	1,299
Total nonoperating revenues (expenses)	2,684	1,299
<b>Change in Net Position</b>	<b>389,186</b>	<b>(46,570)</b>
Net position - beginning	1,426,299	2,887,290
Net position - ending	1,815,485	\$ 2,840,720
Adjustment for the net effect of the current year activity between the internal service fund and the enterprise fund	(1,441,511)	
<b>Change in Net Position of Business-type Activities (page 2)</b>	<b>\$ 1,830,697</b>	

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	Business-type Activities Crawford County Care Center	Governmental Activities Internal Service Fund
<b>Cash Flows from Operating Activities:</b>		
Receipts from customers	\$ 11,300,466	\$ 8,560,434
Payments to employees for salaries and benefits	(7,223,467)	-
Payments to suppliers and claimants	(2,300,087)	(7,637,770)
Net cash provided by (used in) operating activities	1,776,912	922,664
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	2,684	1,299
Net cash provided by (used in) investing activities	2,684	1,299
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(27,335)	-
Net cash provided by (used in) capital and related financing activities	(27,335)	-
<b>Net Increase in Cash and Cash Equivalents</b>	1,752,261	923,963
<b>Cash and Cash Equivalents:</b>		
Beginning of year	3,955,124	2,163,941
End of year	\$ 5,707,385	\$ 3,087,904
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>		
Operating income (loss)	\$ 386,502	\$ (47,869)
Adjustments to reconcile change in operating income (loss) to net cash used in operating activities:		
Pension expense	386,941	-
Depreciation expense	202,574	-
Bad debt expense	(152,732)	-
Change in assets and liabilities:		
Accounts receivable	594,172	9,977
Intergovernmental receivable	32,043	-
Prepaid expenses and other assets	44,181	733,325
Accounts payable and incurred insurance expenses	457,402	227,231
Accrued payroll and related liabilities	133,519	-
Due to other governments	(30,311)	-
Due to other funds	60,820	-
Unearned revenue	(294,296)	-
Compensated absences	(43,903)	-
Net cash provided by (used in) operating activities	\$ 1,776,912	\$ 922,664

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2022

	Pension Trust Fund	Custodial Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 2,153,436	\$ 1,958,934
Receivables	45,854	-
Investments:		
Money markets	459,614	-
Mutual funds - fixed income	11,009,975	-
Mutual funds - equity	45,501,072	-
Private equity trust	2,272,499	-
Global opportunities fund	13,294,223	-
Hedge fund	5,038,557	-
Alternative core bond fund	11,616,701	-
	<b>91,391,931</b>	<b>1,958,934</b>
<b>Liabilities</b>		
Due to other governments	-	1,788,831
Escrow liability	-	170,103
	<b>-</b>	<b>1,958,934</b>
<b>Net Position Restricted for Pension Benefits</b>		
	<b>\$ 91,391,931</b>	

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2022

	Pension Trust Fund	Custodial Funds
<b>Additions:</b>		
<hr/>		
Contributions:		
Employer	\$ 2,015,411	\$ -
Plan members	2,441,378	-
	4,456,789	-
Total contributions		-
Investment earnings (loss):		
Net increase (decrease) in the fair value of investments	(18,597,600)	-
Interest and dividends	1,939,821	-
	(16,657,779)	-
Total investment earnings (loss)		-
Less investment expense	(90,091)	-
	(16,747,870)	-
Net investment earnings (loss)		-
Collections for Other Individuals and Governments:		
Sheriff's Office	-	424,582
Jail	-	357,957
Prothonotary	-	290,160
Register of Wills	-	11,381,797
Orphans Court	-	65,207
Clerk of Courts	-	1,511,173
Tax Claim	-	8,590,328
Domestic Relation Support	-	102,988
CYS Social Security Collective	-	25,537
District Courts	-	1,976,902
Patient Pers Allowance	-	632,294
Juvenile Probation	-	8,506
State Fund	-	256,930
Northwest Co Commissioners	-	2,944
	-	25,627,305
Total collections for other individuals and governments		25,627,305
Total additions	(12,291,081)	25,627,305
<b>Deductions:</b>		
<hr/>		
Administrative expenses	26,796	-
Benefits	5,850,577	-
Payments to other governments	-	24,598,106
Other custodial disbursements	-	1,029,199
	5,877,373	25,627,305
Total deductions		25,627,305
<b>Change in Net Position</b>	(18,168,454)	-
Net position - beginning	109,560,385	-
Net position - ending	\$ 91,391,931	\$ -

See accompanying notes to financial statements.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 1. Reporting Entity

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

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

#### Related Organizations

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

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

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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

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

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

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

## 2. Summary of Significant Accounting Policies

### Government-Wide and Fund Financial Statements

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

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

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers tax revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, lease liabilities, and claims and judgments, are recorded only when payment is due. Amounts expended to acquire capital assets, including entering into contracts giving the County the right to use leased assets, are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt and financing through leases are recorded as another financing source rather than as a fund liability.

Property taxes, franchise taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

The County reports the following major governmental funds:

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

The *Human Services Fund* accounts for the expenditure of a combination of revenues received from various federal, state, and County sources. These accounts are restricted for the provision of specified social services to eligible recipients. The Human Services

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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Fund is comprised of Children and Youth Services, Mental Health and Intellectual Disabilities Services, and Early Intervention Services provided by the County.

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

The *Opioid Settlement Fund* accounts for the revenue and expenditures authorized by the opioid settlement dollars for remediation of the opioid epidemic.

The County reports the following major enterprise fund:

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

Additionally, the County reports the following funds:

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

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

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

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

The *Custodial Funds* are used to account for cash collected by elected row officers (Register of Wills, Recorder of Deeds, Sheriff, Prothonotary, Clerk of Courts, and Treasurer) and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### Interfund Activity in the Government-Wide Financial Statements

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and cash advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated, so that only the net amount is included as internal balances in the business-type activities column.

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

### Cash and Cash Equivalents

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

### Investments

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

### Fair Value Measurements

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

### Risks and Uncertainties

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

### Allowance for Doubtful Accounts

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

### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

### Capital Assets

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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

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

### Deferred Outflows/Inflows of Resources

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

Certain amounts determined in connection with pension accounting requirements are reported as deferred outflows of resources on the government-wide financial statements and proprietary fund statement of net position. This amount is determined based on an actuarial valuation performed for the pension plan. Note 9 presents additional information about the pension plan.

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

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

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

### Unearned Revenues

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

### Compensated Absences

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

The County accrues accumulated unpaid vacation when (1) the obligation relates to rights that vest or accumulate, (2) the payment of the obligation is probable, and (3) the amount can be reasonably estimated. Unused vacation leave is paid upon an employee's retirement or upon termination after one year of service. Sick leave not taken is paid only to retiring employees, at varying rates. No liability for these amounts is included in the governmental fund statements, only in the proprietary fund statements.

### Long-Term Obligations

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

### Leases

The County is a lessee for noncancellable building leases, tower rentals, and voting equipment. The County recognizes a lease liability and an intangible right of use asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$50,000 or more.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as a right-of-use asset and lease liabilities are reported as a lease liability on the statement of net position.

### 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 and the opioid settlement.
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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the County Commissioners. Such commitment is made via a resolution of the County Commissioners and must be made prior to the end of the fiscal year. A commitment can only be modified or removed by an equal action of the County Commissioners.
- Assigned – This category represents intentions of the County to use the funds for specific purposes. The County Commissioners have the authority to assign amounts to be used for specific purposes.
- Unassigned – This category includes the residual classification for the County's General Fund and includes all spendable amounts not contained in other classifications.

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

### Net Position

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

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
  - Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a
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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

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

### Allocation of Indirect Expenses

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

### Budgets and Budgetary Accounting

The County adopts an annual budget for all significant governmental funds on a modified accrual basis of accounting. A budget was not legally adopted for the COVID County Relief Fund or the Opioid Settlement Fund. The Pennsylvania County Code dictates specific procedures relative to adoption of the County's budget and reporting of its financial statements. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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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.

For the year ended December 31, 2022, expenditures in the General Fund exceeded appropriations in general government, public safety, public works, culture and recreation, conservation and development, and debt service. The overage was funded by excess revenues, transfers in from other funds, and, to the extent available, fund balance.

### Accounting Estimates

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

### Adopted Pronouncements

GASB Statement No. 87, "*Leases*," requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effects of this adoption were not material to the beginning net position balances and were adjusted through the statement of net position.

The following GASB Statements were also adopted for the year ended December 31, 2022: Statement Nos. 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the County's financial statements for the year ended December 31, 2022.

### Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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101 (Compensated Absences). Management has not yet determined the impact of these statements on the financial statements.

### 3. Deposits and Investments

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

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

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

#### Governmental and Business Type Activities

##### Deposits

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

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. Of the bank balance of \$46,188,992 at December 31, 2022, \$1,502,322 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits, with carrying amounts of \$45,115,169 as of December 31, 2022, are reported as cash and cash equivalents.

##### Cash Equivalent Investments

The County's cash equivalent investment in the Pennsylvania Local Government Investment Trust (PLGIT) (an external investment) cannot be classified by risk category because the

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

As of December 31, 2022, the investment in PLGIT of \$8,930,636 (book balance), is considered to be a cash equivalent for presentation on the government-wide statement of net position and the governmental funds balance sheet.

### Investments

As of December 31, 2022, the County had the following non-pension investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
<b>Governmental activities</b>					
Debt securities:					
U.S. Treasury Notes and Bonds	\$ 208,217	\$ 23,000	\$ 185,217	\$ -	\$ -
U.S. Government Agency Obligations	472,224	-	370,500	28,596	73,128
Total debt securities	680,441	23,000	555,717	28,596	73,128
Certificates of deposit	32,273	-	32,273	-	-
Total debt securities and certificates of deposit	712,714	\$ 23,000	\$ 587,990	\$ 28,596	\$ 73,128
Money markets	4,491				
Total	\$ 717,205				

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, the County will not be able to recover the value of their deposits or investments or collateral securities that are in the possession of an outside entity. The County does not have a formal deposit or investment policy for custodial credit risk. As of December 31, 2022, the full bank balance of all of the County's certificates of deposits and money market funds were insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. As of December 31, 2022, the County's remaining investment balance of \$680,441 (bank and book balance) was exposed to custodial credit risk. All of the County's investments, other than certificates of deposits, were uninsured and held by the counterparty. The counterparty is a member of the Securities Investor Protection Corporation (SIPC), which provides insurance coverage up to \$500,000 of the net equity balance, including up to \$250,000 in cash, in the event the counterparty fails, owing the County cash and securities that are missing from their accounts. This coverage does not extend to losses incurred due to fraud, misrepresentation, or investment decisions.

