



Crawford Central School District

CRAWFORD CENTRAL SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION
AND COMPLIANCE REPORTING
YEAR ENDED JUNE 30, 2022



McGill, Power, Bell & Associates, LLP
Certified Public Accountants • Business & Financial Advisors

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Crawford Central School District
Meadville, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crawford Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Crawford Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crawford Central School District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Crawford Central School District 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Crawford Central School District'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 generally accepted auditing standards 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 Crawford Central School District'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 Crawford Central School District'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 management's discussion and analysis, pension plan information, and other-post employment benefit plan information 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 Crawford Central School District's basic financial statements. The accompanying supplemental schedules for activities and scholarship funds and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 the 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 supplemental schedules for activities and scholarship funds and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of Crawford Central School District'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 Crawford Central School District'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 Crawford Central School District's internal control over financial reporting and compliance.

McGill, Power, Bell & Associates, LLP



Meadville, Pennsylvania

February 27, 2023

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022

The discussion and analysis of Crawford Central School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The District's total net position is (\$40,304,454). Net position is (\$41,829,623) and \$1,525,169 for Governmental Activities and Business-Type Activities, respectively.
- The District has maintained a very stable fund balance over the past five years. Act 48 of 2003 restricts the District's unassigned fund balance to 8% of budgeted expenditures. The District's unassigned fund balance for the year equals 8.69% of 2022-2023 budgeted expenditures.
- Total general fund revenues were \$67,044,038. Of this amount 40.75% was local funding, 47.86% was state funding, and 11.39% was federal funding.
- The District's Food Service Fund had an increase in net position for the year in the amount of \$743,312. Net Position on June 30, 2022 is \$1,525,169.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets plus deferred outflows, less liabilities, and less deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities including deferred outflows and deferred inflows, is one way to measure the District's financial health or position.

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - Most of the District's basic services are reported here including instruction, support services, operation and maintenance of plant services, pupil transportation, and extracurricular activities. Property taxes, state and federal subsidies, and grants finance most of these activities.
- **Business-Type Activities** - The District's food service operations where the District charges fees to staff, students, and visitors to support the activities.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds, not the District as a whole.

Governmental Funds – Most of the District's activities are reported here, which focuses on how money flows into and out of those funds and the change in financial position, which typically is money available to spend in the next fiscal year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer resources that can be spent in the near future to finance the District's operations. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flow.

Fiduciary Funds – The District is the trustee, or fiduciary, for student activity funds. All the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations.

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

Financial Analysis of the District as a Whole

Table 1 shows that the District's total net position of (\$40,304,454) on June 30, 2022.

Table 1
Fiscal Year End June 30
Net Position

	2021			2022		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current Assets	\$23,104,316	\$687,256	\$23,791,572	\$24,466,916	\$1,458,995	\$25,925,911
Noncurrent Assets	<u>46,906,461</u>	<u>209,912</u>	<u>47,116,373</u>	<u>46,329,277</u>	<u>177,404</u>	<u>46,506,681</u>
Total Assets	<u>\$70,010,777</u>	<u>\$897,168</u>	<u>\$70,907,945</u>	<u>\$70,796,193</u>	<u>\$1,636,399</u>	<u>\$72,432,592</u>
Deferred Outflows of Resources	<u>\$6,259,130</u>	<u>\$ -</u>	<u>\$6,259,130</u>	<u>\$8,757,141</u>	<u>\$ -</u>	<u>\$8,757,141</u>
Current Liabilities	\$12,935,673	\$115,311	\$13,050,984	\$14,625,596	\$111,230	\$14,736,826
Noncurrent Liabilities	<u>109,777,892</u>	<u>-</u>	<u>109,777,892</u>	<u>91,404,231</u>	<u>-</u>	<u>91,404,231</u>
Total Liabilities	<u>122,713,565</u>	<u>115,311</u>	<u>122,828,876</u>	<u>106,029,827</u>	<u>111,230</u>	<u>106,141,057</u>
Deferred Inflows of Resources	<u>\$6,557,958</u>	<u>-</u>	<u>\$6,557,958</u>	<u>\$15,353,130</u>	<u>-</u>	<u>\$15,353,130</u>
Invested in Capital Assets	24,332,741	209,912	24,542,653	29,165,907	177,404	29,343,311
Restricted: Capital Projects	427,503		427,503	1,350,185		1,350,185
Scholarships	184,597		184,597	180,041		180,041
Unrestricted	<u>-77,946,457</u>	<u>571,945</u>	<u>-77,374,512</u>	<u>-72,525,756</u>	<u>1,347,765</u>	<u>-71,177,991</u>
Total Net Position	<u>-53,001,616</u>	<u>781,857</u>	<u>-52,219,759</u>	<u>-41,829,623</u>	<u>1,525,169</u>	<u>-40,304,454</u>
Total Liabilities Deferred Inflows and Net Position	<u>\$76,269,907</u>	<u>\$897,168</u>	<u>\$77,167,075</u>	<u>\$79,553,334</u>	<u>\$1,636,399</u>	<u>\$81,189,733</u>

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

The results of this year's operation are reported in more detail on the Statement of Activities. All the expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are deducted to show the true costs supported by other general revenues.

The following table takes a look at the Districts revenues and expenses for the year. The District had an increase in net position of \$11,915,305 for the year ending June 30, 2022.

Table 2
Fiscal Year End June 30
Changes in Net Position

	2021			2022		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total District</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total District</u>
Program Revenues						
Charges for services	\$ 274,448	\$ 86,190	\$ 360,638	\$ 177,019	\$ 116,375	\$ 293,394
Operating Grants & Contributions	17,138,824	2,037,568	19,176,392	21,294,187	2,706,958	24,001,145
General Revenues						
Property Taxes	20,641,220	-	20,641,220	21,817,747	-	21,817,747
Other Taxes	5,195,668	-	5,195,668	5,092,721	-	5,092,721
Grants & Subsidies Not Restricted	18,319,474	-	18,319,474	18,462,295	-	18,462,295
Other	<u>236,492</u>	<u>730</u>	<u>237,222</u>	<u>161,377</u>	<u>1,067</u>	<u>162,444</u>
Total Revenues	<u>\$61,806,126</u>	<u>2,124,488</u>	<u>63,930,614</u>	<u>\$67,005,346</u>	<u>2,824,400</u>	<u>69,829,746</u>
Expenses						
Instruction	40,021,741	-	40,021,741	34,610,657	-	34,610,657
Instruction Student Support						
Support Staff	7,336,067	-	7,336,067	6,878,321	-	6,878,321
Administration & Business	4,447,241	-	4,447,241	3,500,112	-	3,500,112
Oper & Maint of Plant Services	4,819,425	-	4,819,425	4,936,006	-	4,936,006
Student Transportation	4,145,577	-	4,145,577	4,540,752	-	4,540,752
Non-Instructional services	1,620,301	-	1,620,301	1,367,505	-	1,367,505
Food Service	<u>-</u>	<u>2,086,662</u>	<u>2,086,662</u>	<u>-</u>	<u>2,081,088</u>	<u>2,081,088</u>
Total Expenses	<u>62,390,352</u>	<u>2,086,662</u>	<u>64,477,014</u>	<u>55,833,353</u>	<u>2,081,088</u>	<u>57,914,441</u>
Excess/deficiency before transfers	(584,226)	37,826	(546,400)	11,171,993	743,312	11,915,305
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase/(Decrease) In Net Position	<u>\$ (584,226)</u>	<u>\$ 37,826</u>	<u>\$ (546,400)</u>	<u>\$ 11,171,993</u>	<u>\$ 743,312</u>	<u>\$ 11,915,305</u>

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

The next two tables show the expenses for both the Governmental Activities and the Business-type Activities of the District.

Table 3 shows the District's eight largest functions – instruction, instructional student support, administrative & business, plant services, student transportation, student activities, community services, and Interest on Long-term debt as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by unrestricted grants & subsidies to show the remaining financial needs. Local taxes and other miscellaneous revenues support this remaining financial need.

Table 3
Fiscal year End June 30
Governmental Activities

	2021		2022	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Functions/Programs				
Instruction	\$40,021,741	\$ 28,341,157	\$34,610,657	\$ 19,288,136
Instruction Student Support				
Support Staff	7,336,067	6,414,635	6,878,321	5,770,677
Administration & Business	4,447,241	3,889,453	3,500,112	2,914,583
Oper & Maint of Plant Services	4,819,425	4,419,172	4,936,006	4,481,798
Student Transportation	4,145,577	2,293,717	4,540,752	2,707,784
Non-Instructional services				
Student Activities	942,848	823,257	951,012	733,994
Community Services	56,402	56,285	48,372	47,939
Interest on Long-Term Debt	<u>621,051</u>	<u>(1,260,596)</u>	<u>368,121</u>	<u>(1,582,764)</u>
 Total Governmental Activities	 <u>\$62,390,352</u>	 44,977,080	 <u>\$55,833,353</u>	 34,362,147
Less:				
Unrestricted Grants & Subsidies		<u>(18,319,474)</u>		<u>(18,462,295)</u>
 Total needs from local taxes and other revenues		 <u>\$26,657,606</u>		 <u>\$15,899,852</u>

CRAWFORD CENTRAL SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

Table 4 reflects the activities of the Food Service program, which is the only Business-type activity of the District.

