FULTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

FULTON COUNTY

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Fulton County
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To the Board of Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fulton County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gas Tax, County Board of Developmental Disabilities, Emergency Medical Services Advanced and Basic Life Services and the American Rescue Plan Act funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2022, the County restated beginning balance of net position in the Governmental Activities, Business-type Activities Water fund, Sewer fund, Nonmajor Enterprise funds, and the Internal Service fund. These restatements were the result of the County completing an appraisal over capital assets. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purpose of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2023, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2023

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The management's discussion and analysis of Fulton County's (the County) financial performance provides an overall review of the County's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The total net position of the County increased $20,384,896. Net position of governmental activities increased $20,763,384, which represents a 20.34% increase from 2021's restated net position. Net position of business-type activities decreased $378,488 or 1.85% from 2021's restated net position.

- General revenues accounted for $27,597,985 or 45.02% of total governmental activities revenue. Program specific revenues accounted for $33,701,210 or 54.98% of total governmental activities revenue of $61,299,195.

- The County had $40,535,811 in expenses related to governmental activities; $33,701,210 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $27,597,985 were adequate to provide for these programs.

- The general fund, the County's largest major fund, had revenues of $25,048,217 in 2022. The expenditures and other financing uses of the general fund were $22,379,922 in 2022. The general fund balance increased $2,668,295 from 2021 to 2022.

- The motor vehicle and gas tax fund, a County major fund, had revenues and other financing sources of $6,611,203 in 2022. The motor vehicle and gas tax fund had expenditures of $6,952,927 in 2022. The motor vehicle and gas tax fund balance decreased $341,724 from 2021 to 2022

- The county board of developmental disabilities (the county board of DD) fund, a County major fund, had revenues and other financing sources of $5,046,259 in 2022. The county board of DD had expenditures of $4,045,040 in 2022. The county board of DD fund balance increased $1,001,219 from 2021 to 2022.

- The emergency medical system advanced and basic (EMS A&B) life services fund, a County major fund, had revenues of $5,573,928 in 2022. The EMS advanced and basic life services fund had expenditures of $5,555,285 in 2022. The EMS A&B life services fund balance increased $18,643 from 2021 to 2022.

- The American Rescue Plan Act (ARPA) fund, a County major fund, had revenues of $8,190,134 and expenditures of $8,190,134 in 2022 and had an ending fund balance of $0.

- The capital improvement fund, a County major fund, had revenues and other financing sources of $8,764,972 and expenditures of $589,208 in 2022. The capital improvement fund balance increased $8,175,764 from 2021 to 2022.

- The County had two major proprietary funds. The net position for the water fund decreased in 2022 by $331,937 or 2.16%. Net position for the sewer fund decreased in 2022 by $9,077 or 0.18%.

- In the general fund, actual revenues and other financing sources of $27,924,575 exceeded original budgeted revenues by $14,801,345 and final budgeted revenues by $6,792,841. The increase is due to the County's conservative approach to budgeting. Actual expenditures and other financing uses of $22,783,064 were $6,534,008 more than original budgeted appropriations and $1,783,763 less than final budgeted appropriations, respectively.

Using this Basic Financial Statements (BFS)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the County as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are six major governmental funds. The general fund is the largest major fund.

Reporting the County as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities answer the question, "How did we do financially during 2022?" These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's net position and changes in net position. This change in net position is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions and other factors.

In the statement of net position and the statement of activities, the County is divided into two distinct kinds of activities:

Governmental activities - Most of the County's programs and services are reported here including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and State grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

Reporting the County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the general, motor vehicle and gas tax, board of developmental disabilities (county board of DD), American Rescue Plan Act (ARPA) fund, the capital improvement fund, and EMS advanced and basic (EMS A&B) life services fund.

Governmental Funds

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation.

Proprietary Funds

The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water, sewer, solid waste incinerator and recycling operations. The internal service funds used to accumulate and allocate costs intentionally for mapping services and information technology provided to other departments.

Fiduciary Funds

The County has one types of fiduciary fund: custodial funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension/OPEB assets and liabilities.

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Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the County as a whole.

The table below provides a summary of the County's net position for 2022 and 2021. 2021 amounts have been restated as described in Note 3.

Net Position

	Governmental Activities 2022	Business-type Activities 2022	Restated Governmental Activities 2021	Restated Business-type Activities 2021	2022 Total	Restated 2021 Total
Assets:						
Current and other assets	$94,226,855	$4,161,344	$83,366,927	$4,118,530	$ 98,388,199	$ 87,485,457
Capital assets, net	59,945,259	17,808,295	58,150,966	18,514,429	77,753,554	76,665,395
Total assets	154,172,114	21,969,639	141,517,893	22,632,959	176,141,753	164,150,852
Deferred outflows of resources:						
Pension	3,426,282	60,842	2,560,728	40,440	3,487,124	2,601,168
OPEB	130,028	441	1,036,480	15,606	130,469	1,052,086
Total deferred outflows of resources	3,556,310	61,283	3,597,208	56,046	3,617,593	3,653,254
Liabilities:						
Long-term liabilities	791,922	127,714	2,235,696	1,545,389	919,636	3,781,085
Net pension liability	7,546,942	140,507	12,669,501	258,625	7,687,449	12,928,126
Net OPEB liability	1,443,232	1,311,121	-	-	2,754,353	-
Other liabilities	1,261,247	147,150	5,299,639	208,929	1,408,397	5,508,568
Total liabilities	11,043,343	1,726,492	20,204,836	2,012,943	12,769,835	22,217,779
Deferred inflows of resources:						
Property taxes	11,734,784	-	12,434,784	-	11,734,784	12,434,784
Leases	298,307	-	-	-	298,307	-
Pension	9,085,194	194,423	5,804,812	137,567	9,279,617	5,942,379
OPEB	2,702,387	58,418	4,569,644	108,418	2,760,805	4,678,062
Total deferred inflows of resources	23,820,672	252,841	22,809,240	245,985	24,073,513	23,055,225
Net position:						
Net investment in capital assets	58,893,090	16,407,407	62,504,837	16,400,303	75,300,497	78,905,140
Restricted	37,401,991	-	33,860,599	-	37,401,991	33,860,599
Unrestricted	26,569,328	3,644,182	11,243,352	3,396,878	30,213,510	14,640,230
Total net position	$ 122,864,409	$ 20,051,589	$ 107,608,788	$ 19,797,181	$ 142,915,998	$ 127,405,969

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the County's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability/asset to equal the County's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the County's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2022, the County's assets and deferred outflows exceeded liabilities and deferred inflows by $142,915,998. This amounts to $122,864,409 in governmental activities and $20,051,589 in business-type activities. The County's finances remained strong during 2022.

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 44.14% of total governmental and business-type assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. The County's net investment in capital assets at December 31, 2022, was $75,300,497. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2022, the County is able to report positive balances in all three categories of net position for the governmental activities and business-type activities.

A portion of the County's net position, $37,401,991 or 26.17%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $30,213,510 may be used to meet the government's ongoing obligations to citizens and creditors.

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The table below provides a summary of the County's change in net position for 2022 and 2021. 2021 amounts have been restated as described in Note 3.

Change in Net Position

	Governmental Activities 2022	Business-type Activities 2022	Governmental Activities 2021	Business-type Activities 2021	2022 Total	2021 Total
Revenues:						
Program revenues:						
Charges for services and sales	$ 7,070,055	$ 5,114,985	$ 7,012,228	$ 4,742,692	$ 12,185,040	$ 11,754,920
Operating grants and contributions	24,045,232	-	13,170,655	-	24,045,232	13,170,655
Capital grants and contributions	2,585,923	-	2,120,344	-	2,585,923	2,120,344
Total program revenues	33,701,210	5,114,985	22,303,227	4,742,692	38,816,195	27,045,919
General revenues:						
Property taxes	13,192,045	-	12,519,201	-	13,192,045	12,519,201
Sales tax	11,120,694	-	10,794,634	-	11,120,694	10,794,634
Unrestricted grants	2,665,030	-	3,069,157	-	2,665,030	3,069,157
Investment earnings	(827,357)	-	(33,634)	-	(827,357)	(33,634)
Other	1,447,573	72,910	1,652,049	79,634	1,520,483	1,731,683
Total general revenues	27,597,985	72,910	28,001,407	79,634	27,670,895	28,081,041
Total revenues	61,299,195	5,187,895	50,304,634	4,822,326	66,487,090	55,126,960
Expenses:						
Program expenses:						
General government	$8,753,418	-	$6,052,131	-	8,753,418	6,052,131
Public safety	10,551,154	-	6,786,752	-	10,551,154	6,786,752
Public works	6,877,474	-	4,563,404	-	6,877,474	4,563,404
Health	5,730,955	-	3,982,328	-	5,730,955	3,982,328
Human services	5,845,831	-	4,178,527	-	5,845,831	4,178,527
Economic development	1,433,404	-	2,345,609	-	1,433,404	2,345,609
Other	13,497	-	1,855	-	13,497	1,855
Intergovernmental	1,330,078	-	1,197,451	-	1,330,078	1,197,451
Water	-	4,716,684	-	3,909,660	4,716,684	3,909,660
Sewer	-	481,027	-	534,804	481,027	534,804
Solid waste incinerator	-	368,672	-	344,599	368,672	344,599
Total expenses	40,535,811	5,566,383	29,108,057	4,789,063	46,102,194	33,897,120
Transfers	-	-	(35,000)	35,000	-	-
Change in net position	20,763,384	(378,488)	21,161,577	68,263	20,384,896	21,229,840
Net position at beginning of year (restated)	102,101,025	20,430,077	80,939,448	20,361,814	122,531,102	101,301,262
Net position at end of year	$ 122,864,409	$ 20,051,589	$ 102,101,025	$ 20,430,077	$ 142,915,998	$ 122,531,102

Governmental Activities

Governmental net position increased by $20,763,384 in 2022 from 2021 due to a decrease in expenditures.

Expenses of the governmental activities increased $11,427,754 primarily due to an increase in the pension/OPEB expenses during 2022.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2022, general government expenses totaled $8,753,418 or 21.59% of total governmental expenses. General government programs were supported by $4,437,898 in direct charges to users, and $5,309,395 in operating grants and contributions.

The County's largest program was public safety, which primarily supports the operations of the sheriff's department, E-911, emergency medical services, and the EMS advanced & basic life services. The program accounted for $10,551,154 or 26.03% of total governmental expenses. Public safety programs are primarily supported by revenues from charges to users of service, of $1,157,355 and operating grants and contributions of $3,027,229.

The next largest program is public works, which accounted for $6,877,474 of expenses, or 16.97% of total governmental expenses of the County during 2022. Public works programs include the office of the County Engineer, which is accounted for in the motor vehicle and gas tax fund. These expenses were funded in part by $233,268 in charges to users of services, $5,505,937 in operating grants and contributions and $2,585,923 in capital grants and contributions.

Another significant program is health, which accounted for $5,730,955 of expenses, or 14.14% of total governmental expenses of the County during 2022. Health programs include the operation of the county board of DD, the senior center and the dog warden and kennel. These expenses were funded in part by $571,948 in charges to users of services and $684,553 in operating grants and contributions.

The final significant program is human services, which accounted for $5,845,831 of expenses, or 14.42% of total governmental expenses of the County during 2022. Human services programs include the operations of the public assistance, public assistance trust, child support enforcement agency and the children services board. These expenses were funded in part by $650,710 in charges to users of services, $6,182,036 in operating grants and contributions.

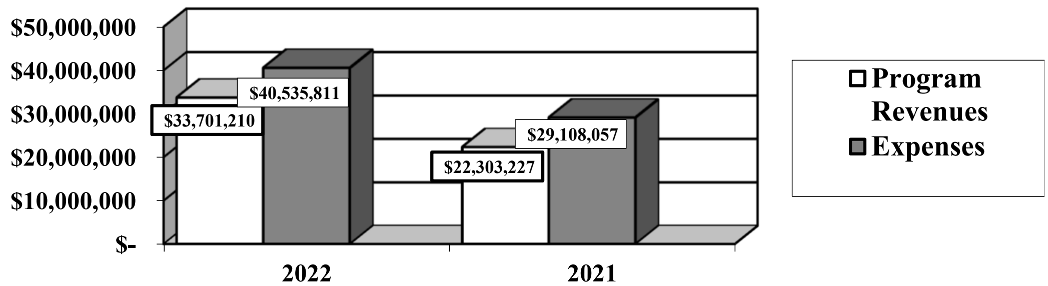
Operating grants and contributions were the largest type of program revenue. The State and federal government contributed revenues of $24,045,232 in operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, $6,182,036 or 25.71%, subsidized human services programs, $5,505,937 or 22.90%, subsidized public works programs, and $3,336,082 or 13.87%, subsidized economic development and assistance programs.

Another type of program revenue is direct charges to users of governmental activities, which make up $7,070,055 or 11.53% of total governmental revenues. These charges for services and sales include fees for charges for services, licenses and permits, and fines and forfeitures related to judicial activities, and rental income.

General revenues totaled $27,597,985 and amounted to 45.02% of total revenues. These revenues primarily consist of property and sales tax revenue of $24,312,739 or 88.10% of total general revenues in 2022. Property and other taxes increased by $672,844 during 2022. Sales tax revenue increased $326,060 in 2022. The other primary source of general revenues is grants and entitlements not restricted to specific programs which include local government revenue, homestead and rollback and tangible personal property tax reimbursement revenue.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities - Program Revenues vs. Total Expenses

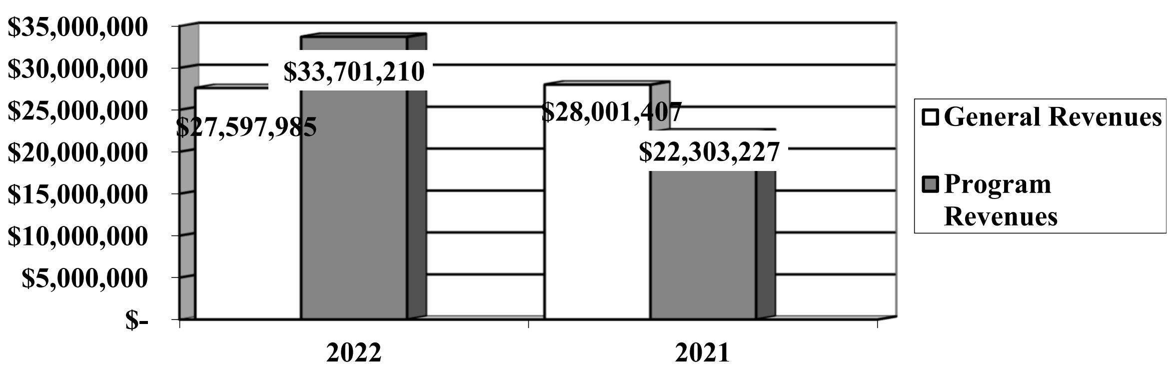


Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
General government	$ 8,753,418	$ (993,875)	$ 6,052,131	$ 2,047,319
Public safety	10,551,154	6,366,570	6,786,752	4,908,327
Public works	6,877,474	(1,447,654)	4,563,404	(3,586,456)
Health	5,730,955	4,474,454	3,982,328	2,156,806
Human services	5,845,831	(986,915)	4,178,527	(1,514,449)
Economic development and assistance	1,433,404	(1,921,554)	2,345,609	1,593,977
Other	13,497	13,497	1,855	1,855
Intergovernmental	1,330,078	1,330,078	1,197,451	1,197,451
Total	$ 40,535,811	$ 6,834,601	$ 29,108,057	$ 6,804,830

The dependence upon general revenues for governmental activities is apparent; with 16.86% and 23.38% of expenses supported through taxes and other general revenues during 2022 and 2021, respectively.