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. As of December 31, 2022, the County's investments in PLGIT and debt securities have received AAA and AA ratings, respectively, from Standard & Poor's.

### Custodial Funds

The County maintains bank accounts for the elected row officers and other County offices. The balance of these accounts is reflected in the statement of fiduciary net position. The carrying amount of deposits for the row offices and other County offices was \$1,688,643 and the bank balance was \$2,327,298. Of the bank balance, \$177,554 was covered by federal depository insurance. The remaining balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

### Pension Trust Fund – Deposits

The Pension Trust Fund deposits are held separately from those of other County funds. The Pension Trust Fund cash and cash equivalents book value and bank balance was \$2,153,436 at December 31, 2022. None of the bank balance was covered by federal deposit insurance. The entire bank balance was collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

### Pension Trust Fund - Investments

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

The Pension Trust Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The Pension Trust Fund had the following recurring fair value measurements at December 31, 2022:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Mutual funds - fixed income	\$ 11,009,975	\$ 11,009,975	\$ -	\$ -
Mutual funds - equity:				
Real estate	4,019,733	4,019,733	-	-
Large blend	18,127,995	18,127,995	-	-
Small blend	2,353,740	2,353,740	-	-
Foreign large blend	15,442,357	15,442,357	-	-
Mid cap growth	2,793,094	2,793,094	-	-
Tactical allocation	2,764,153	2,764,153	-	-
Total Mutual Funds - Equity	45,501,072	45,501,072	-	-
Private equity trust	2,272,499	-	-	2,272,499
Total Investments by Fair Value Level	58,783,546	\$ 56,511,047	\$ -	\$ 2,272,499
Money markets	459,614			
Investments Measured at NAV:				
Global Opportunities Fund	13,294,223			
Hedge Fund	5,038,557			
Alternative Core Bond Fund	11,616,701			
Total Investments measured at NAV	29,949,481			
Total investments measured at fair value	\$ 89,192,641			

Mutual funds and common stock classified in Level 1 are valued using quoted market prices in active markets for those securities. Private equity trusts classified in Level 3 are valued based upon the County's share of the trust assets held. The underlying assets of the private equity trust are primarily invested in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations, and venture/growth capital investment funds, as well as securities, including co-investments. The Pension Trust Fund's investment in money markets of \$459,614 is reported at amortized cost, which approximates market.

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Instrument	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Opportunities Fund (1)	\$ 13,294,223	\$ -	Monthly	22nd calendar day of prior month
Hedge Fund (2)	5,038,557	-	Quarterly	45 - 60 days
Alternative Core Bond Fund (3)	<u>11,616,701</u>	-	Daily	None
Total Investments Measured at NAV	<u>\$ 29,949,481</u>			

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

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

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

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



# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

*Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County does not have a formal investment policy for credit risk. As of December 31, 2022, the County's Pension Trust Fund does not have any investments in fixed income securities.

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

*Interest Rate Risk* – The Pension Trust Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2022, the County's Pension Trust Fund does not have any investments in fixed income securities.

#### **4. Property Taxes**

The County is permitted by state law to levy taxes up to 25 mills of assessed valuation. The millage rate levied by the County for the year ended December 31, 2022 was 21.85 mills (property tax), applied to an assessable base of \$1,245,058,793 for general County purposes. Of this amount, 0.9 mills is restricted for payment of interest and principal on the indebtedness incurred under the Local Government Debt Act to finance the construction of the new Judicial Center and 0.7 mills is for the library tax assessment. Property taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. These taxes are billed by the County and collected by elected tax collectors. Taxes paid through April 30 are reduced by a 3% discount. Amounts paid after June 30 are assessed a 10% penalty. The current year tax levy becomes delinquent after December 31. The County collects delinquent property taxes on behalf of itself and other taxing authorities within the County.

Current property taxes receivable at December 31, 2022 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

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 5. Allowance for Uncollectibles

The Care Center accounts receivable are shown net of an allowance for uncollectible accounts totaling \$492,379.

Property tax receivables are shown net of an allowance for uncollectible accounts equal to \$110,339.

Per capita tax receivables are shown net of an allowance for uncollectible accounts equal to \$12,895.

### 6. Promissory Notes Receivable

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

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

As of December 31, 2022, promissory notes receivable, included in prepaid expenses and other assets on the statement of net position, total \$158,206.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

### 7. Capital Assets

A summary of governmental activities capital assets for the year ended December 31, 2022 is as follows:

	Balance at January 1, 2022	Transfers/ Additions	Transfers/ Deletions	Balance at December 31, 2022
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 637,636	\$ -	\$ -	\$ 637,636
Construction in progress	989,257	3,568,976	(458,234)	4,099,999
Total capital assets, not being depreciated	1,626,893	3,568,976	(458,234)	4,737,635
Capital assets, being depreciated:				
Buildings	45,404,754	697,634	(102,793)	45,999,595
Land improvements	2,398,226	14,803	-	2,413,029
Equipment	6,797,843	250,601	(317,207)	6,731,237
Vehicles	1,691,954	151,359	(84,671)	1,758,642
Infrastructure	20,613,856	249,203	(177,675)	20,685,384
Total capital assets, being depreciated	76,906,633	1,363,600	(682,346)	77,587,887
Less: accumulated depreciation	(28,440,419)	(2,266,218)	520,299	(30,186,338)
Total capital assets, being depreciated, net	48,466,214	(902,618)	(162,047)	47,401,549
Governmental activities, capital assets, net	\$ 50,093,107	\$ 2,666,358	\$ (620,281)	\$ 52,139,184

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 967,522
Public safety	693,174
Public works	424,649
Human services	64,458
Culture and recreation	116,415
Total depreciation expense - governmental activities	\$ 2,266,218

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

A summary of business-type activities capital assets for the year ended December 31, 2022 is as follows:

	January 1, 2022	Transfers/ Additions	Deletions	December 31, 2022
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 21,257	\$ -	\$ 21,257
Capital assets, being depreciated:				
Buildings	5,601,690	-	-	5,601,690
Land improvements	770,336	-	-	770,336
Equipment	1,298,026	6,078	-	1,304,104
Vehicles	167,012	-	-	167,012
Total capital assets, being depreciated	7,837,064	6,078	-	7,843,142
Less: accumulated depreciation	(6,666,729)	(202,574)	-	(6,869,303)
Total capital assets, being depreciated, net	1,170,335	(196,496)	-	973,839
Business-type activities, capital assets, net	\$ 1,170,335	\$ (175,239)	\$ -	\$ 995,096

### 8. Interfund Receivables, Payables, and Transfers

Individual fund receivable and payable balances at December 31, 2022, as well as interfund transfers for the year ended December 31, 2022, were as follows:

Funds	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
Governmental activities:				
General	\$ 14,483,660	\$ 1,503,361	\$ 10,924,319	\$ 4,481,195
Human Services	1,506,033	574,874	1,971,406	-
COVID-19 County Relief Fund	-	11,360,127	-	8,414,530
Opioid Settlement	288,102	-	-	-
Nonmajor funds	-	863,720	-	-
Business-type activities:				
Care Center	-	1,975,713	-	-
	\$ 16,277,795	\$ 16,277,795	\$ 12,895,725	\$ 12,895,725

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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The primary purpose of the interfund payable amounts due for the Human Services, nonmajor funds, and Care Center funds is for expenses, such as pension, payroll, and cost allocation expenses, which are initially paid by and reimbursed to the General Fund. The interfund receivable for the Opioid Settlement relates to the opioid receipt deposited into the General Fund that is owed to the Opioid Settlement Fund. A large portion of the General Fund interfund transfers out and Human Service Fund transfers in represents the County's required contribution to various programs based upon Pennsylvania Department of Human Services requirements. In addition, a large portion of the General Fund interfund transfers and interfund receivable balance from the COVID-19 County Relief Fund represents the County's use of general government salaries and wages related to the allocation of revenue of the American Rescue Plan (ARP).

### 9. Crawford County Employees' Retirement System

#### Summary of Significant Accounting Policies

Financial information of the Crawford County Employees' Retirement System (Plan) is presented on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Employer contributions to the Plan are recognized when due as required by applicable law. Employee contributions are recognized in the period in which the contribution is due. Investments are reported at fair value as further described in Note 3. All administrative costs are paid from the Plan assets. The County does not issue a separate financial report for the Plan.

#### Plan Description

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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All full-time County employees become Plan members immediately upon becoming an employee. Membership in the Plan is optional for elected officials. At January 1, 2022 measurement date, plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	350
Inactive plan members entitled to but not yet receiving benefits	80
Active plan members	<u>532</u>
Total plan members	<u><u>962</u></u>

### Benefits Provided

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

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

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

### Contributions

The Plan participants and the County are obligated by the plan document to make all required contributions to the Plan. Participants are required to contribute 8% of their annual covered salary. The contributions required of the County are actuarially determined. The County contributed the required \$2,015,411 for 2022.

### Changes in Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the County for the year ended December 31, 2022 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2021	\$ 108,990,598	\$ 109,560,385	\$ (569,787)
Changes for the year:			
Service cost	2,607,015	-	2,607,015
Interest	8,104,384	-	8,104,384
Differences between expected and actual experience	(635,872)	-	(635,872)
Changes of assumptions	-	-	-
Contributions - employer	-	2,015,411	(2,015,411)
Contributions - employee	-	2,441,378	(2,441,378)
Net investment income (loss)	-	(16,684,978)	16,684,978
Benefit payments, including refunds	(5,913,469)	(5,913,469)	-
Administrative expense	-	(26,796)	26,796
Net changes	4,162,058	(18,168,454)	22,330,512
Balances at December 31, 2022	\$ 113,152,656	\$ 91,391,931	\$ 21,760,725
Plan fiduciary net position as a percentage of the total pension liability (asset)			80.77%

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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*Actuarial assumptions* – The total pension liability (asset) was determined by an actuarial valuation performed on January 1, 2022, and rolled forward to December 31, 2022, using the following actuarial assumptions, applied to all periods in the measurement:

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

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

Mortality rates are based on the PubG-2010 Mortality Table for male and females with generational mortality improvement using MP19.

*Changes in Actuarial Assumptions* – No changes since prior valuation.

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

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



# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2022:

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

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2022, the annual money-weighted rate of return on Plan investments, net of investment expense, was (15.16)%.

*Concentrations* – At December 31, 2022, the Plan had no investments in any one issuer that exceeded 5%. In addition, the Plan did not have any investment transactions with related parties during the year.