Table 4
Fiscal year End June 30
Business-Type Activities

	2021		2022	
	Total Cost of	Net Cost	Total Cost of	Net Cost
	<u>Services</u>	(Revenue From)/	<u>Services</u>	(Revenue From)/
		<u>of Services</u>		<u>of Services</u>
Food Service	<u>\$ 2,086,662</u>	<u>\$37,096</u>	<u>\$ 2,081,088</u>	<u>\$742,245</u>
Net Income/(Loss)		<u>\$37,096</u>		<u>\$742,245</u>

The Business-type activities, which accounts for our Food Service operation, reported a \$743,312 increase in net position.

There are much more detailed reports of the Food Service Fund later in this document.

The District Funds

On June 30, 2022, the District’s governmental funds reported a combined fund balance of \$13,168,350. The General Fund accounted for \$11,638,124. Of the \$11,638,124 in the General Fund, \$544,864 was nonspendable for prepaid expenses. Assigned to future retirement and health increases within the district is \$5,200,000. Unassigned fund balance amounted to \$5,893,260 or 8.69% of future budgeted expenditures.

General Fund Budget

During the fiscal year, the Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. A schedule showing the District’s original and final budgets (compared with amounts actually paid and received) is provided in the Fund Financial Statements.

Capital Assets

On June 30, 2022, the District had \$46,329,277 invested in a broad range of capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions, deletions, and depreciation) of \$577,184 from the prior year. Table 5 shows the breakdown of these capital assets.

CRAWFORD CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2022
(Continued)

Table 5
June 30, 2022

Capital Assets	Total
Land	\$ 311,788
Site Improvements	180,594
Buildings & Improvements	45,004,365
Furniture & Equipment	<u>832,530</u>
Total Capital Assets	<u>\$46,329,277</u>

Debt Administration

On June 30, 2022, the District's obligation for payment for outstanding bonds was \$16,800,000. This represents a net decrease of \$5,175,000 from the prior year. Other obligations included accrued compensated absences for specific employees of the District.

Looking Forward

For the 2021-2022 school year the District decreased the General Fund fund balance by \$1,266,899. This was the result of a transfer of \$3,050,700 to the Capital Fund, which was offset by an excess of revenues over expenditures of \$1,758,590.

Contacting the District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Guy O'Neil, Business Manager/Board Secretary at Crawford Central School District, Instructional Support Center, 11280 Mercer Pike, and Meadville, PA 16335.

CRAWFORD CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	<i>Invest in the Future Foundation</i>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 18,847,917	\$ 542,240	\$ 19,390,157	\$ 20,053
Certificates of deposit	180,041	-	180,041	-
Receivables:				
Taxes-delinquent and other	2,492,900	-	2,492,900	-
Intergovernmental	2,690,478	369,113	3,059,591	-
Interfund	(534,101)	534,101	-	-
Other	244,817	-	244,817	-
Inventories	-	13,541	13,541	-
Prepaid expenses	544,864	-	544,864	-
	<u>24,466,916</u>	<u>1,458,995</u>	<u>25,925,911</u>	<u>20,053</u>
CAPITAL ASSETS				
Non-depreciable capital assets	311,788	-	311,788	-
Depreciable capital assets, net	46,017,489	177,404	46,194,893	-
	<u>46,329,277</u>	<u>177,404</u>	<u>46,506,681</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
Relating to net OPEB liability, net of amortization	1,843,074	-	1,843,074	-
Relating to net pension liability, net of amortization	6,914,067	-	6,914,067	-
	<u>8,757,141</u>	<u>-</u>	<u>8,757,141</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 79,553,334</u>	<u>\$ 1,636,399</u>	<u>\$ 81,189,733</u>	<u>\$ 20,053</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 928,489	\$ 72,257	\$ 1,000,746	\$ -
Current portion of long-term debt	5,377,870	-	5,377,870	-
Accrued salaries and benefits	6,860,784	13,357	6,874,141	-
Accrued interest	193,873	-	193,873	-
Unearned revenues	1,264,580	25,616	1,290,196	-
	<u>14,625,596</u>	<u>111,230</u>	<u>14,736,826</u>	<u>-</u>
NONCURRENT LIABILITIES				
Compensated absences	1,380,222	-	1,380,222	-
Net OPEB liability	9,304,259	-	9,304,259	-
Net pension liability	68,934,250	-	68,934,250	-
Bonds payable and other long-term debt	11,785,500	-	11,785,500	-
	<u>91,404,231</u>	<u>-</u>	<u>91,404,231</u>	<u>-</u>
	<u>106,029,827</u>	<u>111,230</u>	<u>106,141,057</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Relating to net OPEB liability, net of amortization	1,906,484	-	1,906,484	-
Relating to net pension liability, net of amortization	13,446,646	-	13,446,646	-
	<u>15,353,130</u>	<u>-</u>	<u>15,353,130</u>	<u>-</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	29,165,907	177,404	29,343,311	-
Restricted:				
Capital projects	1,350,185	-	1,350,185	-
Scholarship	180,041	-	180,041	-
Unrestricted	(72,525,756)	1,347,765	(71,177,991)	20,053
	<u>(41,829,623)</u>	<u>1,525,169</u>	<u>(40,304,454)</u>	<u>20,053</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
	<u>\$ 79,553,334</u>	<u>\$ 1,636,399</u>	<u>\$ 81,189,733</u>	<u>\$ 20,053</u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>		<i>Net (Expense) Revenue and Changes In Net Position</i>			<i>Component Unit</i>
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Primary Government</i>		<i>Invest in the Future Foundation</i>	
				<i>Governmental Activities</i>	<i>Business-Type Activities</i>		
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 34,610,657	\$ 79,016	\$ 15,243,505	\$ (19,288,136)	\$ -	\$ (19,288,136)	\$ -
Instructional student support	6,878,321	-	1,107,644	(5,770,677)	-	(5,770,677)	-
Administration and financial support	3,500,112	-	585,529	(2,914,583)	-	(2,914,583)	-
Operation and maintenance of plant	4,936,006	-	454,208	(4,481,798)	-	(4,481,798)	-
Pupil transportation	4,540,752	-	1,832,968	(2,707,784)	-	(2,707,784)	-
Student activities	951,012	98,003	119,015	(733,994)	-	(733,994)	-
Community services	48,372	-	433	(47,939)	-	(47,939)	-
Miscellaneous	-	-	-	-	-	-	(30)
Interest on long-term debt	368,121	-	1,950,885	1,582,764	-	1,582,764	-
	<u>55,833,353</u>	<u>177,019</u>	<u>21,294,187</u>	<u>(34,362,147)</u>	<u>-</u>	<u>(34,362,147)</u>	<u>(30)</u>
BUSINESS-TYPE ACTIVITIES							
Food services	<u>2,081,088</u>	<u>116,375</u>	<u>2,706,958</u>	<u>-</u>	<u>742,245</u>	<u>742,245</u>	<u>-</u>
TOTAL	<u>\$ 57,914,441</u>	<u>\$ 293,394</u>	<u>\$ 24,001,145</u>	<u>(34,362,147)</u>	<u>742,245</u>	<u>(33,619,902)</u>	<u>(30)</u>
GENERAL REVENUES							
Property taxes, levied for general purposes, net				21,817,747	-	21,817,747	-
Other taxes levied				5,092,721	-	5,092,721	-
Grants, subsidies, and contributions, unrestricted				18,462,295	-	18,462,295	-
Investment earnings				53,380	1,067	54,447	-
Miscellaneous income				107,997	-	107,997	250
				<u>45,534,140</u>	<u>1,067</u>	<u>45,535,207</u>	<u>250</u>
CHANGES IN NET POSITION				<u>11,171,993</u>	<u>743,312</u>	<u>11,915,305</u>	<u>220</u>
NET POSITION (DEFICIT), BEGINNING OF YEAR				<u>(53,001,616)</u>	<u>781,857</u>	<u>(52,219,759)</u>	<u>19,833</u>
NET POSITION (DEFICIT), END OF YEAR				<u>\$ (41,829,623)</u>	<u>\$ 1,525,169</u>	<u>\$ (40,304,454)</u>	<u>\$ 20,053</u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2022

	<i>Non-Major Funds</i>			<i>Total Governmental Funds</i>
	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Scholarship Fund</i>	
ASSETS				
Cash and cash equivalents	\$ 17,497,732	\$ 1,350,185	\$ -	\$ 18,847,917
Certificates of deposit	-	-	180,041	180,041
Receivables:				
Delinquent and other taxes	2,492,900	-	-	2,492,900
Intergovernmental	2,690,478	-	-	2,690,478
Other	244,817	-	-	244,817
Prepaid expenses	544,864	-	-	544,864
TOTAL ASSETS	\$ 23,470,791	\$ 1,350,185	\$ 180,041	\$ 25,001,017
LIABILITIES				
Accounts payable	\$ 928,489	\$ -	\$ -	\$ 928,489
Interfund payable	534,101	-	-	534,101
Accrued salaries and benefits	6,860,784	-	-	6,860,784
Unearned revenues	1,264,580	-	-	1,264,580
	9,587,954	-	-	9,587,954
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - taxes	2,244,713	-	-	2,244,713
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid expenses	544,864	-	-	544,864
Restricted:				
Capital projects	-	1,350,185	-	1,350,185
Scholarships	-	-	180,041	180,041
Assigned:				
Future retirement and health increases	5,200,000	-	-	5,200,000
Unassigned	5,893,260	-	-	5,893,260
	11,638,124	1,350,185	180,041	13,168,350
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,470,791	\$ 1,350,185	\$ 180,041	\$ 25,001,017