Governmental Activities - General and Program Revenues



Business-Type Activities

The water and sewer funds are the County's two major proprietary funds. The business-type activities had revenues of $5,187,895 and expenses of $5,566,383 for 2022. The net position of these programs decreased $378,488 or 1.85% from 2021's net position.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at year-end.

The County's governmental funds reported a combined fund balance of $72,400,023, which is $14,495,900, greater than last year's total of $57,904,123. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2022, for all major and non-major governmental funds.

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
Major funds:			
General	$ 22,825,856	$ 20,157,561	$ 2,668,295
Motor vehicle and gas tax	5,247,882	5,589,606	(341,724)
County board of DD	13,033,785	12,032,566	1,001,219
EMS A & B life services	3,148,704	3,130,061	18,643
American Rescue Plan Act	-	-	-
Capital Improvement	10,617,520	2,441,756	8,175,764
Other nonmajor governmental funds	17,526,276	14,552,573	2,973,703
Total	$ 72,400,023	$ 57,904,123	$ 14,495,900

General Fund

The general fund is the primary operating fund of the County. During 2022, the County's general fund balance increased $2,668,295. The table that follows assists in illustrating the revenues of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Revenues:			
Taxes	$ 12,479,860	$ 12,234,801	2.00 %
Charges for services	2,096,543	2,216,885	(5.43) %
Licenses and permits	3,146	2,825	11.36 %
Fines and forfeitures	232,597	274,858	(15.38) %
Intergovernmental	1,257,456	1,245,006	1.00 %
Investment income	(910,867)	(56,798)	(1,503.70) %
Rental income	254,426	175,546	44.93 %
Other	9,635,056	853,946	1,028.30 %
Total	$ 25,048,217	$ 16,947,069	47.80 %

Tax revenue represents 49.82% of all general fund revenue. Taxes increased 2.00% or $245,059 primarily due to increased sales tax in 2022. This is a result of the improving economy after the shut-downs related to COVID-19. Fines and forfeitures decreased 15.38% or $42,261. Investment income saw a large decrease in 2022 because the fair value of the County's investments was significantly lower at December 31, 2022 than at December 31, 2021. The fair value of investments fluctuates with market conditions. Other revenues increased 1,028.30% due primarily to how the County handled receipts related to the ARPA grant activity. All other revenue remained comparable to 2021.

The table that follows assists in illustrating the expenditures of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Expenditures			
General government			
Legislative and executive	$ 5,798,240	$ 5,279,433	9.83 %
Judicial	1,977,748	2,062,205	(4.10) %
Public safety	4,374,630	3,485,425	25.51 %
Public works	5,049	3,779	33.61 %
Health	87,845	77,441	13.43 %
Human services	701,705	677,905	3.51 %
Other	279,769	1,855	14,981.89 %
Capital outlay	-	225,782	(100.00) %
Intergovernmental	1,024,386	1,073,428	(4.57) %
Total	$14,249,372	$ 12,887,253	10.57 %

Overall general fund expenditures increased 10.57% from the prior year. Capital outlay decreased 100% due to decreased construction during 2022 while the County was continuing to focus on dealing with COVID-19 related matters. Due to how the County handled ARPA receipts in 2022 there was an allocation against prior year expenses in the general fund that increased expenditures from 2021.

Motor Vehicle and Gas Tax Fund

The motor vehicle and gas tax fund, a County major fund, had revenues and other financing sources of $6,611,203 in 2022. The motor vehicle and gas tax fund had expenditures of $6,952,927 in 2022. The motor vehicle and gas tax fund balance decreased $341,724 from 2021 to 2022.

County Board of Developmental Disabilities (County Board of DD)

The county board of developmental disabilities (the county board of DD) fund, a County major fund, had had revenues and other financing sources of $5,046,259 in 2022. The county board of DD had expenditures of $4,045,040 in 2022. The county board of DD fund balance increased $1,001,219 from 2021 to 2022.

EMS Advanced and Basic Life Services Fund

The emergency medical system advanced and basic (EMS A&B) life services fund, a County major fund, had revenues of $5,573,928 in 2022. The EMS advanced and basic life services fund had expenditures of $5,555,285 in 2022. The EMS A&B life services fund balance increased $18,643 from 2022 to 2021.

American Rescue Plan Act Fund

The American Rescue Plan Act fund, a County major fund, revenues of $8,190,134 and expenditures of $8,190,134 in 2022 and had an ending fund balance of $0.

Capital Improvement Fund

The capital improvement fund, a County major fund, had revenues and other financing sources of $8,764,972 and expenditures of $589,208 in 2022. The capital improvement fund balance increased $8,175,764 from 2021 to 2022 due to transfers from the general fund.

Budgeting Highlights – General Fund

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity, then the appropriations can be adjusted accordingly.

In the general fund, actual revenues and other financing sources of $27,924,575 exceeded original budgeted revenues by $14,801,345 and final budgeted revenues by $6,792,841. The increase is due to the County's conservative approach to budgeting. Actual expenditures and other financing uses of $22,783,064 were $6,534,008 more than original budgeted appropriations and $1,783,763 less than final budgeted appropriations, respectively.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail.

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the County had $77,753,554 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and infrastructure. Of this total, $59,945,259 was reported in governmental activities and $17,808,295 was reported in business-type activities, see Note 10 to the basic financial statements for detail.

The following table shows 2022 balances compared to 2021. 2021 amounts have been restated as described in Note 3.

Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	Restated 2021	2022	Restated 2021
Land	$ 168,932	$ 168,932	$ -	$ -	$ 168,932	$ 168,932
Land improvements	1,202,272	1,312,850	-	-	1,202,272	1,312,850
Building and improvements	18,751,949	19,697,704	618,750	656,250	19,370,699	20,353,954
Furniture and equipment	1,707,452	1,980,247	7,526	8,660	1,714,978	1,988,907
Vehicles	4,008,239	3,910,847	59,098	71,788	4,067,337	3,982,635
Infrastructure	34,106,415	31,080,386	-	-	34,106,415	31,080,386
Water/sewer lines	-	-	17,122,921	17,777,731	17,122,921	17,777,731
Total	$ 59,945,259	$ 58,150,966	$ 17,808,295	$ 18,514,429	$ 77,753,554	$ 76,665,395

Debt Administration

The County had the following long-term obligations outstanding at December 31, 2022 and 2021:

	Governmental Activities 2022	Governmental Activities 2021
OPWC loans	$ 1,052,169	$ 1,153,892

	Business-Type Activities 2022	Business-Type Activities 2021
OWDA loans	$ 1,368,589	$ 1,446,993
Special assessment bonds	25,664	36,460
Loan payable	21,070	41,444
Total long-term obligations	$ 1,415,323	$ 1,524,897

See Note 13 to the basic financial statements for additional disclosures and detail regarding the County's debt activity.

Economic Factors

The County's Administration considered the impact of various economic factors when establishing the 2022 budget. Despite the uncertainty surrounding the economy, the County continues to carefully monitor its primary sources of revenue—real estate taxes, local sales taxes, local government funds and interest income. In order to stabilize the impact of the fluctuations in these revenue sources, the County continues to pursue economic development and job creation; and adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2022 budget, the County emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Honorable Brett J. Kolb, Fulton County Auditor, Courthouse, 152 South Fulton Street, Suite 165, Wauseon, Ohio 43567-1390.

FULTON COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 69,197,383	$ 3,706,596	$ 72,903,979
Cash in segregated accounts	9,720	-	9,720
Receivables:			
Sales taxes	2,903,064	-	2,903,064
Property and other taxes	11,789,343	-	11,789,343
Accounts	584,425	507,464	1,091,889
Special assessments	819,316	285,563	1,104,879
Accrued interest	117,470	-	117,470
Due from other governments	4,605,520	-	4,605,520
Leases	302,633	-	302,633
Materials and supplies inventory	533,078	41,690	574,768
Prepayments	112,940	3,322	116,262
Net pension asset	193,148	3,683	196,831
Net OPEB asset	2,588,676	48,965	2,637,641
Loans receivable, net	34,200	-	34,200
Internal balance	435,939	(435,939)	-
Capital assets:			
Land and construction in progress	168,932	-	168,932
Depreciable capital assets, net	59,776,327	17,808,295	77,584,622
Total capital assets, net	59,945,259	17,808,295	77,753,554
Total assets	154,172,114	21,969,639	176,141,753
Deferred outflows of resources:			
Pension	3,426,282	60,842	3,487,124
OPEB	130,028	441	130,469
Total deferred outflows of resources	3,556,310	61,283	3,617,593
Liabilities:			
Accounts payable	547,649	111,803	659,452
Accrued wages and benefits	486,682	9,745	496,427
Due to other governments	226,916	25,477	252,393
Accrued interest payable	-	125	125
Long-term liabilities:			
Due within one year	791,922	127,714	919,636
Net pension liability	7,546,942	140,507	7,687,449
Due in more than one year	1,443,232	1,311,121	2,754,353
Total liabilities	11,043,343	1,726,492	12,769,835
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	11,734,784	-	11,734,784
Leases	298,307	-	298,307
Pension	9,085,194	194,423	9,279,617
OPEB	2,702,387	58,418	2,760,805
Total deferred inflows of resources	23,820,672	252,841	24,073,513
Net position:			
Net investment in capital assets	58,893,090	16,407,407	75,300,497
Restricted for:			
Debt service	8,328	-	8,328
Capital projects	1,664,843	-	1,664,843
Real estate assessment	666,953	-	666,953
Public safety programs	7,217,935	-	7,217,935
Public works	5,656,164	-	5,656,164
Health programs	13,363,180	-	13,363,180
County court special projects	819,086	-	819,086
Human services programs	4,182,524	-	4,182,524
Economic development programs	787,027	-	787,027
County court computer services	723,779	-	723,779
Other purposes	2,312,172	-	2,312,172
Unrestricted	26,569,328	3,644,182	30,213,510
Total net position	$ 122,864,409	$ 20,051,589	$ 142,915,998

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
Current:				
General government:				
Legislative and executive	$ 6,728,537	$ 3,418,818	$ 3,806,117	$ -
Judicial	2,024,881	1,019,080	1,503,278	-
Public safety	10,551,154	1,157,355	3,027,229	-
Public works	6,877,474	233,268	5,505,937	2,585,923
Health	5,730,955	571,948	684,553	-
Human services	5,845,831	650,710	6,182,036	-
Economic development and assistance	1,433,404	18,876	3,336,082	-
Intergovernmental	1,330,078	-	-	-
Other	13,497	-	-	-
Total governmental activities	40,535,811	7,070,055	24,045,232	2,585,923
Business-type activities:				
Water	4,716,684	4,327,189	-	-
Sewer	481,027	456,602	-	-
Other business-type activities:				
Solid waste incinerator	368,672	331,194	-	-
Total business-type activities	5,566,383	5,114,985	-	-
Totals	$ 46,102,194	$ 12,185,040	$ 24,045,232	$ 2,585,923

General revenues:
Property taxes levied for:
General purposes
Health - County Board of DD
Health - Senior Center
Public safety - EMS A & B life services
Public safety - EMS
Public safety - 911
Sales taxes levied for:
General purposes
Grants and entitlements not restricted to specific programs
Investment earnings
Miscellaneous

Total general revenues

Change in net position

Net position at beginning of year (restated)

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ 496,398	$ -	$ 496,398
497,477	-	497,477
(6,366,570)	-	(6,366,570)
1,447,654	-	1,447,654
(4,474,454)	-	(4,474,454)
986,915	-	986,915
1,921,554	-	1,921,554
(1,330,078)	-	(1,330,078)
(13,497)	-	(13,497)
(6,834,601)	-	(6,834,601)
-	(389,495)	(389,495)
-	(24,425)	(24,425)
-	(37,478)	(37,478)
-	(451,398)	(451,398)
(6,834,601)	(451,398)	(7,285,999)
2,040,487	-	2,040,487
3,916,891	-	3,916,891
1,544,049	-	1,544,049
4,468,441	-	4,468,441
273,708	-	273,708
948,469	-	948,469
11,120,694	-	11,120,694
2,665,030	-	2,665,030
(827,357)	-	(827,357)
1,447,573	72,910	1,520,483
27,597,985	72,910	27,670,895
20,763,384	(378,488)	20,384,896
102,101,025	20,430,077	122,531,102
$ 122,864,409	$ 20,051,589	$ 142,915,998