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
\$ 34,676,497	\$ 21,760,725	\$ 10,849,990

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

For the year ended December 31, 2022, the County recognized pension expense of approximately \$4.3 million. At December 31, 2022, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,159	\$ 852,257
Changes in assumption	1,895,595	-
Net difference between projected and actual earnings on pension plan investments	12,692,539	-
Total	\$ 14,600,293	\$ 852,257

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

Year Ending December 31,		
2023	\$	1,833,261
2024		3,224,189
2025		3,838,729
2026		4,851,857
2027		-
	\$	13,748,036

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 10. Noncurrent Liabilities

#### Construction Notes Payable – Direct Borrowing

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

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

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 340,000	\$ 159,858	\$ 499,858
2024	350,000	153,140	503,140
2025	355,000	146,224	501,224
2026	365,000	139,209	504,209
2027	380,000	131,997	511,997
2028-2032	2,080,000	543,005	2,623,005
2033-2037	2,485,000	322,384	2,807,384
2038-2040	1,735,000	69,456	1,804,456
	<u>\$ 8,090,000</u>	<u>\$ 1,665,273</u>	<u>\$ 9,755,273</u>

On January 5, 2016, the County issued a Tax-Exempt General Obligation Note, Series of 2016 (2016 Construction Note). The 2016 Construction Note is in the form of a draw-down, term loan with a maximum principal amount of \$7,000,000 to finance the construction of the Judicial Center. Until January 5, 2021 (the “Initial Change Date”), the Construction Note bears interest at a rate of 2.22% per annum on the outstanding principal balance. On the Initial Change Date and every 60 months thereafter until the maturity date, the interest will be adjusted and reset at 65% of the sum of the then current Federal Home Loan Bank of

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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Pittsburgh five-year rate plus 2.25%; however, the interest rate shall not increase to more than 3.22% on the Initial Change Date, more than 3.97% on the second Change Date, more than 4.47% on the third Change Date, nor more than 4.97% on the final Change Date. Repayment of principal began in November 2018 and runs through November 2041.

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

Years Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 230,000	\$ 114,219	\$ 344,219
2024	235,000	109,777	344,777
2025	240,000	105,240	345,240
2026	250,000	100,605	350,605
2027	255,000	95,778	350,778
2028-2032	1,405,000	401,745	1,806,745
2033-2037	1,690,000	255,761	1,945,761
2038-2041	1,610,000	79,171	1,689,171
	<u>\$ 5,915,000</u>	<u>\$ 1,262,296</u>	<u>\$ 7,177,296</u>

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

### Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended December 31, 2022 was as follows:

<b><u>Governmental Activities</u></b>	Balance at January 1, 2022	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Direct borrowings:					
GON, Series of 2015	\$ 8,425,000	\$ -	\$ (335,000)	\$ 8,090,000	\$ 340,000
GON, Series of 2016	6,140,000	-	(225,000)	5,915,000	230,000
Compensated absences	1,523,819	-	(13,041)	1,510,778	1,510,778
Noncurrent liabilities	<u>\$ 16,088,819</u>	<u>\$ -</u>	<u>\$ (573,041)</u>	<u>\$ 15,515,778</u>	<u>\$ 2,080,778</u>
<b><u>Business-Type Activities</u></b>	Balance at January 1, 2022	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Compensated absences	<u>\$ 318,552</u>	<u>\$ -</u>	<u>\$ (43,903)</u>	<u>\$ 274,649</u>	<u>\$ 274,649</u>

## 11. Leases

During 2008, the County entered into a lease agreement as lessee for a tower rental, which was extended until 2026, with an automatic renewal for an additional fourteen years. An initial lease liability was recorded in the amount of \$246,080 during 2021. As of December 31, 2022, the value of the lease liability was \$237,251. The County is required to make monthly payments of \$1,543. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$233,128 and had accumulated amortization of \$12,952.

During 2008, the County entered into a five-year lease agreement as lessee for a tower rental, which has extensions of four additional five-year terms. An initial lease liability was recorded in the amount of \$56,447 during 2021. As of December 31, 2022, the value of the lease liability was \$53,242. The County is required to make monthly payments of \$300, with an escalation of 3% increase annually. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$51,430 and had accumulated amortization of \$5,018.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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During 2013, the County entered into a lease agreement as lessee for office space, which was extended until 2026. An initial lease liability was recorded in the amount of \$80,279 during 2021. As of December 31, 2022, the value of the lease liability was \$64,169. The County is required to make monthly payments of \$1,605 through October 2022, increased to \$1,487 for the subsequent two years, and increased to \$1,527 for the last two years. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$63,670 and had accumulated amortization of \$16,610.

During 2016, the County entered into a seven-year noncancelable lease agreement as lessee for office space, with an option to extend for an additional seven-years. An initial lease liability was recorded in the amount of \$385,362 during 2021. As of December 31, 2022, the value of the lease liability was \$346,061. The County is required to make monthly payments of \$4,500. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$339,576 and had accumulated amortization of \$45,786.

During 2016, the County entered into a ten-year noncancelable lease agreement as lessee for office space. An initial lease liability was recorded in the amount of \$295,229 during 2021. As of December 31, 2022, the value of the lease liability was \$225,783. The County is required to make monthly payments of \$6,666. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$221,422 and had accumulated amortization of \$73,807.

During 2017, the County entered into a five-year noncancelable lease agreement as lessee for office space, which was extended for an additional three-years. An initial lease liability was recorded in the amount of \$1,049,196 during 2021. As of December 31, 2022, the value of the lease liability was \$740,339. The County is required to make monthly payments of \$28,718. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$726,367 and had accumulated amortization of \$322,830.

During 2019, the County entered into a five-year noncancelable lease agreement as lessee for office space. An initial lease liability was recorded in the amount of \$90,855 during 2021. As of December 31, 2022, the value of the lease liability was \$61,771. The County is required to make monthly payments of \$2,682. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$60,570 and had accumulated amortization of \$30,285.

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# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

During 2020, the County entered into a five-year noncancelable lease agreement as lessee for voting machines. An initial lease liability was recorded in the amount of \$896,811 during 2021. As of December 31, 2022, the value of the lease liability was \$731,234. The County is required to make annual payments of \$201,448. The County is utilizing an incremental borrowing rate of 4.00% as the interest rate. The value of the right-of-use asset as of December 31, 2022 was \$717,448 and had accumulated amortization of \$179,360.

The future principal and interest lease payments as of December 31, 2022, were as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 664,742	\$ 89,430	\$ 754,172
2024	691,945	62,472	754,417
2025	425,858	38,472	464,330
2026	269,648	25,660	295,308
2027	63,629	15,149	78,778
Thereafter	344,028	63,216	407,244
	<u>\$ 2,459,850</u>	<u>\$ 294,399</u>	<u>\$ 2,754,249</u>

## 12. Self-Insurance

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

### Health Care

The County maintains a self-insurance program for health and prescription drug coverage for eligible employees. Employees contribute between \$74.98 and \$198.50 per month depending on level of coverage and if the employee is in a union. The employee has the option to participate in a voluntary wellness program, which includes a 50% discount on their contributions if they complete required tasks. The discounted contributions for both union and non-union are between \$37.34 and \$99.24 per month. If an employee's spouse is on the County's plan but has insurance available through their employer, they are

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

charged a \$100 spousal surcharge. The fund charges premiums to each County department based on the number of participating employees. The premiums are based on estimated costs for health care coverage during the year. The fund covers claims up to \$90,000 per person, per illness, with the excess claims being covered through commercial insurance policies. Claims expenditures and liabilities are reported when it is probable that a loss can be reasonably estimated.

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

	Workers' Compensation Coverage Plan	Health Care Plan	Total
Liability at January 1, 2021	\$ 119	\$ 2,451	\$ 2,570
Incurred claims and claim adjustments	358	8,381,514	8,381,872
Payments on claims and claim adjustment expenses	(109,581)	(8,274,861)	(8,384,442)
Liability at December 31, 2021	(109,104)	109,104	-
Incurred claims and claim adjustments	-	7,934,331	7,934,331
Payments on claims and claim adjustment expenses	-	(7,707,100)	(7,707,100)
Liability at December 31, 2022	\$ (109,104)	\$ 336,335	\$ 227,231

### 13. Commitments and Contingencies

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

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



# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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Subsequent to year-end, the County entered into an agreement for the sale of the Care Center for a purchase price of \$5,200,000 with an estimated closing date of October 2023.

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

During the year, the County entered into a construction commitment related to capital building additions with an estimated project cost of \$2.2 million for HVAC upgrades to be funded through cash flows, with an amount unpaid at year-end of approximately \$650,000.

### **14. Revenue Concentration**

Of the County's total governmental revenues, approximately 36% and 48% is derived from taxes and intergovernmental revenues, respectively. Taxes consist of the collection of property and per capita taxes. Intergovernmental revenues consist of federal and state operating grants from various funding sources used to finance projects and services provided to Crawford County citizens. Substantially all revenue received in the enterprise fund is derived predominantly from third-party payers. The County has amounts receivable arising from the property tax levies, earned income, and various other activities. These amounts are generally due from taxpayers and citizens of the County and are, thus, subject to the economic conditions of that geographic area.

### **15. Tax Abatements**

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

The following are the County's tax abatement programs:

- 5-year LERTA - available for residential properties, defined by Municipality.

