



FULTON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

FULTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis For the Year Ended December 31, 2020.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position December 31, 2020	21
Statement of Activities For the Year Ended December 31, 2020	22
Fund Financial Statements:	
Balance Sheet Governmental Funds December 31, 2020	24
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2020	26
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2020	28
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, 2020	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) For the Year Ended December 31, 2020	
General Fund.....	31
Motor Vehicle and Gas Tax Fund.....	32
County Board of Development Disabilities Fund.....	33
EMS Advanced and Basic Life Services Fund.....	34
Statement of Net Position Proprietary Funds December 31, 2020	35
Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2020	36
Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2020	38

FULTON COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Statement of Fiduciary Net Position Fiduciary Funds December 31, 2020	40
Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended December 31, 2020	41
Notes to the Basic Financial Statements For the Year Ended December 31, 2020	42
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)	98
State Teachers Retirement System (STRS) of Ohio	100
Schedule of County Pension Contributions - Ohio Public Employees Retirement System (OPERS)	102
State Teachers Retirement System (STRS) of Ohio	104
Schedule of the County's Proportionate Share of the Net OPEB Liability/Asset - Ohio Public Employees Retirement System (OPERS)	106
State Teachers Retirement System (STRS) of Ohio	107
Schedule of County OPEB Contributions - Ohio Public Employees Retirement System (OPERS)	108
State Teachers Retirement System (STRS) of Ohio	110
Notes to the Required Supplementary Information For the Year Ended December 31, 2020	112
Schedule of Expenditures of Federal Awards	114
Notes to the Schedule of Expenditures of Federal Awards	116
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	117
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	119
Schedule of Findings	121
Prepared by Management:	
Summary Schedule of Prior Audit Findings	122

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fulton County, Ohio (the County), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Motor Vehicle and Gas Tax, County Board of Developmental Disabilities, and the Emergency Medical Services Advanced and Basic Life Services funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 3.A to the financial statements, during 2020, the County adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "*Fiduciary Activities*". We did not modify our opinion regarding this matter.

In addition, as discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

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FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED

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, 2020. 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 2020 are as follows:

- The total net position of the County increased \$7,575,578. Net position of governmental activities increased \$7,922,120, which represents a 10.09% increase from 2019's net position. Net position of business-type activities decreased \$346,542 or 1.73% from 2019's net position.
- General revenues accounted for \$28,862,813 or 57.42% of total governmental activities revenue. Program specific revenues accounted for \$21,405,078 or 42.58% of total governmental activities revenue of \$50,267,891.
- The County had \$42,294,602 in expenses related to governmental activities; \$21,405,078 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$28,862,813 were adequate to provide for these programs.
- The general fund, the County's largest major fund, had revenues and other financing sources of \$17,627,777 in 2020. The expenditures and other financing uses of the general fund were \$15,761,309 in 2020. The general fund balance increased \$1,866,468 from 2019 to 2020.
- The motor vehicle and gas tax fund, a County major fund, had revenues of \$6,618,883 in 2020. The motor vehicle and gas tax fund had expenditures of \$4,822,823 in 2020. The motor vehicle and gas tax fund balance increased \$1,796,060 from 2019 to 2020.
- The county board of developmental disabilities (the "county board of DD") fund, a County major fund, had revenues and other financing sources of \$4,936,425 in 2020. The county board of DD had expenditures of \$3,377,915 in 2020. The county board of DD fund balance increased \$1,558,510 from 2019 to 2020.
- The emergency medical system advanced and basic ("EMS A&B") life services fund, a County major fund, had revenues of \$4,818,932 in 2020. The EMS advanced and basic life services fund had expenditures of \$4,166,358 in 2020. The EMS A&B life services fund balance increased \$652,574 from 2019 to 2020.
- The County had two major proprietary funds. The net position for the water fund decreased in 2020 by \$259,490 or 1.74%. Net position for the sewer fund decreased in 2020 by \$81,461 or 1.57%.
- In the general fund, actual revenues and other financing sources of \$16,928,026 exceeded both original budgeted revenues and final budgeted revenues by \$3,894,936. The increase is due to the County's conservative approach to budgeting. Actual expenditures and other financing uses of \$15,812,140 were \$267,348 less than original budgeted appropriations and \$2,789,792 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.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

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 four 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 2020?" 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), and EMS advanced and basic (EMS A&B) life services funds.

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.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

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 liabilities.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

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 2020 and 2019.