FULTON COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Motor Vehicle and Gas Tax	County Board of DD	EMS A & B Life Services
Assets:				
Equity in pooled cash and investments	$ 20,025,681	$ 4,036,395	$ 13,077,688	$ 3,035,404
Cash in segregated accounts	8,915	-	-	-
Receivables:				
Sales taxes	2,862,434	40,630	-	-
Property and other taxes	1,802,115	-	2,703,173	4,593,175
Accounts	107,274	-	4,700	441,737
Special assessments	-	-	-	-
Interfund loans	312,000	-	-	-
Accrued interest	117,470	-	-	-
Due from other funds	18,562	-	-	-
Due from other governments	498,342	2,715,035	255,950	42,865
Advances to other funds	605,775	-	-	-
Leases	302,633	-	-	-
Materials and supplies inventory	120,671	334,881	250	-
Prepayments	59,540	4,100	3,607	41
Loans receivable, net	-	-	-	-
Total assets	$ 26,841,412	$ 7,131,041	$ 16,045,368	$ 8,113,222
Liabilities:				
Accounts payable	$ 161,248	$ 8,907	$ 76,219	$ 15,976
Accrued wages and benefits payable	194,210	60,637	53,434	556
Due to other governments	79,046	20,300	17,880	198
Interfund loans payable	-	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	150	30	312
Total liabilities	434,504	89,994	147,563	17,042
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	1,800,000	-	2,700,000	4,587,784
Delinquent property tax revenue not available	2,115	-	3,173	5,391
Accrued interest not available	60,719	-	-	-
Special assessments revenue not available	-	-	-	-
Sales tax revenue not available	1,048,459	-	-	-
Intergovernmental revenue not available	371,452	1,793,165	160,847	42,865
Leases	298,307	-	-	-
Miscellaneous revenue not available	-	-	-	311,436
Total deferred inflows of resources	3,581,052	1,793,165	2,864,020	4,947,476
Fund balances:				
Nonspendable	880,614	338,981	3,857	41
Restricted	-	4,908,901	13,029,928	3,148,663
Committed	-	-	-	-
Assigned	6,121,443	-	-	-
Unassigned (deficit)	15,823,799	-	-	-
Total fund balances	22,825,856	5,247,882	13,033,785	3,148,704
Total liabilities, deferred inflows of resources and fund balances	$ 26,841,412	$ 7,131,041	$ 16,045,368	$ 8,113,222

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
$ 10,475,192	$ 18,317,617	$ 68,967,977
-	805	9,720
-	-	2,903,064
-	2,690,880	11,789,343
-	30,231	583,942
-	819,316	819,316
-	-	312,000
-	-	117,470
-	15,671	34,233
307,134	786,194	4,605,520
-	-	605,775
-	-	302,633
-	77,016	532,818
-	30,523	97,811
-	34,200	34,200
$ 10,782,326	$ 22,802,453	$ 91,715,822
$ 1,700	$ 277,799	$ 541,849
-	167,917	476,754
-	105,893	223,317
-	312,000	312,000
-	171,197	171,197
-	32,317	32,809
1,700	1,067,123	1,757,926
-	2,647,000	11,734,784
-	3,111	13,790
-	-	60,719
-	819,316	819,316
-	-	1,048,459
163,106	739,627	3,271,062
-	-	298,307
-	-	311,436
163,106	4,209,054	17,557,873
-	107,539	1,331,032
-	17,465,674	38,553,166
10,617,520	-	10,617,520
-	1,176	6,122,619
-	(48,113)	15,775,686
10,617,520	17,526,276	72,400,023
$ 10,782,326	$ 22,802,453	$ 91,715,822

FULTON COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		$ 72,400,023
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		59,945,259
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	$ 1,048,459	
Property and other taxes receivable	13,790	
Charges for service receivable	311,436	
Intergovernmental receivable	3,271,062	
Special assessments receivable	819,316	
Accrued interest receivable	60,719	
Total		5,524,782
Internal service funds are used by management to charge the costs of geographic information systems and loss to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		(58,771)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.		
Net pension asset	189,229	
Deferred outflows of resources	3,350,289	
Deferred inflows of resources	(8,902,815)	
Net pension liability	(7,397,430)	
Total		(12,760,727)
The net OPEB liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.		
Net OPEB asset	2,536,574	
Deferred outflows of resources	127,309	
Deferred inflows of resources	(2,648,529)	
Total		15,354
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,149,342)	
OPWC loans	(1,052,169)	
Total		(2,201,511)
Net position of governmental activities		$ 122,864,409

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Motor Vehicle and Gas Tax	County Board of DD	EMS A & B Life Services
Revenues:				
Property and other taxes	$ 2,041,959	$ -	$ 3,921,090	$ 4,472,191
Sales taxes	10,437,901	561,129	-	-
Charges for services	2,096,543	175,889	155,445	1,000,495
Licenses and permits	3,146	-	-	-
Fines and forfeitures	232,597	57,379	-	-
Intergovernmental	1,257,456	5,594,513	826,918	91,886
Special assessments	-	-	-	-
Investment income	(910,867)	58,692	-	-
Rental income	254,426	-	-	-
Contributions and donations	4,418	-	903	-
Other	9,630,638	115,492	96,903	9,356
Total revenues	25,048,217	6,563,094	5,001,259	5,573,928
Expenditures:				
Current:				
General government:				
Legislative and executive	5,798,240	-	-	-
Judicial	1,977,748	-	-	-
Public safety	4,374,630	-	-	5,555,285
Public works	5,049	6,524,828	-	-
Health	87,845	-	4,045,040	-
Human services	701,705	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	-	326,376	-	-
Intergovernmental	1,024,386	-	-	-
Other	279,769	-	-	-
Debt service:				
Principal retirement	-	101,723	-	-
Total expenditures	14,249,372	6,952,927	4,045,040	5,555,285
Excess (deficiency) of revenues over (under) expenditures	10,798,845	(389,833)	956,219	18,643
Other financing sources (uses):				
Transfers in	-	48,109	45,000	-
Transfers (out)	(8,130,550)	-	-	-
Total other financing sources (uses)	(8,130,550)	48,109	45,000	-
Net change in fund balances	2,668,295	(341,724)	1,001,219	18,643
Fund balances at beginning of year	20,157,561	5,589,606	12,032,566	3,130,061
Fund balances at end of year	$ 22,825,856	$ 5,247,882	$ 13,033,785	$ 3,148,704

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

American Rescue Plan Act	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 2,921,438	$ 13,356,678
-	-	-	10,999,030
-	-	2,312,550	5,740,922
-	-	32,206	35,352
-	-	151,610	441,586
8,187,522	708,891	11,919,801	28,586,987
-	-	1,020,723	1,020,723
2,612	-	2,741	(846,822)
-	-	-	254,426
-	-	-	5,321
-	25,531	320,767	10,198,687
8,190,134	734,422	18,681,836	69,792,890
3,616,823	-	1,281,230	10,696,293
1,261,946	-	202,946	3,442,640
2,510,160	-	1,684,514	14,124,589
2,528	-	96,218	6,628,623
-	-	2,302,001	6,434,886
461,683	-	5,858,725	7,022,113
-	-	1,428,775	1,428,775
-	-	2,860,615	3,186,991
70,722	589,208	-	1,684,316
266,272	-	-	546,041
-	-	-	101,723
8,190,134	589,208	15,715,024	55,296,990
-	145,214	2,966,812	14,495,900
-	8,030,550	139,993	8,263,652
-	-	(133,102)	(8,263,652)
-	8,030,550	6,891	-
-	8,175,764	2,973,703	14,495,900
-	2,441,756	14,552,573	57,904,123
$ -	$ 10,617,520	$ 17,526,276	$ 72,400,023

FULTON COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds		$ 14,495,900
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	$ 6,177,225	
Current year depreciation	(4,359,988)	
Total		1,817,237
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(22,944)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	121,664	
Property and other taxes	(10,986)	
Intergovernmental revenues	285,763	
Special assessments	(600,803)	
Investment income	22,077	
Charges for services	(121,276)	
Total		(303,561)
Repayment of bond, loan, note and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		101,723
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,805,725	
OPEB	10,821	
Total		1,816,546
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	875,832	
OPEB	2,011,008	
Total		2,886,840
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(98,687)
The internal service funds used by management to charge the costs of GIS and loss to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		70,330
Change in net position of governmental activities		$ 20,763,384

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property and other taxes	$ 1,122,494	$ 1,807,500	$ 2,050,990	$ 243,490
Sales taxes	4,750,803	7,650,000	10,282,024	2,632,024
Charges for services	818,554	1,318,080	1,859,677	541,597
Licenses and permits	807	1,300	3,096	1,796
Fines and forfeitures	152,957	246,300	233,943	(12,357)
Intergovernmental	604,901	974,044	1,281,703	307,659
Investment income	435,528	701,310	1,080,611	379,301
Rental income	170,781	275,000	438,489	163,489
Contributions and donations	1,242	2,000	4,418	2,418
Other	5,065,163	8,156,200	8,738,670	582,470
Total revenues	13,123,230	21,131,734	25,973,621	4,841,887
Expenditures:				
Current:				
General government:				
Legislative and executive	6,087,107	5,977,646	5,640,655	336,991
Judicial	2,185,510	2,252,240	1,808,377	443,863
Public safety	5,289,122	5,249,371	4,622,443	626,928
Public works	6,600	6,600	5,128	1,472
Health	200,332	148,001	138,635	9,366
Human services	972,973	972,474	710,861	261,613
Intergovernmental	1,117,340	1,128,789	1,112,261	16,528
Other	200,000	125,000	-	125,000
Capital outlay	190,072	112,000	149,998	(37,998)
Total expenditures	16,249,056	15,972,121	14,188,358	1,783,763
Excess (deficiency) of revenues over (under) expenditures	(3,125,826)	5,159,613	11,785,263	6,625,650
Other financing sources (uses):				
Advances in	-	-	1,950,954	1,950,954
Advances (out)	-	(439,156)	(439,156)	-
Transfers (out)	-	(8,155,550)	(8,155,550)	-
Total other financing sources (uses)	-	(8,594,706)	(6,643,752)	1,950,954
Net change in fund balance	(3,125,826)	(3,435,093)	5,141,511	8,576,604
Fund balance at beginning of year	11,586,443	11,586,443	11,586,443	-
Prior year encumbrances appropriated	637,912	637,912	637,912	-
Fund balance at end of year	$ 9,098,529	$ 8,789,262	$ 17,365,866	$ 8,576,604

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE AND GAS TAX
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual**	**Positive (Negative)**
Revenues:				
Sales taxes	$ 550,000	$ 550,000	$ 563,146	$ 13,146
Charges for services	25,000	25,000	175,889	150,889
Fines and forfeitures	32,000	32,000	57,379	25,379
Intergovernmental	5,550,000	5,550,000	5,528,037	(21,963)
Investment income	10,000	10,000	58,692	48,692
Other	95,000	95,000	115,866	20,866
Total revenues	6,262,000	6,262,000	6,499,009	237,009
Expenditures:				
Current:				
Public works	6,170,821	9,291,801	6,906,790	2,385,011
Capital outlay	451,376	337,000	639,955	(302,955)
Debt service:				
Principal retirement	102,000	102,000	101,723	277
Total expenditures	6,724,197	9,730,801	7,648,468	2,082,333
Excess of expenditures over revenues	(462,197)	(3,468,801)	(1,149,459)	2,319,342
Other financing sources:				
Transfers in	30,000	30,000	48,109	18,109
Net change in fund balance	(432,197)	(3,438,801)	(1,101,350)	2,337,451
Fund balance at beginning of year	4,111,017	4,111,017	4,111,017	-
Prior year encumbrances appropriated	500,271	500,271	500,271	-
Fund balance at end of year	$ 4,179,091	$ 1,172,487	$ 3,509,938	$ 2,337,451

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property and other taxes.	$ 3,700,000	$ 3,700,000	$ 3,963,843	$ 263,843
Charges for services.	51,000	51,000	155,445	104,445
Intergovernmental.	632,500	632,500	863,613	231,113
Contributions and donations.	-	-	903	903
Other	65,000	65,000	92,528	27,528
Total revenues	4,448,500	4,448,500	5,076,332	627,832
Expenditures:				
Current:				
Health	4,844,931	6,296,915	4,084,546	2,212,369
Excess (deficiency) of revenues over (under) expenditures.	(396,431)	(1,848,415)	991,786	2,840,201
Other financing sources:				
Transfers in	45,000	45,000	45,000	-
Net change in fund balance	(351,431)	(1,803,415)	1,036,786	2,840,201
Fund balance at beginning of year	11,617,136	11,617,136	11,617,136	-
Prior year encumbrances appropriated . . .	257,442	257,442	257,442	-
Fund balance at end of year	$ 11,523,147	$ 10,071,163	$ 12,911,364	$ 2,840,201

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS ADVANCED AND BASIC LIFE SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Property and other taxes.	$ 4,587,784	$ 4,587,784	$ 4,495,210	$ (92,574)
Charges for services.	650,000	650,000	1,072,044	422,044
Intergovernmental.	160,000	160,000	91,886	(68,114)
Other	-	-	6,636	6,636
Total revenues	5,397,784	5,397,784	5,665,776	267,992
Expenditures:				
Current:				
Public safety	5,851,006	6,323,325	6,230,292	93,033
Net change in fund balance	(453,222)	(925,541)	(564,516)	361,025
Fund balance at beginning of year	2,564,213	2,564,213	2,564,213	-
Prior year encumbrances appropriated . . .	263,088	263,088	263,088	-
Fund balance at end of year	$ 2,374,079	$ 1,901,760	$ 2,262,785	$ 361,025