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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

During 2022, real estate tax abatements were as follows:

<u>Abatements</u>	<u>Tax Dollars</u>
LERTA Residential	\$ 2,601
LERTA Commercial	101,692
KOZ/KOEZ	22,107

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COUNTY OF CRAWFORD, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

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

YEAR ENDED DECEMBER 31  
LAST TEN YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>									
Service cost	\$ 2,607,015	\$ 2,646,680	\$ 2,663,015	\$ 3,181,605	\$ 3,012,123	\$ 3,251,143	\$ 3,317,096	\$ 1,017,412	\$ 923,741
Interest	8,104,384	7,833,002	7,531,870	6,935,923	6,613,852	6,213,102	5,943,610	5,620,200	5,245,366
Differences between expected and actual experience	(635,872)	(146,981)	(414,348)	(278,283)	133,759	(808,061)	(1,859,677)	2,275,883	2,268,873
Changes of assumptions	-	-	4,368,111	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(5,913,469)	(6,448,289)	(5,599,987)	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
<b>Net Changes in Total Pension Liability</b>	<b>4,162,058</b>	<b>3,884,412</b>	<b>8,548,661</b>	<b>4,225,970</b>	<b>4,913,368</b>	<b>3,194,734</b>	<b>3,260,361</b>	<b>5,241,885</b>	<b>5,036,977</b>
<b>Total Pension Liability - Beginning</b>	<b>108,990,598</b>	<b>105,106,186</b>	<b>96,557,525</b>	<b>92,331,555</b>	<b>87,418,187</b>	<b>84,223,453</b>	<b>80,963,092</b>	<b>75,721,207</b>	<b>70,684,230</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 113,152,656</b>	<b>\$ 108,990,598</b>	<b>\$ 105,106,186</b>	<b>\$ 96,557,525</b>	<b>\$ 92,331,555</b>	<b>\$ 87,418,187</b>	<b>\$ 84,223,453</b>	<b>\$ 80,963,092</b>	<b>\$ 75,721,207</b>
<b>Plan Fiduciary Net Position:</b>									
Contributions - employer	\$ 2,015,411	\$ 2,449,381	\$ 2,625,980	\$ 2,600,745	\$ 2,601,045	\$ 2,544,392	\$ 2,594,482	\$ 2,422,992	\$ 2,225,894
Contributions - member	2,441,378	2,427,702	2,438,634	2,480,405	2,347,845	2,247,009	2,238,483	2,246,842	2,124,387
Net investment income	(16,684,978)	13,280,988	12,015,874	12,298,485	(6,302,617)	10,447,406	3,831,385	(1,433,734)	1,501,131
Benefit payments, including refunds of member contributions	(5,913,469)	(6,442,621)	(5,605,654)	(5,613,275)	(4,846,366)	(5,461,450)	(4,140,668)	(3,671,610)	(3,401,003)
Administrative expense	(26,796)	(45,264)	(24,688)	(26,759)	(26,561)	(25,560)	(27,068)	(27,088)	(25,969)
Other	-	-	-	2,683,440	59,271	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(18,168,454)</b>	<b>11,670,186</b>	<b>11,450,146</b>	<b>14,423,041</b>	<b>(6,167,383)</b>	<b>9,751,797</b>	<b>4,496,614</b>	<b>(462,598)</b>	<b>2,424,440</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>109,560,385</b>	<b>97,890,199</b>	<b>86,440,053</b>	<b>72,017,012</b>	<b>78,184,395</b>	<b>68,432,598</b>	<b>63,935,984</b>	<b>64,398,582</b>	<b>61,974,142</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 91,391,931</b>	<b>\$ 109,560,385</b>	<b>\$ 97,890,199</b>	<b>\$ 86,440,053</b>	<b>\$ 72,017,012</b>	<b>\$ 78,184,395</b>	<b>\$ 68,432,598</b>	<b>\$ 63,935,984</b>	<b>\$ 64,398,582</b>
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	<b>\$ 21,760,725</b>	<b>\$ (569,787)</b>	<b>\$ 7,215,987</b>	<b>\$ 10,117,472</b>	<b>\$ 20,314,543</b>	<b>\$ 9,233,792</b>	<b>\$ 15,790,855</b>	<b>\$ 17,027,108</b>	<b>\$ 11,322,625</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</b>	<b>80.77%</b>	<b>100.52%</b>	<b>93.13%</b>	<b>89.52%</b>	<b>78.00%</b>	<b>89.44%</b>	<b>81.25%</b>	<b>78.97%</b>	<b>85.05%</b>
<b>Covered Payroll</b>	<b>\$ 24,778,324</b>	<b>\$ 25,136,842</b>	<b>\$ 25,263,872</b>	<b>\$ 24,950,434</b>	<b>\$ 24,294,460</b>	<b>\$ 23,698,140</b>	<b>\$ 25,041,954</b>	<b>\$ 23,861,279</b>	<b>\$ 22,188,086</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>87.82%</b>	<b>-2.27%</b>	<b>28.56%</b>	<b>40.55%</b>	<b>83.62%</b>	<b>38.96%</b>	<b>63.06%</b>	<b>71.36%</b>	<b>51.03%</b>

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

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

**COUNTY OF CRAWFORD, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

SCHEDULES OF COUNTY CONTRIBUTIONS  
AND INVESTMENT RETURNS

YEAR ENDED DECEMBER 31  
LAST TEN YEARS\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Schedule of County Contributions:</b>									
Actuarially determined contribution	\$ 2,015,411	\$ 2,449,381	\$ 2,625,980	\$ 2,600,745	\$ 2,601,045	\$ 2,544,392	\$ 2,594,482	\$ 2,422,992	\$ 2,225,894
Contributions in relation to the actuarially determined contribution	2,015,411	2,449,381	2,625,980	2,600,745	2,601,045	2,544,392	2,594,482	2,422,992	2,225,894
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 24,778,324	\$ 25,136,842	\$ 25,263,872	\$ 24,950,434	\$ 24,294,460	\$ 23,698,140	\$ 25,041,954	\$ 23,861,279	\$ 22,188,086
Contributions as a percentage of covered payroll	8.13%	9.74%	10.39%	10.42%	10.71%	10.74%	10.36%	10.15%	10.03%
<b>Investment Returns:</b>									
Annual money-weighted rate of return, net of investment expense	-15.16%	13.56%	14.41%	21.75%	-8.10%	15.71%	6.30%	-2.53%	3.82%

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

YEAR ENDED DECEMBER 31, 2022

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### Actuarial Methods and Assumptions Used in Determining the Contribution Rate

Actuarial valuation date	1/1/2022
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years.
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.5%
Withdrawal rates	Members not eligible to retire are assumed to terminate employment in accordance with a percentage of the withdrawal rates set forth in Table T-7 of the Actuary's Handbook.
Mortality Table	SOA Pub-2010 for general employees with generational projection using Scale MP-2019.
Retirement Rates	Members eligible to retire are assumed to retire in accordance with the following rates: 55-59 7% 60-61 8% 62-64 15% 65 34% 66-70 23% 71-79 21% 80 100%

### Benefit Changes

There have been no changes in the Plan benefits from 2014 through 2022.

### Change in Actuarial Assumptions

There have been no changes in the actuarial assumptions from 2021 through 2022.

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

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

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## **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. The following are the Special Revenue Funds used by the County:

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

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

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

The **Appalachian Regional Commission Fund** is used to account for money received as part of an agreement with the Pennsylvania Department of Community and Economic Development for the purpose of completing the Erie to Pittsburgh Wilds Loop Trail.

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



**COUNTY OF CRAWFORD, PENNSYLVANIA**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Appalachian Regional Commission	Special Revenue All Other		
<b>Assets</b>							
Cash and cash equivalents	\$ 768,794	\$ 162	\$ 878,229	\$ 100	\$ 1,124,998	\$ 26,943	\$ 2,799,226
Receivables:							
Accounts receivable, net	2,069	-	21	-	6,956	-	9,046
Intergovernmental receivable	1	327,853	463,711	515,728	-	-	1,307,293
Prepaid expenses and other assets	-	-	16,621	-	55,345	-	71,966
<b>Total Assets</b>	<b>\$ 770,864</b>	<b>\$ 328,015</b>	<b>\$ 1,358,582</b>	<b>\$ 515,828</b>	<b>\$ 1,187,299</b>	<b>\$ 26,943</b>	<b>\$ 4,187,531</b>
<b>Liabilities and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 17,023	\$ 40,978	\$ 9,788	\$ 19,187	\$ 97,260	\$ -	\$ 184,236
Accrued payroll and related liabilities	2,150	-	43,303	-	-	-	45,453
Intergovernmental payable	-	-	-	-	60,785	-	60,785
Due to other funds	4,371	286,875	75,763	496,641	70	-	863,720
Unearned revenue	-	162	-	-	256,642	-	256,804
<b>Total Liabilities</b>	<b>23,544</b>	<b>328,015</b>	<b>128,854</b>	<b>515,828</b>	<b>414,757</b>	<b>-</b>	<b>1,410,998</b>
<b>Fund Balance:</b>							
Nonspendable	-	-	16,621	-	55,345	-	71,966
Restricted:							
Roads and bridges	747,320	-	-	-	-	-	747,320
Emergency services	-	-	1,213,107	-	-	-	1,213,107
Hazmat	-	-	-	-	119,357	-	119,357
Affordable housing	-	-	-	-	199,398	-	199,398
Records improvement	-	-	-	-	398,442	-	398,442
Assigned:							
Capital projects	-	-	-	-	-	26,943	26,943
<b>Total Fund Balance</b>	<b>747,320</b>	<b>-</b>	<b>1,229,728</b>	<b>-</b>	<b>772,542</b>	<b>26,943</b>	<b>2,776,533</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 770,864</b>	<b>\$ 328,015</b>	<b>\$ 1,358,582</b>	<b>\$ 515,828</b>	<b>\$ 1,187,299</b>	<b>\$ 26,943</b>	<b>\$ 4,187,531</b>

## COUNTY OF CRAWFORD, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds					Capital Projects	Total Nonmajor Governmental Funds
	Liquid Fuels	CDBG	911	Appalachian Regional Commission	Special Revenue All Other		
<b>Revenues:</b>							
Intergovernmental	\$ 610,489	\$ 1,153,196	\$ 1,852,335	\$ 517,674	\$ 610,368	\$ -	\$ 4,744,062
Charges for services	-	-	-	-	171,665	-	171,665
Investment earnings	2,049	-	564	-	975	61	3,649
Miscellaneous	4,926	-	56,575	-	-	-	61,501
<b>Total revenues</b>	<b>617,464</b>	<b>1,153,196</b>	<b>1,909,474</b>	<b>517,674</b>	<b>783,008</b>	<b>61</b>	<b>4,980,877</b>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	8,550	-	8,550
Public safety	-	-	1,781,224	-	37,916	-	1,819,140
Public works	608,201	-	-	517,674	-	-	1,125,875
Human services	-	-	-	-	586,507	-	586,507
Conservation and development	-	1,153,196	-	-	-	-	1,153,196
Debt service:							
Principal	-	-	12,033	-	-	-	12,033
Interest	-	-	11,883	-	-	-	11,883
<b>Total expenditures</b>	<b>608,201</b>	<b>1,153,196</b>	<b>1,805,140</b>	<b>517,674</b>	<b>632,973</b>	<b>-</b>	<b>4,717,184</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>9,263</b>	<b>-</b>	<b>104,334</b>	<b>-</b>	<b>150,035</b>	<b>61</b>	<b>263,693</b>
<b>Other Financing Sources (Uses):</b>							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>9,263</b>	<b>-</b>	<b>104,334</b>	<b>-</b>	<b>150,035</b>	<b>61</b>	<b>263,693</b>
Fund balance - beginning	738,057	-	1,125,394	-	622,507	26,882	2,512,840
Fund balance - ending	<u>\$ 747,320</u>	<u>\$ -</u>	<u>\$ 1,229,728</u>	<u>\$ -</u>	<u>\$ 772,542</u>	<u>\$ 26,943</u>	<u>\$ 2,776,533</u>

