

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**APPENDIX E**

**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX F**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



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# County of Bedford, PA General Obligation Bonds, Series 2021 Working Group List

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## ISSUER

### County of Bedford

Bedford County Courthouse  
200 South Juliana Street  
Bedford, PA 15522

### Commissioner Barry Dallara

E-mail: [cdallara@bedfordcountypa.org](mailto:cdallara@bedfordcountypa.org)  
Telephone: (814) 623-4807

### Commissioner Debra Baughman

E-mail: [dbaughman@bedfordcountypa.org](mailto:dbaughman@bedfordcountypa.org)

### Commissioner Alan Frederick

E-mail: [Cfrederick@bedfordcountypa.org](mailto:Cfrederick@bedfordcountypa.org)

### Debra Brown, Chief Clerk

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### Susquehanna Accounting & Consulting Solutions, Inc.

830 Sir Thomas Court, Suite 150  
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## SOLICITOR

### Koontz & Crabtree

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Bedford, PA 15522

### Dean Crabtree, Esquire

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Telephone: (814) 623-5114

## BOND COUNSEL

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213 Market Street, 8<sup>th</sup> Floor  
Harrisburg, PA 17101

### Jennifer M. Caron, Esquire

Email: [jcaron@eckertseamans.com](mailto:jcaron@eckertseamans.com)  
Telephone: (717) 237-6079

## PAYING AGENT/INAL OS: 5 COPIES

### Manufacturers and Traders Trust Company

Institutional Client Services  
285 Delaware Avenue, 3<sup>rd</sup> Floor  
Buffalo, NY 14202

### Pina Ituze

Email: [aituze@wilmingtontrust.com](mailto:aituze@wilmingtontrust.com)  
Telephone: (716) 842-4332  
Facsimile: (716) 842-4474

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# County of Bedford, PA General Obligation Bonds, Series 2021 Working Group List

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**INSURER FINAL OS: 5 COPIES**

To be determined

**RATING AGENCY FINAL OS : 2 COPIES TO EACH**

**Moody's Investors Service**

7 World Trade Center  
250 Greenwich Street  
New York, NY 10007

**UNDERWRITER FINAL OS : 2 COPIES TO EACH**

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Telephone : (610) 519-0973

Facsimile : (610) 519-0974

Page 1 of 1

Date: 10/10/2014  
Time: 10:10:10  
User: Administrator

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**Debra Brown**

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**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Tuesday, June 29, 2021 4:23 PM  
**To:** Melissa Cottle  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman  
**Subject:** Liquid Fuels

Hi Melissa,

Could you transfer \$71,194.19 from the bond account to the liquid fuels checking account for the payment of work completed on bridges 42,18,15, and 6?

Thank You

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**



**Debra Brown**

---

**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Wednesday, June 30, 2021 12:03 PM  
**To:** Killmer, Nancy  
**Cc:** Commissioner Dallara  
**Subject:** Bedford County

Hi Nancy,

For the top employers of the County on page A-13 of the POS, can the county only include the employer and product/sector and not include the number of employees column? If you could let me know, I would appreciate it.

Thanks

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

Table 10.0

From:  
Sent:  
To:  
Cc:  
Subject:

With summary information  
Wednesday, June 30, 2010 12:00 PM  
John  
Comptroller Dalton  
Robert

Re:

For the top employees of the County on page 4-13 of the R2, can you please provide the top 100 employees  
product/sector and not include the number of employees column? If you do, we would appreciate it.

Thanks

Mike

Mike Seman, CPA  
Director  
Saxapexham Accounting & Consulting Solutions, Inc.  
(717) 591-5035 Ext 2010

## Debra Brown

---

**From:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Sent:** Wednesday, June 30, 2021 12:04 PM  
**To:** Mike Samson  
**Cc:** Commissioner Dallara; Killmer, Nancy  
**Subject:** RE: Bedford County

Hi Mike!

Yes, I can take out that column.

**From:** Mike Samson [mailto:msamson@susacs.com]  
**Sent:** Wednesday, June 30, 2021 12:03 PM  
**To:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>  
**Subject:** EXTERNAL: Bedford County

**\*\* This email has been received from outside the organization – Think before clicking on links, opening attachments, or responding. \*\***

Hi Nancy,

For the top employers of the County on page A-13 of the POS, can the county only include the employer and product/sector and not include the number of employees column? If you could let me know, I would appreciate it.

Thanks

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

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**Debra Brown**

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**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Wednesday, June 30, 2021 5:42 PM  
**To:** Killmer, Nancy  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman  
**Subject:** Bedford POS  
**Attachments:** Bedford County Ser 2021 POS.doc

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Nancy,

I attached the document with the County's comments or suggested changes that are highlighted in green in the word document. If you want to discuss or have any questions, just give me a call on my cell phone [REDACTED]

Thank You

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

Debra Brown

From:

Sent:

To:

CC:

Subject:

Attachments:

Follow Up Flag

Flag Status

In Reply

I attached the document with the County's comments on page 12. Changes I added are highlighted in blue in the document. If you want to discuss or have any questions, feel free to call me at [redacted]

Thank you

Debra

Debra Brown, CPA

Director

Debra Brown Accounting & Consulting Solutions, Inc.

(417) 661-8089 Ext. 6010

Mrs. Susan H. [redacted]

Wednesday, June 03, 2009 2:45 PM

Climate Change

County of Boone, Missouri, Department of Public Health & Safety

Subject: 2009

Boone County, MO 64601

Follow Up

Flag

**New Issue**

BOOK-ENTRY ONLY  
CUSIP: 076059

**Bond Rating: S&P Global Ratings "AA" (stable) (insured)**  
Moody's Investors Service "Baa1" (stable) (underlying)  
\_\_\_\_\_ ("\_\_\_\_") Insured  
(See "BOND INSURANCE" and "BOND RATING" herein.)

*In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, and the Bonds are exempt from personal property taxes in Pennsylvania. See "TAX MATTERS" herein.*

**\$9,060,000\***

**COUNTY OF BEDFORD**  
**(COMMONWEALTH OF PENNSYLVANIA)**  
consisting of

**\$4,825,000\* GENERAL OBLIGATION BONDS, SERIES A OF 2021**  
**\$4,235,000\* GENERAL OBLIGATION BONDS, SERIES B OF 2021**

INITIALLY DATED: Date of Delivery  
PRINCIPAL DUE: November 1, as shown herein  
FORM: Book-entry Only

INTEREST PAYABLE: May 1 and November 1  
FIRST INTEREST PAYMENT DATE: November 1, 2021  
DENOMINATION: Integral Multiples of \$5,000

**PAYMENT OF PRINCIPAL AND INTEREST:** The General Obligation Bonds, Series A of 2021, in the principal amount of \$4,825,000\* (the "Series A Bonds") and General Obligation Bonds, Series B of 2021, in the principal amount of \$4,235,000\* (the "Series B Bonds" and together with the Series A Bonds, the "Bonds") of County of Bedford, Pennsylvania (the "County"), will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial ownership of the Bonds will be recorded in book-entry only form in denominations of \$5,000, and integral multiples thereof. Principal of and interest on the Bonds are payable directly to CEDE & CO. for redistribution to DTC Participants and in turn to Beneficial Owners, as described herein. Interest will be payable semiannually, on May 1 and November 1 of each year, commencing on November 1, 2021. Purchasers will not receive physical delivery of certificates representing their ownership interests in the Bonds. Purchasers and Beneficial Owner of the Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Bonds. See "**Book-entry Only System**" herein.

**REDEMPTION:** The Bonds may be subject to optional and mandatory sinking fund redemption prior to their stated maturity dates, as described herein.

**SECURITY:** The Bonds are general obligations of the County payable from its taxes and other general revenues, which presently include *ad valorem* taxes which may be levied on taxable real property within the County, without limitations to rate or amount for the payment of principal and interest on the Bonds. (See "INTRODUCTORY STATEMENT" herein). Neither the credit nor taxing power of the Commonwealth of Pennsylvania has been pledged for the payment of the Bonds. The County has covenanted that it will provide in its budget in each year, and will duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance of the County pursuant to which the Bonds are issued and secured, or from any other of its available revenues or funds, the principal of and the interest on the Bonds on the dates and at the place and in the manner stated in the Bonds. For such budgeting, appropriation and payment, the County has irrevocably pledged its full faith, credit and taxing power.

**CREDIT ENHANCEMENT:** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by \_\_\_\_\_ ("\_\_\_\_"). (See "BOND INSURANCE" herein).

[INSURER LOGO]

**AUTHORIZATION FOR ISSUANCE:** The Bonds are being issued in accordance with the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S.A. §8001 et. seq., with the approval of the Pennsylvania Department of Community and Economic Development and pursuant to the Ordinance duly enacted by the Board of County Commissioners of the County on \_\_\_\_\_, 2021.

**USE OF FUNDS:** The proceeds of the Series A Bonds will be used by the County: (1) to currently refund the County's outstanding General Obligation Bonds, Series of 2016; and (2) pay the costs and expenses of issuing the Series A Bonds. The proceeds of the Series B Bonds will be used by the County: (1) for various capital improvement projects in the County; and (2) pay the costs and expenses of issuing the Series B Bonds. (See "**PURPOSE OF THE ISSUE**" and "**SOURCES AND USES OF FUNDS**" herein.)

**CONTINUING DISCLOSURE UNDERTAKING:** The County has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "Rule"). (See "**CONTINUING DISCLOSURE UNDERTAKING**" herein.)

**LEGAL APPROVALS:** *The Bonds are offered when, as and if issued by the County and received by the Underwriter, subject to the receipt of the approving legal opinion to be issued by Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, as Bond Counsel to the County. Certain additional matters will be passed upon for the County by its Solicitor, Koontz & Crabtree, Bedford, Pennsylvania. The Bonds are expected to be available for delivery to DTC or its agent, on or about \_\_\_\_\_, 2021.*



DATED: \_\_\_\_\_, 2021.

\*Preliminary amount, subject to change.

these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The County deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information on the cover hereof and certain pages herein which have been omitted in accordance with such Rule and which will be supplied in the final Official Statement.

**\$9,060,000\***  
**COUNTY OF BEDFORD**  
**(COMMONWEALTH OF PENNSYLVANIA)**  
 consisting of

**\$4,825,000\* GENERAL OBLIGATION BONDS, SERIES A OF 2021**  
**\$4,235,000\* GENERAL OBLIGATION BONDS, SERIES B OF 2021**

INITIALLY DATED: Date of Delivery  
 PRINCIPAL DUE: November 1, as shown herein  
 FORM: Book-Entry Only

INTEREST PAYABLE: May 1 and November 1  
 FIRST INTEREST PAYMENT DATE: November 1, 2021  
 DENOMINATION: Integral Multiples of \$5,000

**SERIES A BONDS**

<u>Year</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u> <sup>(1)</sup>	<u>CUSIPs</u> <sup>(2)</sup>
	\$	%	%	%	
					076059
					076059
					076059
					076059
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					076059
					076059
					076059
					076059

**SERIES B BONDS**

<u>Year</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u> <sup>(1)</sup>	<u>CUSIPs</u> <sup>(2)</sup>
	\$	%	%	%	
					076059
					076059
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<sup>(1)</sup> Based on expected settlement date of \_\_\_\_\_, 2021.

<sup>(2)</sup> The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the County or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of Bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the County nor the Underwriter have agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

\*Preliminary amount, subject to change.



## SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information set forth in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without the entire Official Statement.

<b>Issuer</b> .....	County of Bedford (the "County"), Pennsylvania.
<b>Bonds</b> .....	\$4,825,000* aggregate principal amount of the County's General Obligation Bonds, Series A of 2021 (the "Series A Bonds") and General Obligation Bonds, Series B of 2021 (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"). The Bonds are initially dated as of the date of their delivery, and will mature as shown in the <b>MATURITY SCHEDULE</b> shown on the inside of the Cover Page hereof. Interest on the Bonds will begin to accrue on the date of delivery, and is payable initially on November 1, 2021, and on each May 1 and November 1 thereafter. (See " <b>DESCRIPTION OF THE BONDS</b> " herein.)
<b>Redemption Provisions</b> .....	The Bonds may be subject to optional and mandatory sinking fund redemption prior to their stated maturity dates, as provided herein. (See " <b>REDEMPTION OF BONDS</b> " herein.)
<b>Form of Bonds</b> .....	Book-entry Only
<b>Application of Proceeds</b> .....	The proceeds of the Series A Bonds will be used by the County: (1) to currently refund the County's outstanding General Obligation Bonds, Series of 2016; and (2) pay the costs and expenses of issuing the Series A Bonds. The proceeds of the Series B Bonds will be used by the County: (1) for various capital improvement projects in the County; and (2) pay the costs and expenses of issuing the Series B Bonds. (See " <b>PURPOSE OF THE ISSUE</b> " and " <b>SOURCES AND USES OF FUNDS</b> " herein.)
<b>Security</b> .....	The Bonds are general obligations of the County for the payment of which the County has irrevocably pledged its full faith, credit and taxing power, on a parity basis with all other existing and future general obligation debt of the County.
<b>Credit Enhancement</b> .....	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by _____ ("_____"). See " <b>BOND INSURANCE</b> " herein)
<b>Bond Rating</b> .....	The Bonds are expected to receive a credit rating of "AA" (stable) from S&P Global Ratings, New York, New York ("S&P"), with the understanding that the above-described insurance policy will be issued at the time of settlement of the Bonds. Moody's has assigned its "Baa1" (stable) underlying rating to the Bonds. (See " <b>BOND RATING</b> " herein.)
<b>Continuing Disclosure Undertaking</b> .....	The County has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " <b>CONTINUING DISCLOSURE UNDERTAKING</b> " herein.)

\*Preliminary amount, subject to change.

**COUNTY OF BEDFORD**  
(Commonwealth of Pennsylvania)  
Bedford County Courthouse  
200 South Juliana Street  
Bedford, Pennsylvania 15522  
Telephone: (814) 623-4807  
Fax: (814) 623-0991

**BOARD OF COUNTY COMMISSIONERS**

<u>Name</u>	<u>Position</u>
Barry L. Dallara	Chairman
Deborah Baughman	Vice Chairman
Alan Frederick	Secretary

**ASSISTANT FINANCE DIRECTOR**

Tracey Snyder

**TREASURER**

Melissa Cottle

**CHIEF CLERK**

Debra Brown

**COUNTY SOLICITOR**

Koontz & Crabtree  
Bedford, Pennsylvania

**BOND COUNSEL**

Eckert Seamans Cherin & Mellott, LLC  
Harrisburg, Pennsylvania

**PAYING AGENT, TRANSFER AGENT, BOND REGISTRAR,  
AND SINKING FUND DEPOSITORY**

Manufacturers and Traders Trust Company  
Harrisburg, Pennsylvania and Buffalo, New York

**UNDERWRITER**

PNC Capital Markets LLC  
Pittsburgh, Pennsylvania

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and from other sources which are believed to be reliable, but the County does not guarantee the accuracy or completeness of information from sources other than the County. PNC Capital Markets LLC, Pittsburgh, Pennsylvania as the Underwriter (the "Underwriter"), has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information, which, has been obtained from either the County or from sources other than the County. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The quotations from and summaries and explanation of provisions of laws and documents contained herein, including the cover page, inside cover page and Appendices attached hereto, do not purport to be complete. Reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes," and analogous expressions are intended to identify forward-looking statements, and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS (INCLUDING DEALERS DEPOSITING THE BONDS INTO INVESTMENT TRUST(S)) AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER THEREOF.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS OR THE ORDINANCE IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

[PLACEHOLDER FOR BOND INSURER DISCLOSURE LANGUAGE]

The County deems this Preliminary Official Statement to be final for the purpose of SEC Rule 15c2-12(b)(1).

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**This Table of Contents does not list all of the subjects in this Official Statement. In all instances, reference should be made to the complete Official Statement to determine the subjects set forth herein.**

OFFICIAL STATEMENT

**\$9,060,000\***

**COUNTY OF BEDFORD**

**(COMMONWEALTH OF PENNSYLVANIA)**

consisting of

**\$4,825,000\* GENERAL OBLIGATION BONDS, SERIES A OF 2021**

**\$4,235,000\* GENERAL OBLIGATION BONDS, SERIES B OF 2021**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page hereof and the Appendices hereto, is furnished in connection with the offering by the County of Bedford (the "County"), Pennsylvania of \$4,825,000\* aggregate principal amount of its General Obligation Bonds, Series A of 2021 (the "Series A Bonds") and \$4,235,000\* aggregate principal amount of its General Obligation Bonds, Series B of 2021 (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"). The Bonds are authorized to be issued pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S.A. §8001 et. seq., as amended (the "Debt Act"), and are authorized and secured by Ordinance No. 03-10-20 enacted by the County on \_\_\_\_\_, 2021 (the "Ordinance").

The approval of the Department of Community and Economic Development of the Commonwealth of Pennsylvania (the "Commonwealth") for the County to issue the Bonds will be duly given pursuant to the Debt Act. All acts, conditions and things required by the laws of the Commonwealth to exist, to have happened or to have been performed precedent to or in the issuance of the Bonds, will have been completed. The Bonds, together with all other indebtedness of the County, will be within the debt limits prescribed by the Debt Act. The County will have established with Manufacturers and Traders Trust Company (the "Paying Agent"), as the paying agent, and sinking fund depository for the Bonds, a Sinking Fund for the Bonds, as described herein, and shall deposit therein amounts sufficient to pay the principal of and interest on the Bonds as the same shall become due and payable. (See "DESCRIPTION OF THE BONDS - Paying Agent, Transfer Agent, Bond Registrar, and Sinking Fund Depository" and "THE PAYING AGENT" herein.)

THE BONDS

Payment of Principal and Interest

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC, and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the County with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-entry Only System for the Bonds is discontinued for any reason, Bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs.*

The Bonds will be issued as fully registered Bonds without coupons in denominations of \$5,000 and integral multiples thereof. The Bonds will be dated as of the date they are initially issued and delivered (the "Delivery Date"), and will bear interest on the unpaid principal balance at the rates and mature in the amounts and on the dates listed in the **BOND MATURITY SCHEDULE** shown on the inside cover page of this Official Statement. References to the "Owner" or "Registered Owner" as described herein are to CEDE & Co., as nominee of the Depository Trust Company ("DTC"). Beneficial Owners of a Bond may seek arrangements with a DTC Participant to receive notices or communications with respect to matters described herein. (See "**Book-Entry Only System**" herein.)

Interest on the Bonds shall be computed on the basis of 30-day months and 360-day years, and shall be payable semiannually on May 1 and November 1 of each year, commencing November 1, 2021 (the "Interest Payment Dates"). Each of the Bonds shall bear interest from the interest payment date next preceding the date of registration and authentication of such Bond, unless: (a) such Bond is registered and authenticated as of any interest payment date, in which event such Bond shall bear interest from such interest payment date; or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such next succeeding interest payment date; or (c) such Bond is registered and authenticated on or prior to the Record Date next preceding the first interest payment date, in which event such Bond shall bear interest from the dated date of the Bonds; or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day that is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

\*Preliminary amount, subject to change.

*So long as the Bonds or any portion thereof are registered in the name of DTC or its nominee, payments thereon shall be made to DTC or its nominee. (See "Book-Entry Only System" herein.)* The principal of and premium, if any, on the Bonds shall be payable to the registered owners thereof or their transferees, upon presentation and surrender of the Bonds at the place or places set forth in the Bonds. Payment of interest on the Bonds shall be made by check mailed to the registered owners thereof whose names and addresses appear at the close of business on the fifteenth (15th) day next preceding each interest payment date (the "Record Date") on the registration books maintained by the Paying Agent on behalf of this County, irrespective of any transfer or exchange of any Bonds subsequent to the Record Date and prior to such interest payment date, unless this County shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent on behalf of this County to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If Bonds shall be subject to optional redemption or mandatory redemption prior to stated maturity, the County and the Paying Agent shall not be required to register the transfer of or exchange any of the Bonds then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any of the Bonds selected for redemption in whole or in part until after the redemption date.

#### **Registration, Transfer and Exchange of any Certificated Bonds**

*Subject to the provisions below under "BOOK-ENTRY ONLY SYSTEM",* the Paying Agent is responsible for maintaining the books of the County pertaining to the registration of ownership of any certificated Bond. The ownership of such Bonds may be transferred upon the registration books upon delivery to the Paying Agent or its designee, of a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Paying Agent or its designee, duly executed by the registered holder of the Bonds to be transferred or his duly authorized attorney-in-fact or legal representative, subject to such reasonable regulations as the County or the Paying Agent or its designee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. No transfer of any Bond will be effective until entered on the registration books.

Neither the County nor the Paying Agent or its designee shall be required (a) to register the transfer of or to exchange any certificated Bonds then considered for redemption, during a period beginning at the close of business on the 15<sup>th</sup> day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed, (b) to register the transfer of or to exchange any portion of any such Bond selected for redemption in whole or in part until after the redemption date, or (c) to register the transfer of or to exchange any such Bond during the period beginning at the close of business on the 15th day preceding the date of maturity on the Bond and ending at the close of business on the date of maturity.