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 13,168,350

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets are not financial resources and therefore are not reported in governmental funds. The cost of assets is \$106,824,411, and the accumulated depreciation is \$60,495,134. 46,329,277

Property and earned income taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds. 2,244,713

Deferred outflows and deferred inflows of resources relating to the net pension and OPEB liabilities are not reported in the funds. (6,595,989)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds payable	\$ (17,163,370)	
Accrued interest	(193,873)	
Net pension liability	(68,934,250)	
Net OPEB liability	(9,304,259)	
Compensated absences	(1,380,222)	(96,975,974)
		<hr/>

TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES \$ (41,829,623)

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2022

	<i>Non-Major Funds</i>			<i>Total Governmental Funds</i>
	<i>General Fund</i>	<i>Capital Projects Fund</i>	<i>Scholarship Fund</i>	
REVENUES				
Local sources:				
Taxes	\$ 26,977,652	\$ -	\$ -	\$ 26,977,652
Other	341,033	1,837	1,444	344,314
State sources	32,090,597	-	-	32,090,597
Federal sources	7,634,756	-	-	7,634,756
	<u>67,044,038</u>	<u>1,837</u>	<u>1,444</u>	<u>67,047,319</u>
EXPENDITURES				
Instruction	37,156,167	-	-	37,156,167
Support services	20,793,553	-	-	20,793,553
Non-instructional services	1,110,945	-	6,000	1,116,945
Capital outlay	390,158	2,129,855	-	2,520,013
Debt service:				
Principal retirement	5,175,000	-	-	5,175,000
Interest and issuance costs on long-term debt	659,625	-	-	659,625
	<u>65,285,448</u>	<u>2,129,855</u>	<u>6,000</u>	<u>67,421,303</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,758,590</u>	<u>(2,128,018)</u>	<u>(4,556)</u>	<u>(373,984)</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	25,211	-	-	25,211
Interfund transfers	(3,050,700)	3,050,700	-	-
	<u>(3,025,489)</u>	<u>3,050,700</u>	<u>-</u>	<u>25,211</u>
NET CHANGES IN FUND BALANCES	(1,266,899)	922,682	(4,556)	(348,773)
FUND BALANCES, BEGINNING OF YEAR	<u>12,905,023</u>	<u>427,503</u>	<u>184,597</u>	<u>13,517,123</u>
FUND BALANCES, END OF YEAR	<u>\$ 11,638,124</u>	<u>\$ 1,350,185</u>	<u>\$ 180,041</u>	<u>\$ 13,168,350</u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2022

**TOTAL NET CHANGE IN FUND BALANCES -
 GOVERNMENTAL FUNDS** \$ (348,773)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,232,148) is less than depreciation (\$2,809,332) in the period. (577,184)

Because some property and earned income taxes will not be collected for several months after the District’s fiscal year ends, they are not considered as “available” revenues in the governmental funds. Deferred tax revenues changed by this amount this year. (67,184)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 291,504

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 5,175,000

In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds; however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used. 6,698,630

**TOTAL NET CHANGE IN NET POSITION - GOVERNMENTAL
 ACTIVITIES** \$ 11,171,993

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2022

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Budgetary Basis to GAAP Difference</i>	<i>Actual Amounts GAAP Basis</i>
REVENUES						
Local sources:						
Taxes	\$ 26,580,625	\$ 26,580,625	\$ 26,977,652	\$ 397,027	\$ (67,184)	\$ 26,910,468
Other	1,156,466	375,754	341,033	(34,721)	-	341,033
State sources	31,983,290	31,983,290	32,090,597	107,307	-	32,090,597
Federal sources	5,655,724	16,585,275	7,634,756	(8,950,519)	-	7,634,756
	<u>65,376,105</u>	<u>75,524,944</u>	<u>67,044,038</u>	<u>(8,480,906)</u>	<u>(67,184)</u>	<u>66,976,854</u>
EXPENDITURES						
Regular programs	24,758,619	32,294,927	24,368,401	7,926,526	(2,572,306)	21,796,095
Special programs	9,881,972	10,597,617	10,265,014	332,603	-	10,265,014
Vocational education	1,847,226	1,919,226	2,021,272	(102,046)	-	2,021,272
Other instructional programs	466,241	696,723	502,428	194,295	-	502,428
Nonpublic school programs	7,804	51,820	25,848	25,972	-	25,848
Pupil personnel	2,240,779	2,584,489	2,372,174	212,315	-	2,372,174
Instructional staff	3,557,292	4,456,616	3,436,045	1,020,571	(588,572)	2,847,473
Administration	3,704,180	3,712,006	3,444,871	267,135	(594,509)	2,850,362
Pupil health	867,678	1,530,462	788,776	741,686	-	788,776
Business office	782,411	778,546	649,750	128,796	-	649,750
Operation and maintenance of plant	5,078,372	5,139,816	5,045,311	94,505	(109,305)	4,936,006
Student transportation	4,160,668	4,711,776	4,550,090	161,686	(9,338)	4,540,752
Other support services	904,920	908,760	869,898	38,862	-	869,898
Student activities	1,223,996	1,223,999	1,062,573	161,426	(117,561)	945,012
Community services	52,209	142,132	48,372	93,760	-	48,372
Miscellaneous	-	848,633	-	848,633	-	-
Debt service:						
Principal retirement	5,175,000	5,175,000	5,175,000	-	(5,175,000)	-
Interest and issuance costs on long-term debt	666,738	666,738	659,625	7,113	(291,504)	368,121
Budgetary reserve	2,000,000	137,980	-	137,980	-	-
	<u>67,376,105</u>	<u>77,577,266</u>	<u>65,285,448</u>	<u>12,291,818</u>	<u>(9,458,095)</u>	<u>55,827,353</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,000,000)	(2,052,322)	1,758,590	3,810,912	9,390,911	11,149,501
OTHER FINANCING SOURCES (USES)						
Insurance recoveries	-	-	25,211	25,211	-	25,211
Interfund transfers	(3,550,700)	(3,498,378)	(3,050,700)	447,678	-	(3,050,700)
	<u>(3,550,700)</u>	<u>(3,498,378)</u>	<u>(3,025,489)</u>	<u>472,889</u>	<u>-</u>	<u>(3,025,489)</u>
NET CHANGE IN FUND BALANCE	(5,550,700)	(5,550,700)	(1,266,899)	4,283,801	9,390,911	8,124,012
FUND BALANCE, BEGINNING OF YEAR	5,550,700	5,550,700	12,905,023	7,354,323	(9,390,911)	3,514,112
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,638,124</u>	<u>\$ 11,638,124</u>	<u>\$ -</u>	<u>\$ 11,638,124</u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUND (FOOD SERVICE)

JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	542,240
Intergovernmental receivable		369,113
Interfund receivable		534,101
Inventories		13,541
		<u>1,458,995</u>

NONCURRENT ASSETS

Depreciable capital assets, net		<u>177,404</u>
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TOTAL ASSETS

\$ 1,636,399

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	72,257
Accrued salaries and benefits		13,357
Unearned revenue		25,616
		<u>111,230</u>

NET POSITION

Net investment in capital assets		177,404
Unrestricted		1,347,765
		<u>1,525,169</u>

TOTAL LIABILITIES AND NET POSITION

\$ 1,636,399

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

PROPRIETARY FUND (FOOD SERVICE)

YEAR ENDED JUNE 30, 2022

OPERATING REVENUES

Food services sales	\$ 116,375
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OPERATING EXPENSES

Salaries	558,662
Employee benefits	246,850
Food management services	348,061
Food and supplies	890,282
Depreciation	37,233
	<u>2,081,088</u>

OPERATING LOSS

(1,964,713)

NONOPERATING REVENUES

State subsidies	175,230
Federal subsidies	2,531,728
Investment earnings	1,067
	<u>2,708,025</u>

CHANGE IN NET POSITION

743,312

NET POSITION, BEGINNING OF YEAR

781,857

NET POSITION, END OF YEAR

\$ 1,525,169

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUND (FOOD SERVICE)

YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 114,444
Cash payments to employees for services	(1,194,106)
Cash payments to suppliers for goods and services	(1,123,898)
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,203,560)</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchase of property and equipment	<u>(4,725)</u>
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State subsidies	167,588
Federal subsidies	2,158,456
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>2,326,044</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment earnings	<u>1,067</u>
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NET CHANGES IN CASH AND CASH EQUIVALENTS

118,826

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

423,414

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 542,240

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

OPERATING LOSS

\$ (1,964,713)

ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Depreciation	37,233
Donated commodities used	120,669
Changes in:	
Interfund receivable	(375,438)
Inventories	(8,615)
Accounts payable	2,391
Accrued salaries and benefits	(13,156)
Unearned revenue	(1,931)
	<u>(238,847)</u>

NET CASH USED IN OPERATING ACTIVITIES

\$ (2,203,560)

NONCASH NONCAPITAL FINANCING ACTIVITIES:

DONATED FOOD RECEIVED

\$ 120,669

DONATED FOOD USED

\$ 120,669

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2022

	<i>Student Activities Fund</i>
ASSETS	
Cash	<u>\$ 185,206</u>
NET POSITION	<u><u>\$ 185,206</u></u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	<i>Student Activities Fund</i>
ADDITIONS	
Student activities receipts	\$ 102,361
DEDUCTIONS	
Student activities disbursements	<u>112,588</u>
CHANGES IN NET POSITION	(10,227)
NET POSITION, BEGINNING OF YEAR	<u>195,433</u>
NET POSITION, END OF YEAR	<u><u>\$ 185,206</u></u>

See accompanying notes to the basic financial statements.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – ENTITY

Crawford Central School District (the District), organized under the laws of the Commonwealth of Pennsylvania, is comprised of students from the municipalities of the City of Meadville, the Borough of Cochranton, the Townships of East Fairfield, Fairfield, Wayne, Union, Vernon, and West Mead, all of which are located in Crawford County; and the Township of French Creek located in Mercer County. The District is operated by a nine-member Board which is elected at-large from the municipalities listed above. The objective of the District is to provide elementary and secondary education to the District's students as prescribed by the laws and regulations of the Commonwealth of Pennsylvania.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP as applied to governmental units). The Government Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting activities. The most significant of these accounting policies are as follows:

Reporting Entity

The Governmental Accounting Standards Board Statement No. 14 " *The Financial Reporting Entity* ", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units, which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship.