## **CUSTODIAL FUNDS**

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

**COUNTY OF CRAWFORD, PENNSYLVANIA**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS

DECEMBER 31, 2022

	<u>Sheriff's Office</u>	<u>Jail</u>	<u>Prothonotary</u>	<u>Register of Wills</u>	<u>Orphans Court</u>	<u>Clerk of Courts</u>	<u>Tax Claim</u>	<u>Domestic Relation Support</u>	<u>CYS Social Security Collective</u>
<b>Assets</b>									
Cash and cash equivalents	\$ 133,885	\$ 84,153	\$ 83,668	\$ 476	\$ 4,256	\$ 133,602	\$ 1,306,756	\$ 7,965	\$ 7,656
Receivables	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Investments:									
Money markets	-	-	-	-	-	-	-	-	-
Mutual funds - fixed income	-	-	-	-	-	-	-	-	-
Mutual funds - equity	-	-	-	-	-	-	-	-	-
Private equity trust	-	-	-	-	-	-	-	-	-
Global opportunities fund	-	-	-	-	-	-	-	-	-
Hedge fund	-	-	-	-	-	-	-	-	-
Alternative core bond fund	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 133,885</u>	<u>\$ 84,153</u>	<u>\$ 83,668</u>	<u>\$ 476</u>	<u>\$ 4,256</u>	<u>\$ 133,602</u>	<u>\$ 1,306,756</u>	<u>\$ 7,965</u>	<u>\$ 7,656</u>
<b>Liabilities</b>									
Due to other governments	\$ 133,885	\$ 84,153	\$ 53,867	\$ 476	\$ 4,256	\$ 133,602	\$ 1,306,756	\$ 7,965	\$ -
Escrow liability	-	-	29,801	-	-	-	-	-	7,656
<b>Total Liabilities</b>	<u>\$ 133,885</u>	<u>\$ 84,153</u>	<u>\$ 83,668</u>	<u>\$ 476</u>	<u>\$ 4,256</u>	<u>\$ 133,602</u>	<u>\$ 1,306,756</u>	<u>\$ 7,965</u>	<u>\$ 7,656</u>

(Continued)

**COUNTY OF CRAWFORD, PENNSYLVANIA**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS

DECEMBER 31, 2022  
(Continued)

	Magistrate 30-2-01	Magistrate 30-3-01	Magistrate 30-3-03	Magistrate 30-3-06	Patient Responsibility Trust	Juvenile Probation	State Fund	Northwest Co Commissioners	Total
<b>Assets</b>									
Cash and cash equivalents	\$ 16,987	\$ 13,024	\$ 11,149	\$ 15,072	\$ 96,459	\$ 34,340	\$ 7,639	\$ 1,847	\$ 1,958,934
Receivables	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Investments:									
Money markets	-	-	-	-	-	-	-	-	-
Mutual funds - fixed income	-	-	-	-	-	-	-	-	-
Mutual funds - equity	-	-	-	-	-	-	-	-	-
Private equity trust	-	-	-	-	-	-	-	-	-
Global opportunities fund	-	-	-	-	-	-	-	-	-
Hedge fund	-	-	-	-	-	-	-	-	-
Alternative core bond fund	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 16,987</b>	<b>\$ 13,024</b>	<b>\$ 11,149</b>	<b>\$ 15,072</b>	<b>\$ 96,459</b>	<b>\$ 34,340</b>	<b>\$ 7,639</b>	<b>\$ 1,847</b>	<b>\$ 1,958,934</b>
<b>Liabilities</b>									
Due to other governments	\$ 16,987	\$ 13,024	\$ 11,149	\$ 15,072	-	-	\$ 7,639	-	\$ 1,788,831
Escrow liability	-	-	-	-	96,459	34,340	-	1,847	170,103
<b>Total Liabilities</b>	<b>\$ 16,987</b>	<b>\$ 13,024</b>	<b>\$ 11,149</b>	<b>\$ 15,072</b>	<b>\$ 96,459</b>	<b>\$ 34,340</b>	<b>\$ 7,639</b>	<b>\$ 1,847</b>	<b>\$ 1,958,934</b>

(Concluded)

**COUNTY OF CRAWFORD, PENNSYLVANIA**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2022

	Sheriff's Office	Jail	Prothonotary	Register of Wills	Orphans Court	Clerk of Courts	Tax Claim	Domestic Relation Support	CYS Social Security Collective
<b>Additions:</b>									
Contributions:									
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-	-	-	-
Total contributions	-	-	-	-	-	-	-	-	-
Investment earnings (loss):									
Net increase (decrease) in the fair value of investments	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-
Total investment earnings (loss)	-	-	-	-	-	-	-	-	-
Less investment expense	-	-	-	-	-	-	-	-	-
Net investment earnings (loss)	-	-	-	-	-	-	-	-	-
Collections for Other Individuals and Governments:									
Sheriff's Office	424,582	-	-	-	-	-	-	-	-
Jail	-	357,957	-	-	-	-	-	-	-
Prothonotary	-	-	290,160	-	-	-	-	-	-
Register of Wills	-	-	-	11,381,797	-	-	-	-	-
Orphans Court	-	-	-	-	65,207	-	-	-	-
Clerk of Courts	-	-	-	-	-	1,511,173	-	-	-
Tax Claim	-	-	-	-	-	-	8,590,328	-	-
Domestic Relation Support	-	-	-	-	-	-	-	102,988	-
CYS Social Security Collective	-	-	-	-	-	-	-	-	25,537
District Courts	-	-	-	-	-	-	-	-	-
Patient Pers Allowance	-	-	-	-	-	-	-	-	-
Juvenile Probation	-	-	-	-	-	-	-	-	-
State Fund	-	-	-	-	-	-	-	-	-
Northwest Co Comissioners	-	-	-	-	-	-	-	-	-
Total Collections for Other Individuals and Governments	424,582	357,957	290,160	11,381,797	65,207	1,511,173	8,590,328	102,988	25,537
Total additions	424,582	357,957	290,160	11,381,797	65,207	1,511,173	8,590,328	102,988	25,537
<b>Deductions:</b>									
Administrative expenses	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Payments to other governments	424,582	357,957	290,160	11,381,797	65,207	1,511,173	8,590,328	-	-
Other custodial disbursements	-	-	-	-	-	-	-	102,988	25,537
Total deductions	424,582	357,957	290,160	11,381,797	65,207	1,511,173	8,590,328	102,988	25,537
Change in Net Position	-	-	-	-	-	-	-	-	-
<b>Net Position:</b>									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

**COUNTY OF CRAWFORD, PENNSYLVANIA**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ALL CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2022  
(Continued)

	Magistrate 30-2-01	Magistrate 30-3-01	Magistrate 30-3-03	Magistrate 30-3-06	Patient Responsibility Trust	Juvenile Probation	State Fund	Northwest Co Commissioners	Total
<b>Additions:</b>									
Contributions:									
Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan members	-	-	-	-	-	-	-	-	-
Total contributions	-	-	-	-	-	-	-	-	-
Investment earnings (loss):									
Net increase (decrease) in the fair value of investments	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-
Total investment earnings (loss)	-	-	-	-	-	-	-	-	-
Less investment expense	-	-	-	-	-	-	-	-	-
Net investment earnings (loss)	-	-	-	-	-	-	-	-	-
Collections for Other Individuals and Governments:									
Sheriff's Office	-	-	-	-	-	-	-	-	424,582
Jail	-	-	-	-	-	-	-	-	357,957
Prothonotary	-	-	-	-	-	-	-	-	290,160
Register of Wills	-	-	-	-	-	-	-	-	11,381,797
Orphans Court	-	-	-	-	-	-	-	-	65,207
Clerk of Courts	-	-	-	-	-	-	-	-	1,511,173
Tax Claim	-	-	-	-	-	-	-	-	8,590,328
Domestic Relation Support	-	-	-	-	-	-	-	-	102,988
CYS Social Security Collective	-	-	-	-	-	-	-	-	25,537
District Courts	444,828	838,856	319,901	373,317	-	-	-	-	1,976,902
Patient Pers Allowance	-	-	-	-	632,294	-	-	-	632,294
Juvenile Probation	-	-	-	-	-	8,506	-	-	8,506
State Fund	-	-	-	-	-	-	256,930	-	256,930
Northwest Co Commissioners	-	-	-	-	-	-	-	2,944	2,944
Total Collections for Other Individuals and Governments	444,828	838,856	319,901	373,317	632,294	8,506	256,930	2,944	25,627,305
Total additions	444,828	838,856	319,901	373,317	632,294	8,506	256,930	2,944	25,627,305
<b>Deductions:</b>									
Administrative expenses	-	-	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-	-	-
Payments to other governments	444,828	838,856	319,901	373,317	-	-	-	-	24,598,106
Other custodial disbursements	-	-	-	-	632,294	8,506	256,930	2,944	1,029,199
Total deductions	444,828	838,856	319,901	373,317	632,294	8,506	256,930	2,944	25,627,305
Change in Net Position	-	-	-	-	-	-	-	-	-
<b>Net Position:</b>									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Concluded)