	Net Position					
	Governmental Activities 2020	Business-type Activities 2020	Governmental Activities 2019	Business-type Activities 2019	2020 Total	2019 Total
Assets:						
Current and other assets	\$ 68,115,020	\$ 3,585,032	\$ 57,805,360	\$ 3,411,130	\$ 71,700,052	\$ 61,216,490
Capital assets, net	<u>60,762,290</u>	<u>18,555,703</u>	<u>61,048,750</u>	<u>19,229,873</u>	<u>79,317,993</u>	<u>80,278,623</u>
Total assets	<u>128,877,310</u>	<u>22,140,735</u>	<u>118,854,110</u>	<u>22,641,003</u>	<u>151,018,045</u>	<u>141,495,113</u>
Deferred outflows of resources:						
Pension	2,785,163	65,373	6,982,747	175,636	2,850,536	7,158,383
OPEB	<u>1,820,991</u>	<u>43,456</u>	<u>999,516</u>	<u>24,959</u>	<u>1,864,447</u>	<u>1,024,475</u>
Total deferred outflows of resources	<u>4,606,154</u>	<u>108,829</u>	<u>7,982,263</u>	<u>200,595</u>	<u>4,714,983</u>	<u>8,182,858</u>
Liabilities:						
Long-term liabilities	2,379,865	1,651,135	2,517,020	1,797,483	4,031,000	4,314,503
Net pension liability	16,068,662	374,978	22,567,857	537,570	16,443,640	23,105,427
Net OPEB liability	10,886,303	256,788	10,436,952	249,801	11,143,091	10,686,753
Other liabilities	<u>1,339,071</u>	<u>107,113</u>	<u>974,485</u>	<u>170,709</u>	<u>1,446,184</u>	<u>1,145,194</u>
Total liabilities	<u>30,673,901</u>	<u>2,390,014</u>	<u>36,496,314</u>	<u>2,755,563</u>	<u>33,063,915</u>	<u>39,251,877</u>
Deferred inflows of resources:						
Property taxes	10,752,000	-	10,626,000	-	10,752,000	10,626,000
Pension	3,887,133	89,428	770,684	8,470	3,976,561	779,154
OPEB	<u>1,723,219</u>	<u>41,204</u>	<u>418,284</u>	<u>2,105</u>	<u>1,764,423</u>	<u>420,389</u>
Total deferred inflows of resources	<u>16,362,352</u>	<u>130,632</u>	<u>11,814,968</u>	<u>10,575</u>	<u>16,492,984</u>	<u>11,825,543</u>
Net position:						
Net investment in capital assets	59,475,658	16,940,292	59,531,946	17,509,006	76,415,950	77,040,952
Restricted	25,539,943	-	18,386,791	-	25,539,943	18,386,791
Unrestricted	<u>1,431,610</u>	<u>2,788,626</u>	<u>606,354</u>	<u>2,566,454</u>	<u>4,220,236</u>	<u>3,172,808</u>
Total net position	<u>\$ 86,447,211</u>	<u>\$ 19,728,918</u>	<u>\$ 78,525,091</u>	<u>\$ 20,075,460</u>	<u>\$ 106,176,129</u>	<u>\$ 98,600,551</u>

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.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

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, 2020, the County's assets and deferred outflows exceeded liabilities and deferred inflows by \$106,176,129. This amounts to \$86,447,211 in governmental activities and \$19,728,918 in business-type activities. The County's finances remained strong during 2020.

FULTON COUNTY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)**

Capital assets reported on the government-wide statements represent the largest portion of the County's net position. At year-end, capital assets represented 52.52% 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, 2020, was \$76,415,950. 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, 2020, 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, \$25,539,943 or 24.05%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$4,220,236 may be used to meet the government's ongoing obligations to citizens and creditors.

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FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