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ -	$ 4,091,241	$ 4,091,241	$ -
Investment income	-	2,612	2,612	-
Total revenues	-	4,093,853	4,093,853	-
Expenditures:				
Current:				
General government:				
Legislative and executive	-	3,616,823	3,616,823	-
Judicial	-	1,261,946	1,261,946	-
Public safety	-	2,510,160	2,510,160	-
Public works	-	2,528	2,528	-
Human services	-	461,683	461,683	-
Capital outlay	-	70,722	70,722	-
Intergovernmental	-	266,272	266,272	-
Total expenditures	-	8,190,134	8,190,134	-
Net change in fund balance	-	(4,096,281)	(4,096,281)	-
Fund balance at beginning of year	4,096,281	4,096,281	4,096,281	-
Fund balance at end of year	$ 4,096,281	$ -	$ -	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Assets:					
Current assets:					
Equity in pooled cash and investments	$ 2,910,397	$ 701,700	$ 94,499	$ 3,706,596	$ 229,406
Receivables:					
Accounts	442,940	59,143	5,381	507,464	483
Special assessments	7,743	277,820	-	285,563	-
Materials and supplies inventory	20,845	20,845	-	41,690	260
Prepayments	2,585	492	245	3,322	15,129
Total current assets	3,384,510	1,060,000	100,125	4,544,635	245,278
Noncurrent assets:					
Net pension asset	1,531	1,531	621	3,683	3,919
Net OPEB asset	20,355	20,355	8,255	48,965	52,102
Capital assets:					
Depreciable capital assets, net	13,549,640	4,258,655	-	17,808,295	-
Total noncurrent assets	13,571,526	4,280,541	8,876	17,860,943	56,021
Total assets	16,956,036	5,340,541	109,001	22,405,578	301,299
Deferred outflows of resources:					
Pension	25,040	25,040	10,762	60,842	75,993
OPEB	88	88	265	441	2,719
Total deferred outflows of resources	25,128	25,128	11,027	61,283	78,712
Total assets and deferred outflows of resources	16,981,164	5,365,669	120,028	22,466,861	380,011
Liabilities:					
Current liabilities:					
Accounts payable	55,362	12,826	43,615	111,803	5,800
Accrued wages and benefits	4,162	4,162	1,421	9,745	9,928
Due to other funds	647	647	67	1,361	63
Due to other governments	1,405	23,411	661	25,477	3,599
Accrued interest payable	40	85	-	125	-
Compensated absences payable - current	8,424	8,424	-	16,848	15,261
Advances from other funds	375,000	2,374	57,204	434,578	-
Special assessment bonds payable	1,203	10,189	-	11,392	-
OWDA loans payable	66,216	12,188	-	78,404	-
Other loans payable	21,070	-	-	21,070	-
Total current liabilities	533,529	74,306	102,968	710,803	34,651
Long-term liabilities:					
Compensated absences payable	2,260	2,260	2,144	6,664	18,382
Special assessment bonds payable	3,573	10,699	-	14,272	-
OWDA loans payable	1,224,998	65,187	-	1,290,185	-
Net pension liability	58,409	58,409	23,689	140,507	149,512
Total long-term liabilities	1,289,240	136,555	25,833	1,451,628	167,894
Total liabilities	1,822,769	210,861	128,801	2,162,431	202,545
Deferred inflows of resources:					
Pension	82,761	82,765	28,897	194,423	182,379
OPEB	24,944	24,944	8,530	58,418	53,858
Total deferred inflows of resources	107,705	107,709	37,427	252,841	236,237
Total liabilities and deferred inflows of resources	1,930,474	318,570	166,228	2,415,272	438,782
Net position:					
Net investment in capital assets	12,232,580	4,174,827	-	16,407,407	-
Unrestricted (deficit)	2,818,110	872,272	(46,200)	3,644,182	(58,771)
Total net position (deficit)	$ 15,050,690	$ 5,047,099	$ (46,200)	$ 20,051,589	$ (58,771)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Nonmajor Enterprise Funds**	**Total**	
Operating revenues:					
Charges for services	$ 4,327,189	$ 456,602	$ 331,194	$ 5,114,985	$ 559,186
Tap-in fees	2,728	2,728	-	5,456	-
Other operating revenues	53,179	146	4	53,329	483
Special assessments	1,651	12,474	-	14,125	-
Total operating revenues	4,384,747	471,950	331,198	5,187,895	559,669
Operating expenses:					
Personal services	86,880	86,878	45,186	218,944	273,639
Contract services	4,042,578	206,402	315,777	4,564,757	-
Materials and supplies	24,429	1,870	3,288	29,587	214,550
Administrative costs	5,655	5,655	-	11,310	741
Depreciation	530,735	175,399	-	706,134	-
Other	24,767	3,332	4,421	32,520	409
Total operating expenses	4,715,044	479,536	368,672	5,563,252	489,339
Operating income (loss)	(330,297)	(7,586)	(37,474)	(375,357)	70,330
Nonoperating expenses:					
Interest and fiscal charges	(1,640)	(1,491)	-	(3,131)	-
Change in net position	(331,937)	(9,077)	(37,474)	(378,488)	70,330
Net position (deficit) at beginning of year (restated).	15,382,627	5,056,176	(8,726)	20,430,077	(129,101)
Net position (deficit) at end of year	$ 15,050,690	$ 5,047,099	$ (46,200)	$ 20,051,589	$ (58,771)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from tap-in fees	$ 2,728	$ 2,728	$ -	$ 5,456	$ -
Cash received from charges for services	4,545,589	451,626	331,741	5,328,956	559,186
Cash received from other operations	52,938	12,620	4	65,562	-
Cash payments for personal services	(145,157)	(145,157)	(60,594)	(350,908)	(355,667)
Cash payments for contractual services	(4,062,104)	(214,205)	(349,801)	(4,626,110)	-
Cash payments for materials and supplies	(21,070)	(13,118)	(3,322)	(37,510)	(219,869)
Cash payments for administrative costs	(7,088)	(7,088)	-	(14,176)	(678)
Cash payments for other expenses	(130,126)	(3,461)	(3,644)	(137,231)	(649)
Net cash provided by (used in) operating activities	235,710	83,945	(85,616)	234,039	(17,677)
Cash flows from noncapital financing activities:					
Cash received from advances in	-	458	57,204	57,662	-
Cash flows from capital and related financing activities:					
Principal retirement on bonds	(1,092)	(9,704)	-	(10,796)	-
Principal retirement on loans	(86,590)	(12,188)	-	(98,778)	-
Interest and fiscal charges	(1,649)	(1,530)	-	(3,179)	-
Net cash used in capital and related financing activities	(89,331)	(23,422)	-	(112,753)	-
Net increase (decrease) in cash and investments	146,379	60,981	(28,412)	178,948	(17,677)
Cash and investments at beginning of year	2,764,018	640,719	122,911	3,527,648	247,083
Cash and investments at end of year	$ 2,910,397	$ 701,700	$ 94,499	$ 3,706,596	$ 229,406

- - Continued

FULTON COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	**Sewer**	**Nonmajor Enterprise Funds**	**Total**	
Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:					
Operating income (loss)	$ (330,297)	$ (7,586)	$ (37,474)	$ (375,357)	$ 70,330
Adjustments:					
Depreciation	530,735	175,399	-	706,134	-
Changes in assets and liabilities:					
Change in materials and supplies inventory	(11,727)	(11,727)	-	(23,454)	240
Change in accounts receivable	130,680	10,921	547	142,148	(483)
Change in special assessment	(16,338)	(15,897)	-	(32,235)	-
Change in net pension asset	(58)	(58)	(77)	(193)	(620)
Change in net OPEB asset	(7,598)	(7,597)	(3,546)	(18,741)	(23,532)
Change in deferred outflows - pension	(8,313)	(8,313)	(3,776)	(20,402)	(28,400)
Change in deferred outflows - OPEB	6,320	6,320	2,525	15,165	15,836
Change in prepayments	12,044	(126)	729	12,647	7,370
Change in accounts payable	(20,087)	(30,041)	(33,976)	(84,104)	(5,569)
Change in accrued wages and benefits	211	211	330	752	(301)
Change in intergovernmental payable	(230)	21,776	75	21,621	(30)
Change in net pension liability	(50,752)	(50,759)	(16,607)	(118,118)	(94,958)
Change in deferred inflows pension	22,975	22,980	10,901	56,856	74,203
Change in deferred inflows OPEB	(21,985)	(21,986)	(6,029)	(50,000)	(34,320)
Change in compensated absences payable	1,112	1,112	796	3,020	2,494
Change in due to other funds	(982)	(684)	(34)	(1,700)	63
Net cash provided (used in) by operating activities	$ 235,710	$ 83,945	$ (85,616)	$ 234,039	$ (17,677)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	$ 7,518,091
Cash in segregated accounts	459,620
Receivables:	
Property and other taxes	82,000,071
Special assessments	2,562,408
Deferred assessments	1,263,107
Due from other governments	2,474,044
Prepayments	8,516
Total assets	96,285,857
Liabilities:	
Due to other governments	144,221
Deferred loan payments	1,263,107
Total liabilities	1,407,328
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	61,695,155
Net position:	
Restricted for individuals, organizations and other governments	33,183,374
Total net position	$ 33,183,374

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial
Additions:	
Intergovernmental.	$ 4,910,836
Amounts received as fiscal agent.	8,721,306
Amounts held for employees.	404,320
Fines and forfeitures for other governments.	8,222,193
Property tax collection for other governments.	61,384,632
Other custodial fund collections.	175,399
Total additions.	83,818,686
Deductions:	
Distributions of state funds to other governments.	4,509,342
Distributions as fiscal agent.	8,009,321
Distributions to individuals.	404,494
Fines and forfeitures distributions to other governments. .	7,906,794
Property tax distributions to other governments.	54,309,020
Other custodial fund disbursements.	304,184
Total deductions.	75,443,155
Net change in fiduciary net position.	8,375,531
Net position beginning of year.	24,807,843
Net position end of year.	$ 33,183,374

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE COUNTY

Fulton County, Ohio (the County) was created in 1850. The County is governed by a Board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other officials elected by the voters of the County that manage various segments of the County's operations are: the county auditor, county treasurer, recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, common pleas court judge, a probate court judge and two county municipal court judges.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The most significant of the County's accounting policies are described below.

A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The basic financial statements include all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of the PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Based on the foregoing criteria, the financial activities of the following PCU's have been reflected in the accompanying basic financial statements as:

EXCLUDED POTENTIAL COMPONENT UNITS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the County Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the County Treasurer invests public monies held on deposit in the County treasury.

In the case of the separate agencies, boards, and commissions listed below the County serves as fiscal agent and custodian, but is not accountable; therefore, the operations of the following PCU's have been excluded from the County's BFS, but the funds held on behalf of these PCU's in the County treasury are included in the custodial funds.

Fulton County Board of Health - The five-member Board of Health is appointed by the District Advisory Council, which is comprised of township trustee chairmen and clerks and mayors of participating municipalities. The Board of Health adopts its own budget and operates autonomously from the County.

Soil and Water Conservation District - The five members of the District are independently elected officials. They adopt their own budget and operate autonomously from the County.

JOINTLY GOVERNED ORGANIZATIONS

Maumee Valley Planning Organization - The County is a member of the Maumee Valley Planning Organization (MVPO) which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants and help with housing rehabilitation in the area.

MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member county as well as one township representative and one municipal representative for each of the five member counties. The main sources of revenue are fees charged by MVPO to administer Community Development Block Grants and a per capita amount from each county. In 2022, the County paid per capita charges of $113,612 to MVPO.

JOINT VENTURES WITHOUT EQUITY INTEREST

Corrections Center of Northwest Ohio - The County is a member of Northwest Ohio's Multicounty - Municipal Correctional Center (CCNO), which is a joint venture between Defiance, Fulton, Henry, Lucas and Williams counties and the City of Toledo. The purpose of the CCNO is to provide additional jail space for convicted criminals in the five counties and City of Toledo and to provide a correctional center for the inmates. The CCNO joint venture was created in 1986, construction was finished and occupancy was taken December 31, 1996.

The CCNO is governed by a commission team made up of 18 members. These members consist of one judge, one chief law enforcement officer, and one county commissioner or administrative official from each entity. Sources of revenue include operating costs and capital costs contributed by members and rental revenue. The County does not have explicit, measurable right to the net resources of the CCNO. Total expenditures made by the County to the CCNO in 2022 were $1,306,292. Completed financial statements for the CCNO can be obtained from the CCNO's administrative office on County Road 24 in Stryker, Ohio.

The Multi-Area Task Force (Task Force) – is a joint venture among Defiance, Williams, Fulton, and Putnam counties and Defiance and Bryan City. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity. The main source of revenue for the Task Force is from federal grants and local matching funds from the entities. The County has no ongoing financial interest or responsibility for the Task Force. In 2022, the County contributed $25,000 to the Task Force's operations. Information can be obtained from the Defiance County Sheriff's Office, 113 Beide Street, Defiance, Ohio 43512.

Regional Planning Commission - The County, along with the townships, villages and cities within Fulton County, is a participant in the joint venture to operate the Fulton County Regional Planning Commission (the Commission). The Commission's duties are to make studies, maps, plans, recommendations and reports concerning the physical, environmental, social, economic and governmental characteristics, functions, services, and other aspects of the County.

The entities within the Commission pay an annual assessment to the Commission based on census figures. The County's assessments are a match to the total assessment on the members. The financial statements of the Commission can be reviewed at the Fulton County Courthouse, Wauseon.

Quadco Rehabilitation Center - The County is a participant with Henry, Defiance, and Williams Counties in a joint venture to operate Quadco Rehabilitation Center, Administrative Board (Quadco). Quadco, a nonprofit corporation, provides services and facilities for training physically and mentally disabled persons. Quadco is responsible for contracting with various agencies to obtain funding to operate the organization.

Quadco is governed by an eight-member Board composed of two appointees made by each of the four County Boards of Developmental Disabilities (County Boards of DD). This Board in conjunction with the County Boards of DD assesses the need of the adult developmentally disabled residents in each County and sets priorities based on available funds. The County provides subsidies to Quadco based on units of service provided to it. For the year ended December 31, 2022 the County did not remit any funds to Quadco.

The Board operates autonomously from the County and the County has no financial responsibility for the operations of the Board. On dissolution of Quadco, the property and equipment of the corporation would revert back to the four counties. This access to the net resources of the Board has not been explicitly defined, nor is it currently measurable. Complete financial statements for Quadco can be obtained from Quadco's administrative office at 427 North Fulton Street, Stryker, Ohio.

Four County Solid Waste District - The County is a member of the Four County Solid Waste District (District), which is a joint venture between Fulton, Defiance, Paulding, and Williams counties. The purpose of the District is to make disposal of waste in the four-county area more comprehensive in terms of recycling, incinerating, and landfilling. The District was created in 1989.

The District is governed and operated through a twelve-member Board of Directors, comprised of three commissioners from each county. Financial records are maintained by the Williams County Auditor in Bryan, Ohio. The District's sole revenue source is derived from a waste disposal fee for in-district and out-of-district waste.

The County has an ongoing financial interest in the District. The County Commissioners are able to influence the Board of Directors to use the District's surplus resources to undertake special projects of interest of the County's citizens. In the event that a county withdraws from the District, this access to the net resources has not been explicitly defined, nor is it currently measurable. The County has no ongoing financial responsibility for the District. No contributions were made by the County to the District in 2022. Grant monies received by the County from the District are reported in a special revenue fund.

Community Improvement Corporation of Fulton County - The County, along with the townships, villages and cities within Fulton County, is a participant in the joint venture to operate the Community Improvement Corporation (CIC) of Fulton County. The CIC's duties are to advance, encourage and promote the industrial, economic, commercial and civic development of the County and the surrounding territory.

The CIC is governed by a board of twenty-three trustees. Four of these trustees are elected and appointed officials of Fulton County, with the remaining trustees consisting of officials from the various municipalities, townships and villages represented, as well as four at-large members from local businesses which have an interest in economic development. The County's degree of control over the board is limited to its representation on the board.

Northwest Ohio Juvenile Detention, Training, and Rehabilitation District - The County is a participant with Defiance, Henry, and Williams Counties in a joint venture to operate the Northwest Juvenile Detention, Training, and Rehabilitation District (NWOJDD), established to operate both detention and training and rehabilitation facilities for juveniles.

NWOJDD is governed and operated by a thirteen-member board of trustees consisting of three trustees from each county and one at large member. Revenue sources are from member counties and rental revenue. The County has no ongoing financial responsibility for NWOJDD. The County remitted $298,658 to NWOJDD in 2022.