**COUNTY OF CRAWFORD, PENNSYLVANIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Assistance Listing Number</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
<b><u>U.S. Department of Agriculture</u></b>					
Passed Through the Pennsylvania Department of Agriculture:					
Food Distribution Cluster:					
Emergency Food Assistance Program (Administrative Costs)	N/A	10.568	\$ 22,165	\$ 20,461	\$ 20,461
Emergency Food Assistance Program (Food Commodities)	N/A	10.569	-	7,000	7,000
Subtotal - Food Distribution Cluster				27,461	27,461
Total U.S. Department of Agriculture				27,461	27,461
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed Through the Pennsylvania Department of Community and Economic Development:					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii					
	N/A	14.228	879,136	1,153,194	-
Total U.S. Department of Housing and Urban Development				1,153,194	-
<b><u>U.S. Department of Justice</u></b>					
Bulletproof Vest Partnership Program					
	N/A	16.607	1,200	4,776	-
Passed Through the Pennsylvania Commission on Crime and Delinquency:					
Violence Against Women Formula Grants					
	26303-2	16.588	156,199	138,854	101,616
Total U.S. Department of Justice				143,630	101,616
<b><u>U.S. Department of Transportation</u></b>					
Passed Through the Pennsylvania Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction					
	N/A	20.205	-	214,992	-
Subtotal 20.205 Highway Planning and Construction Cluster				214,992	-
Passed Through the Pennsylvania Emergency Management Agency:					
Interagency Hazardous Materials Public Sector Training and Planning Grants					
	FEMA-DR4030-PA-103	20.703	660	825	-
Passed Through the Pennsylvania Department of Community and Economic Development:					
Appalachian Area Development					
	C000084460	23.002	10,574	516,393	-
Total U.S. Department of Transportation				732,210	-
<b><u>U.S. Department of Treasury</u></b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds					
	N/A	21.027	8,219,096	8,484,177	-
COVID-19 - Local Assistance and Tribal Consistency Fund					
	N/A	21.032	50,000	50,000	-
Passed Through the Pennsylvania Department of Human Services:					
COVID-19 - Emergency Rental Assistance Program					
	1904952786	21.023	3,407,908	4,426,774	4,426,774
Total U.S. Department of Treasury				12,960,951	4,426,774
<b><u>U.S. Department of Education</u></b>					
Passed Through the Pennsylvania Department of Human Services:					
Special Education - Grants for Infants and Families					
	H181A150015	84.181	64,772	64,772	64,772
Total U.S. Department of Education				64,772	64,772
<b><u>U.S. Department of Health and Human Services</u></b>					
Passed Through the Pennsylvania Department of Human Services:					
Guardianship Assistance					
	N/A	93.090	25,337	22,497	-
Guardianship Assistance					
	N/A	93.090	43	60	-
COVID-19 - Guardianship Assistance					
	N/A	93.090	2,728	2,728	-
Subtotal 93.090				25,285	-

(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, 2022  
(Continued)

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Assistance Listing Number</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Passed through to Subrecipients</u>
<b>U.S. Department of Health and Human Services (continued)</b>					
Passed Through the Pennsylvania Department of Human Services:					
Projects for Assistance in Transition from Homelessness (PATH)	N/A	93.150	47,087	62,783	62,783
MaryLee Allen Promoting Safe and Stable Families	N/A	93.556	2,928	123,926	120,998
MaryLee Allen Promoting Safe and Stable Families	N/A	93.556	1,880	50,975	42,222
Subtotal 93.556				174,901	163,220
Temporary Assistance for Needy Families	N/A	93.558	540,677	205,123	205,123
Temporary Assistance for Needy Families	ME# 9661600620	93.558	99,192	66,124	66,124
Subtotal 93.558				271,247	271,247
Child Support Enforcement	ME#3321114020	93.563	858,814	868,770	-
Subtotal 93.563				868,770	-
Stephanie Tubbs Jones Child Welfare Services Program	N/A	93.645	232,122	232,121	232,121
Foster Care - Title IV-E	N/A	93.658	1,014,456	1,005,798	447,499
Foster Care - Title IV-E (ITG)	N/A	93.658	24,561	20,833	-
COVID-19 - Foster Care - Title IV-E	N/A	93.658	30,043	30,043	-
Subtotal 93.658				1,056,674	447,499
Adoption Assistance	N/A	93.659	648,717	702,158	-
COVID-19 - Adoption Assistance	N/A	93.659	67,637	67,637	-
Adoption Assistance - ITG	N/A	93.659	1,299	1,577	-
Subtotal 93.659				771,372	-
Social Services Block Grant - Mental Health	N/A	93.667	38,065	57,098	57,098
Social Services Block Grant - Intellectual Disabilities	N/A	93.667	40,275	40,275	40,275
Social Services Block Grant - Children and Youth Services	N/A	93.667	75,677	75,677	75,677
Subtotal 93.667				173,050	173,050
Child Abuse and Neglect State Grants	N/A	93.669	2,255	6,887	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	ME#102011600	93.674	51,508	41,206	41,206
COVID-19 John H. Chafee Foster Care Program for Successful Transition to Adulthood	2101PACILC	93.674	110,170	2,670	2,670
Subtotal 93.674				43,876	43,876
Medicaid Cluster:					
Medical Assistance Program - Transportation	N/A	93.778	309,072	290,129	290,129
Medical Assistance Program - Children and Youth Services	N/A	93.778	4,665	8,952	-
Medical Assistance Program - Intellectual Disabilities	N/A	93.778	307,808	267,976	-
Medical Assistance Program - Early Intervention	N/A	93.778	82,054	75,898	-
Medical Assistance Program - Mental Health	N/A	93.778	26,798	19,603	-
Medical Assistance Program - Domestic Relations	N/A	93.778	1,124	1,000	-
Subtotal 93.778 and Medicaid Cluster				663,558	290,129
Block Grants for Community Mental Health Services	N/A	93.958	121,206	113,011	113,011
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	N/A	93.104	350,000	382,690	356,909
COVID-19 Provider Relief Fund (PRF) and American Rescue Plan (ARP) Rural Distribution	N/A	93.498	417,636	134,538	-
Passed Through the Pennsylvania Department of Drug and Alcohol Programs:					
Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	422,785	455,203	455,203
COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	N/A	93.959	16,494	16,494	16,494
Subtotal 93.959				471,697	471,697
Opioid STR	N/A	93.788	195,555	195,555	195,555
Total U.S. Department of Health and Human Services				5,648,015	2,821,097
<b>U.S. Department of Homeland Security</b>					
Passed Through the Pennsylvania Emergency Management Agency:					
Emergency Management Performance Grants	N/A	97.042	96,378	71,744	-
Total U.S. Department of Homeland Security				71,744	-
Total Expenditures of Federal Awards				\$ 20,801,977	\$ 7,441,720

(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, 2022

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the County of Crawford, Pennsylvania (County) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the net position, change in net position, or cash flows of the County.

### 2. Summary of Significant Accounting Policies

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

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

### 3. Emergency Food Assistance Program

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

### 4. Pennsylvania Commission on Crime and Delinquency (PCCD)

As of reporting period ending December 31, 2021, the expenditures were the following:

Grant ID #	ALN	Expenditures
Grant 36016	16.588	\$138,854

This had no impact on the major programs or other testing relating to the 2021 audit year.

# **County of Crawford, Pennsylvania**

Independent Auditor's Reports  
Required by the Uniform Guidance

Year Ended December 31, 2022

**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, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated September 27, 2023. An adverse opinion was issued on the discretely presented component units opinion unit because, as discussed in Note 1 to the financial statements, the County’s basic financial statements include only the activity of the primary government, and do not include the activity of its legal separate component units. An unmodified opinion was issued on the financial statements of the County as listed in the table of contents.

## **Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal

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

control, described in the accompanying schedule of findings and questioned costs as Finding 2022-001, that we consider to be a material weakness.

### Report on Compliance and Other Matters

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

### The County's Response to Finding

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

### Purpose of This Report

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

*Maher Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023

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

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

**Report on Compliance for Each Major Federal and DHS Program**

**Qualified and Unmodified Opinions**

We have audited the County of Crawford, Pennsylvania's (County) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Pennsylvania Department of Human Services (DHS) *Single Audit Supplement* that could have a direct and material effect on each of the County’s major federal and DHS programs for the year ended December 31, 2022. 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.

**Qualified Opinion on Foster Care - Title IV-E (93.658)**

In our opinion, except for the compliance described in the Basis of Qualified and Unmodified Opinions section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Foster Care – Title IV-E for the year ended December 31, 2022.

**Unmodified Opinion on Each of the Other Major Federal and DHS Programs**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs and DHS programs identified in the summary of auditor’s results section of the accompanying schedule findings and questioned costs for the year ended December 31, 2022.

**Basis for Qualified and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and

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

the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *DHS Single Audit Supplement*. Our responsibilities under those standards and the Uniform Guidance and DHS Single Audit Supplement are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

#### **Matters Giving Rise to Qualified Opinion on Foster Care – Title IV-E (93.658)**

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Subrecipient Monitoring as described in Finding 2022-002 for Foster Care – Title IV-E, ALN 93.658.

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

#### **Responsibilities of Management for Compliance**

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

#### **Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and the *DHS Single Audit Supplement* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion,

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

forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal and DHS program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we considered to be a material weakness.



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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or DHS program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DHS program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2022-002 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DHS program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

*Maher Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023

# COUNTY OF CRAWFORD, PENNSYLVANIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

### I. Summary of Audit Results

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

2. Internal control over financial reporting:

Material weakness(es) identified?  yes  no

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

3. Noncompliance material to financial statements noted?  yes  no

4. Internal control over major programs:

Material weakness(es) identified?  yes  no

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

5. Type of auditor's report issued on compliance for major programs: Qualified for Foster Care - Title IV-E, unmodified for each of the other major federal and DHS programs.

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

7. Major Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance – Title IV-E

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

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

### **Finding 2022-001 – Internal Control over Financial Reporting and Account Adjustments**

Condition: During the audit process, material adjustments were proposed by the auditors in order that the financial statements could be prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjustments were recorded related to the County of Crawford (County) for approximately \$330,000 to accrue accounts payable, for approximately \$8.6 million to correct interfund accounts, and to correct the ARPA account for unearned revenue of approximately \$260,000. These adjustments were necessary to properly reflect current year operations and balances as of the year-end.

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

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

Cause: The County did not reconcile some of its balance sheet accounts, including interfund accounts, accounts payable, and unearned revenues, to the general ledger and did not post necessary adjustments for balances to be recorded in accordance with GAAP. The County's internal control structure did not facilitate the reporting of GAAP basis financial statements.

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

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

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

III. Findings and questioned costs for federal awards.

### **Finding 2022-002 – Subrecipient Monitoring**

**Department of Health and Human Services Passed through Pennsylvania Department of Human Services**

**Foster Care – Title IV-E – ALN 93.658**

### **Subrecipient Monitoring**

Condition: The County appropriately notified the subrecipients of the federal award identification and performed a risk assessment; however, the County did not monitor ten of the twelve subrecipients during the year to ensure compliance with federal statutes, regulations, and the terms and conditions of the subaward.

Criteria: The Pennsylvania Department of Human Services (PA DHS) and 2 CFR section 200.332 require pass-through entities to ensure that the award is clearly identified to the subrecipient as a subaward and includes information at the time of the subaward regarding federal award identification, all requirements imposed by the pass-through entity on the subrecipient so that the federal award is used in accordance with federal statutes and the terms and conditions of the federal award, any additional requirements that the pass-through entity imposes on the subrecipient, and a requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary. Additionally, the pass-through entity is required to evaluate each subrecipient's risk of noncompliance, monitoring the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and verify that every subrecipient is audited as required by Subpart F, as necessary. It is the County's policy, as part of the monitoring process, that each subrecipient of these federal awards be monitored annually.