	Change in Net Position					
	Governmental		Business-type		2020	2019
	Activities	Activities	Activities	Activities		
2020	2020	2019	2019	Total	Total	
Revenues:						
Program revenues:						
Charges for services and sales	\$ 6,205,670	\$ 4,769,871	\$ 6,634,311	\$ 4,511,474	\$ 10,975,541	\$ 11,145,785
Operating grants and contributions	13,985,541	-	11,760,005	-	13,985,541	11,760,005
Capital grants and contributions	1,213,867	-	2,241,273	-	1,213,867	2,241,273
Total program revenues	<u>21,405,078</u>	<u>4,769,871</u>	<u>20,635,589</u>	<u>4,511,474</u>	<u>26,174,949</u>	<u>25,147,063</u>
General revenues:						
Property taxes	12,090,216	-	11,416,599	-	12,090,216	11,416,599
Sales tax	9,500,465	-	8,862,850	-	9,500,465	8,862,850
Unrestricted grants	2,322,240	-	2,292,784	-	2,322,240	2,292,784
Investment earnings	1,160,169	-	1,677,926	-	1,160,169	1,677,926
Other	3,789,723	69,979	1,956,948	151,831	3,859,702	2,108,779
Total general revenues	<u>28,862,813</u>	<u>69,979</u>	<u>26,207,107</u>	<u>151,831</u>	<u>28,932,792</u>	<u>26,358,938</u>
Total revenues	<u>50,267,891</u>	<u>4,839,850</u>	<u>46,842,696</u>	<u>4,663,305</u>	<u>55,107,741</u>	<u>51,506,001</u>
Expenses:						
Program expenses:						
General government	10,233,263	-	11,302,704	-	10,233,263	11,302,704
Public safety	11,057,037	-	10,608,854	-	11,057,037	10,608,854
Public works	7,316,899	-	6,593,365	-	7,316,899	6,593,365
Health	5,582,226	-	6,365,518	-	5,582,226	6,365,518
Human services	6,247,853	-	6,517,685	-	6,247,853	6,517,685
Economic development	591,316	-	1,049,784	-	591,316	1,049,784
Other	29,968	-	3,457	-	29,968	3,457
Intergovernmental	1,234,972	-	1,288,803	-	1,234,972	1,288,803
Interest and fiscal charges	1,068	-	2,131	-	1,068	2,131
Water	-	4,262,981	-	4,015,884	4,262,981	4,015,884
Sewer	-	569,953	-	684,436	569,953	684,436
Solid waste incinerator	-	404,627	-	406,323	404,627	406,323
Total expenses	<u>42,294,602</u>	<u>5,237,561</u>	<u>43,732,301</u>	<u>5,106,643</u>	<u>47,532,163</u>	<u>48,838,944</u>
Transfers	<u>(51,169)</u>	<u>51,169</u>	<u>(101,169)</u>	<u>101,169</u>	<u>-</u>	<u>-</u>
Change in net position	7,922,120	(346,542)	3,009,226	(342,169)	7,575,578	2,667,057
Net position at beginning of year	<u>78,525,091</u>	<u>20,075,460</u>	<u>75,515,865</u>	<u>20,417,629</u>	<u>98,600,551</u>	<u>95,933,494</u>
Net position at end of year	<u>\$ 86,447,211</u>	<u>\$ 19,728,918</u>	<u>\$ 78,525,091</u>	<u>\$ 20,075,460</u>	<u>\$ 106,176,129</u>	<u>\$ 98,600,551</u>

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

Governmental Activities

Governmental net position increased by \$7,922,120 in 2020 from 2019 due to an increase in program revenues.

General government represents activities related to the governing body as well as activities that directly support County programs. In 2020, general government expenses totaled \$10,233,263 or 24.20% of total governmental expenses. General government programs were supported by \$3,576,197 in direct charges to users, \$578,277 in operating grants and contributions, and \$74,423 in capital 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 \$11,057,037 or 26.14% of total governmental expenses. Public safety programs are primarily supported by revenues from charges to users of service, of \$1,307,161, and operating grants and contributions of \$1,160,715.

The next largest program is public works, which accounted for \$7,316,899 of expenses, or 17.30% of total governmental expenses of the County during 2020. 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 \$136,044 in charges to users of services, \$6,208,761 in operating grants and contributions and \$1,139,444 in capital grants and contributions.

Another significant program is health, which accounted for \$5,582,226 of expenses, or 13.20% of total governmental expenses of the County during 2020. 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 \$433,250 in charges to users of services and \$919,079 in operating grants and contributions.

The final significant program is human services, which accounted for \$6,247,853 of expenses, or 14.77% of total governmental expenses of the County during 2020. 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 \$615,398 in charges to users of services, \$4,860,232 in operating grants and contributions.

Operating grants and contributions were the largest type of program revenue. The State and federal government contributed revenues of \$13,985,541 in operating grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$4,860,232 or 34.75%, subsidized human services programs, \$6,208,761 or 44.39%, subsidized public works programs, and \$919,079 or 6.57%, subsidized health programs.

Another type of program revenue is direct charges to users of governmental activities, made up \$6,205,670 or 12.35% 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.