Four County Board of Alcohol, Drug Addiction and Mental Health Services - The Four County Board of Alcohol, Drug Addiction and Mental Health Services (the Board) is a joint venture between Fulton, Defiance, Henry, and Williams Counties. The purpose of this board is to provide alcohol, drug addiction, and mental health services to individuals in the four counties.

The Four County Board is governed by a Board consisting of eighteen members. The breakdown is as follows: four members are appointed by the Ohio Director of Alcohol and Drug Addiction Services and by the Ohio Department of Mental Health, three each are appointed by the Defiance and Fulton County Commissioners, and two each are appointed by the Henry and Williams County Commissioners.

The main sources of revenue of the Board are State and federal grants, and a property tax levy covering the entire four county areas. Outside agencies are contracted by the Board to provide services for the Board. The Board operates autonomously from the County and the County has no financial responsibility for the operations of the Board. The County does have indirect access to the net resources of the Board. In the event the County withdrew from the Board it would be entitled to a share of the state and federal grants that is currently being received by the Board. This access to net resources of the Board has not been explicitly defined, nor is it currently measurable. Complete financial statements for the Board can be obtained from the Board at its offices located at State Route 66 at State Route 34, Archbold, Ohio.

RELATED ORGANIZATIONS

Fulton County Airport Authority -The Fulton County Airport Authority (the Airport Authority) was created by resolution of the County Commissioners under the authority of Chapter 308 of the Ohio Revised Code. The Airport Authority is governed by a seven-member Board of Trustees appointed by the County Commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals, and other charges; the authority to acquire, construct, operate, manage, and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. The Airport Authority serves as custodian of its own funds and maintains all records and accounts independent of Fulton County. Based on the nature of the financial activities of the Airport Authority and the County, there is no benefit/burden relationship between the two entities, thus designating the Airport Authority as a related organization of the County. Although the County has no obligation to provide financial resources to the Airport Authority, the County Commissioners have in prior years allocated certain funds to the Airport Authority. In 2022, the County made no contributions to the Airport Authority.

B. Basis of Presentation

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

C. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows is reported as fund balance. The following are the County's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gas Tax - This fund accounts for revenues derived from motor vehicle licenses, and gasoline taxes. Expenditures are restricted by State law to County road and bridge repair and maintenance programs.

County Board of Developmental Disabilities (County Board of DD) - This fund accounts for the operation of a school and the costs of administering a workshop for the developmentally disabled. Revenue sources include a countywide property tax levy and federal and State grants.

EMS Advanced and Basic Life Services - This fund accounts for a property tax levy, charges for services and cost of services related to the emergency medical services provided by the County.

American Rescue Plan Act - The American Rescue Plan Act fund accounts for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides additional relief to address the continued impact of the COVID-19 pandemic.

Capital Improvement – This fund accounts for resources used to purchase equipment and construct capital assets.

Other governmental funds of the County are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County has presented the following major enterprise funds:

Sewer - This fund accounts for sanitary sewer services provided to individual and commercial users in the majority of the unincorporated areas of the County. The costs of providing these services are financed primarily through user charges.

Water - This fund accounts for revenues and expenses associated with water services provided from the County to individual and commercial users. The costs of providing these services are financed primarily through user charges.

The other enterprise funds of the County are used to account for the solid waste incinerator and recycling activities. These funds are nonmajor funds whose activities have been aggregated and presented in a single column in the BFS.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds primarily account for geographic information systems services provided to various departments of the County.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The County does not have any pension trust funds, investment trust funds or private purpose trust funds. The County's custodial funds account for assets held by the County for political subdivisions in which the County acts as fiscal agent and for taxes, State-levied shared revenues, and fines and for forfeitures collected and distributed to other political subdivisions.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all deferred outflows, all liabilities and all deferred inflows associated with the operation of the County are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary funds.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. Government-wide financial statements are prepared using the full accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the full accrual basis of accounting. Differences in the full accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the full accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the year in which the sales are made. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from all other nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales tax (See Note 7), interest, federal and State grants and subsidies, State-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 15 and 16 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 15 and 16 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expense/Expenditures - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Tax Budget - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except custodial funds are legally required to be budgeted. The purpose of the tax budget is to reflect the need for existing (or increased) tax rates.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The County Budget Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund.

On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the County Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the original and final amended certificate of estimated resources issued during 2021.

Appropriations - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original budget and all budgetary amendments and supplemental appropriations necessary during 2022 are included in the original and final budget amounts in the budget-to-actual comparisons.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not re-appropriated.

G. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During 2022, investments were limited to federal agency securities, negotiable certificates of deposit, U.S. Treasury Note, foreign bonds, commercial paper, and U.S. Government money market mutual funds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund.

The County has segregated bank accounts for monies held separately from the County's central bank account. These depository accounts are presented on the basic financial statements as "cash in segregated accounts" since they are not required to be deposited into the County treasury.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the County's investment account at year end is provided in Note 4.

H. Inventories of Materials and Supplies

On the government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, reported material and supplies inventory is equally offset by nonspendable balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The County maintains a capitalization threshold of $2,500. The County's infrastructure consists of roads, bridges, culverts and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated except for land and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land improvements	10 - 20 years	-
Buildings and improvements	20 - 40 years	20 - 40 years
Machinery and equipment	5 - 20 years	5 - 20 years
Vehicles	8 - 20 years	5 years
Sewer lines/water lines	-	50 years
Infrastructure	20 - 50 years	20 - 50 years

Interest is capitalized on proprietary fund capital assets acquired with tax-exempt debt. The County's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period.

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2022, the net interest expense incurred on proprietary fund construction projects was not material.

J. Compensated Absences

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and is not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at December 31, 2022, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Sick leave benefits are accrued using the vesting method.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2022 and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of 4.6 hours per 80 hours worked. Vacation and sick leave are accumulated on an hours worked basis. Vacation pay is vested after one year and sick pay upon eligibility for retirement. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the accounts "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance classification in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds capital leases and long-term loans are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" for long-term loans and "interfund loans receivable/ payable" for short-term loans. All other outstanding balances outstanding between funds are reported as "due to/from other funds." These amounts are eliminated in the statement of net position, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the governmental fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Commissioners (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Commissioners.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for services for the water, sewer, solid waste incinerator, recycling and geographic information systems programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction or from other funds within the County. During 2022, the County had no contributions of capital.

Q. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2022, there was no net position restricted by enabling legislation.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The County had no extraordinary or special items during 2022.

S. Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net pension/OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

U. Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/ Restatement of Net Position

For 2022, the County has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the County’s 2022 financial statements. The County recognized $319,811 in governmental activities in leases receivable at January 1, 2022, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the County.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the County.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the County.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the County.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the County.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the County.

The restatement of capital assets for a reappraisal during fiscal year 2022 had the following effect on the net position as reported at December 31, 2021:

	Water	Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Net Position as previously reported	$ 14,726,377	$ 5,048,002	$ 22,802	$ 19,797,181	$ (128,081)
Capital assets	656,250	8,174	(31,528)	632,896	(1,020)
Restated Net Position, (deficit) at December 31, 2021	$ 15,382,627	$ 5,056,176	$ (8,726)	$ 20,430,077	$ (129,101)

	Governmental Activities	Business Type Activities
Net Position as previously reported	$ 107,608,788	$ 19,797,181
Capital assets	(5,507,763)	632,896
Restated Net Position, at December 31, 2021	$ 102,101,025	$ 20,430,077

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficits:

Nonmajor governmental funds	Deficit
Brownfield grant	$ 7,640
Ditch bond retirement	40,473
Nonmajor enterprise fund	
Transfer station	54,055

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States Treasury security that is a direct obligation of the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC Section 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC Section 135.143(A)(6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;

9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:

   a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other state, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.

   b. Bankers acceptances of banks that are insured by the Federal Deposit Insurance Corporation (FDIC) and that mature not later than 180 days after purchase.

10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,

12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchased in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the County Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash in Segregated Accounts

At year end, the County had $469,340 cash and cash equivalents deposited separate from the County's internal investment pool. This amount is included in the amount of deposits with financial institutions below.

B. Investments

As of December 31, 2022, the County had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLMC	$ 1,439,383	$ -	$ -	$ -	$ -	$ 1,439,383
FHLB	6,829,925	-	-	1,002,097	232,133	5,595,695
FFCB	4,385,493	2,053,170	-	-	237,615	2,094,708
FNMA	3,989,429	-	-	1,191,776	1,553,234	1,244,419
FAMC	391,944	-	-	-	-	391,944
Negotiable CD's	3,669,165	439,520	484,764	1,245,818	470,165	1,028,898
US Treasury Notes	12,165,521	-	1,205,425	482,420	1,400,805	9,076,871
Commercial Paper	4,967,923	4,967,923	-	-	-	-
State of Israel Bonds	771,066	-	243,880	-	-	527,186
U.S. Government money market	37,593	37,593	-	-	-	-
Total	$ 38,647,442	$ 7,498,206	$ 1,934,069	$ 3,922,111	$ 3,893,952	$ 21,399,104

The weighted average maturity of investments is 2.18 years.

The County's investment in a U.S. Government money market is valued using quoted prices in active markets (Level 1 inputs). The County's investments in federal agency securities, commercial paper, municipal bonds and negotiable certificate of deposit are valued using quoted market prices in markets that are not considered to be active, dealer quotation or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the County's investment policy limits investment portfolio maturities to five years or less. State statute limits investments in commercial paper to a maximum of 270 days from the date of purchase.

Credit Risk: The U.S. Government money market funds carry a rating of AAAm by Standard & Poor's. The County's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The County's investments in commercial paper were rated A-1 or A-1+ by Standard & Poor's. The County's investments in negotiable certificates of deposit, foreign bonds, and U.S. government money market were not rated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, municipal bonds, commercial paper, and negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured and unregistered. The County has no investment policy dealing with investments custodial risk beyond the requirement in State statute that prohibits payments for investments prior to the delivery of the securities representing such investments to the County Treasurer or qualified trustee.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2022:

Measurement/ Investment type	Measurement Amount	% of total
Fair value:		
FHLMC	$ 1,439,383	3.72%
FHLB	6,829,925	17.67%
FFCB	4,385,493	11.35%
FNMA	3,989,429	10.32%
FAMC	391,944	1.01%
Negotiable CD's	3,669,165	9.49%
US Treasury notes	12,165,521	31.49%
Commercial paper	4,967,923	12.85%
State of Israel Bonds	771,066	2.00%
U.S. Government money market	37,593	0.10%
Total	$ 38,647,442	100.00%

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 42,243,968
Investments	38,647,442
Total	$ 80,891,410

Cash and investments per statement of net position		
Governmental activities	$	69,207,103
Business-type activities		3,706,596
Custodial funds		7,977,711
Total	$	80,891,410

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended December 31, 2022, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:		
General fund	$	100,000
Nonmajor governmental funds		39,993
Transfers to county board of DD fund from:		
Nonmajor governmental fund		45,000
Transfers to motor vehicle and gas tax fund from:		
Nonmajor governmental fund		48,109
Transfers to capital improvement fund from:		
General fund		8,030,550
Total transfers	$	8,263,652

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the statement of activities.

B. Long-term advances to and from other funds at December 31, 2022, consisted of the following, as reported on the fund financial statements:

The balance in the general fund represents amounts due from other funds that are not expected to be repaid within the next fiscal year.

Long-term advances between governmental funds are eliminated on the statement of net position.

Amounts between governmental funds and proprietary funds are reported as internal balance on the government-wide statement of net position.

C. Due to/from other funds consisted of the following at December 31, 2022, as reported on the fund financial statements:

Receivable fund	Payable fund	Amount
General fund	EMS A&B	$ 312
General fund	Motor Vehicle and Gas Tax	150
General fund	County Board of DD	30
General fund	Nonmajor governmental funds	16,646
General fund	Water	647
General fund	Sewer	647
General fund	Internal service fund	63
General fund	Nonmajor enterprise fund	67
Nonmajor governmental funds	Nonmajor governmental funds	15,671
Total due to/from other funds		$ 34,233

The balances resulted from the time lag between the dates that payments between the funds are made. Amounts due to/from between governmental funds are eliminated on the statement of net position.

Amounts between governmental funds and proprietary funds are reported as internal balance on the government-wide statement of net position.

D. Interfund loans receivable/payable consisted of the following at December 31, 2022 as reported on the fund statement:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental fund	$ 312,000

Interfund loans between governmental funds are eliminated on the statement of net position.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the County. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the County its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by a deferred inflow since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by a deferred inflow since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow.

The full tax rate for all County operations for the year ended December 31, 2022 was $13.80 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

Real property	
Residential/agricultural	$ 876,471,040
Commercial/industrial/mineral	146,460,770
Public utility	
Real/Personal	238,742,280
Total assessed value	$ 1,261,674,090

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1983, the County Commissioners by resolution imposed a 0.5% tax on all retail sales made in the County, including sales of motor vehicles, and on storage, use, or consumption in the County of tangible personal property, including automobiles not subject to the sales tax. In 1987, the County Commissioners by resolution increased this tax by 0.5% to provide a total tax of 1.0%. In 2009, the County Commissioners by resolution increased this tax by 0.5% to provide a total tax of 1.5%.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget and Management the amount of the taxes to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. Proceeds of the sales tax are credited to the general fund and the motor vehicle and gas tax fund and amounts that have been collected by the State and are to be received within the available period are accrued as revenue to the extent they are intended to finance the 2022 operations. Sales tax revenue for 2022 amounted to $10,999,030.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2022, consisted of taxes, special assessments, accounts (billings for user charged services), interest, leases and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2022.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Sales taxes	$ 2,903,064
Property taxes	11,789,343
Accounts	584,425
Due from other governments	4,605,520
Special assessments	819,316
Accrued interest	117,470
Leases	302,633
Business-type activities:	
Accounts	507,464
Special assessments	285,563

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year, with the exception of the special assessments which are collected over the life of the assessment.

The County is reporting leases receivable of $302,633 in the general fund. For 2022, the County recognized lease revenue of $17,178, which is reported in rental income, and interest revenue of $9,332.