Cause: The County has established formal subrecipient monitoring policies. However, due to staffing issues, the County's internal control process over subrecipient monitoring was not effective.

Effect: A failure to monitor subrecipients' compliance with relevant federal requirements could result in noncompliance with the terms and conditions of the subawards.

Questioned Costs: Unknown.

Identification as a Repeat Finding: This is not a repeat finding from the prior audit.

Recommendation: We recommend that the County ensure adherence to the monitoring policy related to subrecipients and that these subrecipients be monitored on an annual basis in accordance with the policy.

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2022

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

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

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

Current Status: Corrective action is not yet completed.

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

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

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

Current Status: Corrective action has been completed.

# **County of Crawford, Pennsylvania**

DHS-Funded Financial Assistance  
Program Exhibits

Years Ended June 30, 2022  
and December 31, 2022  
with Independent Accountant's Report

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, on the financial schedules and exhibits of the County of Crawford (County) required by the Pennsylvania Department of Human Services (DHS) Single Audit Supplement for fiscal years ended June 30, 2022 and December 31, 2022. The County's management is responsible for the financial schedules and exhibits.

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

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules for each of the programs listed below, which summarize amounts reported to DHS for fiscal years ended June 30, 2022 and December 31, 2022, have been accurately compiled and reflect the audited books and records of the County. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS Single Audit Supplement pertaining to this period.

#### **Program Name**

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

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

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

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

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

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

*Mahe Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023



**COUNTY OF CRAWFORD, PENNSYLVANIA**  
**CHILD SUPPORT ENFORCEMENT**  
**COMPARISON OF SINGLE AUDIT EXPENDITURES WITH REPORTED EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

**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
<b>Quarter Ending: 3/31/2022</b>															
1. Salary & Overhead	\$ 370,743	\$ 15,193	\$ 37,192	\$ 318,358	\$ 210,116	\$ 370,743	\$ 15,193	\$ 37,192	\$ 318,358	\$ 210,116	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,000	86	-	1,914	1,263	2,000	86	-	1,914	1,263	-	-	-	-	-
4. Blood Testing Fees	138	-	-	138	91	138	-	-	138	91	-	-	-	-	-
5. Blood Testing Costs	393	-	393	-	-	393	-	393	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 368,998	\$ 15,107	\$ 37,585	\$ 316,306	\$ 208,762	\$ 368,998	\$ 15,107	\$ 37,585	\$ 316,306	\$ 208,762	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Quarter Ending: 6/30/2022</b>															
1. Salary & Overhead	\$ 411,250	\$ 16,296	\$ 38,442	\$ 356,512	\$ 235,298	\$ 411,250	\$ 16,296	\$ 38,442	\$ 356,512	\$ 235,298	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	1,562	65	-	1,497	988	1,562	65	-	1,497	988	-	-	-	-	-
4. Blood Testing Fees	47	-	-	47	31	47	-	-	47	31	-	-	-	-	-
5. Blood Testing Costs	285	-	285	-	-	285	-	285	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 409,926	\$ 16,231	\$ 38,727	\$ 354,968	\$ 234,279	\$ 409,926	\$ 16,231	\$ 38,727	\$ 354,968	\$ 234,279	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Quarter Ending: 09/30/2022</b>															
1. Salary & Overhead	\$ 399,529	\$ 15,734	\$ 37,197	\$ 346,598	\$ 228,755	\$ 399,529	\$ 15,734	\$ 37,197	\$ 346,598	\$ 228,755	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	2,057	85	-	1,972	1,302	2,057	85	-	1,972	1,302	-	-	-	-	-
4. Blood Testing Fees	119	-	-	119	79	119	-	-	119	79	-	-	-	-	-
5. Blood Testing Costs	547	-	547	-	-	547	-	547	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 397,900	\$ 15,649	\$ 37,744	\$ 344,507	\$ 227,374	\$ 397,900	\$ 15,649	\$ 37,744	\$ 344,507	\$ 227,374	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Quarter Ending: 12/31/2022</b>															
1. Salary & Overhead	\$ 418,023	\$ 15,533	\$ 99,941	\$ 302,549	\$ 199,682	\$ 418,023	\$ 15,533	\$ 99,941	\$ 302,549	\$ 199,682	\$ -	\$ -	\$ -	\$ -	\$ -
2. Fees & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Interest & Program Income	1,971	77	-	1,894	1,250	1,971	77	-	1,894	1,250	-	-	-	-	-
4. Blood Testing Fees	119	-	-	119	79	119	-	-	119	79	-	-	-	-	-
5. Blood Testing Costs	401	-	401	-	-	401	-	401	-	-	-	-	-	-	-
6. ADP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Total (1-2-3-4+5+6)	\$ 416,334	\$ 15,456	\$ 100,342	\$ 300,536	\$ 198,353	\$ 416,334	\$ 15,456	\$ 100,342	\$ 300,536	\$ 198,353	\$ -	\$ -	\$ -	\$ -	\$ -

# COUNTY OF CRAWFORD, PENNSYLVANIA

## CHILD SUPPORT ENFORCEMENT COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

FOR THE YEAR ENDED DECEMBER 31, 2022

### Exhibit A-1 (c)

County                      Crawford County                                              Year Ended December 31, 2022

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	\$            355,705	\$                    -	<input type="checkbox"/> Separate Bank Account <input checked="" type="checkbox"/> Restricted Fund - General Ledger <input type="checkbox"/> Other: Domestic Relations
March 31	360,837	360,837	
June 30	344,972	344,972	
September 30	331,062	331,062	
December 31	254,106	254,106	

# COUNTY OF CRAWFORD, PENNSYLVANIA

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

FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2022

Exhibit A-1 (d)

	<u>Single Audit Title IV-D Account</u>	<u>Reported Title IV-D Account</u>	<u>Single Audit Over (Under) Reported</u>
<b>Balance, January 1</b>	\$ 355,705	\$ 355,705	\$ -
<b>Receipts:</b>			
Reimbursements	858,814	858,814	-
Incentives	112,796	112,796	-
Title XIX incentives	1,124	1,124	-
Program income	784	784	-
Genetic testing costs	330	330	-
Maintenance of effort (MOE)	509,968	509,968	-
Other - recycling of printers	-	-	-
	1,483,816	1,483,816	-
<b>Intrafund Transfers - In</b>	112,796	112,796	-
<b>Funds Available</b>	1,952,317	1,952,317	-
<b>Disbursements:</b>			
Incentive paid costs	214,395	214,395	-
Transfers to General Fund	1,371,020	1,371,020	-
Vendor payments	-	-	-
Bank charges	-	-	-
Other - refunds/credits	-	-	-
	1,585,415	1,585,415	-
<b>Intrafund Transfers - Out</b>	112,796	112,796	-
<b>Balance, December 31</b>	\$ 254,106	\$ 254,106	\$ -

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

# COUNTY OF CRAWFORD, PENNSYLVANIA

## MEDICAL ASSISTANCE TRANSPORTATION PROGRAM SCHEDULE OF REVENUES AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022

### Exhibit III

	<u>Reported</u>	<u>Actual</u>
<b>Service Data:</b>		
<hr/>		
Expenditures:		
Group I clients	\$ 703,013	\$ 703,013
Group II clients	-	-
	<hr/>	<hr/>
Total expenditures	<u>\$ 703,013</u>	<u>\$ 703,013</u>
<b>Allocation Data:</b>		
<hr/>		
Revenues:		
Department of Human Services	\$ 703,013	\$ 703,013
Interest income	158	158
	<hr/>	<hr/>
Total revenues	<u>703,171</u>	<u>703,171</u>
Funds expended:		
Operating costs	709,183	709,183
Administrative costs	2,516	2,516
	<hr/>	<hr/>
<b>Excess Revenues over Expenditures</b>	<u>\$ (8,528)</u>	<u>\$ (8,528)</u>

**Indirect Cost Rate: 10.25%**

# COUNTY OF CRAWFORD, PENNSYLVANIA

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

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022

### Exhibit V (a) EI

Sources of DHS Funding	Appropriation	DHS Funds Available			Cost Eligible for DHS Participation (4)	Balance of Funds (5)	Grant Fund Adjustments (6)	Total Fund Balance (7)
		Carryover (1)	Allotment (2)	Total Allocation (3)				
A. Early Intervention Services								
1. Early Intervention Services	10235	\$ 107,047	\$ 227,156	\$ 334,203	\$ 246,098	\$ 88,105	\$ -	\$ 88,105
2. Early Intervention Training	10235	-	4,431	4,431	4,431	-	-	-
3. Early Intervention Administration	10235	50,017	13,709	63,726	33,202	30,524	-	30,524
4. Infant & Toddlers w/Disabilities (Part C)	70170	-	62,070	62,070	62,070	-	-	-
5. Medical Administration - State	10235	3,426	78,628	82,054	82,054	-	-	-
6. Reserved	00001	-	-	-	-	-	-	-
<b>TOTAL EARLY INTERVENTION SERVICES</b>		<b>\$ 160,490</b>	<b>\$ 385,994</b>	<b>\$ 546,484</b>	<b>\$ 427,855</b>	<b>\$ 118,629</b>	<b>\$ -</b>	<b>\$ 118,629</b>

# COUNTY OF CRAWFORD, PENNSYLVANIA

## EARLY INTERVENTION SERVICES REPORT OF INCOME AND EXPENDITURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022

### Exhibit V (b) EI

	Admin Office	Early Intervention	Service Coordination	Total
TOTAL ALLOCATION				\$ 546,484
II. TOTAL EXPENDITURES	\$ 207,423	\$ 193,526	\$ 259,343	660,292
III. COSTS OVER ALLOCATION				
A. County Funded Eligible	-	-	-	-
B. County Funded Ineligible	6,424	-	-	6,424
C. Other Eligible	-	-	-	-
D. Other Ineligible	-	-	-	-
Subtotal Costs Over Allocation	6,424	-	-	6,424
IV. REVENUES				
A. Program Service Fees	-	-	-	-
B. Private Insurance	-	-	-	-
C. Medical Assistance	-	-	104,636	104,636
D. Medical Assistance Admin Claims - EI Waiver	6,156	-	-	6,156
E. Medical Assistance Admin Claims - EI Other	75,898	-	-	75,898
F. Earned Interest	-	-	190	190
G. Other	-	-	710	710
Subtotal Revenues	82,054	-	105,536	187,590
V. DHS REIMBURSEMENT				
A. DHS Categorical Funding 90%	33,202	174,173	138,426	345,801
B. DHS Categorical Funding 100%	82,054	-	-	82,054
Subtotal DHS reimbursement	115,256	174,173	138,426	427,855
VI. 10% County Match	3,689	19,353	15,381	38,423
VII. TOTAL DHS REIMBURSEMENT & COUNTY MATCH	\$ 118,945	\$ 193,526	\$ 153,807	\$ 466,278
VIII. TOTAL CARRYOVER				\$ 118,629