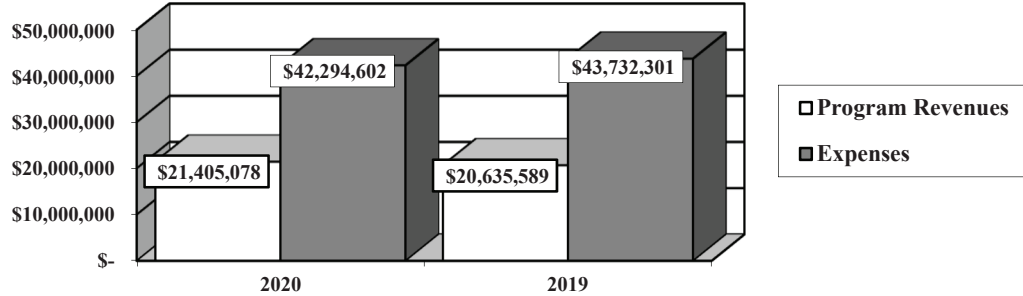
General revenues totaled \$28,862,813 and amounted to 57.42% of total revenues. These revenues primarily consist of property and sales tax revenue of \$21,590,681 or 74.80% of total general revenues in 2020. Property taxes increased by \$673,617 during 2020. Sales tax revenue increased \$637,615 in 2020. 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. Interest earnings decreased during 2020 by \$517,757 or 30.86%.

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 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

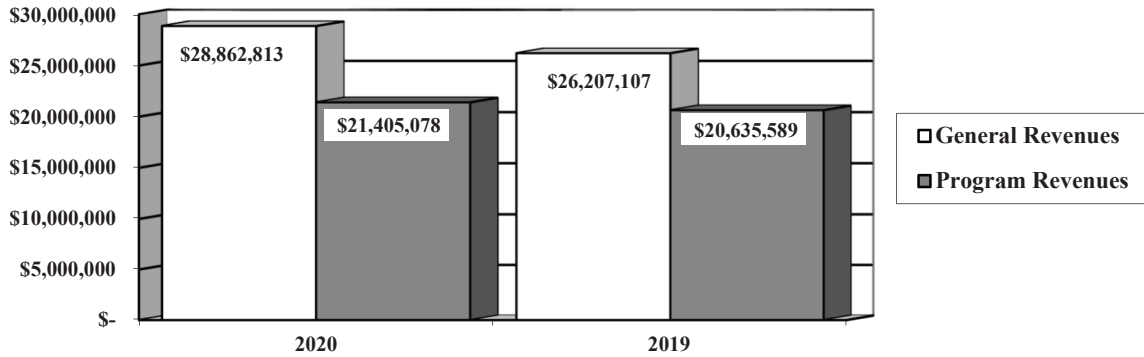
	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Program expenses:				
General government	\$ 10,233,263	\$ 6,004,366	\$ 11,302,704	\$ 6,911,071
Public safety	11,057,037	8,589,161	10,608,854	8,999,634
Public works	7,316,899	(167,350)	6,593,365	(569,871)
Health	5,582,226	4,229,897	6,365,518	4,672,099
Human services	6,247,853	772,223	6,517,685	1,052,780
Economic development and assistance	591,316	195,219	1,049,784	736,608
Other	29,968	29,968	3,457	3,457
Intergovernmental	1,234,972	1,234,972	1,288,803	1,288,803
Interest and fiscal charges	1,068	1,068	2,131	2,131
Total	<u>\$ 42,294,602</u>	<u>\$ 20,889,524</u>	<u>\$ 43,732,301</u>	<u>\$ 23,096,712</u>

The dependence upon general revenues for governmental activities is apparent; with 49.39% and 52.81% of expenses supported through taxes and other general revenues during 2020 and 2019, respectively.

FULTON COUNTY

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

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 \$4,839,850 and expenses of \$5,237,561 and transfer in of \$51,169 for 2020. The net position of these programs decreased \$346,542 or 1.73% from 2019’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 \$51,371,563, which is \$10,367,841 greater than last year’s total of \$41,003,722. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2020 for all major and non-major governmental funds.

	<u>Fund Balance</u> <u>December 31, 2020</u>	<u>Fund Balance</u> <u>December 31, 2019</u>	<u>Increase</u> <u>(Decrease)</u>
Major funds:			
General	\$ 16,423,678	\$ 14,557,210	\$ 1,866,468
Motor vehicle and gas tax	5,475,101	3,679,041	1,796,060
County board of DD	10,215,919	8,657,409	1,558,510
EMS A & B life services	2,333,357	1,680,783	652,574
Other nonmajor governmental funds	<u>16,923,508</u>	<u>12,429,279</u>	<u>4,494,229</u>
Total	<u>\$ 51,371,563</u>	<u>\$ 41,003,722</u>	<u>\$ 10,367,841</u>

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

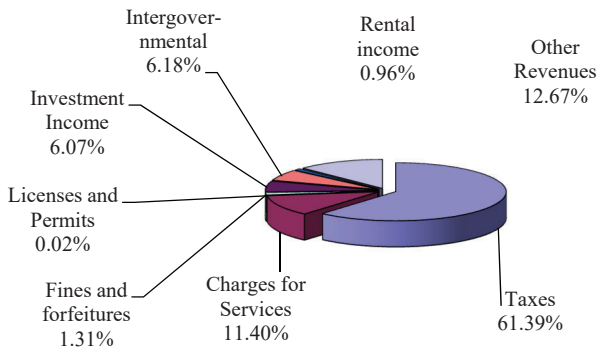
General Fund

The general fund is the primary operating fund of the County. During 2020, the County's general fund balance increased \$1,866,468. The table that follows assists in illustrating the revenues of the general fund.