This report includes all of the funds of the District based on the above criteria.

Based on the application of these criteria, the following component unit is included within the District's reporting entity:

Discretely Presented Component Unit

The component unit columns in the government-wide financial statements include the financial data of the District's component unit. The Crawford Central Invest in the Future Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

- The Crawford Central Invest in the Future Foundation was established to assist students in Crawford Central School District by supporting, improving, and enhancing current educational, extracurricular, and athletic programs.

The financial data reported on the accompanying statements was derived from Crawford Central School District's records for the year ended June 30, 2022.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – ENTITY (CONTINUED)

The component unit is not considered to be a major fund for financial statement presentation purposes.

The following joint ventures are not component units of the District and are not included in the District's reporting entity.

Crawford County Career and Technical Center (CCCTC) – is a separate legal entity. Each District elects three members to the operating committee of CCCTC. Each District is responsible for a portion of CCCTC's operating budget based on student enrollment. The districts pay eight installments to the CCCTC based on the expenditures in the CCCTC's annual budget. The difference between the payments made and the actual expenditures, as computed above, is refunded or paid back to the home schools at year end as necessary. Audited financial statements for the year ended June 30, 2022 for the CCCTC are available at its business office.

Northwest Tri-County Intermediate Unit (IU) – is a separate legal entity. All member districts operate under an agreement to proportionately pay for the cost of commonly shared services. The cost for operating costs is deducted from the school district subsidy each year. The District also contracts with the IU to provide special education services. Audited financial statements for the year ended June 30, 2022 for the IU are available at its business office.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

The District reports the following major funds and fund types in this report:

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination.

General Fund – the principal operating fund of the District used to account for all financial resources except those required to be in another fund.

Capital Projects Fund – account for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students of the District.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Fund – used to account for the awarding of scholarships and other accounts sponsored by individuals.

Proprietary Funds – These are the funds that account for the operations of the District that are financed and operated in a manner similar to those often found in the private sector. The fund included in this category is:

Food Service – used to account for the operation of the cafeteria.

Fiduciary Funds – These are the funds that account for the assets held by the District as a trustee or agent for individuals, private organizations and/or governmental units and are therefore not available to support the District's own programs. The funds included in this category are:

Student Activities Fund – used to account for the receipts and disbursements of Board authorized student organizations.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements report information on all of the non-fiduciary activities of the District. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the District. The District's major individual governmental funds and its enterprise fund are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the District's enterprise fund include food production costs, supplies, and depreciation on equipment. Building-wide costs, such as utilities, maintenance and depreciation on the portion of buildings used for food service are not allocated to the food service fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized 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. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation on the Statement of Net Position.

The 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 government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

The District's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are presented at the lower of cost or market on a first in, first-out basis, and are expensed when used (consumption method). The inventory of the Food Service Fund consists of materials and supplies, including food and donated commodities, which are valued at estimated cost. The cost is recorded as an expenditure at the time the inventory is consumed.

The District does not record any other inventory, but rather expenses the purchase of supplies at the time of procurement.

Capital Assets

General fund capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets, except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<i>Governmental Activities</i> <u>Estimated Lives</u>	<i>Business-Type Activities</i> <u>Estimated Lives</u>
Land improvements	10-30 years	N/A
Buildings and building improvements	25-40 years	N/A
Furniture, equipment and other	5-20 years	5-10 years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type in the Statement of Net Position. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized on the straight-line method over the life of the bonds.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources affecting the Statement of Net Position in the current year are deferred outflows relating to the pension and net OPEB liabilities.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has three items that qualify for reporting in this category. They are delinquent taxes as reported in the Balance Sheet of the governmental fund statement and deferred inflows relating to the pension and net OPEB liabilities as reported on the Statement of Net Position.

Net Position

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy the District's obligations. Net position is classified as follows:

Net Investment in Capital Assets: This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction, and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted Net Position: This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted: This consists of all other net position that does not meet the definition of net investment in capital assets or restricted net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

The Government Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* with the intention of providing a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District's board, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District's board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The District Superintendent and Business Manager have the authority to assign the amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District considers restricted funds to have been used first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of the Pennsylvania Public School Employee's Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan and the Public School Employees' Retirement System and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

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

Budgets

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to adoption of the District's budget and reporting of its financial statements, specifically:

The District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The District publishes notice by advertisement after approval thirty days prior to the adoption of the annual budget and is available for public inspection at the administrative office of the School District.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Legal budgetary control is maintained at the sub-function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

For the year ended June 30, 2022, expenditures exceeded appropriations in one function by approximately \$102,000. The over-expenditures were funded by less than anticipated expenditures in other functions.

Recently Issued and Adopted Accounting Principles

GASB Statement No. 87, *Leases*, is effective for reporting periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement had no material impact on the current year financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest costs incurred before the end of a construction period. The Statement had no material impact on the current year financial statements.

Recently Issued Accounting Principles

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for reporting periods beginning after June 15, 2022. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for governments. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

Subsequent Events

Management has evaluated subsequent events through February 27, 2023, the date on which the financial statements were available to be issued.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE C – CASH AND CASH EQUIVALENTS

GASB Statement No. 40, “Deposit and Investment Risk Disclosures,” requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the District’s deposit risks:

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Pennsylvania Act 10 of 2016 became effective May 25, 2016 and expanded the permitted investment types to include commercial paper, bankers’ acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards to credit quality and maturity are met.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

The deposit and investment policy of the District adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of amounts listed below and cash on hand of \$2,074.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the deposits may not be returned.

As required by Section 623 of the Public School Code, all bank balances of deposit and certificates of deposit as of the balance sheet date is entirely insured or collateralized. The carrying amount of the District’s deposits at year-end with financial institutions was \$6,894,595, and the bank balances were \$7,937,102. At June 30, 2022, a significant portion of the District’s cash is maintained with large financial institutions located in Pennsylvania. Of the bank balances at year end, \$310,461 was covered by federal depository insurance and the remainder was held in collateral by the depository’s agent but not in the District’s name in accordance with Act 72 of the Pennsylvania state legislature. Act 72 requires financial institutions to pool collateral for all governmental deposits and have collateral held by an approved custodian in the institution’s name.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE C – CASH AND CASH EQUIVALENTS (CONTINUED)

A portion of the District's deposits are in the Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, the funds act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share, are rated by a nationally recognized statistical rating organization, and are subject to an annual independent audit. The District's cash equivalent investments in PLGIT cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the District's position in the external investment pool is the same as the value of the pool shares. All investments in external investment pools that are not registered with the Securities and Exchange Commission are subject to oversight by the Commonwealth of Pennsylvania. Funds amounting to \$12,493,488 were on deposit with PLGIT.

Additionally, the District had cash maintained in a fiduciary fund. At June 30, 2022, the carrying balance for the Student Activities Fund amounted to \$185,206 with bank balances of \$193,449. The bank balances were insured up to \$125,856, with the amounts in excess of FDIC coverage being collateralized with securities held by the pledging financial institution in separate pooled accounts but not in the District's name.

NOTE D – CERTIFICATES OF DEPOSIT

The certificates of deposits for the Scholarship Fund total \$180,041 as of June 30, 2022. These investments are held in trust by financial institutions on behalf of the District. To the extent that the certificates of deposit are not insured by FDIC, they are collateralized with securities held by the pledging financial institutions.

NOTE E – TAXES

The District's real property tax is based on the assessed value at January 1st of each year. The District tax rate for the year ended June 30, 2022 was 54.47 mills for Crawford County and 96.11 mills for Mercer County. The District real estate taxes are collected by the elected tax collector or treasurer of the political subdivision. The counties determine assessed valuation and also act as delinquent tax collectors. The taxes are levied on July 1st and are due December 31st. Typically, a 2% discount is permitted if paid prior to September 30th. Typically, a penalty of 10% is imposed after November 30th. The individual tax collectors settle and are exonerated for non-collections as of December 31st.