#### **BOOK-ENTRY-ONLY SYSTEM**

**THE INFORMATION PROVIDED UNDER THIS CAPTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE COUNTY OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com)

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of a Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

So long as Cede & Co., or any successor thereto, is the registered owner of the Bonds, as DTC's partnership nominee, references herein to the Bondholders or Owners or registered owners of the Bonds will mean DTC and will not mean the Beneficial Owners of the Bonds. During such period, the Paying Agent and the County will recognize DTC or its partnership nominee as the owner of all of the Bonds for all purposes, including the payment of the principal of, premium, if any, and interest on the Bonds, as well as the giving of notices and voting.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY AND THE PAYING AGENT WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DIRECT PARTICIPANT PERTAINING TO OWNERSHIP IN THE BONDS OR THE PAYMENTS TO, OR THE PROVIDING OF NOTICE FOR, TO THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES HEREIN TO THE HOLDERS OF THE BONDS, OR OWNERS OF THE BONDS, SHALL MEAN CEDE & CO., AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

**Discontinuance of Book-entry Only System**

The book-entry system for the registration of the ownership of the Bonds may be discontinued at any time if: (i) DTC determines to resign as securities depository for the Bonds; or (ii) the County determines that continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the Beneficial Owners. In either such event (unless the County appoints a successor securities depository), Bonds will then be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the County, or the Paying Agent for the accuracy of such designation. Whenever DTC requests the County or the Paying Agent to do so, the County or the Paying Agent shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

**Paying Agent, Transfer Agent, Bond Registrar and Sinking Fund Depository**

The obligations and duties of the Paying Agent are described in the Ordinance and the Debt Act, and the Paying Agent has undertaken only those obligations and duties which are expressly set out in the Ordinance or required by the Debt Act. The Paying Agent has not independently passed upon the validity of the Bonds, the security therefor, the adequacy of the provisions for payment thereof, or the tax-exempt status of the interest on the Bonds. The Paying Agent is not required to take notice or be deemed to have notice of any default under the Ordinance, except for failure by the County to make or cause to be made any of the payments required to be made for the principal of the Bonds when due at maturity or earlier redemption, or the interest thereon (See "THE PAYING AGENT" herein.) The Paying Agent may designate an agent for purposes of exercising the duties and functions described herein and in the Ordinance.

**REDEMPTION OF BONDS**

**Optional Redemption – Series A Bonds**

The Series A Bonds stated to mature on or after \_\_\_\_, \_\_\_\_ are subject to redemption prior to maturity at the option of the Issuer in any order of maturities either as a whole, or in part, at any time on or after \_\_\_\_, \_\_\_\_, and, if in part, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

**Optional Redemption – Series B Bonds**

The Series B Bonds stated to mature on or after \_\_\_\_, \_\_\_\_ are subject to redemption prior to maturity at the option of the Issuer in any order of maturities either as a whole, or in part, at any time on or after \_\_\_\_, \_\_\_\_, and, if in part, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption.

**Mandatory Sinking Fund Redemptions – Series A Bonds**

The Series A Bonds stated to mature on November 1, \_\_\_\_ are subject to mandatory sinking fund redemptions, in part, prior to maturity, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on November 1 of the years and in the amounts set forth below:

<b>The Series A Bonds Stated to Mature on November 1, ____</b>	
<b>Year</b>	<b>Principal Amount</b>
	\$

(1)

(1) At maturity



**Mandatory Sinking Fund Redemptions – Series B Bonds**

The Series B Bonds stated to mature on November 1, \_\_\_\_\_ are subject to mandatory sinking fund redemptions, in part, prior to maturity, by lot within a maturity, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon, to the dates fixed for redemption, on November 1 of the years and in the amounts set forth below:

**The Series B Bonds Stated  
to Mature on November 1,**

<u>Year</u>	<u>Principal Amount</u>
	\$

(1)

\_\_\_\_\_  
(1) At maturity

**Notice of Redemption**

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, the County and the Paying Agent shall send redemption notices only to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding conveyance of notices to Beneficial Owners.*

As provided more fully in the Ordinance and in the form of the Bonds, notice of redemption of Bonds shall be given by mailing a copy of the redemption notice by first class mail, postage prepaid, no less than 30 prior to the redemption date to the Registered Owners of Bonds to be redeemed at the addresses which appear in the Bond Register. Notice of optional redemption may state that the redemption is conditioned upon the deposit, with the Paying Agent, by the County, of funds sufficient to pay the redemption price on the redemption date. Neither failure to mail such notice nor any defect in the notice so mailed or in the mailing thereof with respect to any one Bond will affect the validity of the proceedings for the redemption of any other Bond. If the County shall have duly given notice of redemption and shall have deposited with the Paying Agent funds for the payment of the redemption price of the Bonds so called for redemption with accrued interest thereon to the date fixed for redemption, interest on such Bonds will cease to accrue after such redemption date.

**Manner of Redemption**

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the County, the Paying Agent and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.*

Portions of any Bond of a denomination larger than \$5,000 may be redeemed, but only in the principal amount of \$5,000 and integral multiples thereof. For the purpose of redemption, each Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. Upon surrender of any certificated Bond for redemption of a portion only, the Paying Agent shall authenticate and deliver to the owner thereof a new certificated Bond or Bonds of the same series, maturity date and interest rate, in authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

**SECURITY FOR THE BONDS**

**General**

The Bonds are general obligations of the County and are secured by its full faith, credit and taxing power. The County has covenanted that it will provide in its budget for each year, and will appropriate from its revenues in each such year, the amount of the debt service due on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, or any other of its available revenues or funds, the principal of, and the interest on the Bonds, as and when due, at the dates and places and in the manner stated on the Bonds. For such budgeting, appropriation, and payment, the County has irrevocably pledged its full faith, credit and taxing power. Such pledge is specifically enforceable but is subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally.

No recourse shall be had for the payment of the principal of or the interest on any Bond, or for any claim based thereon or in the Ordinance against any member of the Board of County Commissioners, or any officer or employee of the County, past, present, or future or of any successor body, as such, either directly or through the County or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members of the Board of County Commissioners, officers, or employees is released as a condition of and as consideration for the issuance of the Bonds.

### **Sinking Fund**

The Ordinance provides for the creation of a Sinking Fund for each Series of Bonds (the "Sinking Funds") which will be held by the Paying Agent segregated from all other funds of the County. The County shall deposit into such Sinking Funds not later than the date when interest or principal is to become due on the Bonds, amounts sufficient to pay the principal and interest then due on such Bonds.

Money held in the Sinking Funds shall be maintained by the Paying Agent or its designee and may be invested in securities or deposits as authorized by the Debt Act, and upon direction of the County. Such deposits and securities shall be in the name of the County and shall be subject to withdrawal or collection by the Paying Agent or its designee only to pay debt service on the Bonds, and such deposits and securities, together with the interest earned thereon, shall be part of such Sinking Funds.

The Paying Agent, as Sinking Fund Depository, is authorized without further order from the County to pay from the Sinking Funds the principal of and interest on the Bonds, as and when due and payable.

### **Bondholder Rights and Remedies**

The remedies available to holders of the Bonds upon any failure to pay the principal of, and the interest on the Bonds, when due, include those prescribed by the Debt Act. If such failure should continue for a period of time in excess of 30 days, any holder of the Bonds will, subject to certain priorities, have the right to bring suit for the amount due in the Court of Common Pleas of Bedford County, Pennsylvania (the "County"). The Debt Act provides that, if the County defaults in the payment of the principal of, and the interest on the Bonds, and such default continues for a period of time in excess of 30 days, or if the County fails to comply with certain provision of either the Bonds or the Ordinance, then the holders of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the holders of the Bonds.

Such trustee may, and upon written request of the holders of 25% in aggregate principal amount of the Bonds and being furnished with satisfactory indemnity, must take one or more of the following actions, which will preclude similar action by individual holders: (i) bring suit to enforce all rights of the holders, (ii) bring suit on the Bonds, (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all taxable real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes), and (iv) by suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders, all as set forth more fully in the Debt Act.

Enforcement of a claim for payment of the principal of, premium, if any or the interest on the Bonds may be subject to federal bankruptcy laws or other state, federal, or common law developed by competent courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement.

### **BOND INSURANCE**

*[To be determined]*

### **INVESTMENT CONSIDERATIONS**

*The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Bonds. Both the County and the Underwriter disclaim any responsibility to advise prospective investors of all risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual, circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement.*

### **Enforcement of Remedies**

Enforcement of a claim for payment of principal of and interest on the Bonds may be subject to the provisions of laws enacted by the United States or the Commonwealth or case law developed by competent courts applying general principles of equity, all of which could extend the time for payment or impose other constraints upon enforcement.

County officials are generally charged with the duty of providing for the health, safety and general welfare of their residents. Bond purchasers should consider carefully the risk that, if confronted with a choice between providing public services to County residents, or funding other obligations like debt service on the Bonds, such officials might choose to provide public services to residents from limited available funds before it pays its other obligations.

#### **Actions in the Event of Default**

If the County fails or neglects to budget, appropriate or pay debt service on the Bonds when due, a holder or trustee may petition the Court, and upon a finding of such failure or neglect, the Court may direct, by order of mandamus, the County to pay into the sinking fund established for the Bonds the first tax moneys or other available revenues or moneys thereafter received. Such judgment could mandate that the County pay such debt service prior to all other County expenses, including County employee wages and benefits. Notwithstanding such provisions of law, courts generally exercise wide discretion in deciding when and whether to grant a writ of mandamus, and the judges who enter such orders are usually elected to the bench by County voters. Additionally, municipal officials presented with a writ could resign rather than carry out the mandamus order, in which case it is uncertain the extent to which Bond purchasers would be able to cause other County officials to pay amounts then due and owing.

#### **No Assurance of Secondary Market for the Bonds**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Accordingly, purchasers of the Bonds should be prepared to have their funds committed until the Bonds mature. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different than the original purchase price.

#### **Coronavirus COVID-19**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "COVID-19 Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On March 13, 2020, the President of the United States declared the outbreak of COVID-19 Pandemic in the United States a national emergency. Pennsylvania Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of March 19, 2020 to slow the spread of COVID-19. Additionally, on April 1, 2020, the Governor issued a Stay-at-Home order effective for all Pennsylvania Counties. Effective June 12, 2020, the Stay-at-Home order was lifted for the County and County businesses were permitted to reopen subject to certain work, congregating and social restrictions.

The COVID-19 Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. There can be no assurances regarding the extent to which the COVID-19 Pandemic will impact the national and State economies and, accordingly, how it may adversely impact municipalities, including the County. While any impact of the COVID-19 Pandemic on the local economy is currently uncertain, the County is monitoring the situation and will address such impact as necessary. Some possible negative consequences include: 1. The County's finances may be materially adversely affected by the continued spread of COVID-19 from delayed or reduced property tax collections, which could adversely impact the amount and timing of funds available to make debt service payments on its financial obligations. See "COUNTY TAXING POWER" for a discussion of funding sources of the County including property tax revenue. 2. The ability of individuals and businesses to afford and pay property taxes, whether timely or otherwise, could be adversely affected. Consequently, there can be no assurance that collection of taxes will remain at or past levels. 3. Demands and costs for County social services have increased which can be expected to continue into the future. 4. Management of the County and its facilities and finances could be interrupted because of mandatory closures or other "social distancing" initiatives. Because of these and other factors, as well as the continued spread of the virus and the changing manner in which governments at the national, state and local levels are addressing the issue, the County cannot predict all effects that the spread of COVID-19 will have on its finances or operations. Such effects could be significant and adverse to the County, however, at this time, the County does not currently anticipate a material negative impact on its ability to pay debt service on the Obligations.

In July of 2020, the County received funds pursuant to the Coronavirus Relief Fund of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") in the amount of \$4,324,711, which are expected to mitigate the losses that may be incurred as a result of the COVID-19 Pandemic. In June of 2021, the County received \$4,650,841 of its \$9,301,682 allocation awarded under the Coronavirus State and Local Fiscal Recovery Funds Program. The funds were received from U.S. Department of Treasury under the provisions of the American Rescue Plan Act of 2021 to respond to the COVID-19 pandemic and address its economic effects.

**Cybersecurity**

The County, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the County will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. In addition to the various processes in place to safeguard against cybersecurity attacks, the County also maintains a cybersecurity insurance policy to cover all of its various systems and to further mitigate risk.

**PURPOSE OF THE ISSUE**

The proceeds of the Series A Bonds will be used by the County: (1) to currently refund the County’s outstanding General Obligation Bonds, Series of 2016; and (2) pay the costs and expenses of issuing the Series A Bonds. The proceeds of the Series B Bonds will be used by the County: (1) for various capital improvement projects in the County; and (2) pay the costs and expenses of issuing the Series B Bonds.

**SOURCES AND USES OF FUNDS**

The proceeds from the sale of the Bonds shall be applied substantially in the following manner:

<u>Sources of Funds</u>	<u>Series A Bonds</u>	<u>Series B Bonds</u>
Par Amount of the Bonds	\$	\$
Net Original Issue Discount/Premium		
<b>TOTAL SOURCES</b>	<u>\$</u>	<u>\$</u>
<u>Uses of Funds</u>		
2016 Refunding Deposit		
Capital Project Fund Deposit	\$	\$
Costs of Issuance and Miscellaneous <sup>(1)</sup>		
<b>TOTAL USES</b>	<u>\$</u>	<u>\$</u>

(1) Consisting of legal, paying agent, printing, rating fee, bond insurance premium, bond discount and miscellaneous expenses.

**FUTURE FINANCING – Can we delete paragraph as projects described below will be funded with proceeds from this issue?**

The County may need to incur additional long-term (non-refunding) indebtedness during the next three to five years to secure or construct additional facilities, to alienate over crowded office space and storage needs, to expand broadband connectivity capability throughout the County, to improve the air quality throughout county facilities by replacing air handling equipment and fixtures, and to acquire the necessary equipment and fixtures to improve the general security of county facilities.

**COUNTY OF BEDFORD  
(Commonwealth of Pennsylvania)**

**Introduction**

The County is located the south-central Pennsylvania, approximately 100 miles west of Harrisburg, Pennsylvania, 95 miles southeast of Pittsburgh, Pennsylvania and 135 miles northwest of Baltimore, Maryland. The County is bordered to the north by Blair and Huntington Counties, to the south by the state of Maryland, to the east by Fulton County and to the west by Somerset and Cambria Counties.

The County traces its creation to 1750. At this time, Englishman Robert MacRay first established a trading post in the area which would eventually become the County. The county seat of the County, the Borough of Bedford, served at that time as a crossroads for stagecoaches, rails, and roadways. Today, the Pennsylvania turnpike and transportation network supports the economy of the area.

The County is comprised of thirty-eight (38) political subdivisions, including thirteen (13) boroughs and twenty-five (25) townships, equaling a combined land area of 1,017 square miles. The 2010 U.S. Census population of the County is 49,762. For additional details about the County, see “APPENDIX A – County of Bedford, Pennsylvania.”

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule"), promulgated under the Securities Exchange Act of 1934, as amended, by the Securities and Exchange Commission (the "Commission"), the County will, in a Continuing Disclosure Certificate, see, "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE" to be executed by the County on the date of the settlement of the Bonds, agree to provide, or cause to be provided:

- (i) Annually, filed with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA") on or before October 1 following the end of each fiscal year, as long as the Bonds remain outstanding (and not defeased), the following financial information and operating data (collectively, the "Annual Financial Information") with respect to the County:
  - its financial statements for the most recent fiscal year audited in accordance with generally accepted auditing standards; and
  - a copy of (or a summary of) the County's annual budget for the current fiscal year.
- (ii) The following events with respect to the Bonds shall constitute reportable events and shall be provided to the MSRB no later than ten (10) business days after the occurrence:
  - (a) principal and interest payment delinquencies;
  - (b) non-payment related defaults, if material;
  - (c) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (d) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (e) substitution of credit or liquidity providers, or their failure to perform;
  - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
  - (g) modifications to the rights of Bondholders, if material;
  - (h) Bond calls, if material, and tender offers;
  - (i) defeasances;
  - (j) release, substitution, or sale of property securing repayment of the Notes, if material;
  - (k) rating changes;
  - (l) bankruptcy, insolvency, receivership or similar event of the County;
  - (m) the consummation of a merger, consolidation, or acquisition involving the County, or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
  - (n) appointment of a successor or additional paying agent or trustee or the change of name of a paying agent or trustee of the County, if material;
  - (o) incurrence of a "financial obligation" of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
  - (p) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the County, any of which reflect financial difficulties.
- (iii) In a timely manner, to the MSRB, notice of its failure to make an Annual Financial Information filing with respect to itself on or before the date specified in the Continuing Disclosure Certificate.

For purposes of the events described in (o) and (p) above, "Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Note that the Rule requires the listing of items (a) through (p) above, although some of the events may not be applicable to the Bonds or the County.

The obligations of the County described above will remain in effect only for such period as (i) the Bonds are outstanding in accordance with their terms and the Debt Act, and (ii) the County remains an obligated person with respect to the Bonds within the meaning of the Rule. The County reserves the right to terminate its obligation to provide the annual financial information described above, and notices of material events set forth above, if and when the County is no longer an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this caption is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds).

Each Bondholder (including beneficial owners) may enforce the County's continuing disclosure undertaking; provided that, the right to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the County's obligations under its continuing disclosure undertaking. Any failure by the County to comply with the provisions of the undertaking will **not** constitute a default or an event of default with respect to the Bonds.

The obligations of the County described above may be amended without the consent of the Bondholders, to the extent permitted by the Rule, as from time to time amended.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

#### **Summary of Past Continuing Disclosure Compliance [REVIEW]**

The County has entered into prior continuing disclosure undertakings for previously issued bonds and notes that were outstanding at various times within the past five years (collectively, the "Prior Undertakings"). Under the Prior Undertakings, the County agreed to provide its audited financial statements that include certain budget and operating data related to the County, and notices of material events. In the previous five years the County has failed to comply with certain provisions of the Prior Undertakings, including (a) failing to file or timely file audited financial statements; (b) failure to file or timely file operating data; (c) failing to file or timely file certain notices; (d) failing to timely file incurrence of a financial obligation; and (e) failing to file or timely file other reportable events. As of the date of this Preliminary Official Statement, to the best of the County's knowledge, all material outstanding continuing disclosure obligations have been satisfied.

### **LEGAL MATTERS**

#### **Legal Investment for Trust Funds in Pennsylvania**

Under the Probate, Estate and Fiduciaries Code of the Commonwealth of Pennsylvania, the Bonds are legal investments for fiduciaries and personal representatives (as defined in such Code) in the Commonwealth of Pennsylvania.

#### **Negotiability of the Bonds**

The Bonds are investment securities under Article 8 of the Pennsylvania Uniform Commercial Code and are negotiable instruments to the extent provided therein.

#### **Legality**

The issuance and acceptance of the Bonds are subject to the delivery of a legal opinion by Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, serving as Bond Counsel to the County. Other legal matters relating to the County, the Ordinance and the Bonds will be passed upon by the County's Solicitor, Koontz & Crabtree, Bedford, Pennsylvania.

### **LEGAL PROCEEDINGS**

As condition of closing on the Bonds, an officer of the County will certify, there is no litigation of any nature pending against the County to restrain or enjoin the issuance of the Bonds or in any way contesting the validity of the Bonds or the security therefor, or any legal proceedings taken with respect to the issuance or sale of the Bonds, nor are there any other pending or threatened legal proceedings, other than litigation routinely incidental to the conduct of their affairs, to which the County is or may become a party.

### **TAX MATTERS**

#### **Federal**

##### ***Exclusion of Interest from Gross Income***

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the County with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Bond Counsel has assumed compliance by the County with its covenants contained in the Ordinance and its representations in the Tax Compliance Certificate executed by the County on the date of issuance of the Bonds relating to actions to be taken by the County after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

***Other Federal Tax Matters***

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions subject to Section 265 of the Code, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

**Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption “Exclusion of Interest From Gross Income” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX E. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.**

**Pennsylvania**

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, and the Bonds are exempt from personal property taxes in Pennsylvania; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

**Bond Counsel is not rendering any opinion as to any Commonwealth of Pennsylvania tax matters other than those described under the caption “Pennsylvania” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX B hereto.**

**Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all Commonwealth of Pennsylvania tax matters.**

**Other**

The Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

**Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.**

**QUALIFIED TAX-EXEMPT OBLIGATIONS**

Each of the Bonds will be designated by the County as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code.

**LIMITED DUTIES OF PAYING AGENT**

Pursuant to the provisions of the Ordinance the Paying Agent has the limited duty of receiving semi-annual payments from the County, depositing such payments in the Sinking Fund and making payments to DTC as registered owner of the Bonds but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Bonds. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Bonds.

The Paying Agent may now or in the future have banking relationships with the County which involve making loans to the County. These loans may have a security feature which is different from that of the security associated with the Bonds. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or guaranteed by the County.