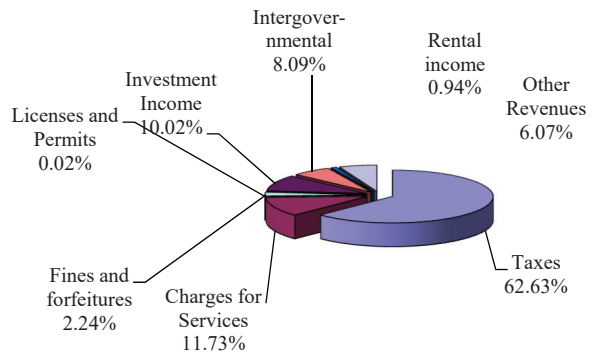
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Taxes	\$ 10,815,404	\$ 10,117,231	6.90 %
Charges for services	2,009,174	1,895,112	6.02 %
Licenses and permits	3,495	2,625	33.14 %
Fines and forfeitures	230,499	361,973	(36.32) %
Intergovernmental	1,088,340	1,025,904	6.09 %
Investment income	1,069,676	1,618,458	(33.91) %
Rental income	168,908	152,656	10.65 %
Other	<u>2,232,281</u>	<u>980,714</u>	127.62 %
Total	<u>\$ 17,617,777</u>	<u>\$ 16,154,673</u>	9.06 %

Tax revenue represents 61.39% of all general fund revenue. Taxes increased 6.90% or \$698,173 primarily due to increased general property tax in 2020. Fines and forfeitures decreased 36.32% or \$131,474 primarily due to decreased Eastern and Western Court fines during 2020. Other revenues increased 127.62% due primarily to increased refunds and reimbursements in 2020, specifically a large refund from the Bureau of Workers' Compensation. Investment income decreased 33.91% due to increased investments maturing during 2020, compared to 2019. All other revenue remained comparable to 2019.

Revenues – 2020



Revenues – 2019



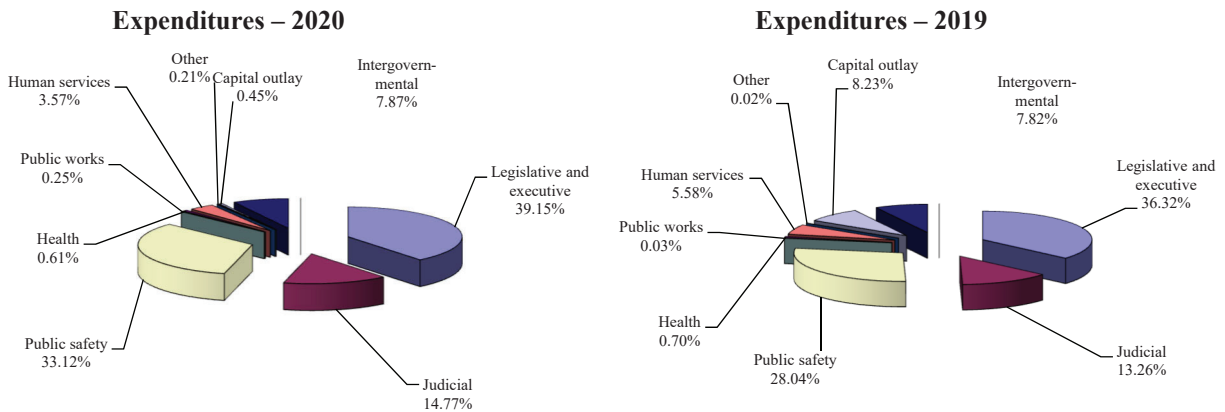
FULTON COUNTY

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

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

	<u>2020</u>	<u>2019</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
General government			
Legislative and executive	\$ 5,255,724	\$ 5,387,151	(2.44) %
Judicial	1,981,990	1,966,562	0.78 %
Public safety	4,444,947	4,159,694	6.86 %
Public works	33,990	3,814	791.19 %
Health	81,374	103,969	(21.73) %
Human services	479,246	827,394	(42.08) %
Other	27,968	3,457	709.03 %
Capital outlay	59,848	1,220,855	(95.10) %
Intergovernmental	<u>1,056,115</u>	<u>1,159,889</u>	(8.95) %
Total	<u>\$ 13,421,202</u>	<u>\$ 14,832,785</u>	(9.52) %

Overall general fund expenditures decreased 9.52% from the prior year. Capital outlay decreased 95.10% due to decreased construction during 2020 while the County was focusing on dealing with COVID-19 related matters. Human services decreased 42.08% due to the children services department expenditures decreasing. All other expenditures remained consistent with the prior year. Overall, expenditures remained consistent with the prior year.