The County has entered into the following lease agreements as the lessor at varying years and terms as follows:

Lease Type	Lease Commencement Date	Lease End Date	Payment Method
Cell Tower Land Lease	2014	2044	Monthly
Building Space Rental BMV	2017	2025	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	$ 17,983	$ 8,834	$ 26,817
2024	18,817	8,283	27,100
2025	13,310	7,747	21,057
2026	7,546	7,474	15,020
2027	8,081	7,240	15,321
2028 - 2032	49,224	32,098	81,322
2033 - 2037	66,288	23,498	89,786
2038 - 2042	87,058	12,074	99,132
2043 - 2044	34,326	912	35,238
Total	$ 302,633	$ 108,160	$ 410,793

NOTE 9 - LOANS RECEIVABLE

Loans receivable represents low interest loans made by the County for development projects and small businesses under the Federal Community Development Block Grant (CDBG) program. The loans bear interest at annual rates ranging between 3 and 5 percent. The loans are to be repaid over periods ranging from 5 to 10 years. A summary of the CDBG loan activity for 2022 is as follows:

	Balance at 12/31/2021	Issued/ Additions	Payments/ Reductions	Balance at 12/31/2022
Revolving loans	$ 172,792	$ -	$ (1,557)	$ 171,235
Allowance for doubtful accounts	(137,035)	-	-	(137,035)
Revolving loans, net	$ 35,757	$ -	$ (1,557)	$ 34,200

The loans are reported in the nonmajor governmental funds.

NOTE 10 - CAPITAL ASSETS

A. Capital assets of the governmental activities have been restated at December 31, 2021 to correct for a reappraisal in fiscal year 2022. Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Adjustments	Restated Balance 12/31/21	Additions	Deductions	Balance 12/31/22
Governmental activities:						
Capital assets not being depreciated:						
Land	$ 1,953,177	$ (1,784,245)	$ 168,932	$ -	$ -	$ 168,932
Easements	5,107	(5,107)	-	-	-	-
Construction in progress	2,684,038	(2,684,038)	-	-	-	-
Total capital assets not being depreciated	4,642,322	(4,473,390)	168,932	-	-	168,932
Capital assets being depreciated:						
Land improvements	5,386,427	243,004	5,629,431	-	-	5,629,431
Buildings and improvements	37,539,057	(1,896,235)	35,642,822	-	-	35,642,822
Machinery and equipment	8,219,570	(2,877,785)	5,341,785	25,761	-	5,367,546
Vehicles	7,724,560	-	7,724,560	629,385	(570,515)	7,783,430
Infrastructure	74,572,640	-	74,572,640	5,522,079	-	80,094,719
Total capital assets being depreciated	133,442,254	(4,531,016)	128,911,238	6,177,225	(570,515)	134,517,948
Less: accumulated depreciation:						
Land improvements	(4,143,614)	(172,967)	(4,316,581)	(110,578)	-	(4,427,159)
Buildings and improvements	(16,595,760)	650,642	(15,945,118)	(945,755)	-	(16,890,873)
Machinery and equipment	(6,380,506)	3,018,968	(3,361,538)	(298,556)	-	(3,660,094)
Vehicles	(3,813,713)	-	(3,813,713)	(509,049)	547,571	(3,775,191)
Infrastructure	(43,492,254)	-	(43,492,254)	(2,496,050)	-	(45,988,304)
Total accumulated depreciation	(74,425,847)	3,496,643	(70,929,204)	(4,359,988)	547,571	(74,741,621)
Total capital assets being depreciated, net	59,016,407	(1,034,373)	57,982,034	1,817,237	(22,944)	59,776,327
Governmental activities capital assets, net	$ 63,658,729	$ (5,507,763)	$ 58,150,966	$ 1,817,237	$ (22,944)	$ 59,945,259

Capital assets of the business-type activities for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Adjustments	Restated Balance 12/31/21	Additions	Deductions	Balance 12/31/22
Business-type activities:						
Capital assets being depreciated:						
Buildings and improvements	$ 77,849	$ 1,451,755	$ 1,529,604	$ -	$ -	$ 1,529,604
Machinery and equipment	269,371	(119,102)	150,269	-	-	150,269
Vehicles	126,896	-	126,896	-	-	126,896
Waterlines/sewerlines	32,996,519	-	32,996,519	-	-	32,996,519
Total capital assets being depreciated	33,470,635	1,332,653	34,803,288	-	-	34,803,288
Less: accumulated depreciation:						
Buildings and improvements	(70,159)	(803,195)	(873,354)	(37,500)	-	(910,854)
Machinery and equipment	(245,047)	103,438	(141,609)	(1,134)	-	(142,743)
Vehicles	(55,108)	-	(55,108)	(12,690)	-	(67,798)
Waterlines/sewerlines	(15,218,788)	-	(15,218,788)	(654,810)	-	(15,873,598)
Total accumulated depreciation	(15,589,102)	(699,757)	(16,288,859)	(706,134)	-	(16,994,993)
Total capital assets being depreciated, net	$ 17,881,533	$ 632,896	$ 18,514,429	$ (706,134)	$ -	$ 17,808,295

B. Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Legislative and executive	$ 259,913
Judicial	265,056
Public safety	390,804
Public works	2,938,500
Health	125,609
Human services	163,921
Economic development	1,100
Intergovernmental	215,085
Total depreciation expense - governmental activities	$ 4,359,988
Business-type activities:	
Water	$ 530,735
Sewer	175,399
Total depreciation expense - business-type activities	$ 706,134

NOTE 11 - FEDERAL TRANSACTIONS

The Fulton County Department of Job and Family Services distributes federal food stamps to entitled recipients within Fulton County. The receipt and issuance of these stamps have the characteristics of federal grants. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of the stamps is not reflected in the accompanying financial statements as the only economic interest related to the stamps rest with the ultimate recipient.

NOTE 12 - COMPENSATED ABSENCES

Vacation leave is earned at rates which vary depending upon length of service and standard workweek. Current policies credit vacation leave on a pay period basis except for new employees who are required to complete one year of service prior to their accrual becoming available. Employees, per department policy, may also accrue compensatory time for hours worked in excess of regular work week. County employees are paid for earned, unused vacation leave upon termination of employment. Unused compensatory time may, depending on departmental policy, be paid at termination of service.

Upon retirement, all employees are paid their accumulated, unused sick leave per Ohio Revised Code Section 124.39(B). Each employee of the County with ten or more years of service with any Ohio local government or the State of Ohio is paid 25% of his or her accumulated unused sick leave, up to a maximum of 30 days upon retirement from the County, with the exception of the County Engineer Department highway workers who are paid 33% of the accumulated unused sick leave, up to maximum of 30 days upon retirement from the County. At December 31, 2022, the County's total liability for unpaid compensated absences was $1,206,497.

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Long-Term Obligations

During 2022, the following changes occurred in the County's governmental long-term obligations.

	Issue Date	Maturity Date	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Amount Due in One Year
Governmental activities:							
OPWC loans payable - direct borrowings:							
Issue II Loan - Co Rd C Project	12/01/06	01/01/27	$ 23,813	$ -	$ (4,763)	$ 19,050	$ 4,762
Issue II Loan - Co Rd 14 Project	12/01/06	01/01/27	20,667	-	(4,133)	16,534	4,134
Issue II Loan - Co Rd C Reconstruct.	01/01/07	01/01/28	7,500	-	(1,250)	6,250	1,250
Issue II Loan - Bridge T64.9 replace	10/05/12	07/01/32	65,838	-	(6,271)	59,567	6,270
Issue II Loan - Bridge 26 D5 replace	09/15/15	01/01/36	110,078	-	(7,863)	102,215	7,862
Issue II Loan - Bridge 26 D5 replace	09/15/16	01/01/37	135,625	-	(8,750)	126,875	8,750
Issue II Loan - Road M Construction	07/01/16	07/01/37	135,625	-	(8,750)	126,875	8,750
Issue II Loan - Road 26 Resurfacing	07/01/18	07/01/35	61,376	-	(4,546)	56,830	4,547
Issue II Loan - Road L and Road M	01/01/19	01/01/39	137,900	-	(8,112)	129,788	8,112
Issue II Loan - Road J, Bridge 8-1HJ & 5-2SR 2	01/01/19	07/01/39	142,187	-	(8,125)	134,062	8,125
Issue II Loan - Road 5-2, F & 6-3	07/01/19	01/01/30	313,283	-	(39,160)	274,123	39,160
Total OPWC Loans			1,153,892	-	(101,723)	1,052,169	101,722
Other long-term obligations							
Net pension liability			12,669,501	73,589	(5,196,148)	7,546,942	-
Compensated absences			1,081,804	817,340	(716,159)	1,182,985	690,200
Total other long-term obligations			13,751,305	890,929	(5,912,307)	8,729,927	690,200
Total governmental activities long-term liabilities			$ 14,905,197	$ 890,929	$ (6,014,030)	$ 9,782,096	$ 791,922

Net pension liability: See Note 15 for more details. The County pays obligations related to employee compensation from the fund benefitting from their service.

OPWC loans payable: The Ohio Public Works Commission (OPWC) loans were issued on December 1, 2006, January 1, 2007, October 5, 2012, September 15, 2015, September 15, 2016, July 1, 2016, July 1, 2018, and January 1, 2019 to provide for improvements to County Road C, County Road 14, County Road C, Bridge T64.9, Bridge 26 D5, Road M, Road 26, Road L, Road J, Bridge 5-2SR 2.0, Bridge 8-1HJ.1, Road 5-2, Road F, and Road 6-3. These loans bear no interest rate as long as the County remains current on its payments. The OPWC loan proceeds are recorded in a nonmajor governmental fund and OPWC loan payments are recorded in the motor vehicle and gas tax fund. These loans are considered direct borrowings.

Direct borrowings are borrowings that have terms negotiated directly between the County and the lender and are not offered for public sale. In the event of default, the lender may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the County to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences: Compensated absences represent amounts for which the County could potentially be liable on eligible employees. Compensated absences are presented net of actual increases and decreases because of the practicality of determining these values. The benefits will be paid from the funds from which the employees' salaries are paid, which are primarily the general, motor vehicle and gas tax, and County Board of DD funds. Compensated absences are further described in Note 12.

The following is a summary of the County's future annual debt service principal and interest requirements for OPWC loans:

	OPWC Loans		
Year Ending	Principal	Interest	Total
2023	$ 101,722	$ -	$ 101,722
2024	101,721	-	101,721
2025	101,725	-	101,725
2026	101,721	-	101,721
2027	92,827	-	92,827
2028 - 2032	337,267	-	337,267
2033 - 2037	194,888	-	194,888
2038 - 2039	20,298	-	20,298
Total	$ 1,052,169	$ -	$ 1,052,169

B. The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. The assessed valuation used in determining the County's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the County's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. Based on this calculation, the County's voted legal debt margin was $30,041,852 at December 31, 2022 and the unvoted legal debt margin was $12,616,741 at December 31, 2022.

C. Business-Type Activities

During 2022, the following changes occurred in the County's business-type long-term obligations.

	Issue Date	Maturity Date	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Amount Due in One Year
Business-type activities:							
OWDA loans - direct borrowings:							
NE Fulton County Water Supply	2010	2042	$ 1,357,430	$ -	$ (66,216)	$ 1,291,214	$ 66,216
Riviera Mobile Home Court sewer	2011	2031	16,133	-	(1,698)	14,435	1,698
Wastewater collection/treatment	2007	2028	73,430	-	(10,490)	62,940	10,490
Total OWDA loans			1,446,993	-	(78,404)	1,368,589	78,404
Special assessment bonds:							
Waterline extension assessment	6/15/06	6/15/26	5,868	-	(1,092)	4,776	1,203
Industrial corridor sewer district	12/23/04	12/1/24	30,592	-	(9,704)	20,888	10,189
Total special assessment bonds			36,460	-	(10,796)	25,664	11,392
Other long-term obligations:							
Loan payable			41,444	-	(20,374)	21,070	21,070
Net pension liability			258,625	-	(118,118)	140,507	-
Compensated absences			20,492	14,243	(11,223)	23,512	16,848
Total other long-term obligations			320,561	14,243	(149,715)	185,089	37,918
Total business-type activities long-term liabilities			$ 1,804,014	$ 14,243	$ (238,915)	$ 1,579,342	$ 127,714

Ohio Water Development Authority Loan - 2007 Issue: During 2007, the County entered into a loan agreement with the OWDA for wastewater collection and treatment. Repayment of this loan is funded through user charges in the sewer fund. This loan is interest free with final maturity on July 1, 2028. This loan is considered a direct borrowing.

Ohio Water Development Authority Loan - 2010 Issue: During 2010, the County entered into a loan agreement with the OWDA for the Northeast Fulton County Water Supply project. Repayment of this loan is funded through user charges in the water fund. This loan is interest free with final maturity on January 1, 2042. This loan is considered a direct borrowing.

Ohio Water Development Authority Loan - 2011 Issue: During 2011, the County entered into a loan agreement with the OWDA for the Riviera Mobile Home Court Sanitary Sewer. Repayment of this loan is funded through user charges in the sewer fund. This loan is interest free with final maturity on January 1, 2031. Since no capital assets were purchased with this loan, it is not included in the calculation of "net investment in capital assets" in the sewer fund. This loan is considered a direct borrowing.

Special assessment bonds: On June 15, 2006, the County issued special assessment bonds which retired the bond anticipation note issued in 2005 for the waterline extension project. On December 23, 2004, the County issued special assessment bonds for the industrial corridor sewer project in the amount of $140,000. These bonds are supported by the full faith and credit of the County. Special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners in the sewer fund.

Loan payable: During 2002, Fulton County entered into an agreement with the City of Wauseon as a subrecipient of an OWDA loan to construct the Tedrow waterline. Repayment of this loan will be funded by user charges collected by the County. The loan bears an interest rate of 3.39% and will mature on January 1, 2024.

The following is a summary of the future debt service requirements of the business-type special assessment bonds and loans:

	Special Assessment Bonds			OWDA Loans		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 11,392	$ 1,491	$ 12,883	$ 78,404	$ -	$ 78,404
2024	12,025	859	12,884	78,405	-	78,405
2025	1,461	188	1,649	78,404	-	78,404
2026	786	39	825	78,404	-	78,404
2027	-	-	-	78,404	-	78,404
2028 - 2032	-	-	-	347,515	-	347,515
2033 - 2037	-	-	-	331,081	-	331,081
2038 - 2042	-	-	-	297,972	-	297,972
Total	$ 25,664	$ 2,577	$ 28,241	$ 1,368,589	$ -	$ 1,368,589

	Loan Payable		
Year Ended	Principal	Interest	Total
2023	$ 21,070	$ 475	$ 21,545

D. Deferred Loan Payable to the Ohio Sewer and Water Rotary Commission

The County has received an advance to meet the portion of the cost of extension of waterlines to be financed by assessments from which collections are deferred or exempt pursuant to division (B) of Section 6103.052 of the Ohio Revised Code. The Board of County Commissioners is responsible for collecting the assessments upon expiration of the maximum time for which the deferments were made or when the property no longer meets the exemption criteria. This money must be remitted to the Ohio Sewer and Water Rotary Commission within one year. If the money is not collected and remitted within one year, the County is responsible for paying interest from the general fund.