## BONDS RATING

S&P Global Ratings, New York, New York ("S&P") is expected to assign its credit rating of "AA" (stable outlook) to the Bonds, with the understanding that, upon delivery of the Bonds, a Municipal Bond Insurance Policy will be issued by Build America Mutual Assurance Company. Moody's Investors Service, New York, New York ("Moody's"), has assigned its "Baa1" (stable) underlying rating to the Bonds. Such ratings reflect only the view of such organizations furnishing such ratings. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center at Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041. There is no assurance that this credit rating will be maintained for any given period of time, or that it may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such credit rating may have an adverse effect on the market price of the Bonds.

## RELATED PARTIES

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC (the "Underwriter"), serving as lead Underwriter of the Bonds, is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association does not have banking and financial relationships with the County.

## BOND UNDERWRITING

The Bonds have been purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at a purchase price of \$\_\_\_\_\_ (which is the par amount of Bonds less the bond discount of \$\_\_\_\_\_ less/plus the net original issue discount/premium of \$\_\_\_\_\_). The Bond Purchase Agreement for the Bonds provides that the Underwriter will purchase all the Bonds, if any are purchased, in accordance with the terms of the Bond Purchase Agreement, and requires that the County certify to the Underwriter that this Official Statement does not, to the knowledge of the County, contain any untrue statement of a material fact or omit any statement of any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The initial public offering prices of the Bonds, set forth in the **BOND MATURITY SCHEDULE** shown on the inside of the Cover Page of this Official Statement, may be changed by the Underwriter from time to time without any requirement of prior notice. The Underwriter reserves the right to join with other dealers in offering the Bonds to the public; and said Bonds offered to other dealers may be at prices lower than those offered to the public.

## MISCELLANEOUS MATTERS

All summaries of the provisions of the Debt Act, the Bonds, the Ordinance, the Debt Act, the Continuing Disclosure Certificate and other documents and laws hereinabove and hereinafter set forth are made subject to all of the detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions.

All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Appendices A, B, C, D, E and F, attached hereto, are expressly incorporated herein as a part hereof.

This Official Statement, issued by the County, has been duly approved and executed by the County and has been authorized for distribution in connection with the underwriting and offering of the Bonds.

**COUNTY OF BEDFORD**  
(Commonwealth of Pennsylvania)

By: /s/  
Chairperson, Board of County Commissioners



COUNTY OF BEDFORD  
(Commonwealth of Pennsylvania)

**APPENDIX A**

**COUNTY OF BEDFORD  
(Commonwealth of Pennsylvania)**

**COUNTY OF BEDFORD**  
**(Commonwealth of Pennsylvania)**

*The text, charts and tables within this Appendix (unless otherwise footnoted) set forth both: (a) financial information and results of operations which are specific to the County and have been produced from its own financial records; and (b) community economic data and descriptions which were supplied by or, if obtained from other sources, confirmed by, County officials. In the latter case, the County does not guarantee the accuracy of such data, but does confirm that the same has been obtained from sources deemed to be reliable and that the County has no information which would suggest such data is inaccurate or misleading.*

**Introduction**

The County is located the south-central Pennsylvania, approximately 100 miles west of Harrisburg, Pennsylvania, 95 miles southeast of Pittsburgh, Pennsylvania and 135 miles northwest of Baltimore, Maryland. The County is bordered to the north by Blair and Huntingdon Counties, Pennsylvania, to the south by the State of Maryland, to the east by Fulton County, Pennsylvania, and to the west by Somerset and Cambria Counties, Pennsylvania.

The County traces its creation to 1750. At this time, Englishman Robert MacRay first established a trading post in the area which would eventually become the County. The county seat of the County, the Borough of Bedford, served at this time as a crossroads for stagecoaches, rails, and roadways. Today this transportation network supports the manufacturing environment of the area.

The County is comprised of thirty-eight (38) political subdivisions, including thirteen (13) boroughs and twenty-five (25) townships, equaling a combined land area of 1,017 square miles. The 2010 U.S. Census population of the County is 49,762.

**Organization**

The County is a county of the sixth class, designated by population under Pennsylvania laws. A three members of the Board of County Commissioners, governing the County as its executive and legislative officers, are elected at large for consecutive four-year terms. Under Pennsylvania law, county boards of commissioners must contain at least one Republican and one Democrat. Other officials of the County which are selected at large for four-year terms include the County Treasurer, District Attorney, three Auditors, Prothonotary, Recorder of Deeds and Register of Wills, Sherriff, two Jury Commissioners, and the Coroner. The Commissioners have the power to appoint various other officials, including the Solicitor, Chief Clerk, Public Defender, and various administrative and departmental directors.

**Human Services**

Services for the elderly are provided through the County Office on Aging. Mental health programs are administered jointly by both the County and adjoining Somerset County.

**Judicial and Law Enforcement Services**

There are two judges who serve the Bedford County Court of Common Pleas. The County is divided into four (4) magisterial districts. Criminal cases brought before the Court of Common Pleas are prosecuted by the District Attorney for the County, and the County Public Defender's Office is responsible for providing legal defense to those individuals accused of a criminal offense who are indigent.

**County Authorities**

The Board of County Commissioners is responsible for the appointment of the Boards of five (5) County authorities, consisting of the following: (1) Bedford County Housing Authority; (2) Bedford County Industrial Development Authority; (3) Bedford County Redevelopment Authority; (4) Bedford County Hospital Authority; and (5) the Bedford County Airport Authority.

**Employment and Labor Relations**

The County currently employs approximately 193 full-time and 61 part-time employees.

Certain employees of the County have collective bargaining agreements in place with the county. The AFSCME Council 83 represents the Correction Officers. The expiration date of this collective bargaining agreement is December 2023. The PSSU-SEIU represents the court appointed employees. The expiration date of this collective bargaining agreement is December 2023. Court related employees are represented by the Bedford County Court Related Employees Association. The expiration date of this collective bargaining agreement is December 2022.

## Pension Program

The Retirement Board is currently comprised of five (5) members, consisting of the three (3) County Commissioners, the County Treasurer, and the Chief Clerk.

The records of the Retirement System are maintained by the Finance Director, and administrative costs, commitments and legal obligations are paid directly from the Retirement System. An independent investment manager is responsible for the implementation of the investment guidelines pertaining to Retirement System funds and the actuarial soundness of the Retirement System is evaluated on a regular basis by Korn Ferry/Hay Group Inc., Philadelphia, Pennsylvania, actuarial consultants to the County.

All full-time employees of the County are required to contribute a minimum of five percent (5%) to their earnings to the Retirement System, and the maximum permitted contribution level for all employees is fifteen percent (15%) of earnings. The County is required to appropriate and pay annually a sum which is actuarially determined to be required in order to maintain the actuarial soundness of the Retirement System.

Korn Ferry/Hay Group, Inc. reports the trend of unfounded liability of the Retirement System as a percentage of covered payroll outstanding and the Retirement System is actuarially sound. The following table provides an analysis of fund progress of the Retirement System between the fiscal years ending December 31, 2014 through December 31, 2019.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Total Pension Liability</u></b>						
Service cost includes expected member contribution	\$229,642	\$230,070	\$633,563	\$795,517	\$683,474	\$689,904
Interest	1,422,062	1,482,794	1,570,850	1,709,960	1,831,724	1,882,996
Changes of benefit terms	-	-	-	518,662	-	-
Differences between expected and actual experience	114,746	550,073	105,940	276,753	48,813	(335,674)
Changes in assumptions	-	-	-	-	322,335	-
Benefit payments, including refunds of member contributions	(897,294)	(1,019,152)	(1,194,574)	(1,267,052)	(1,560,409)	(1,442,127)
Net Change in total pension liability	\$869,156	\$1,243,785	\$1,115,779	\$2,033,840	\$1,325,937	\$795,099
<b>Total pension liability – beginning</b>	\$19,171,719	\$20,040,875	\$21,284,660	\$22,100,631	\$24,134,471	\$25,460,408
<b>Total pension liability – ending (a)</b>	\$20,040,875	\$21,284,660	\$22,100,631	\$24,134,471	\$25,460,408	\$26,255,507
<b><u>Plan Fiduciary Net Position</u></b>						
Contributions – employer	\$200,000	\$175,000	\$225,000	\$250,000	\$276,350	\$300,000
Contributions – member	451,102	363,251	379,524	530,450	433,756	430,829
Net Investment Income	375,162	63,919	615,171	1,745,820	(623,717)	2,267,814
Benefit payments, including refunds of member contributions	(897,293)	(1,019,151)	(1,194,574)	(1,267,052)	(1,560,409)	(1,442,127)
Administrative expense	(49,295)	-	(27,830)	(27,108)	(87,013)	(36,797)
Other	-	2,219	1,618	66,943	(92,563)	(84,923)
Net Change in plan fiduciary net position	\$81,275	\$(414,762)	\$(1,091)	\$1,299,053	\$(1,653,596)	\$1,434,796
<b>Plan fiduciary net position – beginning</b>	\$12,944,537	\$13,025,812	\$12,611,051	\$12,609,960	\$13,909,013	\$12,255,417
<b>Plan fiduciary net position – ending (b)</b>	\$13,025,812	\$12,611,051	\$12,609,960	\$13,909,013	\$12,255,417	\$13,690,213
<b>County's net pension liability – ending (a) – (b)</b>	\$7,015,063	\$8,673,610	\$9,490,671	\$10,225,458	\$13,204,991	\$12,565,294
<b>Plan fiduciary net position as a percentage of the total total pension liability</b>	65.00%	59.25%	57.06%	57.63%	48.14%	52.14%
<b>Covered-employee payroll</b>	\$5,166,351	\$5,079,069	\$5,479,438	\$5,647,477	\$6,262,914	\$6,161,562
<b>County's net pension liability (asset) as a percentage of covered-employee payroll</b>	135.8%	170.8%	173.21%	181.06%	210.84%	203.93%

This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

SOURCE: Report prepared by Korn Ferry/Hay Group Inc.

**Schedule of Contributions**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$947,479	\$889,850	\$825,097	\$640,444	\$573,596	\$535,038
Contributions in relation to the actuarially determined contributions	300,000	276,350	250,000	225,000	175,000	200,000
Contribution deficiency (excess)	\$647,479	\$613,500	\$575,097	\$415,444	\$398,596	\$335,038
Covered employee payroll	\$6,161,562	\$6,262,914	\$5,647,477	\$5,479,438	\$5,079,069	\$5,166,351
County's contribution as a percentage of covered employee payroll	4.87%	4.41%	4.43%	4.11%	3.45%	3.87%
Valuation Date:	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015	1/1/2014

NOTE: The years presented in this schedule are all of the years in which information is available.

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization Period	17 years
Asset valuation method	The method that is prescribed by Pennsylvania State Law, Act 44
Inflation	3.0%
Salary increases	3.5%
Investment rate of return	7.5%
Retirement Age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuity Mortality Table for males and females with no projected improvement

**Schedule of Investment Return**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	19.70%	-4.75%	15.8%	5.5%	1.7%	3.6%

SOURCE: Audited Financial Statements of the County.

**COUNTY OF BEDFORD FINANCIAL SUMMARY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF THE COUNTY**

**Annual Budget Development**

The budget review and preparation process begins annually on September 1, based on year-to-date data from the heads of the various County departments and agencies who submit budget requests for the following year. The Commissioners then develop the budget by mid-November using the department requests, new salary levels, and data concerning federal and state grants. After discussions with department heads, the budget is finalized in late November and presented at a public meeting of the County Commissioners. In accordance with the Pennsylvania County Code, public notice is given to allow for a twenty (20) day public inspection period. Upon termination of the inspection period, and prior to December 31, the County Commissioners adopt the final budget by Ordinance. County operations are financed in accordance with the adopted budget, from the tax rates set by the County Commissioners.

## **Accounting and Auditing Policies and Procedures**

Wessel & Company, Johnstown, Pennsylvania, currently serves as the independent auditor for the County (the "Auditor"). The accounts of the County are maintained on the cash basis of accounting, in accordance with generally accepted accounting principles for counties in the Commonwealth. The accounts are organized on the basis of funds and account groups. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are spent and the means by which spending activities are controlled. An account group is used to establish accounting control and accountability for the County's general long-term obligations.

### **Basis of Presentation – Fund Accounting**

The two major categories of funds of the County are the governmental fund types and the fiduciary fund types. The governmental fund types include the following funds: General Fund, Domestic Relations Fund and Capital Projects Fund. The fiduciary fund types include all trust and agency funds, including the Pension Trust Fund and General Agency Fund.

### **Basis of Accounting**

The government-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets position. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of timing of related cash flows.

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**COUNTY OF BEDFORD**  
**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**As of December 31,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Revenues</u></b>					
Taxes	\$9,845,293	\$9,766,462	\$9,835,933	\$9,904,826	\$9,963,967
Intergovernmental Revenues	4,264,237	4,582,036	4,947,605	4,973,631	5,462,697
Charges for Services	1,575,256	1,686,460	2,245,241	2,084,847	2,382,123
Fines and Forfeits	807,639	620,788	755,890	848,366	803,585
Miscellaneous Revenues	698,169	167,495	175,325	319,052	213,080
Interfund Operating Transfers	<u>1,592,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<b><u>\$18,782,711</u></b>	<b><u>\$16,823,241</u></b>	<b><u>\$17,959,994</u></b>	<b><u>\$18,130,722</u></b>	<b><u>\$18,825,452</u></b>
<b><u>Expenditures</u></b>					
General Government – Legislative/Administrative	\$2,054,742	\$2,093,723	\$1,756,846	\$1,941,199	\$1,952,732
General Government – Judicial	2,430,419	2,411,204	2,051,796	2,146,957	2,237,144
Public Safety	4,100,736	4,447,669	4,020,277	4,296,211	5,197,061
Public Works	112,036	175,954	229,690	135,616	166,337
Human Services	4,890,845	4,838,047	5,196,677	5,171,044	5,439,902
Culture and Recreation	95,475	90,000	120,000	120,000	120,000
Conservation and Development	167,844	189,750	183,000	213,000	213,250
Employee Benefits	-	225,000	1,855,433	1,524,207	1,496,479
Miscellaneous Expenses	877,977	624,331	565,922	384,702	563,216
Debt Service	1,393,789	1,432,432	2,115,310	2,162,009	1,344,891
Capital Projects	<u>1,829,310</u>	<u>288,540</u>	<u>268,221</u>	<u>191,870</u>	<u>262,497</u>
<b>Total Expenditures</b>	<b><u>\$17,953,173</u></b>	<b><u>\$16,816,650</u></b>	<b><u>\$18,363,172</u></b>	<b><u>\$18,286,815</u></b>	<b><u>\$18,993,509</u></b>
Excess of Revenues Over/(Under) Expenditures	\$829,538	\$6,591	(403,178)	(156,093)	(168,057)
<b><u>Other Financing Sources/(Uses)</u></b>					
Interfund Operating Transfers	\$ -	\$(65,000)	\$100,145	\$(119,994)	\$29,060
Cash on Hand (for budget)	-	-	-	-	-
Gain on Sale of Assets	-	-	-	-	-
Proceeds from Capital Lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,511</u>
<b>Total Other Financing Sources/(Uses)</b>	<b><u>\$ -</u></b>	<b><u>\$(65,000)</u></b>	<b><u>\$100,145</u></b>	<b><u>\$(119,994)</u></b>	<b><u>\$171,571</u></b>
Excess/(Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$829,538	\$(58,409)	\$(303,033)	\$(276,087)	\$3,514
<b>Fund Balance (Deficit), January 1</b>	<b>1,176,904</b>	<b>2,006,442</b>	<b>1,948,033</b>	<b>\$1,645,000</b>	<b>\$1,368,913</b>
Adjustment to Beginning Fund Balances for Changing Basis of Accounting	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, December 31</b>	<b><u>\$2,006,442</u></b>	<b><u>\$1,948,033</u></b>	<b><u>\$1,645,000</u></b>	<b><u>\$1,368,913</u></b>	<b><u>\$1,372,427</u></b>

SOURCE: Audited Financial Reports and County Administrative Officials.

**COUNTY OF BEDFORD  
GENERAL FUND BUDGET  
Fiscal Years Ending December 31,**

	<u>2020</u>	<u>2021</u>
<b><u>Revenues</u></b>		
Taxes	\$11,626,304	\$12,126,460
Intergovernmental Revenues	4,434,946	5,363,616
Charges for Services	2,514,576	2,466,768
Fines and Forfeits	559,000	559,000
Cash (Beginning Balance)	(325,541)	997,947
Miscellaneous Revenues	216,225	211,225
Other Financing Sources	<u>2,008,600</u>	<u>2,008,600</u>
<b>Total Revenues</b>	<b><u>\$21,034,110</u></b>	<b><u>\$23,733,616</u></b>
<b><u>Expenditures</u></b>		
General Government - Legislative	\$2,268,412	\$2,447,498
General Government – Judicial	2,691,015	2,649,024
Public Safety	5,201,423	6,215,309
Human Services	4,047,037	4,296,878
Culture and Recreation	120,000	120,000
Conservation and Development	213,000	213,000
Debt Service	3,362,491	4,127,492
Miscellaneous Expenses	<u>3,018,743</u>	<u>3,664,415</u>
<b>Total Expenditures</b>	<b><u>\$20,922,121</u></b>	<b><u>\$23,733,626</u></b>
Excess of Revenues Over/(Under) Expenditures	\$111,989	\$0

SOURCE: General Fund Budgets for the fiscal years ending December 31, 2020 and December 31, 2021.

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**COUNTY OF BEDFORD**  
**LIABILITIES, AND FUND EQUITY – GENERAL FUND**  
**As of December 31,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b><u>Assets and Deferred Outflows</u></b>					
Cash and Cash Equivalents	\$578,158	\$2,415,474	\$1,834,219	\$1,933,904	\$2,154,788
Receivables:					
Accounts Receivable	-	-	-	79,371	14,600
Taxes Receivable – Net	1,192,879	1,191,700	1,155,091	1,232,997	1,154,144
Grants Receivable	2,185,484	1,313,570	256,037	78,921	264,111
Due from Other Governments	-	-	-	-	113,408
Due from Other Funds	<u>1,516,402</u>	<u>1,369,217</u>	<u>1,141,840</u>	<u>1,231,746</u>	<u>1,100,661</u>
<b>Total Assets and Deferred Outflows</b>	<b><u>\$5,472,923</u></b>	<b><u>\$6,289,961</u></b>	<b><u>\$4,387,187</u></b>	<b><u>\$4,556,939</u></b>	<b><u>\$4,801,712</u></b>
<b><u>Liabilities</u></b>					
Accounts Payable	\$1,880,222	\$2,845,048	\$1,255,191	\$1,407,714	\$1,410,991
Accrued Payroll, Payroll Taxes and Benefits	592,667	665,098	675,619	674,072	904,093
Due to Other Funds	-	-	-	274,859	313,385
Deferred Revenue – Taxes and Other	-	-	-	-	-
Advances on Grants	-	-	-	-	-
Due to Other Governmental Agencies	-	-	-	-	51,017
Other Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>\$2,472,889</u></b>	<b><u>\$3,510,146</u></b>	<b><u>\$1,930,810</u></b>	<b><u>\$2,356,645</u></b>	<b><u>\$2,679,486</u></b>
<b><u>Deferred Inflows</u></b>					
Unearned Grant Revenues	\$189,526	\$7,954	\$7,954	\$7,954	\$-
Unavailable Revenue – Property Taxes	<u>804,066</u>	<u>823,828</u>	<u>803,423</u>	<u>823,427</u>	<u>749,799</u>
	\$993,592	\$831,782	\$811,377	\$831,381	\$749,799
<b><u>Fund Balances</u></b>					
Unassigned Fund Balance/(Deficit)	2,006,442	1,948,033	1,645,000	1,368,913	1,372,427
Assigned Fund Balance	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b><u>\$2,006,442</u></b>	<b><u>\$1,948,033</u></b>	<b><u>1,645,000</u></b>	<b><u>1,368,913</u></b>	<b><u>1,372,427</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$5,472,923</u></b>	<b><u>\$6,289,961</u></b>	<b><u>\$4,387,187</u></b>	<b><u>\$4,556,939</u></b>	<b><u>\$4,801,712</u></b>

SOURCE: Audited Financial Reports and County Administrative Officials.

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## SCHEDULE OF INDEBTEDNESS

Debt Item	Current Balance Outstanding
<b><u>Direct Debt</u></b>	
General Obligation Bonds, Series A of 2021 (this issue)	\$4,825,000*
General Obligation Bonds, Series B of 2021 (this issue)	4,235,000*
General Obligation Bonds, Series of 2020	5,450,000
General Obligation Notes, Series of 2019	5,960,000
General Obligation Bonds, Series A of 2015	16,845,000
General Obligation Bonds, Series B of 2015	1,375,000
General Obligation Note, Series of 2007	312,500
<b>Total Debt</b>	<b>\$38,842,500</b>
<b><u>Lease Rental Debt</u></b>	
Bedford County Airport Authority, Guaranteed Airport Revenue Note, Series of 2019 (Federally Taxable)	1,615,732
<b>NET DIRECT DEBT</b>	<b>\$40,458,232</b>
<b><u>Overlapping Debt:</u></b>	
Municipal Debt <sup>(1)</sup>	\$34,083,211
School District Debt <sup>(1)</sup>	78,820,996
<b>Total Overlapping Debt</b>	<b>\$112,904,207</b>
<b>Total Net Direct and Overlapping Debt</b>	<b><u>\$151,746,707</u></b>

(1) SOURCE: Pennsylvania Department of Community and Economic Development. As of June 1, 2021.