Motor Vehicle and Gas Tax Fund

The motor vehicle and gas tax fund, a County major fund, had revenues of \$6,618,883 in 2020. The motor vehicle and gas tax fund had expenditures of \$4,822,823 in 2020. The motor vehicle and gas tax fund balance increased \$1,796,060 from 2019 to 2020.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

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 revenues and other financing sources of \$4,936,425 in 2020. The county board of DD had expenditures of \$3,377,915 in 2020. The county board of DD fund balance increased \$1,558,510 from 2019 to 2020.

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 \$4,818,932 in 2020. The EMS advanced and basic life services fund had expenditures of \$4,166,358 in 2020. The EMS A&B life services fund balance increased \$652,574 from 2020 to 2019.

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 \$16,928,026 exceeded both original budgeted revenues and final budgeted revenues by \$3,894,936. The increase is due to the County's conservative approach to budgeting. Actual expenditures and other financing uses of \$15,812,140 were \$267,348 less than original budgeted appropriations and \$2,789,792 less than final budgeted appropriations, respectively. The decrease is due to the County's conservative approach to budgeting.

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 2020, the County had \$79,317,993 (net of accumulated depreciation) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and infrastructure. Of this total, \$60,762,290 was reported in governmental activities and \$18,555,703 was reported in business-type activities, see Note 10 to the basic financial statements for detail.

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

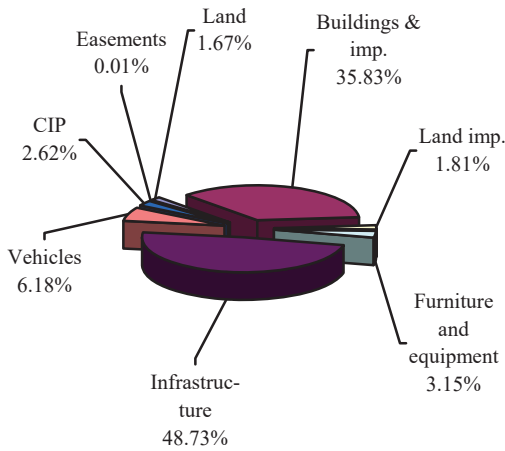
The following table shows fiscal 2020 balances compared to 2019:

**Capital Assets at December 31
(Net of Depreciation)**

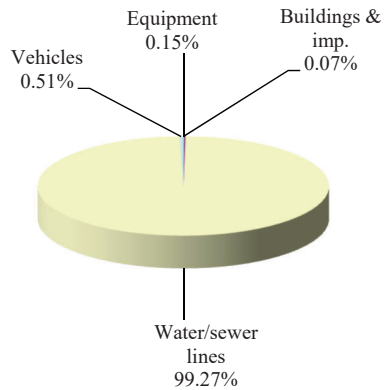
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,011,931	\$ 1,011,931	\$ -	\$ -	\$ 1,011,931	\$ 1,011,931
Easements	5,107	-	-	-	5,107	-
Construction-in-progress	1,591,543	1,360,042	-	-	1,591,543	1,360,042
Land improvements	1,098,283	813,180	-	-	1,098,283	813,180
Building and improvements	21,773,598	22,878,025	11,112	14,534	21,784,710	22,892,559
Furniture and equipment	1,916,006	2,061,335	27,572	30,820	1,943,578	2,092,155
Vehicles	3,752,181	3,768,751	84,478	97,168	3,836,659	3,865,919
Infrastructure	29,613,641	29,155,486	-	-	29,613,641	29,155,486
Water/sewer lines	-	-	18,432,541	19,087,351	18,432,541	19,087,351
Total	\$ 60,762,290	\$61,048,750	\$18,555,703	\$19,229,873	\$ 79,317,993	\$ 80,278,623

The following graphs show the breakdown of governmental and business-type activities capital assets by category for 2020 and 2019.