NOTE 14 - RISK MANAGEMENT

A. County Risk Sharing Authority, Inc.

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of the County Risk Sharing Authority Inc. (CORSA), which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, law enforcement liability, crime and excess liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board.

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. The County obtains employee health, dental and vision coverage through the County Employee Benefits Consortium of Ohio, Inc. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

B. County Employee Benefits Consortium of Ohio

The County participates in the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claim contingency reserve fund, as well as the fixed costs of the consortium. In 2022, the County contributed a total of $3,215,656 to the Consortium.

The business and affairs of the consortium are managed by a board of not less than nine of more than fifteen directors that exercise all powers of the consortium. Two thirds of the directors are County Commissioners of member Counties and one third are employees of the member Counties. Each member of the consortium is entitled to one vote. At all times, one director is required to be a member of the Board of Directors of the CCAO and another is required to be a Board Member of the County Risk Sharing Authority, Inc. (CORSA).

NOTE 15 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset and the net OPEB liability/asset represent the County's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 16 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, other than certified teachers and other faculty members, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Traditional Plan Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	**Combined Plan Formula:** 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	**Traditional Plan Formula:** 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Public Safety	Law Enforcement
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	***	****
2022 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits **	0.0 %	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.
*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
**** Member contributions within the combined plan are not used to fund the defined benefit retirement allowance

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was $1,878,265 for 2022. Of this amount, $70,302 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2022, the full employer contribution was allocated to pension.

The County had no contractually required contribution to STRS for 2022.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2021, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability or asset was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Proportion of the net pension liability/asset prior measurement date	0.09954000%	0.06555800%	0.05291900%	0.00081600%	
Proportion of the net pension liability/asset current measurement date	0.09943800%	0.05511700%	0.05287600%	0.00080058%	
Change in proportionate share	-0.00010200%	-0.01044100%	-0.00004300%	-0.00001542%	
Proportionate share of the net pension liability	$ 7,509,479	$ -	$ -	$ 177,970	$ 7,687,449
Proportionate share of the net pension asset	-	(188,498)	(8,333)	-	(196,831)
Pension expense	(851,327)	(6,802)	(1,338)	(75,458)	(934,925)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Deferred outflows of resources					
Differences between expected and actual experience	$ 382,822	$ 1,170	$ 8,247	$ 2,279	$ 394,518
Net difference between projected and actual earnings on pension plan investments	-	-	-	6,191	6,191
Changes of assumptions	939,053	9,471	280	21,298	970,102
Changes in employer's proportionate percentage/ difference between employer contributions	217,180	-	-	20,868	238,048
Contributions subsequent to the measurement date	1,821,298	28,830	28,137	-	1,878,265
Total deferred outflows of resources	$ 3,360,353	$ 39,471	$ 36,664	$ 50,636	$ 3,487,124

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	$ 164,701	$ 21,079	$ -	$ 680	$ 186,460
Net difference between projected and actual earnings on pension plan investments	8,932,253	40,410	1,901	-	8,974,564
Changes of assumptions	-	-	-	16,031	16,031
Changes in employer's proportionate percentage/ difference between employer contributions	26,399	-	-	76,163	102,562
Total deferred inflows of resources	$ 9,123,353	$ 61,489	$ 1,901	$ 92,874	$ 9,279,617

$1,878,265 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2023.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member-Directed	STRS	Total
Year Ending December 31:					
2023	$ (2,100,745)	$ (12,390)	$ 825	$ (56,844)	$ (2,169,154)
2024	(3,541,945)	(17,126)	620	4,365	(3,554,086)
2025	(2,100,334)	(11,232)	745	(7,809)	(2,118,630)
2026	(1,420,915)	(8,304)	773	18,050	(1,410,396)
2027	-	(1,097)	1,020	-	(77)
Thereafter	-	(699)	2,643	-	1,944
Total	$ (9,163,939)	$ (50,848)	$ 6,626	$ (42,238)	$ (9,250,399)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.
The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3 percent for 2021.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90 percent, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2021 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90 percent, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90 percent) or one-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	$ 19,799,071	$ 7,509,479	$ (2,717,096)
Combined Plan	(140,654)	(188,498)	(225,811)
Member-Directed Plan	(7,343)	(8,333)	(9,179)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation compared with June 30, 2021 are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	8.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
** 10-year annualized geometric nominal returns include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described in Note 1. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net pension liability	$ 268,848	$ 177,970	$ 101,115

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 15 for a description of the net OPEB liability/asset.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.00 percent of earnable salary and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.00 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $11,255 for 2022. Of this amount, $421 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For 2022, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. STRS's total OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability/asset was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	OPERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.09668700%	0.00081637%	
Proportion of the net OPEB liability/asset current measurement date	0.09625600%	0.00080058%	
Change in proportionate share	-0.00043100%	-0.00001579%	
Proportionate share of the net OPEB asset	(2,616,911)	(20,730)	(2,637,641)
OPEB expense	(2,094,824)	(11,340)	(2,106,164)

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ -	$ 298	$ 298
Net difference between projected and actual earnings on OPEB plan investments	-	358	358
Changes of assumptions	-	884	884
Changes in employer's proportionate percentage/ difference between employer contributions	116,760	914	117,674
Contributions subsequent to the measurement date	11,255	-	11,255
Total deferred outflows of resources	$ 128,015	$ 2,454	$ 130,469

	OPERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 396,945	$ 3,114	$ 400,059
Net difference between projected and actual earnings on OPEB plan investments	1,247,557	-	1,247,557
Changes of assumptions	1,059,297	14,701	1,073,998
Changes in employer's proportionate percentage/ difference between employer contributions	21,995	17,196	39,191
Total deferred inflows of resources	$ 2,725,794	$ 35,011	$ 2,760,805

$11,255 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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

	OPERS	STRS	Total
Year Ending December 31:			
2023	$ (1,572,047)	$ (12,373)	$ (1,584,420)
2024	(585,235)	(12,297)	(597,532)
2025	(272,587)	(3,524)	(276,111)
2026	(179,165)	(704)	(179,869)
2027	-	(1,203)	(1,203)
Thereafter	-	(2,456)	(2,456)
Total	$ (2,609,034)	$ (32,557)	$ (2,641,591)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75% including wage inflation
Prior Measurement date	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Discount Rate - A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 1,538,989	$ 2,616,911	$ 3,511,603

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00 percent lower or 1.00 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB asset	$ 2,645,190	$ 2,616,911	$ 2,583,363

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation, compared with June 30, 2021, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	8.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For the actuarial valuation as of June 30, 2022, healthy mortality rates are based on Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the actuarial valuation as of June 30, 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2022, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2015, through June 30, 2021. The actuarial assumptions used in the June 30, 2021, valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-year annualized geometric nominal returns include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the County's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 19,164	$ 20,730	$ 22,071

	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	$ 21,502	$ 20,730	$ 19,755

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, motor vehicle and gas tax fund, County Board of Developmental Disabilities (DD) fund, EMS Advance and Basic (A&B) Life Services fund and American Rescue Plan Act fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);

(e) Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,

(f) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	General fund	Motor Vehicle Gas Tax	County Board of DD	American Rescue Plan Act	EMS A&B Life Services
Budget basis	$ 5,141,511	$ (1,101,350)	$ 1,036,786	$ (4,096,281)	$ (564,516)
Net adjustment for revenue accruals	(10,160,411)	64,085	(75,073)	4,096,281	(91,848)
Net adjustment for expenditure accruals	8,180,153	169,084	(61,507)	-	13,363
Net adjustment for other sources/uses	(1,476,292)	-	-	-	-
Funds budgeted elsewhere	468,102	-	-	-	-
Adjustment for encumbrances	515,232	526,457	101,013	-	661,644
GAAP basis	$ 2,668,295	$ (341,724)	$ 1,001,219	$ -	$ 18,643

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the budget stabilization fund, the unclaimed hospital bond fund, the self insurance fund, unclaimed monies fund, the age 26-28 dependent fund, the title administration fund, the recorder equipment fund, rural fire protection fund and Medicaid transition aide fund.

NOTE 18 - CONTINGENT LIABILITIES

A. Grants

The County has received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the County Commissioners believe such disallowance, if any, will be immaterial.

B. Litigation

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor, no liability is anticipated in excess of insurance coverage.

NOTE 19 - CONDUIT DEBT OBLIGATIONS

To provide for the financing of certain expenditures at the Fulton County Health Center, the Health Center has issued special facility revenue bonds. These consist of $5,200,000 in 1995 and $7,000,000 in 1999, Fulton County, Ohio, Tax-Exempt Variable Rate Demand Bonds, with final maturity in 2021. In 2005, the special facility bonds were refunded and new bonds were issued in the amount of $28,500,000. In 2011 the special facility bonds were refunded and new bonds were issued in the amount of $28,755,000. These bonds do not constitute a debt or pledge of the faith and credit of the County and have not been reported in the accompanying financial statements. As of December 31, 2022, $19,580,000 was still outstanding.

NOTE 20 - FEDERAL TRANSACTIONS

The Fulton County Department of Job and Family Services distributes federal food stamps to entitle recipients within Fulton County. The receipt and issuance of these stamps have the characteristics of federal grants. However, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of the stamps is not reflected in the accompanying financial statements as the only economic interest related to the stamps rests with the ultimate recipient.

NOTE 21 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	EMS A & B Life Services	Motor Vehicle Gas Tax	County Board of DD	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Materials and supplies inventory	$ 120,671	$ -	$ 334,881	$ 250	$ -	$ 77,016	$ 532,818
Prepaids	59,540	41	4,100	3,607	-	30,523	97,811
Advances to other funds	605,775	-	-	-	-	-	605,775
Unclaimed hospital bond	40,262	-	-	-	-	-	40,262
Unclaimed monies	54,366	-	-	-	-	-	54,366
Total nonspendable	880,614	41	338,981	3,857	-	107,539	1,331,032
Restricted:							
Debt service	-	-	-	-	-	8,296	8,296
Capital improvements	-	-	-	-	-	871,381	871,381
Public works	-	-	4,908,901	-	-	137,396	5,046,297
Real estate assessment	-	-	-	-	-	1,121,061	1,121,061
Economic development	-	-	-	-	-	852,855	852,855
Public safety	-	3,148,663	-	-	-	4,342,311	7,490,974
WIA	-	-	-	-	-	197,671	197,671
Health programs	-	-	-	13,029,928	-	2,839,420	15,869,348
Human service programs	-	-	-	-	-	4,954,809	4,954,809
County court computer services	-	-	-	-	-	722,805	722,805
County court special projects	-	-	-	-	-	860,905	860,905
Other purposes	-	-	-	-	-	556,764	556,764
Total restricted	-	3,148,663	4,908,901	13,029,928	-	17,465,674	38,553,166
Committed:							
Capital improvements	-	-	-	-	10,617,520	-	10,617,520
Total committed	-	-	-	-	10,617,520	-	10,617,520
Assigned:							
Debt service	-	-	-	-	-	191	191
Capital improvements	-	-	-	-	-	985	985
Legislative and executive	104,448	-	-	-	-	-	104,448
Judicial	15,125	-	-	-	-	-	15,125
Public Safety Programs	207,887	-	-	-	-	-	207,887
Health	40,709	-	-	-	-	-	40,709
Human Services Programs	6,412	-	-	-	-	-	6,412
Capital Outlay	79,276	-	-	-	-	-	79,276
Subsequent year's appropriations	3,672,416	-	-	-	-	-	3,672,416
Stabilization	1,532,830	-	-	-	-	-	1,532,830
Other purposes	462,340	-	-	-	-	-	462,340
Total assigned	6,121,443	-	-	-	-	1,176	6,122,619
Unassigned (deficit)	15,823,799	-	-	-	-	(48,113)	15,775,686
Total fund balances	$ 22,825,856	$ 3,148,704	$ 5,247,882	$ 13,033,785	$ 10,617,520	$ 17,526,276	$ 72,400,023

NOTE 22 - OTHER COMMITMENTS

The County utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the County's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 945,136
Motor vehicle and gas tax	524,633
County Board of DD	101,013
EMS A&B life services	656,644
Capital improvements	769,474
Nonmajor governmental	1,168,446
Total	$ 4,165,346

NOTE 23 - TAX ABATEMENTS

As of December 31, 2022, the County provides tax abatements through Community Reinvestment Area (CRA) programs. These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The County has entered into agreements to abate property taxes through these programs. During 2022, the County's property tax revenues were reduced as a result of these agreements as follows:

Tax Abatement Program	County Taxes Abated
CRA	$ 324,432

NOTE 24 - OTHER REVENUE

For the year ended December 31, 2022, other revenue in the general fund consists primarily of reallocation of American Recovery Act fund expenditures, refunds, reimbursements and donations.

NOTE 25 – SUBSEQUENT EVENTS

On February 28, 2023 the County awarded a $7,299,494 contract for the construction of a new senior center to Action Contractors, to be paid out of the Capital Improvement fund.