### Debt Ratio Calculations (including issuance of the Bonds and excluding self-liquidating debt)

	<u>Gross Outstanding</u>
Net Direct Debt Per Capita	\$782
Net Direct Debt to Market Value	1.25%
Net Direct Debt to Assessed Value	1.21%
Net Direct and Overlapping Debt Per Capita	\$3,055
Net Direct and Overlapping Debt to Market Value	4.86%
Net Direct and Overlapping Debt to Assessed Value	4.74%
Population (2010 census)	49,762
2019 Market Value*	\$3,119,401,223
2019 Assessed Value*	\$3,204,085,842

\*as provided by the State Tax Equalization Board. 2020 values not available till after July 2021.

### DEBT LIMITS AND BORROWING CAPACITY OF THE COUNTY

The County's legal borrowing capacity is governed by the Debt Act. Under the Debt Act, the County has no legal limitation on the amount of any debt approved by a referendum. The Debt Act places the following limitations upon County nonelectoral (direct debt approved solely by the County Commissioners) and lease rental debt (County guarantees of authority debt) that is not subsidized (from governmental grants or other non-County payments) or self-liquidating (from utility revenues or similar facilities financed by the debt).

1. Nonelectoral debt – 300% of the County's Borrowing Base.
2. Aggregate of lease rental debt plus nonelectoral debt – 400% of the County's Borrowing Base.
3. Additional debt limit of 100% of the County's Borrowing Base - (under Section 8022(d) of the Debt Act if the County has assumed county-wide responsibility for hospitals and other public health services, air and water pollution control, flood control, environmental protection, water distribution, and supply systems, sewage and refuse collection and disposal systems, education, highways, public transportation or port operations).

The current Borrowing Base of the County is calculated below:

	<u>Fiscal Year Ending December 31</u>		
	<u>2018</u>	<u>2019</u>	<u>2020*</u>
“Total Revenues” as defined by the Debt Act:	\$18,130,722	\$18,825,452	\$19,539,304
Less: Required Deductions:			
a. Subsidies or reimbursements from the Federal Government of the Commonwealth of Pennsylvania in connection with a particular projects financed by debt	128,000	135,170	140,973
b. Project rates, receipts, user charges, special assessments and special levies pledged or budgeted for specific self-liquidating debt, or for payments under leases, guaranties, etc.	-0-	-0-	-0-
c. Interest on moneys in sinking funds, reserves, and other funds, which interest is pledged or budgeted in connection with outstanding debt, and on bond or note proceeds, if so pledged	-0-	-0-	-0-
d. Grants and gifts in connection with construction or acquisition of specific projects	-0-	-0-	-0-
e. Proceeds from disposition of capital assets and other nonrecurring items	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Deductions	\$128,000	\$135,170	\$140,973
Net Revenues	\$17,831,994	\$18,690,282	\$19,398,331
Total Net Revenues for Three Years	\$56,091,335		
Borrowing Base – Total Net Revenues Divided by Three	\$18,697,112		
Applicable Debt Limits:			
a. Non-electoral Debt – 300% of Borrowing Base	\$56,091,334		
b. Non-electoral plus Lease Rental Debt – 400% of Borrowing Base	\$74,788,446		

\*Unaudited. Figures provided by County.

SOURCE: Annual Financial Reports of the County and County Administrative Officials.

**Calculation of Remaining Borrowing Capacities**

	<u>Debt Limit</u>	<u>Net Debt Outstanding</u> <sup>(1)</sup>	<u>Remaining Borrowing Capacity</u>
Net Nonelectoral Debt Limit: (300% of Borrowing Base)	\$56,091,334	\$38,842,500	\$17,248,834
Net Nonelectoral and Lease Rental Debt Limit: (400% of Borrowing Base)	\$74,788,446	\$40,458,232	\$34,330,214

<sup>(1)</sup> Includes the principal amount of Bonds offered through this Official Statement.

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## COUNTY TAXING POWER

As a County of the Sixth Class under Pennsylvania law, the County is empowered to levy taxes primarily under the County Code, as detailed below.

1. Per the County Code an annual general Real Estate Tax of up to 25 mills. <sup>(1,2)</sup>
2. The County may collect additional specialty taxes as follows:
  - a) An annual tax on all taxable real estate, with no millage limitation for debt service. <sup>(2)</sup>
  - b) An Occupation tax up to 10 mills, and may levy a per capita tax on all residents age 18 and up of up to five dollars. <sup>(3)</sup>
  - c) A maximum tax of up to 2 mills for the operation and maintenance of roads. The county may levy a tax with no millage limit to support the purchase of a memorial hall, and to establish and maintain places of recreation. <sup>(4)</sup>
  - d) A hotel tax of up to 5%. <sup>(5)</sup>

<sup>(1)</sup> An additional 5 mills may be levied by order of the court upon petition by the county commissioners.

<sup>(2)</sup> The statutory authority for these taxes is found at 16 P.S. § 1770.

<sup>(3)</sup> These taxes are applicable to counties of the fourth through eighth classes only. The statutory authority for these taxes is found at 16 P.S. § 1770 and 72 P.S. § 5020-202.

<sup>(4)</sup> The statutory authority for the tax on road maintenance is found at 16 P.S. § 2707, for the memorial hall at 16 P.S. § 2366 and for recreation at 16 P.S. § 2507.

<sup>(5)</sup> The statutory authority for this tax is found at 16 P.S. §§ 1770.1 – 1770.10.

### General

The County is “empowered to levy” taxes without limitation as to rate or amount for any debt incurred under the Debt Act, which includes lease rental debt (guarantees of debt of another government entity) and “nonelectoral” debt (County direct debt not approved by referendum). The County Commissioners fix, by ordinance, the rate of taxation for each year in accordance with County Code, as amended. No tax for general county purposes in counties of the sixth class, exclusive of the requirements for the payment of debt, shall, in any year, exceed the rate of twenty-five (25) mills on every dollar of the adjusted valuation of real property in the County. The County tax rate in 2019 for all purposes is 3.037 mills. The County is empowered to levy taxes on intangible property at the rate of four (4) mills pursuant to the County Personal Property Tax Act, Act of June 17, 1913, P.L. 507, as amended. There is currently no County levy on intangible Personal Property. The constitutionality of the taxation of intangible personal property is being challenged in Pennsylvania.

### History of Tax Rates

The following table depicts the tax rates levied by the County over the past five years.

<u>Year</u>	<u>Real Estate Tax Millage Rate</u>	<u>Per Capita</u>
2015	3.0370	5.00
2016	3.0370	5.00
2017	3.0370	5.00
2018	3.0370	5.00
2019	3.0370	5.00
2020	3.5770	5.00
2021	3.7250	5.00

SOURCE: Tax Assessment Office.

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## Major Real Estate Taxpayers

The ten taxable parcels having the highest assessed values in the County are as follows:

<u>Taxpayer</u>	<u>Description</u>	<u>Current Assessed Valuation</u>
Wal-Mart Stores	Warehouse	\$28,584,300
Recreational Equipment Inc. ("REI")	Warehouse	20,600,000
Omni Bedford Springs	Resort	20,425,000
Homewood at Spring House	Nursing Home	11,645,500
Smith Realty IV LLC	Real Estate	9,893,200
South Woodbury, L.P.	Offices	7,264,100
Luddy, Robert L.	Manufacturer	7,125,700
Bedford Hotel Partners L.P.	Hotel	6,460,200
IIP-PA 3 LLC	Warehouse	6,204,600
Bedford Real Estate LLC	Hotel	<u>6,188,200</u>
		<u>\$124,390,800</u>

The total assessed valuation of these ten parcels is equal to 3.83% of the current assessed valuation of all taxable real estate of \$3,248,743,749 in the County.

SOURCE: Bedford County Administrative Officials.

## Real Estate Tax Collection Procedures

Real Estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: two percent (2%) discount, March 1 through April 30; face amount, May 1 through June 30, and ten percent (10%) penalty after July 1. The County bills these taxes, which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. Real estate tax revenues are recognized in the period in which they become susceptible to accrual, that is, when they become both measurable and available.

SOURCE: County audited financial statements.

## Real Estate Tax Collections Trend

	<u>For the Fiscal Years Ending December 31,</u>				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020*</u>
Assessed Valuation	\$3,180,084,388	\$3,186,325,835	\$3,195,995,237	\$3,236,410,812	\$3,248,743,749
Levy	9,657,916	9,676,871	9,706,238	9,828,980	11,620,756
Current Collections	8,766,706	8,759,021	8,907,545	8,963,446	10,958,718
Current & Delinquent Collections	9,496,779	9,482,852	9,583,717	9,479,233	11,523,339
% Current Collections	90.77%	90.52%	91.77%	91.19%	94.30%
% Total Collections	98.33%	98.00%	98.74%	96.44%	99.16%

### Average Collection Rates:

Current	91.71%
Total	98.13%

Source: County Officials.

\*Unaudited.

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## REAL PROPERTY VALUES TREND

Fiscal Year Ending <u>December 31,</u>	Assessed <u>Valuation</u>	Market <u>Value</u>	<u>Ratio</u>
2013	\$3,132,985,279	\$2,611,528,074	119.97%
2014	3,151,164,589	2,719,860,002	115.86%
2015	3,166,807,495	2,736,214,358	115.74%
2016	3,206,240,551	2,869,399,222	111.74%
2017	3,187,875,965	2,851,554,178	111.79%
2018	3,196,161,417	2,937,782,475	108.80%
2019	<u>3,237,492,212</u>	<u>2,979,003,279</u>	<u>108.68%</u>
Percent of Change (2013-2019)	2.27%	19.45%	--

\*2020 STEB values not available till after July 1, 2021

SOURCE: Pennsylvania State Tax Equalization Board.

## PUBLIC SERVICES AND UTILITIES IN THE COUNTY

### Transportation

Two interchanges of the Pennsylvania Turnpike (Interstate Route 76) are located in the County. These include the Bedford Interchange and the Breezewood Interchange. The County is also served by Interstate Routes 70 and 99, U.S. Routes 30 and 220 and Pennsylvania Routes 31, 36, 56, 96 and 326.

Motor freight service is available throughout the County from terminals for four major carriers and several truck lines. Commercial and cargo air service is available through the Altoona-Blair County Airport and the Johnstown-Cambria County Airport. These two facilities feature a combined total of five (5) paved runways and offer daily flights to Pittsburgh through USAir Express. A private airport in Bedford, which features a 5,000 foot paved runway, was recently constructed.

### Recreation and Tourism

The area is noted for its natural beauty, historic background, and outdoor recreation. Because of the setting and its easy accessibility through the highway network, there is considerable tourist travel. The area offers excellent opportunities for hunting and fishing. Shawnee State Park, located adjacent to the area, is popular for outdoor activities by residents and non-residents. The Raystown Dam is a popular boating, swimming, fishing and camping area. Also found within the area is the Buchanan State Forest, Sweet Rock State Park and certain State game lands.

Over 200 years ago, the legend of Bedford Springs began, where eight mineral springs famed as a mecca of rejuvenation. The legend continues today at the Bedford Springs Resort, where treatments are incorporated with mineral springs, and golf is offered at one of the first golf courses in America.

The award winning Old Bedford Village, with over 30 authentic colonial buildings, is not in operation for the general public. Many tourists are attracted to the restored Fort Bedford, steeped in early history, and to the natural life museum located in Bedford Township.

### Communication

Three radio stations, WBFD, WOOX-FM, and WAYC, are located in Bedford Borough, and WSKE is located in West Providence Township. *Bedford Daily Gazette*, a daily newspaper, *Bedford Inquirer*, *Broad Top Bulletin* and the *Bedford/Blair County Shoppers Guide*, weekly newspapers, are published and distributed throughout the area.

### Utilities

Electricity is supplied to the County by West Penn Power, Bedford Rural Electric and Pennsylvania Electric Company, and natural gas is supplied by Penn Fuel Gas, Inc. Water and sewerage service is provided by numerous local authorities, and on-lot water and sewerage systems are found throughout the County. United Telephone of Pennsylvania provides telephone service to the County.

### Health Care and Emergency Services

The UPMC Bedford Memorial Hospital is located in Bedford and has approximately 40 licensed beds. UPMC Altoona in Altoona, along with hospitals in Cumberland, Maryland are also easily accessible to the County.

Two nursing homes are located in the County. Donahoe Manor, located in Bedford, has 72 licensed beds; Pennknoll Village, located in Everett, has 133 licensed beds.

Police protection is provided by the Pennsylvania State Police, with barracks located in Bedford Township, and by local police departments. Numerous volunteer fire companies and ambulance services provide fire protection and ambulance/EMT service to the residents.

**Financial Institutions**

Numerous commercial banks are located throughout the County. These include BB&T Bank, M&T Bank, First Commonwealth Bank, and First National Bank of Pennsylvania.

**Higher Education**

Residents of the County are served by four (4) non-public schools and five (5) public school systems. The five public school systems include Bedford Area School District, Chestnut Ridge School District, Everett Area School District, Northern Bedford County School District and Tussey Mountain School District. Additional educational opportunities are available to both secondary and post-secondary students through the Bedford County Technical Center, which is located in the Borough of Everett.

Branch campuses of Allegheny Community College of Cumberland, Maryland are located in Bedford. In addition, the County is located within reasonable commuting distance of the following institutions: Mount Aloysius College, the Altoona Campus of The Pennsylvania State University and the Johnstown Campus of the University of Pittsburgh.

**Major Employers**

The following table identifies the largest employers which are located within the County:

<u>Employer</u>	<u>Product/Service</u>
Wal-Mart Distribution Center	Retail and Distribution
Pennsylvania State Government	Government
New Enterprise Stone & Lime Co.	Construction
Recreational Equipment Inc. ("REI")	Retail and Distribution
Rockland Inc.	Manufacturer
UPMC Bedford Memorial Hospital	Health services
Bedford Area School District	School District
Chestnut Ridge School District	School District
Kennametal Inc.	Manufacturing
Corle Building Systems Inc.	Construction

SOURCE: June 2021 Bedford County Profile from the Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis

## APPENDIX B

The following table provides a summary of the regional demographic and economic information for the various regions of the United States. The data is presented in a tabular format, with columns representing different regions and rows representing various demographic and economic indicators. The information is intended to provide a comprehensive overview of the regional landscape.

Population Composition

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

Table with 5 columns: Region, Total Population, Male Population, Female Population, and Median Age.

## APPENDIX B

### REGIONAL DEMOGRAPHIC AND ECONOMIC INFORMATION

## REGIONAL DEMOGRAPHIC AND ECONOMIC INFORMATION

*The text, charts and tables within this Appendix (unless otherwise footnoted) set forth regional demographic and economic data and descriptions which were obtained from recognized published statistical and governmental reporting services. While the County does not guarantee the accuracy of such data, it does confirm that the same has been obtained from sources deemed to be reliable and that the County has no information which would suggest such data is inaccurate or misleading.*

### Population Composition

	<u>2000</u>	<u>2010</u>	<u>2000-2010 % Change</u>	<u>2019 Estimate</u>
Bedford County	49,984	49,882	-0.20%	47,888
Pennsylvania	12,281,054	12,612,705	2.70%	12,801,989

SOURCE: The Pennsylvania State University Data Center, United States Census Bureau Census 2000 and American Community Survey, 5-Year Estimates, 2006-2010 and 2015-2019.

### Per Capita Income – 2000, 2010 and 2019 Estimates

	<u>2000</u>	<u>2010</u>	<u>2000-2010 % Change</u>	<u>2019 Estimate</u>
Bedford County	\$20,545	\$31,476	53.21%	\$26,078
Pennsylvania	\$20,880	\$27,049	29.55%	\$34,352

SOURCE: The Pennsylvania State University Data Center, United States Census Bureau and American Community Survey, 5-Year Estimates, 2006-2010 and 2015-2019.

### Occupied Housing Units – 2010 and 2019 Estimates

	<u>2010</u>	<u>2010 Owner</u>	<u>2010 Renter</u>	<u>2019 Estimate</u>	<u>2019 Owner</u>	<u>2019 Renter</u>
	<u>Number of Units</u>	<u>Occupied</u>	<u>Occupied</u>	<u>Number of Units</u>	<u>Occupied</u>	<u>Occupied</u>
		<u>Median Value</u>	<u>Median Rent</u>		<u>Median Value</u>	<u>Median Rent</u>
Bedford County	19,913	\$112,800	\$540	24,474	\$136,700	\$691
Pennsylvania	4,940,581	\$159,300	\$739	5,732,628	\$180,200	\$938

SOURCE: The Pennsylvania State University Data Center, United States Census Bureau and American Community Survey, 5-Year Estimates, 2006-2010 and 2015-2019.

### Poverty and Education

	<u>2010 Poverty and Education</u>				<u>2019 Poverty and Education</u>			
	<u>Poverty Level</u>		<u>Education 25 Years and Over</u>		<u>Poverty Level</u>		<u>Education 25 Years and Over</u>	
	<u>Persons</u>	<u>Families</u>	<u>High School</u>	<u>College</u>	<u>Persons</u>	<u>Families</u>	<u>High School</u>	<u>College</u>
	<u>Below</u>	<u>Below</u>	<u>Graduate</u>	<u>Graduate</u>	<u>Below</u>	<u>Below</u>	<u>Graduate</u>	<u>Graduate</u>
Bedford County	13.5%	9.1%	83.9%	12.5%	10.4%	7.9%	87.9%	14.7%
Pennsylvania	12.4%	8.5%	87.4%	26.4%	12.0%	8.2%	90.5%	31.4%

SOURCE: The Pennsylvania State University Data Center, United States Census Bureau and American Community Survey, 5-Year Estimates, 2006-2010 and 2015-2019.



The County is part of the Bedford Labor Market Area (the "LMA") and the Altoona Metropolitan Statistical Area ("MSA") with respect to employment and unemployment data. The following are certain statistical comparisons relating to employment and earnings in the LMA, the MSA, the Commonwealth of Pennsylvania and the United States.

**NON-AGRICULTURAL PAYROLL DATA – ALTOONA MSA  
AND THE COMMONWEALTH OF PENNSYLVANIA  
(IN THOUSANDS)**

<u>Employment Category:</u>	<u>Altoona MSA</u>			<u>Commonwealth of PA</u>		
	<u>April 2021</u>	<u>March 2021</u>	<u>April 2020</u>	<u>April 2021</u>	<u>March 2021</u>	<u>April 2020</u>
Mining, Logging, and Construction	2.9	2.6	1.8	275.3	258.1	184.7
Manufacturing	6.8	6.8	6.1	540.8	541.2	490.7
Trade, Transportation, and Utilities	13.8	13.7	11.5	1,083.8	1,085.8	916.3
Information	.8	.8	.8	82.4	79.6	79.7
Financial Activities	1.4	1.4	1.3	323.8	320.6	319.1
Professional and Business Services	4.8	4.8	4.4	762.0	754.5	716.0
Education and Health Services	12.3	12.5	11.8	1,246.8	1,250.0	1,166.5
Leisure and Hospitality	4.8	4.7	2.8	440.5	420.6	240.6
Other Services	2.6	2.5	1.7	230.2	227.5	165.0
Government	8.0	8.0	7.8	685.9	682.2	694.3
<b>TOTAL</b>	<b>58.2</b>	<b>57.8</b>	<b>50.0</b>	<b>5,671.5</b>	<b>5,620.1</b>	<b>4,972.9</b>

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

**Unemployment Rates**

The following table shows recent trends in labor force, employment and unemployment for Altoona MSA, Bedford County, and the Commonwealth of Pennsylvania.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>	<u>2013-2021 % of Change</u>
<b>Altoona MSA</b>										
Civilian Labor Force (000)	61.50	60.90	61.00	60.90	60.20	59.80	59.70	59.20	57.60	(6.34)%
Employment (000)	57.20	57.50	57.80	57.70	57.30	57.40	57.00	54.10	54.30	(5.07)%
Unemployment (000)	4.30	3.50	3.10	3.20	2.90	2.40	2.70	5.20	3.30	(23.26)%
Unemployment Rate	7.0%	5.7%	5.2%	5.3%	4.8%	4.0%	4.6%	8.7%	5.8%	(17.14)%
<b>Bedford County</b>										
Civilian Labor Force (000)	24.70	24.30	24.10	24.10	23.80	23.60	23.60	23.40	22.60	6.10%
Employment (000)	22.60	22.70	22.70	22.60	22.50	22.50	22.40	21.20	21.30	(5.75)%
Unemployment (000)	2.10	1.60	1.50	1.40	1.20	1.10	1.10	2.10	1.30	(38.10)%
Unemployment Rate	8.4%	6.6%	6.1%	5.9%	5.2%	4.7%	4.8%	9.1%	5.7%	(32.94)%
<b>Pennsylvania</b>										
Civilian Labor Force (000)	6,442.0	6,392.0	6,416.0	6,450.0	6,425.0	6,430.0	6,497.0	6,388.0	6,248.0	(3.01)%
Employment (000)	5,968.0	6,018.0	6,076.0	6,103.0	6,111.0	6,182.0	6,207.0	5,808.0	5,888.0	(1.34)%
Unemployment (000)	475.0	374.0	340.0	347.0	314.0	248.0	290.0	580.0	361.0	(24.00)%
Unemployment Rate	7.4%	5.9%	5.3%	5.4%	4.9%	3.9%	4.5%	9.1%	5.8%	(21.62)%

\*Preliminary

Source: Pennsylvania Department of Labor and Industry, Bureau of Research and Statistics.