Capital Assets - Governmental Activities 2020



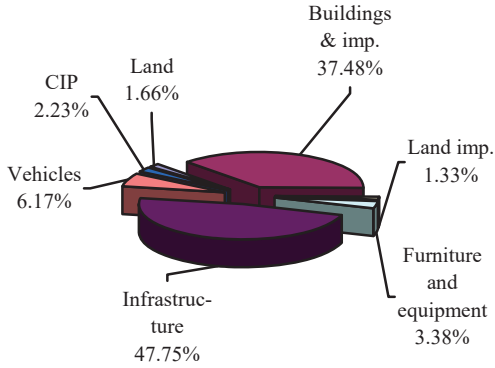
Capital Assets - Business-Type Activities 2020



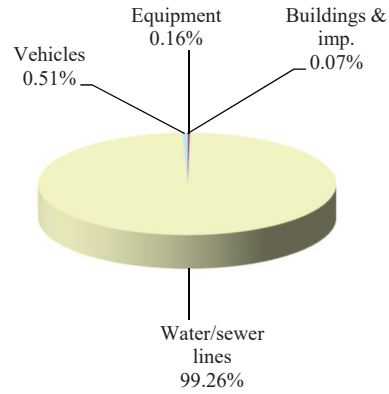
FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
UNAUDITED – (CONTINUED)

Capital Assets - Governmental Activities 2019



Capital Assets - Business-Type Activities 2019



Debt Administration

The County had the following long-term obligations outstanding at December 31, 2020 and 2019:

	Governmental Activities 2020	Governmental Activities 2019
Special assessment bonds	\$ -	\$ 25,000
Capital lease	-	553
OPWC loans	<u>1,286,632</u>	<u>1,447,275</u>
Total long-term obligations	<u>\$ 1,286,632</u>	<u>\$ 1,472,828</u>
	Business-Type Activities 2020	Business-Type Activities 2019
OWDA loans	\$ 1,525,398	\$ 1,603,802
Special assessment bonds	46,703	56,404
Loan payable	<u>61,143</u>	<u>80,192</u>
Total long-term obligations	<u>\$ 1,633,244</u>	<u>\$ 1,740,398</u>

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

FULTON COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 UNAUDITED – (CONTINUED)

Economic Factors

The County's Administration considered the impact of various economic factors when establishing the 2020 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 2020 budget, the County emphasized various efforts to continue to contain costs while pursuing new sources of revenue.

The average unemployment rate for Fulton County in 2020 was 7.9%. The state average for 2020 was 8.1%. Efforts in the area of economic development are predicted to have positive results in 2021 with the addition of jobs in Fulton County. The challenges of the COVID-19 pandemic will play a significant roll in the County's finances in 2021.

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, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments	\$ 48,782,023	\$ 2,776,466	\$ 51,558,489
Cash in segregated accounts.	46,386	-	46,386
Receivables:			
Sales taxes.	2,483,723	-	2,483,723
Property taxes.	10,798,622	-	10,798,622
Accounts.	555,073	406,831	961,904
Special assessments	718,607	306,879	1,025,486
Accrued interest	59,184	-	59,184
Due from other governments.	3,653,580	-	3,653,580
Materials and supplies inventory.	565,674	17,462	583,136
Prepayments	151,961	76,013	227,974
Net pension asset.	128,678	3,035	131,713
Net OPEB asset.	12,481	-	12,481
Loans receivable, net	157,374	-	157,374
Internal balance	1,654	(1,654)	-
Capital assets:			
Land and construction in progress.	2,608,581	-	2,608,581
Depreciable capital assets, net.	58,153,709	18,555,703	76,709,412
Total capital assets, net.	<u>60,762,290</u>	<u>18,555,703</u>	<u>79,317,993</u>
Total assets	<u>128,877,310</u>	<u>22,140,735</u>	<u>151,018,045</u>
Deferred outflows of resources:			
Pension	2,785,163	65,373	2,850,536
OPEB.	1,820,991	43,456	1,864,447
Total deferred outflows of resources	<u>4,606,154</u>	<u>108,829</u>	<u>4,714,983</u>
Liabilities:			
Accounts payable.	366,371	92,867	459,238
Accrued wages and benefits.	422,360	10,031	432,391
Due to other governments	550,340	3,996	554,336
Accrued interest payable	-	219	219
Long-term liabilities:			
Due within one year	867,762	120,840	988,602
Net pension liability	16,068,662	374,978	16,443,640
Net OPEB liability.	10,886,303	256,788	11,143,091
Due in more than one year.	1,512,103	1,530,295	3,042,398
Total liabilities	<u>30,673,901</u>	<u>2,390,014</u>	<u>33,063,915</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	10,752,000	-	10,752,000
Pension	3,887,133	89,428	3,976,561
OPEB.	1,723,219	41,204	1,764,423
Total deferred inflows of resources	<u>16,362,352</u>	<u>130,632</u>	<u>16,492,984</u>
Net position:			
Net investment in capital assets.	59,475,658	16,940,292	76,415,950
Restricted for:			
Debt service	8,328	-	8,328
Capital projects	3,272,707	-	3,272,707
Real estate assessment.	306,884	-	306,884
Public safety programs.	5,002,290	-	5,002,290
Public works.	4,157,575	-	4,157,575
Health programs.	7,570,580	-	7,570,580
County court special projects.	591,894	-	591,894
Human services programs.	2,904,363	-	2,904,363
Economic development programs.	459,961	-	459,961
County court computer services	642,272	-	642,272
Other purposes.	623,089	-	623,089
Unrestricted	1,431,610	2,788,626	4,220,236
Total net position	<u>\$ 86,447,211</u>	<u>\$ 19,728,918</u>	<u>\$ 106,176,129</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Current:				
General government:				
Legislative and executive.	\$ 7,723,156	\$ 2,443,156	\$ 545,487	\$ 74,423
Judicial.	2,510,107	1,133,041	32,790	-
Public safety	11,057,037	1,307,161	1,160,715	-
Public works	7,316,899	136,044	6,208,761	1,139,444
Health.	5,582,226	433,250	919,079	-
Human services	6,247,853	615,398	4,860,232	-
Economic development and assistance	591,316	137,620	258,477	-
Intergovernmental.	1,234,972	-	-	-
Other	29,968	-	-	-
Interest and fiscal charges.	1,068	-	-	-
Total governmental activities	42,294,602	6,205,670	13,985,541	1,213,867
Business-type activities:				
Water.	4,262,981	3,946,152	-	-
Sewer.	569,953	474,683	-	-
Other business-type activities:				
Solid waste incinerator	404,627	349,036	-	-
Total business-type activities	5,237,561	4,769,871	-	-
Totals	\$ 47,532,163	\$ 10,975,541	\$ 13,985,541	\$ 1,213,867