The District, in accordance with GAAP, recognized the delinquent and unpaid real estate taxes receivable reduced by an allowance for uncollectible taxes. A portion of the net amount estimated to be collectible which was measurable and available within 60 days was recognized as revenue with the balance deferred in the fund financial statements. All taxes, net of uncollectible amounts, are recognized in the period for which levied in the government-wide financial statements, regardless of when collected.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E – TAXES (CONTINUED)

The balances at June 30, 2022 are as follows:

	<i>Collectible</i>	<i>Recognized</i>	<i>Deferred Taxes</i>
Real estate	\$ 2,407,037	\$ 162,324	\$ 2,244,713
Earned income taxes	74,094	74,094	-
Real estate transfer tax	11,498	11,498	-
Per capita	271	271	-
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 2,492,900	\$ 248,187	\$ 2,244,713
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE F – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	\$ 311,788	\$ -	\$ -	\$ 311,788
Construction in progress	3,829,714	2,033,136	(5,862,850)	-
Total capital assets not being depreciated	<u>4,141,502</u>	<u>2,033,136</u>	<u>(5,862,850)</u>	<u>311,788</u>
Capital assets being depreciated:				
Land improvements	2,473,227	18,262	-	2,491,489
Buildings and building improvements	88,508,668	53,395	5,862,850	94,424,913
Furniture, equipment and other	11,355,955	127,355	(1,887,089)	9,596,221
Total capital assets, being depreciated	<u>102,337,850</u>	<u>199,012</u>	<u>3,975,761</u>	<u>106,512,623</u>
Accumulated depreciation for:				
Land improvements	(2,238,207)	(72,688)	-	(2,310,895)
Buildings and building improvements	(46,930,659)	(2,489,889)	-	(49,420,548)
Furniture, equipment and other	(10,404,025)	(246,755)	1,887,089	(8,763,691)
Total accumulated depreciation	<u>(59,572,891)</u>	<u>(2,809,332)</u>	<u>1,887,089</u>	<u>(60,495,134)</u>
Total capital assets, being depreciated, net	<u>42,764,959</u>	<u>(2,610,320)</u>	<u>5,862,850</u>	<u>46,017,489</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 46,906,461</u>	<u>\$ (577,184)</u>	<u>\$ -</u>	<u>\$ 46,329,277</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated:				
Furniture, equipment and other	\$ 1,962,864	\$ 4,725	\$ -	\$ 1,967,589
Accumulated depreciation for:				
Furniture, equipment and other	(1,752,952)	(37,233)	-	(1,790,185)
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 209,912</u>	<u>\$ (32,508)</u>	<u>\$ -</u>	<u>\$ 177,404</u>

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE F – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/ programs of the District as follows:

Governmental Activities:	
Instruction	\$ 2,129,678
Instructional student support	223,542
Administration and financial support	45,204
Operation and maintenance of plant	<u>410,908</u>
TOTAL DEPRECIATION EXPENSE	
GOVERNMENTAL ACTIVITIES	<u>\$ 2,809,332</u>
BUSINESS-TYPE ACTIVITIES:	
FOOD SERVICE	<u>\$ 37,233</u>

NOTE G – LONG-TERM DEBT

Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct general obligations of the District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the District.

On November 19, 2012, the District issued \$11,365,000 General Obligation Bonds Series A of 2012. The purpose of the bonds was the advance refunding of the 2009 Series A bonds. The 2012 bonds mature February 15th of each year, beginning in 2014. The bonds require semi-annual interest payments on February 15th and August 15th of each year, beginning February 15, 2013, with interest on the bond ranging from 2.00% to 4.00%. As a result of the refunding, debt service payments decreased by \$919,112 and resulted in a net economic gain of \$866,225.

On December 12, 2016, the District issued \$9,430,000 General Obligation Bonds Series 2016. The purpose of the bonds was a partial advance refunding of the 2008 Series C bonds. The 2016 bonds mature February 15th of each year, beginning in 2017. The bonds require semi-annual interest payments on February 15th and August 15th of each year, beginning February 15, 2017, with interest on the bond ranging from 1.00% to 4.00%. As a result of the refunding, debt service payments decreased by \$333,476 and resulted in a net economic gain of \$279,776. These bonds were paid in full during the 2022 year-end.

On September 24, 2019, the District issued \$7,740,000 General Obligation Bonds Series 2019. The purpose of the bonds was a partial refunding of the 2008 Series C bonds and a complete refunding of the 2012 Series bonds. The 2019 bonds mature February 15, 2025 and require semi-annual interest payments on February 15th and August 15th of each year, beginning February 15, 2019, with interest on the bonds ranging from 2.00% to 4.00%.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G – LONG-TERM DEBT (CONTINUED)

On September 14, 2020, the District issued \$2,845,000 General Obligation Bonds Series 2020. The purpose of the bonds was to refund the Bonds Series A and B of 2015. The 2020 bonds mature February 1, 2036 and require semi-annual interest payments on February 1st and August 1st of each year with interest on the bonds ranging from 1.00% to 2.00%.

The following summarizes activity for the bonds payable at June 30, 2022:

	<i>Beginning</i>	<i>Issued</i>	<i>Retired</i>	<i>Ending</i>
Bond Series 2012A	\$ 10,935,000	\$ -	\$ (2,235,000)	\$ 8,700,000
Bond Series 2016	2,420,000	-	(2,420,000)	-
Bond Series 2019	5,775,000	-	(275,000)	5,500,000
Bond Series 2020	2,845,000	-	(245,000)	2,600,000
TOTAL	\$ 21,975,000	\$ -	\$ (5,175,000)	\$ 16,800,000

The following summarizes the maturities and interest payments for the bonds payable as of June 30, 2022:

<i>June 30,</i>	<i>Interest</i>	<i>Principal</i>	<i>Total</i>
2023	\$ 516,994	\$ 5,245,000	\$ 5,761,994
2024	321,994	5,300,000	5,621,994
2025	177,075	4,475,000	4,652,075
2026	31,850	145,000	176,850
2027	30,400	150,000	180,400
2028-2032	115,250	785,000	900,250
2033-2036	35,500	700,000	735,500
TOTAL	\$ 1,229,063	\$ 16,800,000	\$ 18,029,063

Compensated Absences

District employees are permitted to accumulate unused sick and personal time. Contract provisions require payment for this benefit upon retirement, death or disability based on a negotiated formula. At June 30, 2022, compensated absences were \$1,380,222.

Employees are allowed unlimited accumulation of unused sick days and upon retirement can elect to receive compensation ranging from a rate of \$50 to \$95/day.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE G – LONG-TERM DEBT (CONTINUED)

All sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

Long-term liability activity for the year ended June 30, 2022 is as follows:

	<i>Beginning</i> <i>Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending</i> <i>Balance</i>	<i>Amount</i> <i>Due Within</i> <i>One Year</i>
Long-term debt	\$ 21,975,000	\$ -	\$ (5,175,000)	\$ 16,800,000	\$ 5,245,000
Deferred amounts:					
Discount/Premium	598,720	-	(235,350)	363,370	132,870
Compensated absences	1,495,759	-	(115,537)	1,380,222	-
Net OPEB obligation	9,332,757	-	(28,498)	9,304,259	-
Net pension liability	81,786,006	-	(12,851,756)	68,934,250	-
TOTAL	\$ 115,188,242	\$ -	\$ (18,406,141)	\$ 96,782,101	\$ 5,377,870

NOTE H – INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2022 is as follows:

<u><i>Recipient Fund</i></u>	<u><i>Payable Fund</i></u>	<u><i>Purpose</i></u>	<u><i>Amount</i></u>
Food Service Fund	General Fund	Operations	<u><u>\$ 534,101</u></u>

NOTE I – INTERFUND TRANSFERS

The composition of and purpose of transfers between funds during the June 30, 2022 year-end is as follows:

<u><i>Recipient Fund</i></u>	<u><i>Payor Fund</i></u>	<u><i>Purpose</i></u>	<u><i>Amount</i></u>
Capital Projects Fund	General Fund	Capital expenditures	<u><u>\$ 3,050,700</u></u>

On the government-wide Statement of Activities, all interfund transfers have been eliminated.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE J – PENSION PLAN

General Information about the Pension Plan

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees in the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011 after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

**CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE J – PENSION PLAN (CONTINUED)

Contributions

The contribution policy is set up by state statute and requires contributions by active members, employers, and the Commonwealth of Pennsylvania.

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

<i>Member Contribution Rates</i>				
<i>Membership Class</i>	<i>Continuous Employment Since</i>	<i>Defined Benefit (DB) Contribution Rate</i>	<i>DC Contribution Rate</i>	<i>Total Contribution Rate</i>
				5.25%
T-C	Prior to July 22, 1983	5.25%	N/A	6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	7.50%
T-F	On or after July 1, 2011	10.30% with shared risk provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% with shared risk provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

<i>Shared Risk Program Summary</i>				
<i>Membership Class</i>	<i>Defined Benefit (DB) Base Rate</i>	<i>Shared Risk Increment</i>	<i>Minimum</i>	<i>Maximum</i>
T-E	7.50%	+ / -0.50%	5.50%	9.50%
T-F	10.30%	+ / -0.50%	8.30%	12.30%
T-G	5.50%	+ / -0.75%	2.50%	8.50%
T-H	4.50%	+ / -0.75%	1.50%	7.50%

Employer Contributions:

The District’s contractually required contribution rate for the fiscal year ended June 30, 2022 was 33.99%* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$8,134,000 for the year ended June 30, 2022.