The County is a member of the Bedford Local Board for the "LMA" for the AM and AMM with a total population of 10,000. The County is a member of the Bedford Local Board for the "LMA" for the AM and AMM with a total population of 10,000. The County is a member of the Bedford Local Board for the "LMA" for the AM and AMM with a total population of 10,000.

**NON-FINANCIAL TRAIL BALANCE DATA - ALL FUND TYPES  
AND THE COMMON WEALTH OF PENNSYLVANIA  
(BY DEPARTMENT)**

Department	2019	2018	2017	2016	2015
Government	100	100	100	100	100
Education and Public Services	100	100	100	100	100
Public Works	100	100	100	100	100
Police	100	100	100	100	100
Fire	100	100	100	100	100
Public Safety	100	100	100	100	100
Health and Human Services	100	100	100	100	100
Community and Economic Development	100	100	100	100	100
Planning and Zoning	100	100	100	100	100
Information Technology	100	100	100	100	100
Legal Services	100	100	100	100	100
Administrative Services	100	100	100	100	100
Public Utilities	100	100	100	100	100
Other	100	100	100	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**APPENDIX C**

**COUNTY OF BEDFORD  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

Account Name	2019	2018	2017	2016	2015
Government	100	100	100	100	100
Education and Public Services	100	100	100	100	100
Public Works	100	100	100	100	100
Police	100	100	100	100	100
Fire	100	100	100	100	100
Public Safety	100	100	100	100	100
Health and Human Services	100	100	100	100	100
Community and Economic Development	100	100	100	100	100
Planning and Zoning	100	100	100	100	100
Information Technology	100	100	100	100	100
Legal Services	100	100	100	100	100
Administrative Services	100	100	100	100	100
Public Utilities	100	100	100	100	100
Other	100	100	100	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Explanatory: Bedford Local Board for the "LMA" for the AM and AMM with a total population of 10,000.

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

**APPENDIX E**

**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX F**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

ATTACHED

SPECIFIC MUNICIPAL BOND FINANCE POLICY

## Debra Brown

---

**From:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Sent:** Thursday, July 1, 2021 7:32 AM  
**To:** Mike Samson  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Henry, Alisha R; Killmer, Nancy  
**Subject:** RE: Bedford POS

Thank you!

**From:** Mike Samson [mailto:msamson@susacs.com]  
**Sent:** Wednesday, June 30, 2021 5:42 PM  
**To:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>; Alan Frederick <CFrederick@bedfordcountypa.org>; Deb Baughman <dbaughman@bedfordcountypa.org>  
**Subject:** EXTERNAL: Bedford POS

**\*\* This email has been received from outside the organization – Think before clicking on links, opening attachments, or responding. \*\***

Hi Nancy,

I attached the document with the County's comments or suggested changes that are highlighted in green in the word document. If you want to discuss or have any questions, just give me a call on my cell phone [REDACTED]

Thank You

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

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Delta Town

From:

To:

Cc:

Date:

Subject:

Re: [REDACTED]

From: [REDACTED]

Sent: [REDACTED]

To: [REDACTED]

Cc: [REDACTED]

Date: [REDACTED]

Subject: [REDACTED]

Re: [REDACTED]

From: [REDACTED]

Sent: [REDACTED]

To: [REDACTED]

Cc: [REDACTED]

Date: [REDACTED]

Subject: [REDACTED]

Re: [REDACTED]

Hi [REDACTED]

I attached the document with the [REDACTED] comments of [REDACTED] and [REDACTED] in the [REDACTED] document. If you need to make any changes, just give me a call or email [REDACTED].

Thank you,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



## Debra Brown

---

**From:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Sent:** Thursday, July 1, 2021 8:43 AM  
**To:** Mike Samson  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Killmer, Nancy  
**Subject:** RE: Bedford POS

All,

I have made the changes provided below except for the changes to the current balance outstanding for the Series A and Series B of 2015 (reflected on page A-8).

For the Series 2015A – there was a principal amount of \$215,000 paid on September 1, 2020, bringing the outstanding total to \$16,630,000

For the Series 2015B – there was a principal amount of \$70,000, paid on September 1, 2020, bringing the outstanding total to \$1,305,000

I corrected the outstanding amount for the Series of 2019 notes.

Could you please review and let me know if you agree?

Thanks!

Nancy

**From:** Mike Samson [mailto:msamson@susacs.com]  
**Sent:** Wednesday, June 30, 2021 5:42 PM  
**To:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>; Alan Frederick <CFrederick@bedfordcountypa.org>; Deb Baughman <dbaughman@bedfordcountypa.org>  
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## Debra Brown

---

**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Thursday, July 1, 2021 9:19 AM  
**To:** Killmer, Nancy  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman  
**Subject:** RE: Bedford POS

Nancy,

I agree.

Thank You

Mike

**From:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Sent:** Thursday, July 1, 2021 8:43 AM  
**To:** Mike Samson <msamson@susacs.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>; Alan Frederick <CFrederick@bedfordcountypa.org>; Deb Baughman <dbaughman@bedfordcountypa.org>; Killmer, Nancy <nancy.killmer@pnc.com>  
**Subject:** RE: Bedford POS

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**Debra Brown**

---

**From:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Sent:** Thursday, July 1, 2021 9:20 AM  
**To:** Mike Samson  
**Cc:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Killmer, Nancy  
**Subject:** RE: Bedford POS

Thanks Mike!

Everyone have a nice Fourth of July weekend if I don't talk to you!

**From:** Mike Samson [mailto:msamson@susacs.com]  
**Sent:** Thursday, July 1, 2021 9:19 AM  
**To:** Killmer, Nancy <nancy.killmer@pnc.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>; Alan Frederick <CFrederick@bedfordcountypa.org>; Deb Baughman <dbaughman@bedfordcountypa.org>  
**Subject:** EXTERNAL: RE: Bedford POS

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Thank You

Mike

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**To:** Mike Samson <msamson@susacs.com>  
**Cc:** Barry Dallara <cdallara@bedfordcountypa.org>; Alan Frederick <CFrederick@bedfordcountypa.org>; Deb Baughman <dbaughman@bedfordcountypa.org>; Killmer, Nancy <nancy.killmer@pnc.com>  
**Subject:** RE: Bedford POS

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Thanks!  
Nancy

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**Subject:** EXTERNAL: Bedford POS

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Thank You

Mike

**Mike Samson, CPA**  
**Director**  
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The following link will allow you to view the current status of your account. If you have any questions or concerns about your account, please contact us at 1-800-855-8888 or visit our website at [www.8008558888.com](http://www.8008558888.com).



**Debra Brown**

---

**From:** Tracey Snyder  
**Sent:** Friday, July 2, 2021 1:32 PM  
**To:** Commissioners  
**Subject:** SUSQUEHANNA  
**Attachments:** Document1.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Good afternoon,

I put the newest Susquehanna over for your approval.  
Attached is a breakdown of what has been paid and which department it was paid to.

Thank you,

Tracey



Susquehanna Accounting & Consulting Solutions, Inc

FEBRUARY	\$12,772.00	(CHARGED TO COVID)
MARCH	\$15,327.50	(CHARGED TO COVID)
APRIL	\$25,919.98	
MAY	\$27,896.41	(INCLUDES \$2,000 CREDIT)
MAY 2021 COVID GRANT	\$2,3085.00	(CHARGED TO COVID)

**TOTAL CHARGED TO COVID: \$51,139.50**

**TOTAL CHARGED TO COUNTY: \$\$53,816.39**



## Debra Brown

---

**Subject:** Meeting with Susquehanna  
**Location:** Commissioners Suite

**Start:** Tue 8/24/2021 1:30 PM  
**End:** Tue 8/24/2021 2:30 PM

**Recurrence:** (none)

**Meeting Status:** Accepted

**Organizer:** Debra Brown  
**Required Attendees:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Corey A. Troutman; Mike Samson; Tracey Snyder  
**Optional Attendees:** Angie Ferguson; Linda Klotz

current budget and ARPA fund usage



## Debra Brown

---

**Subject:** Meeting with Susquehanna  
**Location:** Commissioners Suite

**Start:** Tue 8/24/2021 1:30 PM  
**End:** Tue 8/24/2021 2:30 PM

**Recurrence:** (none)

**Meeting Status:** Meeting organizer

**Organizer:** Debra Brown  
**Required Attendees:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Corey A. Troutman; Mike Samson; Tracey Snyder  
**Optional Attendees:** Angie Ferguson; Linda Klotz

**Importance:** High

current budget and ARPA fund usage





## Debra Brown

---

**Subject:** Meeting with Susquehanna  
**Location:** Commissioners Suite

**Start:** Tue 8/24/2021 1:30 PM  
**End:** Tue 8/24/2021 2:30 PM

**Recurrence:** (none)

**Meeting Status:** Accepted

**Organizer:** Debra Brown  
**Required Attendees:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Corey A. Troutman; Mike Samson; Tracey Snyder  
**Optional Attendees:** Angie Ferguson; Linda Klotz

current budget and ARPA fund usage

Subject:  
Location:

Meeting - 6/10/14  
Commission 2014

Start:  
End:

Tue 06/10/14 10:00 AM  
Tue 06/10/14 12:30 PM

Resource:

Room 1

Meeting Name:

Advisory

Organizer:

Debra Brown

Required Attendees:

Commissioner Debra Brown, Commissioner Richard Lamm, Mayor Cory A. Johnson, State Senator Tracy Spitzer

Optional Attendees:

Keynote: Linda Witt

Event Budget: \$0.00

## Debra Brown

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**Subject:** Meeting with Susquehanna  
**Location:** Commissioners Suite

**Start:** Tue 8/24/2021 1:30 PM  
**End:** Tue 8/24/2021 2:30 PM

**Recurrence:** (none)

**Meeting Status:** Accepted

**Organizer:** Debra Brown  
**Required Attendees:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman; Corey A. Troutman; Mike Samson; Tracey Snyder  
**Optional Attendees:** Angie Ferguson; Linda Klotz

current budget and ARPA fund usage



**Debra Brown**

---

**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Tuesday, July 6, 2021 8:50 AM  
**To:** Commissioner Dallara; Commissioner Frederick; Commissioner Baughman  
**Subject:** Questions for rating call

Hi everyone,

Hope you had a happy fourth. I would like to meet sometime today when you are available to go discuss the questions for the ratings call tomorrow. Just let me know when you would like to meet.

Thanks

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**



**Debra Brown**

---

**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Tuesday, July 6, 2021 8:06 PM  
**To:** Commissioner Dallara  
**Subject:** Ratings Call  
**Attachments:** Ratings Call Updated.docx

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

Hi Barry,

I attached some talking points for tomorrow. We will have to discuss how we want to explain the \$997,947 beginning cash balance used to balance the 2021 budget.

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

John Brown

From: Mike Hanson  
 Sent: Tuesday, July 5, 2011 10:52 AM  
 To: Commissioner, Idaho  
 Subject: Range Call  
 Attachments: Range Call Presentation

Follow Up Flag:  
 Flag Status: Flag for follow up

Hi Barry

I attached some talking points for you to use. We will have to discuss how we want to update the 2011 FY budget. Can you let me know if you have any questions about the 2011 budget.

Mike

Mike Hanson, CPA  
 Director  
 Superintendence Accounting & Consulting Solutions, Inc.  
 (717) 561-8088 ext. 2016



## Economy

1. Major residential and or commercial developments
  - a. Barry to discuss
2. Discuss status of operations county's top employers - Barry
  - a. Dropped off
    - i. Omni Bedford Springs
    - ii. Thomas Automotive Family
    - iii. Gateway Travel Plaza
    - iv. Sunco
  - b. Added
    - i. Rockland
    - ii. Bedford Area School District
    - iii. Chestnut Ridge School District
    - iv. Corle Building Systems
3. Outstanding tax appeals - Barry
  - a. Nothing material
  - b. Last reassessment 2010

## Finances

4. Any litigation that could affect f/s - Barry
  - a. Nothing material
5. FY 2020 financial performance - Mike
  - a. Audited financial statements by September 30<sup>th</sup>, 2020
  - b. Property taxes were raised from 3.037 to 3.5770 or .54 mills or 17.8%
    - a. Added \$1.5 million of additional revenue
  - c. GF unrestricted reserves and cash at year end
    - a. Cash
      - i. \$2,668,342 which includes \$1,920,035 transferred from COVID-19 bank account
    - b. Fund Balance
      - i. We are in process of posting accruals for FY 2020
      - ii. Estimate fund balance to be
        1. \$2.0 million
    - c. Balance Sheet – Estimated Just in case
      - i. Assets - \$6.9
      - ii. Liabilities – estimate \$4.2
      - iii. Fund balance - \$2.7 million
      - iv. Revenue including transfers
        1. \$21.5
      - v. Expenditures estimate - \$20.1
      - vi. Net income - \$1.4 million
  - d. Budget

- a. For the 2020 levy, the county collected 99.9% of budgeted amount of \$10.6 million.
  - b. Placement for juvenile delinquents overbudget by \$376,000
  - c. Revenues
    - i. Actual - \$23.9
    - ii. Budget - \$21.0
    - iii. \$1.4
  - d. Expenditures
    - i. Actual - \$22.5
    - ii. Budget – 20.9
    - iii. \$1.4
  - e. Nothing significant
    - a. Charges for services \$71,931 underbudget and miscellaneous revenue underbudget by \$93,934
  - f. County received \$4.3 million in Cares funding. The county used funds for broadband, grants to small businesses/nonprofits, and to offset expenses incurred by the county
6. FY 2021
- a. Included a draw of \$997,947 to balance budget
    - i. State either represents (to discuss tomorrow)
      - 1. Covid funds spent not transferred or
      - 2. Budgeted conservatively or health care expense and juvenile placements
  - b. Taxes were raised form 3.5770 to 3.7250 or .148 mills and 4.1%
    - 1. Increase added \$434,000 in additional tax revenue
    - 2. Taxes collected
      - a. Collected 93% of budgeted amount for 2021 levy for real estate taxes as of 5/31
  - c. Notable budgetary pressures
    - i. Juvenile probation placements
    - ii. New healthcare contracts
  - d. Balances
    - i. Estimate unrestricted cash of \$2.6 million
    - ii. Estimate fund balance of \$2 million
7. Debt
- a. County does not plan to issue debt in the next two years
8. No variable rate debt or swaps

**Debra Brown**

---

**From:** Commissioner Dallara  
**Sent:** Wednesday, July 7, 2021 9:10 AM  
**To:** Mike Samson  
**Subject:** Re: Ratings Call

Mike looks good to me. As far as the \$997,947 cash used to balance the 2021 budget, I believe we simply should state that it was budgeted that way in November of 2020 due to the uncertainty of final approval of The Cares Act Funding Expenditures. We feel it was necessary to have a safe guard.

Sent from my iPhone

On Jul 6, 2021, at 8:06 PM, Mike Samson <msamson@susacs.com> wrote:

Hi Barry,

I attached some talking points for tomorrow. We will have to discuss how we want to explain the \$997,947 beginning cash balance used to balance the 2021 budget.

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

<Ratings Call Updated.docx>

Debra Brown

From: Debra Brown  
Sent: Wednesday, July 1, 2015 10:25 AM  
To: Mike Hanson  
Subject: RE: Hanson

Mike looks good to me. As far as the 2015 047 cashed to balance the 2015 ledger, I believe we should state that it was suggested at my 10/20/14 meeting of 2010 due to the uncertainty of that approval to the City for funding. Expenditures. The ledger was corrected to have the grant.

Sent from my iPhone

On July 6, 2015, at 8:05 AM, Mike Hanson <mike.hanson@cityofhanson.com> wrote:

Hi Debra,

I attached some 2015 ledger for reference. You will find what we are now in 2015 and explain the 2015 047 - payment cash balance used to balance the 2015 ledger.

Mike

Mike Hanson, CPA  
Director  
Superior Accounting & Consulting Solutions, Inc.  
(715) 581-5000 Ext. 5018  
Fax: 518-581-5000

**Debra Brown**

---

**From:** Mike Samson <msamson@susacs.com>  
**Sent:** Wednesday, July 7, 2021 9:28 AM  
**To:** Commissioner Dallara  
**Subject:** RE: Ratings Call

They may come back with is the budgeted expense sustainable then as the county used one-time funds to balance the budget. Just something we will have to prepared for but we can discuss before the call.

**From:** Commissioner Dallara <cdallara@bedfordcountypa.org>  
**Sent:** Wednesday, July 7, 2021 9:10 AM  
**To:** Mike Samson <msamson@susacs.com>  
**Subject:** Re: Ratings Call

Mike looks good to me. As far as the \$997,947 cash used to balance the 2021 budget, I believe we simply should state that it was budgeted that way in November of 2020 due to the uncertainty of final approval of The Cares Act Funding Expenditures. We feel it was necessary to have a safe guard.

Sent from my iPhone

On Jul 6, 2021, at 8:06 PM, Mike Samson <[msamson@susacs.com](mailto:msamson@susacs.com)> wrote:

Hi Barry,

I attached some talking points for tomorrow. We will have to discuss how we want to explain the \$997,947 beginning cash balance used to balance the 2021 budget.

Mike

**Mike Samson, CPA**  
**Director**  
**Susquehanna Accounting & Consulting Solutions, Inc.**  
**(717) 561-8089 Ext. 5018**

<Ratings Call Updated.docx>

Devin Brown

From: Devin Brown <dbrown@deloitte.com>  
Sent: Wednesday, July 1, 2021 9:25 AM  
To: Devin Brown  
Subject: Re: Rostrop Call

They may come back with the budgeting process this week. I think as the more we use, the more I tend to believe the budget. Just something we will have to discuss for sure we can discuss before the call.

From: Devin Brown <dbrown@deloitte.com>  
Sent: Wednesday, July 1, 2021 9:10 AM  
To: Devin Brown <dbrown@deloitte.com>  
Subject: Re: Rostrop Call

Also look's good to me. As far as the 500k cash used to balance the 200k budget, I believe we don't think that it was budgeted that way in November. In 2020 due to the uncertainty of how the cost of the Rostrop call funding. Execution. We feel it was necessary to have a safe side.

Devin Brown

On 7/1/21 at 8:02 AM, Devin Brown <dbrown@deloitte.com> wrote:

Hi Devin,

I attached some talking points for tomorrow. We will have to discuss how we want to explain the 500k RNT beginning cash balance and to explain the 200k budget.

Mike

Mike Samson, CPA  
District 7  
Superior Accounting & Consulting Solutions, Inc.  
(717) 851-8088 ext. 8010

\*Always call before we book

## Debra Brown

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**From:** Corey Troutman <ctroutman@susacs.com>  
**Sent:** Tuesday, July 20, 2021 10:26 AM  
**To:** Commissioner Dallara; Commissioner Baughman; Commissioner Frederick  
**Cc:** Debra Brown; Mike Samson  
**Subject:** Compliance and Reporting Guide  
**Attachments:** SLFRF-Compliance-and-Reporting-Guidance.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

All,

See attached, as we discussed today.

Corey A. Troutman, CPA, CGMA, CITP  
Managing Shareholder  
Susquehanna Accounting & Consulting Solutions, Inc.  
830 Sir Thomas Court, Suite 150  
Harrisburg, PA 17109  
Office: 717-561-8089 ext. 5080  
Mobile: [REDACTED]

Order # 10000

From: [Redacted]  
Sent: Tuesday, May 17, 2011, 10:58 AM  
To: [Redacted]  
Cc: [Redacted]  
Subject: [Redacted]  
Attachments: [Redacted]

Follow Up Flag: [Redacted]  
Flag Status: [Redacted]

All

See attached, as we discussed today.

Greg A. Johnson, CPA, CFPA, CFP  
Managing Shareholder  
Superior Business Advisors & Consulting Services, Inc.  
830 Air Tower Court, Suite 100  
Harrisburg, PA 17108  
Office: 717-653-1234  
Mobile: [Redacted]



# Compliance and Reporting Guidance

State and Local Fiscal Recovery Funds



*June 24, 2021*

*Version: 1.1*





# Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

This guidance provides additional detail and clarification for each recipient’s compliance and reporting responsibilities under the SLFRF program, and should be read in concert with the Award Terms and Conditions, the authorizing statute, the SLFRF implementing regulation, and other regulatory and statutory requirements, including regulatory requirements under the Uniform Guidance (2 CFR Part 200). Please see the Assistance Listing in SAM.gov under assistance listing number (formerly known as CFDA number), 21.027 for more information.