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	2022	**2021**	**2020**	**2019**
Traditional Plan:				
County's proportion of the net pension liability	0.099438%	0.099540%	0.094191%	0.095707%
County's proportionate share of the net pension liability	$ 7,509,479	$ 12,823,745	$ 16,271,802	$ 22,997,852
County's covered payroll	$ 12,762,450	$ 12,349,657	$ 11,722,800	$ 11,448,636
County's proportionate share of the net pension liability as a percentage of its covered payroll	58.84%	103.84%	138.80%	200.88%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
Combined Plan:				
County's proportion of the net pension asset	0.055117%	0.065558%	0.071112%	0.072399%
County's proportionate share of the net pension asset	$ 188,498	$ 164,644	$ 129,603	$ 71,030
County's covered payroll	$ 218,614	$ 229,907	$ 277,736	$ 271,736
County's proportionate share of the net pension asset as a percentage of its covered payroll	86.22%	71.61%	46.66%	26.14%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
Member Directed Plan:				
County's proportion of the net pension asset	0.052876%	0.052919%	0.063865%	0.055593%
County's proportionate share of the net pension asset	$ 8,333	$ 8,393	$ 2,110	$ 1,112
County's covered payroll	$ 288,420	$ 255,380	$ 333,090	$ 278,880
County's proportionate share of the net pension asset as a percentage of its covered payroll	2.89%	3.29%	0.63%	0.40%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.093289%	0.093922%	0.097214%	0.097169%	0.097169%
$ 12,843,492	$ 18,896,127	$ 14,874,708	$ 10,303,126	$ 10,070,412
$ 11,180,692	$ 10,831,483	$ 10,390,575	$ 10,901,087	$ 11,735,615
114.87%	174.46%	143.16%	94.51%	85.81%
84.66%	77.25%	81.08%	86.45%	86.36%
0.061893%	0.044419%	0.064600%	0.065660%	0.065660%
$ 73,941	$ 21,903	$ 27,769	$ 22,226	$ 6,057
$ 224,577	$ 172,900	$ 225,275	$ 240,013	$ 180,815
32.92%	12.67%	12.33%	9.26%	3.35%
137.28%	116.55%	116.90%	114.83%	104.56%
0.049848%	0.056113%	0.062949%	n/a	n/a
$ 1,527	$ 207	$ 214	n/a	n/a
$ 242,060	$ 291,292	$ 344,467	n/a	n/a
0.63%	0.07%	0.06%	n/a	n/a
124.46%	103.40%	103.91%	n/a	n/a

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE YEARS

	2022	2021	2020	2019
County's proportion of the net pension liability	0.00080058%	0.00081637%	0.00071018%	0.00048645%
County's proportionate share of the net pension liability	$ 177,970	$ 104,381	$ 171,838	$ 107,575
County's covered-employee payroll	$ -	$ -	$ -	$ 16,214
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	663.47%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.00207602%	0.00313785%	0.00305406%	0.00308570%	0.00306584%
$ 456,470	$ 745,403	$ 1,022,286	$ 852,797	$ 745,718
$ 268,286	$ 254,664	$ 258,779	$ 235,614	$ 240,023
170.14%	292.70%	395.04%	361.95%	310.69%
77.30%	75.30%	66.80%	72.10%	74.70%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2022	2021	2020	2019
Traditional Plan:				
Contractually required contribution	$ 1,821,298	$ 1,786,743	$ 1,728,952	$ 1,641,192
Contributions in relation to the contractually required contribution	(1,821,298)	(1,786,743)	(1,728,952)	(1,641,192)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 13,009,271	$ 12,762,450	$ 12,349,657	$ 11,722,800
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Combined Plan:				
Contractually required contribution	$ 28,830	$ 30,606	$ 32,187	$ 38,883
Contributions in relation to the contractually required contribution	(28,830)	(30,606)	(32,187)	(38,883)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 205,929	$ 218,614	$ 229,907	$ 277,736
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 28,137	$ 28,842	$ 25,538	$ 33,309
Contributions in relation to the contractually required contribution	(28,137)	(28,842)	(25,538)	(33,309)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 281,370	$ 288,420	$ 255,380	$ 333,090
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 1,602,809	$ 1,453,490	$ 1,299,778	$ 1,246,869	$ 1,308,130	$ 1,525,630
(1,602,809)	(1,453,490)	(1,299,778)	(1,246,869)	(1,308,130)	(1,525,630)
$ -	$ -	$ -	$ -	$ -	$ -
$ 11,448,636	$ 11,180,692	$ 10,831,483	$ 10,390,575	$ 10,901,083	$ 11,735,615
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$ 38,043	$ 29,195	$ 20,748	$ 27,033	$ 28,802	$ 23,506
(38,043)	(29,195)	(20,748)	(27,033)	(28,802)	(23,506)
$ -	$ -	$ -	$ -	$ -	$ -
$ 271,736	$ 224,577	$ 172,900	$ 225,275	$ 240,017	$ 180,815
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
$ 27,888	$ 24,206	$ 34,955	$ 41,336		
(27,888)	(24,206)	(34,955)	(41,336)		
$ -	$ -	$ -	$ -		
$ 278,880	$ 242,060	$ 291,292	$ 344,467		
10.00%	10.00%	12.00%	12.00%		

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	2,270	$	37,560	$	35,653	$	36,229	$	32,986	$	31,203
	(2,270)		(37,560)		(35,653)		(36,229)		(32,986)		(31,203)
$	-	$	-	$	-	$	-	$	-	$	-
$	16,214	$	268,286	$	274,254	$	278,685	$	253,738	$	240,023
	14.00%		14.00%		13.00%		13.00%		13.00%		13.00%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SIX YEARS

	2022	**2021**	**2020**	**2019**
County's proportion of the net OPEB liability/asset	0.096256%	0.096687%	0.092303%	0.093425%
County's proportionate share of the net OPEB liability/(asset)	$ (2,616,911)	$ (1,498,647)	$ 11,143,091	$ 10,686,753
County's covered payroll	$ 13,269,484	$ 12,834,944	$ 12,333,626	$ 11,999,252
County's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.72%	11.68%	90.35%	89.06%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.090630%	0.100496%
$ 8,636,858	$ 10,150,478
$ 11,647,329	$ 11,295,675
74.15%	89.86%
54.14%	54.05%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX YEARS

	2022	**2021**	**2020**	**2019**
County's proportion of the net OPEB liability	0.00080058%	0.00081637%	0.00071018%	0.00048645%
County's proportionate share of the net OPEB liability (asset)	$ (20,730)	$ (17,213)	$ (12,481)	$ (8,057)
County's covered-employee payroll	$ -	$ -	$ -	$ 16,214
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	N/A	N/A	N/A	49.69%
Plan fiduciary net position as a percentage of the total OPEB liability	230.73%	174.73%	182.13%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the County's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017	
	0.00207602%		0.00313785%
$	(33,000)	$	122,427
$	268,286	$	254,664
	12.30%		48.07%
	176.00%		47.10%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 11,255	$ 11,536	$ 10,215	$ 13,323
Contributions in relation to the contractually required contribution	(11,255)	(11,536)	(10,215)	(13,323)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ 13,496,570	$ 13,269,484	$ 12,834,944	$ 12,333,626
Contributions as a percentage of covered payroll	0.08%	0.09%	0.08%	0.11%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 11,156	$ 136,124	$ 250,097	$ 178,597	$ 230,173	$ 111,692
(11,156)	(136,124)	(250,097)	(178,597)	(230,173)	(111,692)
$ -	$ -	$ -	$ -	$ -	$ -
$ 11,999,252	$ 11,647,329	$ 11,295,675	$ 10,960,317	$ 11,141,100	$ 11,916,430
0.09%	1.17%	2.21%	1.63%	2.07%	0.94%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered payroll	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 16,214	$ 268,286	$ 274,254	$ 278,685	$ 253,738	$ 240,023
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014 - 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014 - 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020 - 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2016.
- For 2017, STRS decreased the Cost of Living Adjustment (COLA) to zero effective July 1, 2017.
- There were no changes in benefit terms for 2018 - 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016.
- For 2017, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in assumptions for 2018 - 2020.
- For 2021, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65 and (b) post-retirement mortality rates were changed from RP-2014 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant Mortality Tables.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017 - 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- For 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For 2020, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- For 2022, the non-Medicare subsidy percentage was increased from 2.100% to 2.200%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For 2018, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For 2019, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For 2021, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from 12.50% at age 20 to 2.50% at age 65 to 8.50% at age 20 to 2.50% at age 65, (b) post-retirement mortality rates were changed from RP-2014 Annuitant Mortality Tables to Pub-2010 Teacher Health Annuitant Mortality Tables and (c) health care cost trend rates were changed to the following: medical pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate, Medicare -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate, Medicare 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR ***Pass-through Grantor*** Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF TREASURY				
Passed through the Ohio Office of Budget and Management				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027			$ 8,190,134
Passed through Area Office of Aging				
COVID-19 Coronavirus Relief Fund	21.019			20,898
Total U.S. Department of Treasury				**8,211,032**
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the Ohio Department of Development Services Agency				
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-E-20-1AX-1		352,858
COVID-19 Community Development Block Grant/State's Program and Non-Entitlement Grants in Hav	14.228	B-D-20-1AX-4		10,541
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-F-21-1AX-1		16,050
COVID-19 Community Development Block Grant/State's Program and Non-Entitlement Grants in Hav	14.228	B-D-21-1AX-4		99,283
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-E-21-1AX-1		5,000
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				483,732
Total U.S. Department of Housing and Urban Development				**483,732**
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Ohio Department of Job and Family Services				
Promoting Safe and Stable Families	93.556	G-2223-11-6926		12,756
Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6926	$ 131,389	899,004
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558	G-2223-11-6926		46,907
Total Temporary Assistance for Needy Families (TANF) Program			131,389	945,911
Child Support Enforcement	93.563	G-2223-11-6926		496,655
<u>Child Care and Development Fund Cluster</u>				
Child Care and Development Block Grant	93.575	G-2223-11-6926	30,435	30,435
Total Child Care and Development Fund Cluster			30,435	30,435
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2223-11-6926		30,182
Foster Care Title IV-E	93.658	G-2223-11-6926		232,824
Adoption Assistance	93.659	G-2223-11-6926		107,790
Social Services Block Grant	93.667	G-2223-11-6926		350,771
Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6926		34,033
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	G-2223-11-6926		575,259
Total Medical Assistance Program Cluster				575,259
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2223-11-6926		29,320
Children's Health Insurance Program	93.767	G-2223-11-6926		17,159
Total passed through Ohio Department of Job and Family Services			161,824	2,863,095
Passed through Area Office of Aging				
<u>Aging Cluster</u>				
Nutrition Services Incentive Program	93.053			81,714
Special Programs for the Aging - Title III Part C Nutrition Services	93.045			84,951
Special Programs for the Aging - Title III Part B Grants for Supportive Services and Senior Centers	93.044			59,427
Total Aging Cluster				226,092
Total passed through Area Office of Aging				226,092
Passed through Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667			26,113
Total passed through Ohio Department of Developmental Disabilities				26,113
Total Social Service Block Grant Program (CFDA 93.667)				376,884
Total U.S. Department of Health and Human Services			**161,824**	**3,115,300**

FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR ***Pass-through Grantor*** Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF LABOR				
Passed through Area 7, Workforce Investment Board (Montgomery County)				
Workforce Investment Act (WIA) National Emergency Grants	17.277	2020/21-7126-1 / 2022/2023-7126-1		20,530
Unemployment Insurance	17.225	2020/21-7126-1 / 2022/2023-7126-1		198
Workforce Innovation and Opportunity Act (WIOA) Cluster				
WIA Adult Program	17.258	2020/21-7126-1 / 2022/2023-7126-1		198,517
WIA Youth Activities	17.259	2020/21-7126-1 / 2022/2023-7126-1		127,247
WIA Dislocated Worker Formula Grants	17.278	2020/21-7126-1 / 2022/2023-7126-1		134,937
Total Workforce Innovation and Opportunity Act (WIOA) Cluster				460,701
Total U.S. Department of Labor				**481,429**
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through Ohio Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMC-2021-EP-00002		39,707
Emergency Management Performance Grants	97.042	EMC-2021-EP-00007		16,002
Total Emergency Management Performance Grants				55,709
Total U.S. Department of Homeland Security				**55,709**
UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE				
Passed through Ohio Department of Job and Family Services				
Supplemental Nutrition Assistance Program Cluster				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	G-2223-11-6926		240,664
COVID-19 State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	G-2223-11-6926		9,897
Total Supplemental Nutrition Assistance Program Cluster				250,561
Total U.S. Department of Agriculture Food and Nutrition Service				**250,561**
ELECTIONS ASSISTANCE COMMISSION				
Passed through Ohio Secretary of State				
Help America Vote Act (HAVA) Election Security Grant Funds	90.404			2,520
Total Elections Assistance Commission				**2,520**
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
Direct Program				
Airport Improvement Program	20.106	3-39-0087-017-2021		78,826
COVID-19 Airport Improvement Program	20.106	3-39-0087-018-2021		7,020
COVID-19 Airport Improvement Program	20.106	3-39-0087-019-2022		15,618
Airport Improvement Program	20.106	3-39-0087-020-2022		168,153
Total Federal Aviation Administration Direct Assistance				269,617
Passed through Ohio Department of Public Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	IDEP/STEP-2022-Fulton County Sheriff's Office-0002		7,810
State and Community Highway Safety	20.600	IDEP/STEP-2023-Fulton County Sheriff's Office-0004		3,977
Total State and Community Highway Safety				11,787
Total Highway Safety Cluster				11,787
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2022-Fulton County Sheriff's Office-0002		7,905
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2023-Fulton County Sheriff's Office-0004		2,115
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				10,020
Total passed through Ohio Department of Public Safety				21,807
Passed through the Ohio Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	108201		1,805,656
Highway Planning and Construction	20.205	110333		262,321
Total Highway Planning and Construction Cluster				2,067,977
Total U.S. Department of Transportation				**2,359,401**
TOTAL FEDERAL AWARDS EXPENDITURES			**$ 161,824**	**$ 14,959,684**

THE ACCOMPANYING NOTES ARE A INTEGRAL PART OF THIS SCHEDULE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The County passes certain federal awards received from the Ohio Department of Job and Family Services (ODJFS) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The current cash balance on the County’s local program income account as of December 31, 2022 is $251,225.

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Fulton County
152 South Fulton Street, Suite 165
Wauseon, Ohio 43567-1390

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fulton County, Ohio (the County) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 19, 2023 wherein we noted the County restated beginning balances of net position due to having an appraisal completed over capital assets.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County's Response to Finding

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

Purpose of This Report

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2023

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Fulton County
152 South Fulton Street, Suite 165
Wauseon, Ohio 43567-1390

To the Board of Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fulton County, Ohio's, (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Fulton County's major federal programs for the year ended December 31, 2022. Fulton County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Fulton County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2023

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FULTON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Highway Planning and Construction Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii – AL #14.228 Coronavirus State and Local Fiscal Recovery Funds – AL #21.027
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2022-001

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following errors were identified in accompanying financial statements:

- Final budgeted appropriations were understated in the amount of $493,981 on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – Motor Vehicle and Gas Tax.
- Net investment in capital assets for Business Type Activities and the Sewer Fund were understated in the amount of $566,800 and unrestricted net position was overstated in the amount of $566,800.

These errors were not identified and corrected prior to the County preparing its financial statements due to deficiencies in the County's internal controls over financial statement monitoring. The accompanying financial statements have been adjusted to correct these errors. Failing to prepare accurate financial statements could lead the County or financial statement users to make misinformed decisions. In addition to the adjustments noted above, we also identified additional misstatements ranging from $108,034 to $474,193 that we have brought to the County's attention.

The County should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the County Auditor and Board of County Commissioners, to help identify and correct errors and omissions.

Officials' Response:

See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None

Fulton County Auditor

BRETT J. KOLB

FULTON COUNTY AUDITOR

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number:	2022-001
Planned Corrective Action:	Management is aware of and understands the importance of the information presented on the financial statements and will ensure all monies be correctly reported on the financial statements.
Anticipated Completion Date:	December 31, 2023
Responsible Contact Person:	Brett Kolb, County Auditor

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OHIO AUDITOR OF STATE
KEITH FABER

FULTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 9/28/2023