**COUNTY OF CRAWFORD, PENNSYLVANIA**

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

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022

**Exhibit VI (a) BG-5**

County Match	5.64%
Actual County Match (\$)	\$ 242,334
Actual County Match (%)	5.64%

Block Grant Reporting	Appropriation	Costs Eligible for DHS Participation							Total	Balance of Funds	Adjustments	Total Fund Balance
		DHS Allocation	Mental Health	Intellectual Disabilities	Homeless Assistance	HSS	D&A					
Sources of Funding												
1. State Human Services Block Grant	Multiple	\$ 4,316,069	\$ 2,468,537	\$ 851,905	\$ 189,387	\$ 75,024	\$ 518,011	\$ 4,102,864	\$ 213,205	\$ 3,516	\$ 216,721	
2. SSBG	Multiple	78,340	38,065	40,275				78,340	-	-	-	
3. Reserved										-	-	
4. CMHSBG	70167	110,956	110,956					110,956	-	-	-	
5. Reserved										-	-	
<b>Total for Block Grant</b>		\$ 4,505,365	\$ 2,617,558	\$ 892,180	\$ 189,387	\$ 75,024	\$ 518,011	\$ 4,292,160	213,205	\$ 3,516	\$ 216,721	

Retained Earnings	
I. Unexpended Allocation	\$ 213,205
II. Maximum Retained Earnings (5%)	215,803
Amount to be returned to DHS	-
IV. Total Requested Retained Earnings	\$ 213,205

Prior Year Retained Earnings	
I. FY 20-21 Retained Earnings	\$ 210,575
II. Total Expended Retained Earnings 5%	193,818
IV. Amount to be Returned to DHS	\$ 16,757

**COUNTY OF CRAWFORD, PENNSYLVANIA**

COUNTY REPORT OF INCOME AND EXPENDITURES

COUNTY HUMAN SERVICES BLOCK GRANT

NON-BLOCK GRANT SUMMARY REPORT

SCHEDULE OF FUND BALANCES - SUMMARY REPORT

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2022

Exhibit VI (b) BG-S

Sources of Funding	Appropriation	Total Carryover	Allotment	DHS Allocation	Costs Eligible for DHS Participation	Balance of Funds	Adjustments	Total Fund Balance
<b>A. Mental Health Services</b>								
1 State - Employment	10248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Federal - Peer Specialist	70127	-	-	-	-	-	-	-
3 Federal - PATH Homeless Grant	70154	-	47,087	47,087	47,087	-	-	-
4 Federal - CMHSBG - First Episode Psychosis	70167	-	-	-	-	-	-	-
5 Federal - CMHSBG - IECMH Endorsement	70167	-	5,000	5,000	-	5,000	-	5,000
6 Federal - CMHSBG - Housing Training Scholarships	70167	1,058	5,000	6,058	3,320	2,738	-	2,738
7 Federal - CMHSBG - TCM On-Line Training	70167	-	-	-	-	-	-	-
8 Federal - CMHSBG - Supported Education	70167	-	-	-	-	-	-	-
9 Federal - 988 Planning Initiative	70651	1,000	-	1,000	-	1,000	-	1,000
10 Federal - PA System of Care Grant	70976	672,430	350,000	1,022,430	347,343	675,087	-	675,087
11 Federal - Project Launch	71021	-	-	-	-	-	-	-
12 Federal - Public Health Emergency Preparedness	80343	-	-	-	-	-	-	-
13 Federal - SERG-Tree of Life	82583	-	-	-	-	-	-	-
14 Federal - COVID-19 CMHSBG	87410	-	-	-	-	-	-	-
15 Reserved								
<b>Subtotal Mental Health Services</b>		<b>674,488</b>	<b>407,087</b>	<b>1,081,575</b>	<b>397,750</b>	<b>683,825</b>	<b>-</b>	<b>683,825</b>
<b>B. Intellectual Disabilities Services</b>								
1 Elwyn (Delaware County Only)	10236	-	-	-	-	-	-	-
2 ARPA Emergency Kits-O-T-P Non-Block Grant (Butler County)	10255	-	-	-	-	-	-	-
3 ARPA Respite	10255	-	30,418	30,418	-	30,418	-	30,418
4 ARPA Base-Rate Increase	10255	-	21,170	21,170	-	21,170	-	21,170
5 Temporary MFP-Start Model (Allegheny County Only)	70175	-	-	-	-	-	-	-
6 Temporary - DOH	87442	-	-	-	-	-	-	-
7 ARPA Administration- State & Federal	10255/70175	-	74,148	74,148	7,700	66,448	-	66,448
8 Reserved		-	-	-	-	-	-	-
<b>Subtotal Intellectual Disabilities Services</b>		<b>-</b>	<b>125,736</b>	<b>125,736</b>	<b>7,700</b>	<b>118,036</b>	<b>-</b>	<b>118,036</b>
<b>Total for Non-Block Grant Reporting</b>		<b>\$ 674,488</b>	<b>\$ 532,823</b>	<b>\$ 1,207,311</b>	<b>\$ 405,450</b>	<b>\$ 801,861</b>	<b>\$ -</b>	<b>\$ 801,861</b>



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

Year Ended December 31, 2022  
with Independent Accountant's Report

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, with respect to the reconciliation schedule of the County of Crawford (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) Single Audit Supplement for the year ended December 31, 2022. The County is responsible for the reconciliation schedule.

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

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

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

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

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the

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

American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

*Maher Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023

## COUNTY OF CRAWFORD, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

#### EXHIBIT XX

ALN Name	ALN	Federal Expenditures per the SEFA	Federal Awards Received per the Audit Confirmation Reply from Pennsylvania	Difference	% Difference	Detailed Explanation of the Differences
COVID - Emergency Rental Assistance Program	21.023	\$ 4,426,774	\$ 3,407,908	\$ 1,018,866	30%	1
Special Education - Grants for Infants and Families	84.181	64,772	64,772	-	N/A	n/a
Guardianship Assistance	93.090	25,285	28,108	(2,823)	-10%	1
Community Mental Health Services for Children with SED	93.104	382,690	350,000	32,690	9%	1
Projects for Assistance in Transition from Homelessness (PATH)	93.150	62,783	47,087	15,696	33%	1
Promoting Safe and Stable Families	93.556	174,901	-	174,901	N/A	2
Temporary Assistance for Needy Families	93.558	271,247	639,869	(368,622)	N/A	1
Child Support Enforcement	93.563	868,770	858,814	9,956	1%	1
Stephanie Tubbs Jones Child Welfare Services Program	93.645	232,121	232,122	(1)	0%	1
Foster Care - Title IV-E	93.658	1,056,674	1,067,179	(10,505)	-1%	1
Adoption Assistance	93.659	771,372	717,670	53,702	7%	1
Social Services Block Grants	93.667	173,050	154,017	19,033	12%	1
Child Abuse Prevention and Treatment Act (Plans of Safe Care)	93.669	6,887	2,255	4,632	205%	1
Chafee Foster Care Independence Program	93.674	43,876	161,678	(117,802)	-73%	1
Medical Assistance Program	93.778	663,558	731,513	(67,955)	-9%	1
Block Grants for Community Mental Health Services	93.958	113,011	121,206	(8,195)	-7%	1

n/a - amounts are in agreement

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

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

Year Ended December 31, 2022  
with Independent Accountant's Report

County Children and Youth Agency Monitoring Schedule

## Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, with respect to the monitoring schedule of the County of Crawford (County) required by the Commonwealth of Pennsylvania Department of Human Services (DHS) Single Audit Supplement for the year ended December 31, 2022. The County is responsible for the monitoring schedule.

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

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

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

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

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

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

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

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

*Mahe Duessel*

Pittsburgh, Pennsylvania  
September 27, 2023

# COUNTY OF CRAWFORD, PENNSYLVANIA

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

YEAR ENDED DECEMBER 31, 2022

### EXHIBIT XXI

County: Crawford Period Ended: December 31, 2022

A	B	C	D	If Column D is Yes			H	I
				E	F	G		
Provider Name	Does Provider Contract Include CPSL Requirements	Most Recent Monitoring Date	Monitored During the Current Year (Yes/No)	List Any Exceptions Noted During Current Year Monitoring	If Applicable Was CAP Submitted	Is CAP Acceptable to CCYA	Date Follow-Up Was Done On Prior Year Monitoring	Has Provider Implemented the CAP
A Place for Hope, Healing and Trans.	Yes	3/17/2021	No					
Blended Spirits Ranch	Yes		No					
Center for Family Services	Yes	12/13/2022	Yes	see below	Yes	Yes	10/14/2022	Yes
Children's Aid Society of Mercer	Yes		No					
Community Alternatives	Yes	9/15/2021	No					
Counseling and Assessment Svcs.	Yes		No					
Crawford Co Drug and Alcohol	Yes	10/21/2020	No					
Family Services of NW PA	Yes	11/17/2022	Yes		n/a	n/a	n/a	n/a
Jones, Martha (Family Development)	Yes	1/11/2022	Yes	late invoices, missing backup, auths requested late	Yes	Yes	10/11/2022	No
JusticeWorks	Yes		No					
LifeNet, Inc.	Yes		No					
Parkside Psychological Associates	Yes	2/6/2020	No					
Tradewinds Counseling Services	Yes		No					
Vocational & Psychological Svcs	Yes		No					
Youth Advocate Programs	Yes	5/9/2022	Yes	Ensure encounter forms are signed, more detailed notes	Yes	Yes	10/14/2022	Yes

Center for Family Services: It was recommended that they need to utilize the curriculum checklist in the file and ensure all authorizations are requested timely.

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

Fiscal monitor: a "spot check" where all back-up is requested for an invoice to check accuracy of billing (contact sheets, encounter forms, etc.).



# COUNTY OF CRAWFORD, PENNSYLVANIA

## SINGLE AUDIT REPORT DISTRIBUTION LIST TO STATE AND FEDERAL ENTITIES

YEAR ENDED DECEMBER 31, 2022

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