**Please Note:** This guidance document applies to the SLFRF program only and does not change nor impact reporting and compliance requirements for the Coronavirus Relief Fund (“CRF”) established by the CARES Act.

This guidance includes two parts:

## Part 1: General Guidance

This section provides an orientation to recipients’ compliance responsibilities and the U.S. Department of the Treasury’s (“Treasury”) expectations and recommends best practices where appropriate under the SLFRF Program.

A. Key Principles.....	P. 3
B. Statutory Eligible Uses.....	P. 3
C. Treasury’s Rulemaking.....	P. 4
D. Uniform Guidance (2 CFR Part 200).....	P. 6
E. Award Terms and Conditions.....	P. 10

## Part 2: Reporting Requirements

This section provides information on the reporting requirements for the SLFRF program.

A. Interim Report.....	P. 13
B. Project and Expenditure Report.....	P. 15
C. Recovery Plan Performance Report.....	P. 23
Appendix 1: Expenditure Categories.....	P. 31
Appendix 2: Evidenced-Based Intervention Additional Information.....	P. 33





## Part 1: General Guidance

This section provides an orientation on recipients' compliance responsibilities and Treasury's expectations and recommended best practices where appropriate under the SLFRF program.

Recipients under the SLFRF program are the eligible entities identified in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (the "SLFRF statute") that receive a SLFRF award. Subrecipients under the SLFRF program are entities that receive a subaward from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient.

Recipients are accountable to Treasury for oversight of their subrecipients, including ensuring their subrecipients comply with the SLFRF statute, SLFRF Award Terms and Conditions, Treasury's Interim Final Rule, and reporting requirements, as applicable.

### A. Key Principles

There are several guiding principles for developing your own effective compliance regimes:

- Recipients and subrecipients are the first line of defense, and responsible for ensuring the SLFRF award funds are not used for ineligible purposes, and there is no fraud, waste, and abuse associated with their SLFRF award;
- Many SLFRF-funded projects respond to the COVID-19 public health emergency and meet urgent community needs. Swift and effective implementation is vital, and recipients must balance facilitating simple and rapid program access widely across the community and maintaining a robust documentation and compliance regime;
- SLFRF-funded projects should advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities, as outlined in Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government; and
- Transparency and public accountability for SLFRF award funds and use of such funds are critical to upholding program integrity and trust in all levels of government, and SLFRF award funds should be managed consistent with Administration guidance per Memorandum M-21-20 and Memorandum M-20-21.

### B. Statutory Eligible Uses

As a recipient of an SLFRF award, your organization has substantial discretion to use the award funds in the ways that best suit the needs of your constituents – as long as such use fits into one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.





Treasury adopted an Interim Final Rule to implement these eligible use categories and other restrictions on the use of funds under the SLFRF program.<sup>1</sup> It is the recipient's responsibility to ensure all SLFRF award funds are used in compliance with these requirements. In addition, recipients should be mindful of any additional compliance obligations that may apply – for example, additional restrictions imposed upon other sources of funds used in conjunction with SLFRF award funds, or statutes and regulations that may independently apply to water, broadband, and sewer infrastructure projects. Recipients should ensure they maintain proper documentation supporting determinations of costs and applicable compliance requirements, and how they have been satisfied as part of their award management, internal controls, and subrecipient oversight and management.

### C. Treasury's Rule

Treasury's Interim Final Rule details recipients' compliance responsibilities and provides additional information on eligible and restricted uses of SLFRF award funds and reporting requirements. Your organization should review and comply with the information contained in Treasury's Interim Final Rule, and any subsequent final rule when building appropriate controls for SLFRF award funds.

- 1. Eligible and Restricted Uses of SLFRF Funds.** As described in the SLFRF statute and summarized above, there are four enumerated eligible uses of SLFRF award funds. As a recipient of an award under the SLFRF program, your organization is responsible for complying with requirements for the use of funds. In addition to determining a given project's eligibility, recipients are also responsible for determining subrecipient's or beneficiaries' eligibility and must monitor use of SLFRF award funds.

To help recipients build a greater understanding of eligible uses, Treasury's Interim Final Rule establishes a framework for determining whether a specific project would be eligible under the SLFRF program, including some helpful definitions. For example, Treasury's Interim Final Rule establishes:

- A framework for determining whether a project "responds to" a "negative economic impact" caused by the COVID-19 public health emergency;
- Definitions of "eligible employers", "essential work," "eligible workers", and "premium pay" for cases where premium pay is an eligible use;
- A definition of "general revenue" and a formula for calculating revenue lost due to the COVID-19 public health emergency;
- A framework for eligible water and sewer infrastructure projects that aligns eligible uses with projects that are eligible under the Environmental Protection Agency's Drinking Water and Clean Water State Revolving Funds; and
- A framework for eligible broadband projects designed to provide service to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth.

Treasury's Interim Final Rule also provides more information on four important restrictions on use of SLFRF award funds: recipients may not deposit SLFRF funds into a pension fund; recipients that are States or territories may not use SLFRF funds to offset a reduction in net tax revenue caused by the recipient's change in law, regulation, or administrative

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<sup>1</sup> Treasury's Interim Final Rule is effective as of May 17, 2021, and public comments are due July 16, 2021. This guidance may be clarified consistent with the final rule.  
<https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>







interpretation; and, recipients may not use SLFRF funds as non-Federal match where prohibited. In addition, the Interim Final Rule clarifies certain uses of SLFRF funds outside the scope of eligible uses, including that recipients generally may not use SLFRF funds directly to service debt, satisfy a judgment or settlement, or contribute to a “rainy day” fund. Recipients should refer to Treasury’s Interim Final Rule for more information on these restrictions.

- 2. Eligible Costs Timeframe.** Your organization, as a recipient of an SLFRF award, may use SLFRF funds to cover eligible costs that your organization incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026. Costs for projects incurred by the recipient State, territorial, local, or Tribal government prior to March 3, 2021 are not eligible, as provided for in Treasury’s Interim Final Rule.

Recipients may use SLFRF award funds to provide assistance to households, businesses, and individuals within the eligible use categories described in Treasury’s Interim Final Rule for costs that those households, businesses and individuals incurred prior to March 3, 2021. For example,

- a. Public Health/Negative Economic Impacts: Recipients may use SLFRF award funds to provide assistance to households – such as rent, mortgage, or utility assistance – for costs incurred by the household prior to March 3, 2021, provided that the recipient State, territorial, local or Tribal government did not incur the cost of providing such assistance prior to March 3, 2021.
- b. Premium Pay: Recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be “in addition to” wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021.
- c. Revenue Loss: Treasury’s Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. While calculation of lost revenue begins with the recipient’s revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
- d. Investments in Water, Sewer, and Broadband: Recipients may use SLFRF award funds to make necessary investments in water, sewer, and broadband. Recipients may use SLFRF award funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the SLFRF award funds were incurred after March 3, 2021.

Any funds not obligated or expended for eligible uses by the timelines above must be returned to Treasury, including any unobligated or unexpended funds that have been provided to subrecipients and contractors. For the purposes of determining expenditure eligibility, Treasury’s Interim Final Rule provides that “incurred” has the same meaning given to “financial obligation” in 2 CFR § 200.1.

- 3. Reporting.** Generally, recipients must submit one initial interim report, quarterly or annual Project and Expenditure reports which include subaward reporting, and in some cases annual Recovery Plan reports. Treasury’s Interim Final Rule and Part 2 of this guidance provide more detail around SLFRF reporting requirements.





## Assistance Listing

The Assistance Listing for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was published May 28, 2021 on SAM.gov under Assistance Listing Number ("ALN"), formerly known as CFDA Number, **21.027**.

The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The ALN is the unique 5-digit number assigned to identify a federal assistance listing, and can be used to search for federal assistance program information, including funding opportunities, spending on USASpending.gov, or audit results through the Federal Audit Clearinghouse.

To expedite payments and meet statutory timelines Treasury issued initial payments under an existing ALN, 21.019, assigned to the CRF. If you have already received funds or captured the initial number in your records, please update your systems and reporting to reflect the new ALN 21.027 for the SLFRF program. **Recipients must use ALN 21.027 for all financial accounting, subawards, and associated program reporting requirements for the SLFRF awards.**

## D. Uniform Administrative Requirements

The SLFRF awards are generally subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the "Uniform Guidance"). In all instances, your organization should review the Uniform Guidance requirements applicable to your organization's use of SLFRF funds, and SLFRF-funded projects. Recipients should consider how and whether certain aspects of the Uniform Guidance apply.

The following sections provide a general summary of your organization's compliance responsibilities under applicable statutes and regulations, including the Uniform Guidance, as described in the 2020 OMB Compliance Supplement Part 3, Compliance Requirements (issued August 18, 2020). Note that the descriptions below are only general summaries and all recipients and subrecipients are advised to carefully review the Uniform Guidance requirements and any additional regulatory and statutory requirements applicable to the program.

- 1. Allowable Activities.** Each recipient should review program requirements, including Treasury's Interim Final Rule and the recipient's Award Terms and Conditions, to determine and record eligible uses of SLFRF funds. Per 2 CFR 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds, and document determinations.
- 2. Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.





SLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. Note that SLFRF Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.<sup>2</sup>

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed, or not in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

- a. **Administrative costs:** Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.<sup>3</sup> Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office.<sup>45</sup> Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).
- b. **Salaries and Expenses:** In general, certain employees' wages, salaries, and covered benefits are an eligible use of SLFRF award funds. Please see Treasury's Interim Final Rule for details.

3. **Cash Management.** SLFRF payments made to recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)-(9).

As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

4. **Eligibility.** Under this program, recipients are responsible for ensuring funds are used for eligible purposes. Generally, recipients must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for

<sup>2</sup> See 42 CFR 433.51 and 45 CFR 75.306.

<sup>3</sup> Recipients also may use SLFRF funds directly for administrative costs to improve efficacy of programs that respond to the COVID-19 public health emergency. 31 CFR 35.6(b)(10).

<sup>4</sup> 2 CFR 200.413 Direct Costs.

<sup>5</sup> 2 CFR 200.414 Indirect Costs.



SLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. While SLFRF Funds may not be used for a non-Federal purpose, a program where funding is provided by other Federal programs, a program may still be eligible for SLFRF funding for Medical.

Treasury's Interim Final Rules and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.402, a general proportionate share of the costs of audits required by the Single Audit Act are allowable for SLFRF. However, Treasury notes that certain costs are not allowable with 2 CFR Part 200, Subpart F and its related parts. Please see 2 CFR Part 200, Subpart F regarding the Cost Principles for most categories.

**a. Administrative Costs.** Recipients may use funds for the following 2 CFR program, including costs of consultants or independent object management and oversight, including consultants for financial compliance with regulatory, and other requirements. Further, costs must be reasonable and allocated as defined in 2 CFR 200.404 and 2 CFR 200.405. Recipients to the SLFRF award must ensure that SLFRF award administrative costs, Direct costs are those that are allocated specifically as costs of the award. The SLFRF program administrative costs may include a portion of an organization's overhead costs, such as rent and utilities, and a portion of an organization's overhead costs, such as the cost of facilities or non-reimbursable space. The SLFRF award may also include a portion of an organization's overhead costs, such as the cost of facilities or non-reimbursable space. If each category of cost should be treated separately, it is a cumulative cost. Direct indirect costs may not change the total administrative cost to total direct and indirect cost categories. To determine if a recipient may incur indirect costs, the recipient must be following and reporting cost allocation plans in award cost proposals. When the recipient may use the current NICHA Allocation Plan, the recipient may use a 2 CFR Part 200.404 cost plan to use the maximum rate of 10 percent of the modified total direct costs to allow for 2 CFR 200.404.

**b. Salaries and Benefits.** In general, salaries and benefits for employees are allowable costs. However, the use of SLFRF award funds for salaries and benefits of non-Federal employees is not allowed.

**c. Cost Management.** SLFRF payments made to recipients are not subject to the requirements of the Cost Management Improvement Act and Treasury's implementing regulations at 2 CFR part 200.402-200.404.

As with recipients who lack funds or third-partying expenses, it is not used to fund the award to Treasury, and are not limited to being that interest for a given award under the SLFRF award.

**d. Eligibility.** Under this program, recipients are responsible for ensuring funds are used for eligible purposes. General recipients must develop and implement policies and procedures, and submit a report to determine and maintain eligibility of costs for

1. See 2 CFR 200.402 and 2 CFR 200.404. Treasury also may use SLFRF funds for administrative costs to ensure effective program that occurs in the 2 CFR Part 200.402-200.404. 2. 2 CFR 200.402-200.404. 3. 2 CFR 200.402-200.404. 4. 2 CFR 200.402-200.404.



determining the eligibility of beneficiaries and/or subrecipients. Your organization, and if applicable, the subrecipient(s) administering a program on behalf of your organization, will need to maintain procedures for obtaining information evidencing a given beneficiary, subrecipient, or contractor's eligibility including a valid SAM.gov registration. Implementing risk-based due diligence for eligibility determinations is a best practice to augment your organization's existing controls.

5. **Equipment and Real Property Management.** Any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose. Consistent with 2 CFR 200.311 and 2 CFR 200.313, any equipment or real property acquired using SLFRF funds shall vest in the non-Federal entity. Any acquisition and maintenance of equipment or real property must also be in compliance with relevant laws and regulations.
6. **Matching, Level of Effort, Earmarking.** There are no matching, level of effort, or earmarking compliance responsibilities associated with the SLFRF award. SLFRF funds may only be used for non-Federal match in other programs where costs are eligible under both SLFRF and the other program and use of such funds is not prohibited by the other program.
7. **Period of Performance.** Your organization should also develop and implement internal controls related to activities occurring outside the period of performance. For example, each recipient should articulate each project's policy on allowability of costs incurred prior to award or start of the period of performance. All funds remain subject to statutory requirements that they must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024 must be expended by December 31, 2026. Any funds not used must be returned to Treasury.
8. **Procurement, Suspension & Debarment.** Recipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate.<sup>6</sup> Recipients must have and use documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including maintaining written standards of conduct and prohibitions on dealing with suspended or debarred parties. Your organization must ensure adherence to all applicable local, State, and federal procurement laws and regulations.
9. **Program Income.** Generally, program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards and principal and interest on loans made with Federal award funds. Program income does not include interest earned on advances of Federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts. Recipients of SLFRF funds

<sup>6</sup> 2 CFR 200.320(c)(1)-(3) and (5)







should calculate, document, and record the organization's program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records.

The Uniform Guidance outlines the requirements that pertain to program income at 2 CFR 200.307. Treasury intends to provide additional guidance regarding program income and the application of 2 CFR 200.307(e)(1), including with respect to lending programs.

- 10. Reporting.** All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

In addition, where appropriate, your organization needs to establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. See Part 2 of this guidance for a full overview of recipient reporting responsibilities.

- 11. Subrecipient Monitoring.** SLFRF recipients that are pass-through entities as defined under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

First, your organization must clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

Next, your organization will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

Accordingly, your organization should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

- 12. Special Tests and Provisions.** Treasury has set a deadline of July 16, 2021, for receipt of public comment on its Interim Final Rule and will adopt a final rule responding to these comments. In addition, Treasury may add clarifications to the implementing guidance.

Across each of the compliance requirements above, Treasury described some best practices for development of internal controls. The table below provides a brief description and example of each best practice.



**Table 1: Internal controls best practices**

<b>Best Practice</b>	<b>Description</b>	<b>Example</b>
<b>Written policies and procedures</b>	Formal documentation of recipient policies and procedures	Documented procedure for determining worker eligibility for premium pay
<b>Written standards of conduct</b>	Formal statement of mission, values, principles, and professional standards	Documented code of conduct / ethics for subcontractors
<b>Risk-based due diligence</b>	Pre-payment validations conducted according to an assessed level of risk	Enhanced eligibility review of subrecipient with imperfect performance history
<b>Risk-based compliance monitoring</b>	Ongoing validations conducted according to an assessed level of risk	Higher degree of monitoring for projects that have a higher risk of fraud, given program characteristics
<b>Record maintenance and retention</b>	Creation and storage of financial and non-financial records.	Storage of all subrecipient payment information.

## E. Award Terms and Conditions

The Award Terms and Conditions of the SLFRF financial assistance agreement sets forth the compliance obligations for recipients pursuant to the SLFRF statute, the Uniform Guidance, and Treasury's Interim Final Rule. Recipients should ensure they remain in compliance with all Award Terms and Conditions. These obligations include the following items in addition to those described above:

- 1. SAM.gov Requirements.** All eligible recipients are also required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>). To ensure timely receipt of funding, Treasury has stated that Non-entitlement Units of Government (NEUs) who have not previously registered with SAM.gov may do so after receipt of the award, but before the submission of mandatory reporting.<sup>7</sup>
- 2. Recordkeeping Requirements.** Generally, your organization must maintain records and financial documents for five years after all funds have been expended or returned to Treasury, as outlined in paragraph 4.c. of the Award Terms and Conditions. Treasury may request transfer of records of long-term value at the end of such period. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

Your organization must agree to provide or make available such records to Treasury upon request, and to any authorized oversight body, including but not limited to the Government Accountability Office ("GAO"), Treasury's Office of Inspector General ("OIG"), and the Pandemic Relief Accountability Committee ("PRAC").

- 3. Single Audit Requirements.** Recipients and subrecipients that expend more than \$750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.<sup>8</sup> Recipients and subrecipients may also refer to the Office of

<sup>7</sup> See flexibility provided in [https://www.whitehouse.gov/wp-content/uploads/2021/03/M\\_21\\_20.pdf](https://www.whitehouse.gov/wp-content/uploads/2021/03/M_21_20.pdf).

<sup>8</sup> For-profit entities that receive SLFRF subawards are not subject to Single Audit requirements. However, they are subject to other audits as deemed necessary by authorized governmental entities, including Treasury, the GAO, the PRAC and the Treasury's OIG.





Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.

4. **Civil Rights Compliance.** Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406). Treasury may request that recipients submit data for post-award compliance reviews, including information such as a narrative describing their Title VI compliance status.



Attorney General and Deputy Attorney General in agreement, to address the issue of...

The Civil Rights Commission, pursuant to Federal Law, Chapter 1 of Title 42, U.S.C. and...

In order to carry out the Commission's responsibilities under Title VII of the Civil Rights Act...



## Part 2: Reporting Guidance

There are three types of reporting requirements for the SLFRF program.

- **Interim Report:** Provide initial overview of status and uses of funding. This is a one-time report. See Section A, page 13.
- **Project and Expenditure Report:** Report on projects funded, expenditures, and contracts and subawards over \$50,000, and other information. See Section B, page 15.
- **Recovery Plan Performance Report:** The Recovery Plan Performance Report (the “Recovery Plan”) will provide information on the projects that large recipients are undertaking with program funding and how they plan to ensure program outcomes are achieved in an effective, efficient, and equitable manner. It will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury. The Recovery Plan will be posted on the website of the recipient as well as provided to Treasury. See Section C, page 23.

Table 2: Reporting requirements by recipient type

Recipient	Interim Report	Project and Expenditure Report	Recovery Plan Performance Report
States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents	By August 31, 2021, with expenditures by category	By October 31, 2021, and then 30 days after the end of each quarter thereafter <sup>9</sup>	By August 31, 2021, and annually thereafter by July 31 <sup>10</sup>
Metropolitan cities and counties with a population below 250,000 residents which received more than \$5 million in SLFRF funding			Not required
Tribal Governments		By October 31, 2021, and then annually thereafter <sup>11</sup>	Not required
Metropolitan cities and counties with a population below 250,000 residents which received less than \$5 million in SLFRF funding			
NEUs	Not required		

The remainder of this document describes these reporting requirements. A users' guide will be provided with additional information on how and where to submit required reports.

<sup>9</sup> Interim Final Rule Page 111

<sup>10</sup> Interim Final Rule page 112

<sup>11</sup> Interim Final Rule Page 111

## Part 2: Reporting Guidance

There are three types of reporting requirements for the EIS/EV program:

- Initial Report:** Provides initial overview of risks and uses of facility. This is a one-time report. See Part A, page 12.
- Project and Expansion Report:** Report on projects (new, expansions, and contracts) and expansions over \$20,000, and other information. See Part B, page 15.
- Recovery Plan Performance Report:** The Recovery Plan Performance Report (the "Recovery Plan") will provide information on the project's track record, results on understanding project funding and how a city plan to improve air quality in outdoor air achieved in an efficient, effective and equitable manner. It will include key performance indicators identified by the recipient and some monitoring data that is not included in the Recovery Plan. The Recovery Plan will be posted on the website of the recipient as well as included in Part C. See section C, page 22.

Table 2: Reporting requirements by recipient type

Recipient Type	Initial Report	Project and Expansion Report	Recovery Plan Performance Report
State	Yes	Yes	Yes
Local Government	Yes	Yes	Yes
Non-Profit	Yes	Yes	Yes
Other	Yes	Yes	Yes

The remainder of this document describes these reporting requirements. A useful guide will be provided with additional information on how and where to submit your report.