*The defined contribution rate of 0.15% is an estimated rate. It is recommended employers use the actual defined contributions made to PSERS defined contribution plan. This may impact contributions made to the pension plan.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE J – PENSION PLAN (CONTINUED)

The District is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance (OPEB). Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for no less than one-half of the employer contributions made, including contributions related to pension and healthcare. This arrangement does not meet the criteria of a special funding situation in accordance with GASB Standards. Therefore, the net pension liability and related pension expense represents 100% of the District’s share of these amounts. The total reimbursement recognized by the District for the year ended June 30, 2022 for pension and OPEB benefits was \$5,153,376.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a liability of \$68,934,250 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System’s total pension liability as of June 30, 2020 to June 30, 2021. The District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2022, the District’s proportion was 0.1679%, which was an increase of 0.0018% from its proportion measured as of June 30, 2021. The net pension liability will be liquidated through future contributions to PSERS at the statutory rates. Contributions will be made from the General Fund.

For the year ended June 30, 2022, the District recognized pension expense of \$3,584,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Difference between expected and actual experience	\$ 50,775	\$ 905,653
Changes in assumptions	3,343,535	-
Net difference between projected and actual investments earnings	-	10,972,834
Changes in proportions	650,000	1,415,000
Difference between employer contributions and proportionate share of total contributions	-	153,159
Contributions subsequent to the measurement date	2,869,757	-
TOTAL	<u><u>\$ 6,914,067</u></u>	<u><u>\$ 13,446,646</u></u>

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE J – PENSION PLAN (CONTINUED)

\$2,869,757 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ended June 30,:

<u>Year Ended</u>		
2023	\$	(2,350,584)
2024		(2,350,584)
2025		(2,350,584)
2026		(2,350,584)
TOTAL	\$	<u>(9,402,336)</u>

Changes in Actuarial Assumptions

The total pension liability as of June 30, 2021 was determined by rolling forward the System’s total pension liability at June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2020
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, including inflation at 2.50%.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE J – PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension 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 pension plan 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 target asset allocation percentage and by adding expected inflation.

The pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Global public entity	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure /MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	-13.0%	0.1%
TOTAL	100%	

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension 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.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE J – PENSION PLAN (CONTINUED)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	<u><i>1% Decrease</i></u> <u><i>6.00%</i></u>	<u><i>Current Rate</i></u> <u><i>7.00%</i></u>	<u><i>1% Increase</i></u> <u><i>8.00%</i></u>
District's proportionate share of the net pension liability	\$ 90,478,719	\$ 68,934,250	\$ 50,760,425

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Payables to the Pension Plan

At June 30, 2022, the District had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$3,291,678. This amount represents the District's contractually obligated contributions for wages earned during the 2022 year-end. The balance will be paid in the 2023 year-end.

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN

School District OPEB Plan

General Information about the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, Crawford Central School District Other Postemployment Benefit Plan, provides OPEB benefits to all eligible retirees who qualify and elect to participate. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan provides medical, prescription drug, dental, vision, and life insurance for eligible retirees based on specific eligibility requirements. Coverage, premium sharing, and life insurance amounts vary by employee classification.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at July 1, 2020, the date of the last actuarial valuation.

Active participants	378
Spouses of retirees	4
Retired participants	<u>32</u>
TOTAL	<u><u>414</u></u>

Total OPEB Liability

The District’s total OPEB liability of \$5,332,000 was measured as of July 1, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	Assumed salary increases are based on the rates utilized in the Actuarial Valuation for Pennsylvania Public School Employees’ Retirement System and vary by age.
Discount rate	3.54% as of June 30, 2022 (Bond Buyer 20 Year Bond GO Index)
Healthcare cost trend rates	Assumed to increase as show in the following table (selected years shown)

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>Increase in</i> <i>Health Cost</i> <i>over Prior Year</i>
<u> </u>	<u> </u>
2022	6.10%
2023	5.60%
2024	5.20%
2025	4.90%
2026	4.80%
2031	4.40%
2036	4.50%
2041	4.50%
2051	4.60%
2075 and later	3.70%

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

The Society of Actuaries (SOA) Long-Run Medical Cost Trend Model was used to develop the medical trend schedule used in projecting per capita claim costs and premiums for the actuarial valuation. The model's projections are based on an econometric analysis of historical U.S. medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group and have been modified slightly to reflect Milliman's expectations for long term inflation.

Mortality rates were based on the RP-2014 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2018 from 2006 base year and projected forward on a generational basis with Scale MP-2018 (based on recommendation of Society of Actuaries' Retirement Plans Experience Committee). As a generational table, it reflects mortality improvements both before and after the measurement date.

The actuarial assumptions used in the July 1, 2020 valuation were based on census information at that time.

Changes in the Total OPEB Liability

	<i>Total OPEB Liability</i>
BALANCES AT JULY 1, 2021	<u>\$ 5,746,000</u>
Changes for the year:	
Service cost	300,000
Interest	121,000
Effect of liability gains or losses	-
Changes of assumptions	(528,000)
Benefit payments	<u>(307,000)</u>
Net changes	<u>(414,000)</u>
BALANCES AT JUNE 30, 2022	<u><u>\$ 5,332,000</u></u>

There were no changes in the benefit terms since the prior valuation.

Changes of assumptions reflect the discount rate increased to 3.54% based on the Bond Buyer 20 Year Bond GO Index. Per capita claims costs were updated. Future retiree healthcare trends were updated. The assumed election rates for future Teacher retirees and spouses have been reduced. The assumed election rate for spouses of future Administrator retirees has been reduced.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	<u>1% Decrease</u> 2.54%	<u>Current Rate</u> 3.54%	<u>1% Increase</u> 4.54%
Total OPEB liability (asset)	\$ 5,709,000	\$ 5,332,000	\$ 4,960,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB liability (asset)	\$ 4,820,000	\$ 5,332,000	\$ 5,939,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$314,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 642,000	\$ -
Changes in assumptions	627,000	1,714,000
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	<u><u>\$ 1,269,000</u></u>	<u><u>\$ 1,714,000</u></u>

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

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

<u>Year Ended</u>		
2023	\$	(107,000)
2024		(107,000)
2025		(107,000)
2026		(103,000)
2027		(92,000)
Thereafter		71,000
TOTAL	\$	<u>(445,000)</u>

PSERS OPEB Plan

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other OPEB for all eligible retirees who qualify and elect to participate. Employer contributions rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2020 there were no assumed future benefit increase to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021 there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$191,445 for the year ended June 30, 2022.

The District is also required to contribute a percentage of covered payroll to PSERS for pension benefits. Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for no less than one-half of the employer contributions made, including contributions related to pension and healthcare. This arrangement does not meet the criteria of a special funding situation in accordance with GASB Standards. Therefore, the OPEB obligation and related expense represents 100% of the District's share of these amounts. The total reimbursement recognized by the District for the year ended June 30, 2022 for pension and OPEB benefits was \$5,153,376.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB

At June 30, 2022, the District reported a liability of \$3,972,259 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 2020 to June 30, 2021. The District’s proportion of the net OPEB liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District’s proportion was 0.1676 percent, which was an increase of 0.0016 percent from its proportion measured as of June 30, 2021. The net OPEB obligation will be liquidated through future contributions to PSERS at statutory rates from the General Fund.

For the year ended June 30, 2022, the District recognized OPEB expense of \$209,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	<u><i>Deferred Outflows of Resources</i></u>	<u><i>Deferred Inflows of Resources</i></u>
Differences between expected and actual experience	\$ 36,957	\$ -
Changes in assumptions	423,058	52,970
Net difference between projected and actual earnings on OPEB plan investments	7,835	-
Changes in proportion	36,000	136,000
Difference between employer contributions and proportionate share of total contributions	-	3,514
Contributions subsequent to the measurement date	70,224	-
TOTAL	<u><u>\$ 574,074</u></u>	<u><u>\$ 192,484</u></u>

\$70,224 reported as deferred outflows of resources related to the OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u><i>Year Ended</i></u>	
2023	\$ 62,274
2024	62,273
2025	62,273
2026	62,273
2027	62,273
TOTAL	<u><u>\$ 311,366</u></u>

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Assumptions:

The Total OPEB Liability as of June 30, 2021, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment rate of return – 2.18% – S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

<u>OPEB -Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Developed Fixed	2.7%	-0.3%
TOTAL	100%	

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy set contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB’s plan fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 2.18% which represents the S&P 20 year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2021, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2020, 611 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2021, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 2,369,814,000	\$ 2,370,083,000	\$ 2,370,295,000

CRAWFORD CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE K – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.18%) or 1-percentage point higher (3.18%) than the current rate:

	<u><i>1% Decrease 1.18%</i></u>	<u><i>Current Discount Rate 2.18%</i></u>	<u><i>1% Increase 3.18%</i></u>
District's proportionate share of the net OPEB liability	\$ 4,558,663	\$ 3,972,259	\$ 3,489,268

OPEB Plan Fiduciary Net Position

Detailed information about PSERS’ fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System’s website at www.psers.pa.gov.

Payables Related to the Plan

At June 30, 2022, the District had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$3,291,678. This amount represents the District’s contractually obligated contributions for wages earned during the 2022 year-end. The balance will be paid in the 2023 year-end.

NOTE L – CONTINGENT LIABILITIES

Grant Programs

The District participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District 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.

A significant portion of revenue from state sources consists of a basic instructional subsidy received from the Commonwealth. The District is audited by the Auditor General’s Office of the Commonwealth and from that audit the subsidy could be adjusted. The District’s policy is to record adjustments, if any, in the year the Auditor General’s audit is completed.

CRAWFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE M – RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2022 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE N – SELF-INSURANCE DENTAL AND VISION

During the year ended June 30, 2022, employees of the District were covered by the its dental and vision self-insurance plan (the “Plan”). The School District contributed approximately \$50 per month, per employee to the Plan. Claims were paid by a third-party administrator acting on behalf of the District.

Claims asset liability, June 30, 2021	\$ -
Current year premiums	251,777
Current year claims payments and administration	<u>(251,777)</u>
Claims asset liability, June 30, 2022	<u>\$ -</u>

Future liability may arise as a result of self-insurance is not readily determinable and cannot be reasonably estimated. Thus, the financial statements do not reflect a contingent liability for any unasserted claims.

NOTE O – ECONOMIC UNCERTAINTIES

Due to the COVID-19 outbreak, the District has experienced unprecedented interruption in its operations including, but not limited to, disruption to the delivery of traditional schooling and daily business management. While the disruption is considered to be temporary, there is still uncertainty related to the total financial impact and duration of the outbreak. Additionally, the District may be subject to mandated closings without warning. While there has been no material decline in funding received from state or federal sources, there is the potential for such. The District is continuing to monitor and implement best practices to ensure the financial health of the District. At the date of the financial statements, the financial impact cannot be reasonably estimated.

CRAWFORD CENTRAL SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.1679%	0.1661%	0.1700%	0.1741%	0.1733%	0.1775%	0.1783%	0.1757%	0.1805%
District's proportionate share of the net pension liability	\$ 68,934,250	\$ 81,786,006	\$ 79,530,434	\$ 83,576,644	\$ 85,580,152	\$ 87,963,000	\$ 77,231,000	\$ 69,543,000	\$ 73,890,000
District's covered-employee payroll	\$ 23,755,154	\$ 23,300,083	\$ 23,448,215	\$ 23,448,312	\$ 23,070,336	\$ 22,990,870	\$ 22,945,495	\$ 22,424,313	\$ 23,168,980
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.19%	351.01%	339.17%	356.43%	370.95%	382.60%	336.58%	310.12%	318.92%
Plan fiduciary net position as a percentage of the total pension liability	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.50%

Notes to Schedule:

The District is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based as of the measurement date of PSERS' net pension liability, which is as of the beginning of the District's fiscal year.

See accompanying notes.

CRAWFORD CENTRAL SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS FOR THE PENSION PLAN
 LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,134,000	\$ 8,010,391	\$ 7,821,524	\$ 7,609,362	\$ 7,420,606	\$ 6,745,427	\$ 5,765,608	\$ 4,711,562	\$ 3,643,242
Contributions in relation to the contractually required contribution	8,134,000	8,010,391	7,821,524	7,609,362	7,420,606	6,745,427	5,765,608	4,711,562	3,643,242
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 23,930,567	\$ 23,904,480	\$ 23,300,083	\$ 23,448,215	\$ 23,448,312	\$ 23,070,336	\$ 22,990,870	\$ 22,945,495	\$ 22,424,313
Contributions as a percentage of covered-employee payroll	33.99%	33.51%	33.57%	32.45%	31.65%	29.24%	25.08%	20.53%	16.25%

Notes to Schedule:

Changes of benefits terms:

With the passage of Act 5 on June 12, 2017, class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2021:

The discount rate decreased from 7.25% to 7.00%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2017, beginning June 30, 2018, beginning June 30, 2019, and beginning June 30, 2020:

None.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2016:

The investment rate of return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprise of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females of the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females to the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Notes:

The District is required to present the information for the last ten fiscal years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

See accompanying notes.

CRAWFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY					
Service cost	\$ 300,000	\$ 204,000	\$ 197,000	\$ 258,000	\$ 249,000
Interest	121,000	104,000	148,000	221,000	225,000
Changes of benefit terms	-	-	-	-	-
Effect of liability gains or losses	-	434,000	-	544,000	-
Changes of assumptions	(528,000)	433,000	434,000	(2,145,000)	(122,000)
Benefit payments	(307,000)	(270,000)	(315,000)	(420,000)	(495,000)
NET CHANGE IN TOTAL OPEB LIABILITY	<u>(414,000)</u>	<u>905,000</u>	<u>464,000</u>	<u>(1,542,000)</u>	<u>(143,000)</u>
TOTAL OPEB LIABILITY - BEGINNING	5,746,000	4,841,000	4,377,000	5,919,000	6,062,000
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 5,332,000</u></u>	<u><u>\$ 5,746,000</u></u>	<u><u>\$ 4,841,000</u></u>	<u><u>\$ 4,377,000</u></u>	<u><u>\$ 5,919,000</u></u>

Notes to Schedule:

Changes of assumptions: The discount rate increased to 3.54% based on the Bond Buyer 20 Year Bond GO Index.

Per capita claims costs were updated.

Future retiree healthcare trends were updated.

The assumed election rates for future Teacher retirees and spouses have been reduced.

The assumed election rate for spouses of future Administrator retirees has been reduced.

Changes of benefit terms: None

The District is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

See accompanying notes.

CRAWFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PSERS NET OPEB LIABILITY LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.1676%	0.1660%	0.1700%	0.1741%	0.1733%	0.1775%
District's proportionate share of the net OPEB liability	\$ 3,972,259	\$ 3,586,757	\$ 3,615,632	\$ 3,629,896	\$ 3,530,835	\$ 3,823,000
District's covered-employee payroll	\$ 23,755,154	\$ 23,300,083	\$ 23,448,215	\$ 23,448,312	\$ 23,070,336	\$ 22,990,870
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.72%	15.39%	15.42%	15.48%	15.30%	16.63%
Plan fiduciary net position as a percentage of the total OPEB liability	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

Notes to Schedule:

The District is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based as of the measurement date of PSERS' net OPEB liability, which is as of the beginning of the District's fiscal year.

See accompanying notes.

CRAWFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR THE PSERS OPEB PLAN
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 191,445	\$ 196,017	\$ 196,945	\$ 193,735	\$ 194,049	\$ 191,736	\$ 193,724	\$ 206,849	\$ 211,763
Contributions in relation to the contractually required contribution	191,445	196,017	196,945	193,735	194,049	191,736	193,724	206,849	211,763
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 23,930,567	\$ 23,904,480	\$ 23,300,083	\$ 23,448,215	\$ 23,448,312	\$ 23,070,336	\$ 22,990,870	\$ 22,945,495	\$ 22,424,313
Contributions as a percentage of covered-employee payroll	0.80%	0.82%	0.85%	0.83%	0.83%	0.83%	0.84%	0.90%	0.94%

Notes to Schedule:

Changes of benefits terms:
None.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2021:
The Discount Rate decreased from 2.66% to 2.18%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2020:
The Discount Rate decreased from 2.79% to 2.66%

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2019:
The Discount Rate decreased from 2.98% to 2.79%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2018:
The Discount Rate decreased from 3.13% to 2.98%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2017:
The Discount Rate increased from 2.71% to 3.13%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2016:
Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprise of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females of the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females to the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Notes:

The District is required to present the information for the last ten fiscal years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

See accompanying notes.

CRAWFORD CENTRAL SCHOOL DISTRICT

STUDENT ACTIVITIES FUND

SCHEDULE OF FIDUCIARY NET POSITION

JUNE 30, 2022

	<i>Meadville Area Senior High</i>	<i>Cochranton Area Junior- Senior High</i>	<i>Meadville Area Middle School</i>	<i>Total</i>
ASSETS				
Cash	<u>\$ 106,256</u>	<u>\$ 59,421</u>	<u>\$ 19,529</u>	<u>\$ 185,206</u>
NET POSITION	<u>\$ 106,256</u>	<u>\$ 59,421</u>	<u>\$ 19,529</u>	<u>\$ 185,206</u>

See independent auditor's report.

CRAWFORD CENTRAL SCHOOL DISTRICT
SCHOLARSHIP FUND
SCHEDULE OF SCHOLARSHIP FUND

NET POSITION
JUNE 30, 2022

ASSETS

Certificates of deposit	\$ 180,041
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NET POSITION

Restricted for legal purposes	\$ 180,041
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SCHEDULE OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2022

	<i>Certificates of Deposit June 30, 2021</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Certificates of Deposit June 30, 2022</i>
Barco/Durantz Scholarship Trusts	\$ 172,605	\$ 1,402	\$ 12,000	\$ 162,007
Russell L. Graham Memorial Fund	17,992	42	-	18,034
TOTAL FUNDS	\$ 190,597	\$ 1,444	\$ 12,000	\$ 180,041

See independent auditor's report.



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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*

To the Board of School Directors
Crawford Central School District
Meadville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crawford Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Crawford Central School District's basic financial statements, and have issued our report thereon dated February 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crawford Central School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crawford Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford Central School District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Meadville, Pennsylvania

February 27, 2023



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Board of School Directors
Crawford Central School District
Meadville, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crawford Central School District’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Crawford Central School District’s major federal programs for the year ended June 30, 2022. Crawford Central School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crawford Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Crawford Central School District 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 program. Our audit does not provide a legal determination of Crawford Central School District’s compliance with the compliance requirements referred to above.