## Comparison to reporting for the CRF

This guidance does not change the reporting or compliance requirements pertaining to the CRF. Reporting and compliance requirements for the SLFRF are separate from CRF reporting requirements. Changes from CRF to SLFRF include:

- **Project, Expenditure, and Subaward Reporting:** The SLFRF reporting requirements leverage the existing reporting regime used for CRF to foster continuity and provide many recipients with a familiar reporting mechanism. The data elements for the Project and Expenditure Report will largely mirror those used for CRF, with some minor exceptions noted in this guidance. The users' guide will describe how reporting for CRF funds will relate to reporting for the SLFRF.
- **Timing of Reports:** CRF reports were due within 10 days of each calendar quarter. SLFRF quarterly reporting will be due 30 days from quarter end.
- **Program and Performance Reporting:** The CRF reporting did not include any program or performance reporting. To build public awareness and accountability and allow Treasury to monitor compliance with eligible uses, some program and performance reporting is required.

### A. Interim Report

States, U.S. territories, metropolitan cities, counties, and Tribal governments are required to submit a one-time interim report with expenditures<sup>12</sup> by Expenditure Category from the date of award to July 31, 2021. The recipient will be required to enter obligations<sup>13</sup> and expenditures and, for each, select the specific expenditure category from the available options. See Appendix 1 for Expenditure Categories (EC).

#### 1. Required Programmatic Data

Recipients will also be required to provide the following information if they have or plan to have expenditures in the following Expenditure Categories.

- a. Revenue replacement (EC 6.1<sup>14</sup>): Key inputs into the revenue replacement formula in the Interim Final Rule and estimated revenue loss due to the Covid-19 public health emergency calculated using the formula in the Interim Final Rule as of December 31, 2020.
  - Base year general revenue (e.g., revenue in the last full fiscal year prior to the public health emergency)
  - Fiscal year end date
  - Growth adjustment used (either 4.1 percent or average annual general revenue growth over 3 years prior to pandemic)
  - Actual general revenue as of the twelve months ended December 31, 2020
  - Estimated revenue loss due to the Covid-19 public health emergency as of December 31, 2020
  - An explanation of how revenue replacement funds were allocated to government services (Note: additional instructions and/or template to be provided in users' guide)

<sup>12</sup> For purposes of reporting in the SLFRF portal, an expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).

<sup>13</sup> For purposes of reporting in the SLFRF portal, an obligation is an order placed for property and services, contracts and subawards made, and similar transactions that require payment.

<sup>14</sup> See Appendix 1 for the full Expenditure Category (EC) list. References to Expenditure Categories are identified by "EC" followed by numbers from the table in Appendix 1.



### Department to report for the CRI

The Department will report for the CRI in the following manner:

1. The Department will report for the CRI in the following manner:

2. The Department will report for the CRI in the following manner:

3. The Department will report for the CRI in the following manner:

4. The Department will report for the CRI in the following manner:

5. The Department will report for the CRI in the following manner:

6. The Department will report for the CRI in the following manner:

7. The Department will report for the CRI in the following manner:

8. The Department will report for the CRI in the following manner:

9. The Department will report for the CRI in the following manner:

10. The Department will report for the CRI in the following manner:

### Appendix A: Reporting Requirements for the CRI

State U.S. financial institutions other than banks and thrifts are required to submit annual reports to the Department by July 31, 2021. The reports will be submitted to the Department and for each report the specific reporting requirements are detailed in Appendix A of the Department's CRI.

1. Required Programmatic Data  
 Applicants will also be required to provide the following information if they have or plan to have expenditures in the following Executive Categories:

- If a program is reported in the CRI, the applicant must also report the following information in the CRI:
  - Total program revenue for 2020
  - Total program revenue for 2021
  - Total program revenue for 2022
  - Total program revenue for 2023
  - Total program revenue for 2024
  - Total program revenue for 2025
  - Total program revenue for 2026
  - Total program revenue for 2027
  - Total program revenue for 2028
  - Total program revenue for 2029
  - Total program revenue for 2030
- An explanation of how revenue reporting will be done, which includes an explanation of the reporting methodology and a description of the reporting methodology.

The Department will report for the CRI in the following manner:

1. The Department will report for the CRI in the following manner:

2. The Department will report for the CRI in the following manner:

3. The Department will report for the CRI in the following manner:

4. The Department will report for the CRI in the following manner:

5. The Department will report for the CRI in the following manner:

6. The Department will report for the CRI in the following manner:

7. The Department will report for the CRI in the following manner:

8. The Department will report for the CRI in the following manner:

9. The Department will report for the CRI in the following manner:

10. The Department will report for the CRI in the following manner:



In calculating general revenue and the other items discussed above, recipients should use audited data if it is available. When audited data is not available, recipients are not required to obtain audited data if substantially accurate figures can be produced on an unaudited basis. Recipients should use their own data sources to calculate general revenue, and do not need to rely on revenue data published by the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported general revenue figures may differ from those published by the Census Bureau. Recipients may provide data on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology throughout the covered period and until reporting is no longer required. Recipients' reporting should align with their own financial reporting.

In calculating general revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a State to a locality pursuant to the CRF or SLFRF. To the extent federal funds are passed through States or other entities or intermingled with other funds, recipients should attempt to identify and exclude the federal portion of those funds from the calculation of general revenue on a best-efforts basis.

Consistent with the broad latitude provided to recipients to use funds for government services to the extent of reduction in revenue, recipients will be required to submit a description of services provided. This description may be in narrative or in another form, and recipients are encouraged to report based on their existing budget processes and to minimize administrative burden. For example, a recipient with \$100 in revenue replacement funds available could indicate that \$50 were used for law enforcement operating expenses and \$50 were used for pay-go building of sidewalk infrastructure. As discussed in the Interim Final Rule, these services can include a broad range of services but may not be used directly for pension deposits or debt service.

Reporting requirements will not require tracking the indirect effects of Fiscal Recovery Funds, apart from the restrictions on use of Fiscal Recovery Funds to offset a reduction in net tax revenue. In addition, recipients must indicate that Fiscal Recovery Funds were not used to make a deposit in a pension fund.

- b. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:
- NEU name
  - NEU DUNS number
  - NEU Taxpayer Identification Number (TIN)
  - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
  - NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
  - NEU authorized representative name and email address
  - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
  - Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)





- Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU's reference budget which will be returned to Treasury
- Payment amount(s)
- Payment date(s)

For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the Guidance on Distributions of Funds to Non-Entitlement Units of Local Government.

States with "weak" minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

## B. Project and Expenditure Report

All recipients are required to submit Project and Expenditure Reports.

### 1. Quarterly Reporting

The following recipients are required to submit quarterly Project and Expenditure Reports:

- States, U.S. territories, and Tribal governments
- Metropolitan cities and counties that received more than \$5 million in SLFRF funding

For these recipients, the initial quarterly Project and Expenditure Report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 calendar days after the end of each calendar quarter. Quarterly reports are not due concurrently with applicable annual reports. The table below summarizes the quarterly report timelines:

Report	Year	Quarter	Period Covered	Due Date
1	2021	2 and 3	Award Date – September 30	October 31, 2021
2	2021	4	October 1 – December 31	January 31, 2022
3	2022	1	January 1 – March 31	April 30, 2022
4	2022	2	April 1 – June 30	July 31, 2022
5	2022	3	July 1 – September 30	October 31, 2022
6	2022	4	October 1 – December 31	January 31, 2023
7	2023	1	January 1 – March 31	April 30, 2023
8	2023	2	April 1 – June 30	July 31, 2023
9	2023	3	July 1 – September 30	October 31, 2023
10	2023	4	October 1 – December 31	January 31, 2024
11	2024	1	January 1 – March 31	April 30, 2024
12	2024	2	April 1 – June 30	July 31, 2024
13	2024	3	July 1 – September 30	October 31, 2024
14	2024	4	October 1 – December 31	January 31, 2025
15	2025	1	January 1 – March 31	April 30, 2025
16	2025	2	April 1 – June 30	July 31, 2025
17	2025	3	July 1 – September 30	October 31, 2025
18	2025	4	October 1 – December 31	January 31, 2026
19	2026	1	January 1 – March 31	April 30, 2026
20	2026	2	April 1 – June 30	July 31, 2026





Report	Year	Quarter	Period Covered	Due Date
21	2026	3	July 1 – September 30	October 31, 2026
22	2026	4	October 1 – December 31	March 31, 2027

## 2. Annual Reporting

The following recipients are required to submit annual Project and Expenditure Reports:

- Metropolitan cities and counties that received less than \$5 million in SLFRF funding.
- NEUs. To facilitate reporting, each NEU will need a NEU Recipient Number. This is a unique identification code for each NEU assigned by the State to the NEU as part of its request for funding.

For these recipients, the initial Project and Expenditure Report will cover from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports will cover one calendar year and must be submitted to Treasury by October 31. The table below summarizes the report timelines:

Report	Period Covered	Due Date
1	Award Date – September 30, 2021	October 31, 2021
2	October 1, 2021 – September 30, 2022	October 31, 2022
3	October 1, 2022 – September 30, 2023	October 31, 2023
4	October 1, 2023 – September 30, 2024	October 31, 2024
5	October 1, 2024 – September 30, 2025	October 31, 2025
6	October 1, 2025 – September 30, 2026	October 31, 2026
7	October 1, 2026 – December 31, 2026	March 31, 2027

## 3. Required Information

The following information will be required in Project and Expenditure Reports:

- a. **Projects:** Provide information on all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, the recipient will be required to enter the project name, identification number (created by the recipient), project expenditure category (see Appendix 1), description, and status of completion. Project descriptions must describe the project in sufficient detail to provide understanding of the major activities that will occur, and will be required to be between 50 and 250 words. Projects should be defined to include only closely related activities directed toward a common purpose. In particular, recipients should review the Required Programmatic Data described below and define their projects at a sufficient level of granularity to report these metrics for a reasonably specific activity or set of activities in each project.

Note: For each project, the recipient will be asked to select the appropriate Expenditure Category based on the scope of the project (see Appendix 1). Projects should be scoped to align to a single Expenditure Category. For select Expenditure Categories, the recipient will also be asked to provide additional programmatic data (described further below).

- b. **Expenditures:** Once a project is entered the recipient will be able to report on the project's obligations and expenditures. Recipients will be asked to report:
- Current period obligation
  - Cumulative obligation
  - Current period expenditure
  - Cumulative expenditure







- c. Project Status: Once a project is entered the recipient will be asked to report on project status each reporting period, in four categories:
- Not Started
  - Completed less than 50 percent
  - Completed 50 percent or more
  - Completed
- d. Project Demographic Distribution: Recognizing the disproportionate impact of the pandemic-related recession on low-income communities, recipients must report whether certain types of projects<sup>15</sup> are targeted to economically disadvantaged communities, as defined by HUD's Qualified Census Tract.<sup>16</sup> Recipients will be asked to identify whether or not the project is serving an economically disadvantaged community. To minimize the administrative burden on recipients while ensuring that this important aspect of program performance is tracked, recipients may assume that the funds for a project count as being targeted towards economically disadvantaged communities if the project funds are spent on:
- A program or service is provided at a physical location in a Qualified Census Tract (for multi-site projects, if a majority of sites are within Qualified Census Tracts);
  - A program or service where the primary intended beneficiaries live within a Qualified Census Tract;
  - A program or service for which the eligibility criteria are such that the primary intended beneficiaries earn less than 60 percent of the median income for the relevant jurisdiction (e.g., State, county, metropolitan area, or other jurisdiction); or
  - A program or service for which the eligibility criteria are such that over 25 percent of intended beneficiaries are below the federal poverty line.

Recipients may use reasonable estimates to determine if a project meets one of these criteria, including identifying the intended beneficiaries of a program or service in terms of income characteristics, geographic location, or otherwise estimating the beneficiaries of a program based on its eligibility criteria. Recipients do not need to track information on each individual beneficiary to make the determination of whether or not the project is serving an economically disadvantaged community. If a recipient is unable to measure economic characteristics of the primary intended beneficiaries of a program or service due to data limitations or for other reasons, that program or service may not be counted as targeted to economically disadvantaged communities. Treasury recognizes that in some circumstances, recipients may fund eligible programs or services that benefit economically disadvantaged communities but may lack adequate data to assess conclusively that such a program or service is targeted to economically disadvantaged communities based on the criteria described above.

- e. Subawards: Each recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than or equal to \$50,000.

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<sup>15</sup> Specifically recipients must report this information for projects in the Expenditure Categories that are marked with "A" in the expenditure category listing in Appendix 1 of this guidance

<sup>16</sup> HUD defines as a QCT as having "50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more." To view median income area for their jurisdiction, recipients may visit the U.S. Census [website](#) on median incomes and select the geography for their jurisdiction and relevant unit of measurement (household or individual) for the project.





Recipients do not also need to submit separate monthly subaward reports to FSRS.gov as required pursuant to the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, which is included in the SLFRF Award Terms and Conditions. Treasury will submit this reporting on behalf of recipients using the \$50,000 reporting threshold, timing, and data elements discussed in this guidance. If recipients choose to continue reporting to FSRS.gov in addition to reporting directly to Treasury on these funds, they may do so and will be asked to notify Treasury as part of their quarterly submission.

In general, recipients will be asked to provide the following information for each Contract, Grant, Loan, Transfer, or Direct Payment greater than or equal to \$50,000:

- Subrecipient identifying and demographic information (e.g., DUNS number and location)
- Award number (e.g., Award number, Contract number, Loan number)
- Award date, type, amount, and description
- Award payment method (reimbursable or lump sum payment(s))
- For loans, expiration date (date when loan expected to be paid in full)
- Primary place of performance
- Related project name(s)
- Related project identification number(s) (created by the recipient)
- Period of performance start date
- Period of performance end date
- Quarterly obligation amount
- Quarterly expenditure amount
- Project(s)
- Additional programmatic performance indicators for select Expenditure Categories (see below)

Aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are below \$50,000. This information will be accounted for by expenditure category at the project level.

As required by the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, recipients must also report the names and total compensation of their five most highly compensated executives and their subrecipients' executives for the preceding completed fiscal year if (1) the recipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards), and received \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act (and subawards), and (2) if the information is not otherwise public. In general, most SLFRF Recipients are governmental entities with executive salaries that are already disclosed, so no additional information must be reported. The recipient is responsible for the subrecipients' compliance with registering and maintaining an updated profile on SAM.gov.

- f. Civil Rights Compliance: Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances.





- g. Required Programmatic Data (other than infrastructure projects): For all projects listed under the following Expenditure Categories (see Appendix 1), the information listed must be provided in each report.
1. Payroll for Public Health and Safety Employees (EC 1.9):
    - Number of government FTEs responding to COVID-19 supported under this authority
  2. Household Assistance (EC 2.1-2.5):
    - Brief description of structure and objectives of assistance program(s) (e.g., nutrition assistance for low-income households)
    - Number of individuals served (by program if recipient establishes multiple separate household assistance programs)
    - Brief description of recipient's approach to ensuring that aid to households responds to a negative economic impact of Covid-19, as described in the Interim Final Rule
  3. Small Business Economic Assistance (EC 2.9):
    - Brief description of the structure and objectives of assistance program(s) (e.g., grants for additional costs related to Covid-19 mitigation)
    - Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
    - Brief description of recipient's approach to ensuring that aid to small businesses responds to a negative economic impact of COVID-19, as described in the Interim Final Rule
  4. Aid to Travel, Tourism, and Hospitality or Other Impacted Industries (EC 2.11-2.12):
    - If aid is provided to industries other than travel, tourism, and hospitality (EC 2.12), a description of pandemic impact on the industry and rationale for providing aid to the industry
    - Brief narrative description of how the assistance provided responds to negative economic impacts of the COVID-19 pandemic
    - For each subaward:
      - Sector of employer (Note: additional detail, including list of sectors to be provided in a users' guide)
      - Purpose of funds (e.g., payroll support, safety measure implementation)
  5. Rehiring Public Sector Staff (EC 2.14):
    - Number of FTEs rehired by governments under this authority
  6. Education Assistance (EC 3.1-3.5):
    - The National Center for Education Statistics ("NCES") School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.<sup>17</sup>

<sup>17</sup> For more information on NCES identification numbers see <https://nces.ed.gov/ccd/districtsearch/> (districts) and <https://nces.ed.gov/ccd/schoolsearch/> (schools).





7. Premium Pay (both Public Sector EC 4.1 and Private Sector EC 4.2):

- List of sectors designated as critical to the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the Interim Final Rule (Note: a list of sectors will be provided in the forthcoming users' guide).
- Number of workers to be served
- Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) (Note: a list of sectors will be provided in the forthcoming users' guide).
- For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, for whom premium pay would increase total pay above 150 percent of their residing State's average annual wage, or their residing county's<sup>18</sup> average annual wage, whichever is higher, on an annual basis:
  - A brief written narrative justification of how the premium pay or grant is responsive to workers performing essential work during the public health emergency. This could include a description of the essential workers' duties, health or financial risks faced due to COVID-19, and why the recipient government determined that the premium pay was responsive to workers performing essential work during the pandemic. This description should not include personally identifiable information; when addressing individual workers, recipients should be careful not to include this information. Recipients may consider describing the workers' occupations and duties in a general manner as necessary to protect privacy.

8. Revenue replacement (EC 6.1):

Under the Interim Final Rule, recipients calculate revenue loss using data as of four discrete points during the program: December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023. Revenue loss calculated as of December 31, 2020 will be reported in the Interim Report, as described above. For future calculation dates, revenue loss will be reported only in the Quarter 4 reports due January 31, 2022, January 31, 2023, and January 31, 2024. Reporting on revenue loss should include:

- General revenue collected over the past 12 months as of the most recent calculation date, as outlined in the Interim Final Rule (for example, for the January 31, 2022 report, recipients should provide 12 month general revenue as of December 31, 2021);
- Calculated revenue loss due to the Covid-19 public health emergency; and
- An explanation of how the revenue replacement funds were allocated to government services (note: additional instructions and/or template to be provided in user guide).

In calculating general revenue and the revenue loss due to the COVID-19 public health emergency, recipients should follow the same guidance as described above for the Interim Report.

- h. Required Programmatic Data for Infrastructure Projects (EC 5): For all projects listed under the Water, Sewer, and Broadband Expenditure Categories (see Appendix 1), more detailed project-level information is required. Each project will be required to report expenditure data as described above, but will also report the following information:

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<sup>18</sup> *County* means a county, parish, or other equivalent county division (as defined by the Census Bureau). See 31 CFR 35.3.







1. All infrastructure projects (EC 5):

- Projected/actual construction start date (month/year)
- Projected/actual initiation of operations date (month/year)
- Location (for broadband, geospatial location data)
- For projects over \$10 million:
  - a. A recipient may provide a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as “baby Davis-Bacon Acts”). If such certification is not provided, a recipient must provide a project employment and local impact report detailing:
    - The number of employees of contractors and sub-contractors working on the project;
    - The number of employees on the project hired directly and hired through a third party;
    - The wages and benefits of workers on the project by classification; and
    - Whether those wages are at rates less than those prevailing.<sup>19</sup>Recipients must maintain sufficient records to substantiate this information upon request.
  - b. A recipient may provide a certification that a project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)). If the recipient does not provide such certification, the recipient must provide a project workforce continuity plan, detailing:
    - How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project;
    - How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project; and
    - How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities;
    - Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market; and
    - Whether the project has completed a project labor agreement.
  - c. Whether the project prioritizes local hires.
  - d. Whether the project has a Community Benefit Agreement, with a description of any such agreement.

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<sup>19</sup> As determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed.





2. Water and sewer projects (EC 5.1-5.15):
  - National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund)
  - Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund)
  
3. Broadband projects (EC 5.16-5.17):
  - Speeds/pricing tiers to be offered, including the speed/pricing of its affordability offering
  - Technology to be deployed
  - Miles of fiber
  - Cost per mile
  - Cost per passing
  - Number of households (broken out by households on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload
    - Number of households with access to minimum speed standard of reliable 100 Mbps symmetrical upload and download
    - Number of households with access to minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
  - Number of institutions and businesses (broken out by institutions on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload, in each of the following categories: business, small business, elementary school, secondary school, higher education institution, library, healthcare facility, and public safety organization
    - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps symmetrical upload and download; and
    - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
  
- i. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:
  - NEU name
  - NEU DUNS number
  - NEU Taxpayer Identification Number (TIN)
  - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
  - NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
  - NEU authorized representative name and email address
  - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
  - Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)
  - Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU's reference budget which will be returned to Treasury
  - Payment amount(s)
  - Payment date(s)





For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the Guidance on Distributions of Funds to Non-Entitlement Units of Local Government.

States with “weak” minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

- j. **NEU Documentation (NEUs only):** Each NEU will also be asked to provide the following information with their first report submitted by October 31, 2021:
  - Copy of the signed award terms and conditions agreement (which was signed and submitted to the State as part of the request for funding)
  - Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (which was signed and submitted to the State as part of the request for funding)
  - Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding

### C. Recovery Plan Performance Report

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to publish and submit to Treasury a Recovery Plan performance report (“Recovery Plan”). Each Recovery Plan must be posted on the public-facing website of the recipient by the same date the recipient submits the report to Treasury. This reporting requirement includes uploading a link to the publicly available document report along with providing data in the Treasury reporting portal.

The Recovery Plan will provide the public and Treasury information on the projects recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this guidance outlines some minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote economic recovery. Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it includes the minimum information determined by Treasury. Treasury will provide a recommended template but recipients may modify this template as appropriate for their jurisdiction. The Recovery Plan will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury.

The initial Recovery Plan will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period (by July 31). The table below summarizes the report timelines:

Annual Report	Period Covered	Due Date
1	Award Date – July 31, 2021	August 31, 2021
2	July 1, 2021 – June 30, 2022	July 31, 2022
3	July 1, 2022 – June 30, 2023	July 31, 2023
4	July 1, 2023 – June 30, 2024	July 31, 2024
5	July 1, 2024 – June 30, 2025	July 31, 2025
6	July 1, 2025 – June 30, 2026	July 31, 2026
7	July 1, 2026 – December 31, 2026	March 31, 2027





The Recovery Plan will include, at a minimum, the following information:

### 1. Executive Summary

Provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.

### 2. Uses of Funds

Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, please also explain how the funds would support the communities, populations, or individuals in your jurisdiction. Your description should address how you are promoting each of the following, to the extent they apply:

- a. Public Health (EC 1): As relevant, describe how funds are being used to respond to COVID-19 and the broader health impacts of COVID-19 and the COVID-19 public health emergency.
- b. Negative Economic Impacts (EC 2): As relevant, describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including to households and small businesses.
- c. Services to Disproportionately Impacted Communities (EC 3): As relevant, describe how funds are being used to provide services to communities disproportionately impacted by the COVID-19 public health emergency.
- d. Premium Pay (EC 4): As relevant, describe the approach, goals, and sectors or occupations served in any premium pay program. Describe how your approach prioritizes low-income workers.
- e. Water, sewer, and broadband infrastructure (EC 5): Describe the approach, goals, and types of projects being pursued, if pursuing.
- f. Revenue Replacement (EC 6): Describe the loss in revenue due to the COVID-19 public health emergency and how funds have been used to provide government services.

Where appropriate, recipients should also include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as the Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.

### 3. Promoting equitable outcomes

Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Please include in your description how your jurisdiction will consider and measure equity at the various stages of the program, including:

- a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve within your jurisdiction?
- b. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?
- c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?



The Recovery Plan will include, as a minimum, the following information:

1. Executive Summary

Provide a high-level overview of the jurisdiction's intended and actual use of the funds, including but not limited to the jurisdiction's plan for use of the funds to provide a relief fund to the business and economic recovery and outline of the government's role in the funding process and any necessary changes or opportunities created during the funding period.

2. Use of Funds

Describe in detail your jurisdiction's intended and actual use of the funds, such as how your jurisdiction's approach would help support a strong and resilient recovery from the COVID-19 pandemic and economic downturn. Describe any strategies designed to maximize programmatic impact and address critical and economic needs. Give an overview of the use of state and local funds in the jurisdiction. Describe how the funds would support the jurisdiction's economic recovery and address its needs. You also describe other sources how you are providing part of the funding to the state or territory.

- a. **Public Health (20.1)** A review of details how funds will be used to respond to COVID-19 and the Director health related COVID-19 or the COVID-19 public health emergency.
- b. **Health Economic Impact (20.2)** An relevant details how funds will be used to respond to negative economic impacts of the COVID-19 public health emergency, including to individuals and small businesses.
- c. **Support to Small Business and Local Communities (20.3)** An relevant details how funds will be used to provide support to communities impacted that is needed by the COVID-19 public health emergency.
- d. **Recovery Plan (20.4)** An relevant details the approach, goals and actions to support recovery in any program pay program. Describe how your approach addresses low-income workers.
- e. **Other uses and projects that take the (20.5)** Describe the approach, goals and actions that are being pursued if funding.
- f. **Revenue (20.6)** Describe the uses in revenue due to the COVID-19 public health emergency and how funds have been used to give government services.

Where appropriate, describe specific and include information on your jurisdiction's use for other uses of other federal recovery funds including other programs under the American Recovery Plan such as the Emergency Rental Assistance, Job and Assistance and so forth. Provide a brief contact on the overall approach for federal recovery.

3. Promoting equitable outcomes

- a. **Equity** Describe in your description how you will ensure that the recovery and economic growth of the various stages of the economy, including:
  - i. **Equity** Are there particular historically underserved populations or otherwise at-risk groups that you intend to serve with your jurisdiction?
  - ii. **Analysis** How and how will you assess the impact of your jurisdiction's programs to ensure that the services funded by the CARES Act?
  - iii. **Access and Distribution** Are there administrative requirements that could be a barrier to equity to complete applications or meet eligibility criteria?





- d. Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

Treasury encourages uses of funds that promote strong, equitable growth, including racial equity. Please describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. In addition, please explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

- a. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.
- b. Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).

The initial report must describe efforts to date and intended outcomes to promote equity. Each annual report thereafter must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period. Please also describe any constraints or challenges that impacted project success in terms of increasing equity. In particular, this section must describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

For the purposes of the SLFRF, equity is defined in the Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as issued on January 20, 2021.

#### **4. Community Engagement**

Please describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficient populations, and other traditionally underserved groups.

#### **5. Labor Practices**

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.





## 6. Use of Evidence

The Recovery Plan should identify whether SLFRF funds are being used for evidence-based interventions<sup>20</sup> and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Recipients must briefly describe the goals of the project, and the evidence base for the interventions funded by the project. Recipients must specifically identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories.<sup>21</sup>

Recipients are exempt from reporting on evidence-based interventions in cases where a program evaluation is being conducted. Recipients are encouraged to use relevant evidence Clearinghouses, among other sources, to assess the level of evidence for their interventions and identify evidence-based models that could be applied in their jurisdiction; such evidence clearinghouses include the U.S. Department of Education's What Works Clearinghouse, the U.S. Department of Labor's CLEAR, and the Childcare & Early Education Research Connections and the Home Visiting Evidence of Effectiveness clearinghouses from Administration for Children and Families, as well as other clearinghouses relevant to particular projects conducted by the recipient. In such cases where a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design including whether it is a randomized or quasi-experimental design; the key research questions being evaluated; whether the study has sufficient statistical power to disaggregate outcomes by demographics; and the timeframe for the completion of the evaluation (including a link to completed evaluation if relevant).<sup>22</sup> Once the evaluation has been completed, recipients must post the evaluation publicly and link to the completed evaluation in the Recovery Plan. Once an evaluation has been completed (or has sufficient interim findings to determine the efficacy of the intervention), recipients should determine whether the spending for the evaluated interventions should be counted towards the dollar amount categorized as evidence-based for the relevant project.

For all projects, recipients may be selected to participate in a national evaluation, which would study their project along with similar projects in other jurisdictions that are focused on the same set of outcomes. In such cases, recipients may be asked to share information and data that is needed for the national evaluation.

Recipients are encouraged to consider how a Learning Agenda, either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda, could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction.<sup>23</sup>

Appendix 2 contains additional information on evidence-based interventions for the purposes of the Recovery Plan.

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<sup>20</sup>As noted in Appendix 2, evidence-based refers to interventions with strong or moderate levels of evidence.

<sup>21</sup> Of note, recipients are only required to report the amount of the total funds that are allocated to evidence-based interventions in the areas of Public Health, Negative Economic Impacts, and Services to Disproportionately Impacted Communities that are marked by an asterisk in Appendix 1: Expenditure Categories.

<sup>22</sup> For more information on the required standards for program evaluation, see OMB M-20-12.

<sup>23</sup> For more information on learning agendas, please see OMB M-19-23





## **7. Table of Expenses by Expenditure Category**

Please include a table listing the amount of funds used in each Expenditure Category (See Appendix 1). The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

## **8. Project Inventory**

List the name and provide a brief description of all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, include the project name, funding amount, identification number (created by the recipient and used thereafter in the quarterly Program and Expenditure Report), project Expenditure Category (see Appendix 1), and a description of the project which includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes. Include a link to the website of the project if available. This information will provide context and additional detail for the information reported quarterly in the Project and Expenditure Report.

For infrastructure investment projects (EC 5), project-level reporting will be more detailed, as described for the Project and Expenditure Report above. Projects in this area may be grouped by Expenditure Category if needed, with further detail (such as the specific project name and identification number) provided in the Project and Expenditure Report. For infrastructure projects, descriptions should note how the project contributes to addressing climate change.

## **9. Performance Report**

The Recovery Plan must include key performance indicators for the major SLFRF funded projects undertaken by the recipient. The recipient has flexibility in terms of how this information is presented in the Recovery Plan, and may report key performance indicators for each project, or may group projects with substantially similar goals and the same outcome measures. In some cases, the recipient may choose to include some indicators for each individual project as well as crosscutting indicators.

Performance indicators should include both output and outcome measures. Output measures, such as number of students enrolled in an early learning program, provide valuable information about the early implementation stages of a project. Outcome measures, such as the percent of students reading on grade level, provide information about whether a project is achieving its overall goals. Recipients are encouraged to use logic models<sup>24</sup> to identify their output and outcome measures. While the initial report will focus heavily on early output goals, recipients must include the related outcome goal for each project and provide updated information on achieving these outcome goals in annual reports. In cases where recipients are conducting a program evaluation for a project (as described above), the outcome measures in the performance report should be aligned with those being evaluated in the program. To support their performance measurement and program improvement efforts, recipients are permitted to use funds to make improvements to data or technology infrastructure and data analytics, as well as program evaluations.

## **10. Required Performance Indicators and Programmatic Data**

While recipients have discretion on the full suite of performance indicators to include, a number of mandatory performance indicators and programmatic data must be included. These are necessary to allow Treasury to conduct oversight as well as understand and aggregate program outcomes across recipients. This section provides an overview of the mandatory performance indicators and programmatic data. This information may be included in each recipient's Recovery Plan as they determine most appropriate, including combining with the

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<sup>24</sup> A logic model is a tool that depicts the intended links between program investments and outcomes, specifically the relationships among the resources, activities, outputs, outcomes, and impact of a program.





section above, but this data will also need to be entered directly into the Treasury reporting portal. Below is a list of required data for each Expenditure Category:

- a. Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
  - Number of people or households receiving eviction prevention services (including legal representation)
  - Number of affordable housing units preserved or developed
- b. Negative Economic Impacts (EC 2):
  - Number of workers enrolled in sectoral job training programs
  - Number of workers completing sectoral job training programs
  - Number of people participating in summer youth employment programs
- c. Education Assistance (EC 3.1-3.5):
  - Number of students participating in evidence-based tutoring programs<sup>25</sup>
- d. Healthy Childhood Environments (EC 3.6-3.9):
  - Number of children served by childcare and early learning (pre-school/pre-K/ages 3-5)
  - Number of families served by home visiting

The initial report should include the key indicators above. Each annual report thereafter should include updated data for the performance period as well as prior period data, and a brief narrative adding any additional context to help the reader interpret the results and understand the any changes in performance indicators over time. To the extent possible, Treasury also encourages recipients to provide data disaggregated by race, ethnicity, gender, income, and other relevant factors.

#### **11. Ineligible Activities: Tax Offset Provision (States and territories only)**

The following information is required for Treasury to ensure SLFRF funding is not used for ineligible activities.

In each reporting year, States and territories will report certain items related to the Tax Offset Provision 31 CFR 35.8, as detailed below. As indicated in the Interim Final Rule, Treasury is seeking comment on reporting requirements related to the Tax Offset Provision, including ways to better rely on information already produced by States and territories and to minimize burden.

The terms “reporting year,” “baseline,” “covered change,” “net reduction in total spending,” and “tax revenue” are defined in the Interim Final Rule, 31 CFR 35.3. For purposes of calculating a net reduction in total spending, total spending for the fiscal year ending 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3. Similarly, for purposes of calculating baseline, tax revenue for the fiscal year 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3.

For purposes of reporting actual tax revenue and calculating tax revenue for the fiscal year ending 2019,<sup>26</sup> (a) if available, recipients should report information using audited financials and (b) recipients may provide data on a cash, accrual, or modified accrual basis, but must be consistent in their approach across all reporting periods. Similarly, for purposes of calculating

<sup>25</sup> For more information on evidence-based tutoring programs, refer to the U.S. Department of Education’s *2021 ED COVID-19 Handbook (Volume 2)*, which summarizes research on evidence-based tutoring programs (see the bottom of page 20).

<sup>26</sup> Tax revenue for fiscal year ending 2019 is relevant for calculating the recipient’s baseline.

section above, but this data will also need to be shared directly with the Treasury as well as other relevant agencies. Data on a list of required data for each Executive Order.

- Executive Order 13777:
  - Number of grants or contracts awarded to small businesses and other entities
  - Number of small businesses that received awards

- Executive Order 13777:
  - Number of workers enrolled in federal job training programs
  - Number of workers completing federal job training programs
  - Number of people participating in summer youth employment programs

- Executive Order 13777:
  - Number of students participating in evidence-based early learning programs

- Executive Order 13777:
  - Number of children served by evidence-based early learning programs
  - Number of families served by home visiting

The data report should include the following information: Each report should include the data reported for the past reporting period as well as the total number of reports and the number of reports submitted for the reporting period. The data should also include any changes in performance indicators over time. To the extent possible, Treasury also encourage recipients to include data disaggregated by race, ethnicity, gender, income, and other relevant factors.

The following information is required for Treasury to ensure ERFI compliance and is to be used for reporting activities:

In each reporting year, states will report on the following information: (a) The total number of ERFI contracts awarded in the reporting year. (b) The total number of ERFI contracts awarded in the reporting year. (c) The total number of ERFI contracts awarded in the reporting year. (d) The total number of ERFI contracts awarded in the reporting year.

The terms "reporting year," "reporting period," "reporting period," "reporting period," and "reporting period" are defined in the Internal Revenue Code. For purposes of counting a reporting period, a reporting period shall be the period beginning on the first day of the reporting period and ending on the last day of the reporting period. Similarly, for purposes of counting a reporting period, a reporting period shall be defined as the period beginning on the first day of the reporting period and ending on the last day of the reporting period.

For the purpose of reporting on the number and amount of reporting activities for the reporting period, (a) if available, recipients should report information on the number and amount of reporting activities for the reporting period. (b) if not available, recipients should report information on the number and amount of reporting activities for the reporting period. (c) if not available, recipients should report information on the number and amount of reporting activities for the reporting period.

The following information is required for Treasury to ensure ERFI compliance and is to be used for reporting activities:





a net reduction in total spending, recipients should report data using audited financials where available.

a. Revenue-reducing Covered Changes:

For each reporting year, a recipient must report the value of covered changes that the recipient predicts will have the effect of reducing tax revenue in a given reporting year (revenue-reducing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reported values should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Recipients must maintain records regarding the identification and predicted effects of revenue-reducing covered changes.

b. Baseline Revenue:

Baseline has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

Whether the revenue-reducing covered changes are in excess of the *de minimis*. Recipients must determine whether the aggregate value of the revenue-reducing covered changes in the reporting year is less than one percent of baseline revenue.

c. Actual Tax Revenue:

Actual tax revenue means the actual tax revenue received by the recipient government in the reporting year. Tax revenue has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

d. Reduction in Net Tax Revenue:

The reduction in net tax revenue is equal to baseline revenue minus actual tax revenue in each reporting year. If this value is zero or negative, there is no reduction in net tax revenue.

e. Any revenue-increasing covered changes:

A recipient must report the value of covered changes that have had or that the recipient predicts will have the effect of increasing tax revenue in a given reporting year (revenue-increasing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reporting should be produced by the agency of the recipient responsible for estimating the costs and effects of fiscal policy changes.



a reduction in total spending recipients should not be a factor when

**Payroll-reducing Budget Changes:**  
 For each reporting year, a model must report the value of payroll changes that the recipient would have the effect of causing for each reporting year. The value of these covered changes may be reported based on the budgetary process. The value of these covered changes may be reported based on estimates produced by a budget model incorporating reasonable assumptions that align with the recipient's own approach for measuring the effect of payroll changes. The value of these covered changes may also be reported based on a statistical methodology to look at the change in total payroll over the reporting period. The recipient should not use dynamic modeling that incorporates the growth effect of the changes in macroeconomic growth. In general, the recipient should not use the effect of policy changes. Recipients may include payroll recipients for the recipient and provide details in revenue-reducing or tax-cutting

**Payroll Revenue:**  
 Recipients must determine whether the aggregate value of the revenue (total) changes in the reporting year is less than one percent of payroll revenue. Whether the total payroll-reducing changes are in excess of the decrease

**Total Tax Revenue:**  
 Annual tax revenue means the total tax revenue reported by the recipient government in the reporting year. Tax revenue has the meaning defined in the Code in Section 31.011.

**Reduction in Net Tax Revenue:**  
 The reduction in net tax revenue is equal to the total tax revenue minus total tax revenue in the reporting year. If the value is zero or negative, there is no reduction in net tax revenue.

**Payroll Revenue Growth:**  
 A recipient must report the value of payroll changes that have had in that the recipient would have the effect of causing for each reporting year. The value of these covered changes may be reported based on the budgetary process. The value of these covered changes may be reported based on estimates produced by a budget model incorporating reasonable assumptions that align with the recipient's own approach for measuring the effect of payroll changes. The value of these covered changes may also be reported based on a statistical methodology to look at the change in total payroll over the reporting period. The recipient should not use dynamic modeling that incorporates the growth effect of the changes in macroeconomic growth. In general, the recipient should not use the effect of policy changes. Recipients may include payroll recipients for the recipient and provide details in revenue-reducing or tax-cutting



Recipients should maintain records regarding revenue-reducing covered changes and estimates of such changes.

f. Net reduction in total spending, and tables of specific spending cuts:

Recipients must report on spending cuts. To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). As in the Interim Final Rule, 35 CFR 35.3, net reduction in total spending is measured as the recipient government's total spending for a given reporting year excluding Fiscal Recovery Funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States. If that subtraction yields a positive value, there has been a net reduction; if it yields zero or a negative value, there has not been a net reduction. If there has been no net reduction in total spending, a recipient will have no spending cuts to offset a reduction in net tax revenue.

Next, a recipient must determine and aggregate the value of spending cuts in each "reporting unit," as defined below. For each reporting unit, the recipient must report (1) the amount of the reduction in spending in the reporting unit relative to its inflation-adjusted FY 2019 level, (2) the amount of any Fiscal Recovery Funds spent in the reporting unit, and (3) the amount by which the reduction in spending exceeds the Fiscal Recovery funds spent in the reporting unit. If a recipient has not spent amounts received from the Fiscal Recovery Funds in a reporting unit, the full amount of the reduction in spending counts as a covered spending cut and may be included in aggregate spending cuts. If the recipient has spent amounts received from the Fiscal Recovery Funds, such amounts generally would be deemed to have replaced the amount of spending cut, and only reductions in spending above the amount of Fiscal Recovery Funds spent on the reporting unit would be eligible to offset a reduction in net tax revenue. Only such amounts above the amount of Fiscal Recovery Funds spent on the reporting unit should be included in the aggregate of spending cuts.

To align with existing reporting and accounting, the Interim Final Rule considers the department, agency, or authority from which spending has been cut and whether the recipient government has spent amounts received from the Fiscal Recovery Funds on that same department, agency, or authority. Recipients may also choose to report at a more granular sub-department level. Recipients are encouraged to define and report spending in departments, sub-departments (e.g., bureaus), agencies, or authorities (each a "reporting unit") in a manner consistent with their existing budget process and should, to the extent possible, report using the same reporting unit in each reporting year. For example, if a State health department maintains separate budgets for different units (e.g., medical and public health units), those units may be reported and considered separately. Spending cuts must be reported relative to FY 2019 spending levels, adjusted for inflation, and excluding Fiscal Recovery Funds from reporting year spending levels.

Recipients should maintain records regarding spending cuts. As discussed in the Interim Final Rule, in order to help ensure governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. Evasions of the Tax Offset Provision may be subject to recoupment.



**Appendix 1: Expenditure Categories**

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term “Expenditure Category” refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to as a category (e.g., EC 1) it includes all Expenditure Categories within that level.

<b>1: Public Health</b>	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
<b>2: Negative Economic Impacts</b>	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
<b>3: Services to Disproportionately Impacted Communities</b>	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^





3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
<b>4: Premium Pay</b>	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
<b>5: Infrastructure<sup>27</sup></b>	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
<b>6: Revenue Replacement</b>	
6.1	Provision of Government Services
<b>7: Administrative</b>	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities (see Project Demographic Distribution section above for details)

<sup>27</sup> Definitions for water and sewer Expenditure Categories can be found in the EPA's handbooks. For "clean water" expenditure category definitions, please see: <https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf>. For "drinking water" expenditure category definitions, please see: <https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports>.







## **Appendix 2: Evidenced-Based Intervention Additional Information**

### **What is evidence-based?**

For the purposes of the SLFRF, evidence-based refers to interventions with strong or moderate evidence as defined below:

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions. The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more non-experimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes. The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.