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 Crawford Central School District's federal 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 Crawford Central School District'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 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Crawford Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Crawford Central School District'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 Crawford Central School District'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 Crawford Central School District'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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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. Accordingly, this report is not suitable for any other purpose.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Meadville, Pennsylvania

February 27, 2023

CRAWFORD CENTRAL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED JUNE 30, 2022

<u>Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Grantor Contract Number</u>	<u>Grant Period Beginning/Ending Date</u>	<u>Total Received</u>	<u>Accrued (Deferred) Revenue 7/1/2021</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2022</u>
U.S. Department of Education								
Passed through PA Dept. of Education								
Title I Grants to Local Educational Agencies	84.010	013-210107	07/01/20-06/30/21	\$ 287,338	\$ 175,132	\$ 112,206	\$ 112,206	\$ -
Title I Grants to Local Educational Agencies	84.010	013-220107	07/01/21-06/30/22	798,284	-	979,407	979,407	181,123
				F 1,085,622	175,132	1,091,613	1,091,613	181,123
Supporting Effective Instruction State Grants								
Supporting Effective Instruction State Grants	84.367	020-200107	07/01/19-06/30/20	-	(4,539)	1,276	1,276	(3,263)
Supporting Effective Instruction State Grants	84.367	020-210107	07/01/20-06/30/21	87,121	(10,607)	94,454	94,454	(3,274)
Supporting Effective Instruction State Grants	84.367	020-220107	07/01/21-06/30/22	61,856	-	66,887	66,887	5,031
				148,977	(15,146)	162,617	162,617	(1,506)
Teachers in the Workplace	84.367	220-200107	07/01/19-06/30/20	13,637	464	13,173	13,173	-
Total Supporting Effective Instruction State Grants				F 162,614	(14,682)	175,790	175,790	(1,506)
Title IV - Student Support and Academic Enrichment Program	84.424	144-200107	07/01/19-06/30/20	-	(2,394)	2,394	2,394	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-210107	07/01/20-06/30/21	28,693	-	34,623	34,623	5,930
Title IV - Student Support and Academic Enrichment Program	84.424	144-220107	07/01/21-06/30/22	55,314	(10,111)	42,190	42,190	(23,235)
				F 84,007	(12,505)	79,207	79,207	(17,305)
Education Stabilization Fund								
COVID-19 - CARES Act - ESSER Fund Local	84.425D	200-200107	07/01/19-06/30/20	98,131	98,131	-	-	-
COVID-19 - CARES Act - ESSER Fund Local	84.425D	200-210107	07/01/20-06/30/21	3,223,314	-	4,076,544	4,076,544	853,230
COVID-19 - American Rescue Plan - ESSER Fund	84.425D	223-210107	07/01/20-06/30/21	599,685	153,306	134,328	134,328	(312,051)
COVID-19 - Special Education COVID-19 Impact Mitigation Grant	84.425C	252-200107	07/01/19-06/30/20	35,561	18,511	17,050	17,050	-
COVID-19 - Continuity of Education Equity Grant GEER	84.425C	253-200107	07/01/19-06/30/20	61,537	(6,969)	68,506	68,506	-
COVID-19 - Continuity of Education Grants for A-TSI Schools	84.425C	254-200107	07/01/19-06/30/20	55,936	(25,063)	80,999	80,999	-
COVID-19 - ARP ESSER 7% Set Aside - Learning Loss	84.425U	225-210107	07/01/21-06/30/24	41,615	-	21,144	21,144	(20,471)
COVID-19 - ARP ESSER 7% Set Aside - Summer School Program	84.425U	225-210107	07/01/21-06/30/24	8,323	-	11,303	11,303	2,980
COVID-19 - ARP ESSER 7% Set Aside - After School Program	84.425U	225-210107	07/01/21-06/30/24	8,323	-	31,900	31,900	23,577
COVID-19 - ARP ESSER Homeless Children and Youth	84.425W	181-212110	07/01/21-06/30/24	2,389	-	4,065	4,065	1,676
Total Education Stabilization Fund				F 4,134,814	237,916	4,445,839	4,445,839	548,941
Passed through Northwest Tri-County Intermediate Unit # 5								
<i>Special Education Cluster (IDEA):</i>								
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	07/01/20-06/30/21	20,672	-	20,672	20,672	-
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	07/01/21-06/30/22	817,904	-	817,904	817,904	-
Total Special Education Cluster (IDEA)				F 838,576	-	838,576	838,576	-
Total U.S. Department of Education				6,305,633	385,861	6,631,025	6,631,025	711,253
U.S. Department of Agriculture								
<i>Child Nutrition Cluster:</i>								
Passed through PA Dept. of Education								
School Breakfast Program (SBP)	10.553	365	07/01/20-06/30/21	28,703	28,703	-	-	-
School Breakfast Program (SBP)	10.553	365	07/01/21-06/30/22	492,396	-	588,865	588,865	96,469
				F 521,099	28,703	588,865	588,865	96,469
National School Lunch Program (NSLP)	10.555	362	07/01/20-06/30/21	58,749	58,749	-	-	-
National School Lunch Program (NSLP)	10.555	362	07/01/21-06/30/22	1,389,881	-	1,639,468	1,639,468	249,587
				F 1,448,630	58,749	1,639,468	1,639,468	249,587
Supply Chain Assistance	10.555	356	07/01/21-06/30/22	F 71,574	-	71,574	71,574	-
Emergency Operating Costs	10.555	357	07/01/21-06/30/22	F 69,445	-	69,445	69,445	-

Passed through PA Dept. of Agriculture									
Value of USDA Donated Commodities	10.555	N/A	07/01/20-06/30/21	-	(1,933)	1,933	1,933	-	
Value of USDA Donated Commodities	10.555	N/A	07/01/21-06/30/22	127,904	-	118,736	118,736	(9,168)	
				F 127,904	(1,933)	120,669	120,669	(9,168)	
				1,717,553	56,816	1,901,156	1,901,156	240,419	
<i>Total Child Nutrition Cluster</i>				2,238,652	85,519	2,490,021	2,490,021	336,888	
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	358	07/01/21-06/30/22	F 3,063	-	3,063	3,063	-	
Passed through PA Dept. of Education									
Fresh Fruit and Vegetable Program	10.582	353	07/01/20-06/30/21	9,327	9,327	-	-	-	
Fresh Fruit and Vegetable Program	10.582	353	07/01/21-06/30/22	26,702	-	38,644	38,644	11,942	
				F 36,029	9,327	38,644	38,644	11,942	
School Breakfast Program	N/A	511/513	07/01/20-06/30/21	1,337	1,337	-	-	-	
School Breakfast Program	N/A	511/513	07/01/21-06/30/22	19,441	-	23,144	23,144	3,703	
National School Lunch Program	N/A	510/512	07/01/20-06/30/21	2,137	2,137	-	-	-	
National School Lunch Program	N/A	510/512	07/01/21-06/30/22	41,498	-	48,911	48,911	7,413	
				S 64,413	3,474	72,055	72,055	11,116	
<i>Total U.S. Department of Agriculture</i>				2,342,157	98,320	2,603,783	2,603,783	359,946	
Federal Communications Commission									
Emergency Connectivity Fund	32.009	ECF2190002463	07/01/21-06/30/22	F 499,200	-	572,700	572,700	73,500	
				499,200	-	572,700	572,700	73,500	
U.S. Department of Health and Human Services									
Passed through PA Dept. of Public Welfare									
<i>Medicaid Cluster:</i>									
Medical Assistance - Administration	93.778	044-007107	07/01/21-06/30/22	F 57,522	-	57,522	57,522	-	
<i>Total Medicaid Cluster</i>				57,522	-	57,522	57,522	-	
<i>Total U.S. Department of Health and Human Services</i>				57,522	-	57,522	57,522	-	
<i>Total Expenditures of Federal and State Awards</i>				9,204,512	484,181	9,865,030	9,865,030	1,144,699	
<i>Less: State Matching Funds</i>				(64,413)	(3,474)	(72,055)	(72,055)	(11,116)	
<i>Total Expenditures of Federal Awards</i>				\$ 9,140,099	\$ 480,707	\$ 9,792,975	\$ 9,792,975	\$ 1,133,583	

F Federal program
S State program

Footnotes to Schedule

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of the Crawford Central School District under programs of the federal government for the year ended June 30, 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 Crawford Central School District, it is not intended to and does not present the net position or changes in net position of Crawford Central School District.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Crawford Central School District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Food Commodities

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, the District had \$13,541 of food commodity inventory.

Note D - Subrecipient Funding

There were no funds passed through to subrecipients from any of the federal programs.

CRAWFORD CENTRAL SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: UNMODIFIED

Internal control over financial reporting:

- * Material weakness(es) identified? yes no
- * Significant deficiency(ies) identified that are not considered to be material weakness? yes none reported
- * Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Material weakness(es) identified? yes no
- * Significant deficiency(ies) identified that are not considered to be material weakness? yes none reported

Type of auditor's report issued on compliance for major programs: UNMODIFIED

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program(s) or Cluster(s)</u>
84.425	COVID-19 - Education Stabilization Fund
84.027	Special Education Cluster
32.009	Emergency Connectivity Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

There are no findings and questioned costs in the current year.

Section III - Federal Award Findings and Questioned Costs

There are no findings and questioned costs in the current year.