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

Transfers

Change in net position

Net position at beginning of year

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (4,660,090)	\$ -	\$ (4,660,090)
(1,344,276)	-	(1,344,276)
(8,589,161)	-	(8,589,161)
167,350	-	167,350
(4,229,897)	-	(4,229,897)
(772,223)	-	(772,223)
(195,219)	-	(195,219)
(1,234,972)	-	(1,234,972)
(29,968)	-	(29,968)
(1,068)	-	(1,068)
(20,889,524)	-	(20,889,524)
-	(316,829)	(316,829)
-	(95,270)	(95,270)
-	(55,591)	(55,591)
-	(467,690)	(467,690)
(20,889,524)	(467,690)	(21,357,214)
1,956,016	-	1,956,016
3,804,191	-	3,804,191
1,478,851	-	1,478,851
3,662,624	-	3,662,624
263,631	-	263,631
924,903	-	924,903
9,500,465	-	9,500,465
2,322,240	-	2,322,240
1,160,169	-	1,160,169
3,789,723	69,979	3,859,702
28,862,813	69,979	28,932,792
(51,169)	51,169	-
7,922,120	(346,542)	7,575,578
78,525,091	20,075,460	98,600,551
\$ 86,447,211	\$ 19,728,918	\$ 106,176,129

FULTON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Motor Vehicle and Gas Tax	County Board of DD	EMS A & B Life Services
Assets:				
Equity in pooled cash and investments.	\$ 14,786,408	\$ 4,232,604	\$ 10,269,390	\$ 2,231,583
Cash in segregated accounts.	46,065	-	-	-
Receivables:				
Sales taxes	2,443,013	40,710	-	-
Property taxes.	1,804,057	-	3,412,674	3,207,212
Accounts.	117,461	35	31	365,194
Special assessments	-	-	-	-
Interfund loans.	100,000	-	-	-
Accrued interest	59,184	-	-	-
Due from other funds	14,530	-	-	-
Due from other governments.	418,333	2,463,257	202,474	105,655
Advances to other funds	200,473	-	-	-
Materials and supplies inventory.	109,603	334,555	1,723	-
Prepayments	79,617	4,628	4,402	756
Loans receivable, net.	-	-	-	-
Total assets	<u>20,178,744</u>	<u>7,075,789</u>	<u>13,890,694</u>	<u>5,910,400</u>
Liabilities:				
Accounts payable.	\$ 86,449	\$ 80,141	\$ 19,369	\$ 24,891
Accrued wages and benefits payable	193,173	48,513	42,187	543
Due to other governments	438,037	19,335	16,809	205
Interfund loans payable.	-	-	-	-
Advances from other funds.	-	-	-	-
Due to other funds	-	72	-	298
Total liabilities	<u>717,659</u>	<u>148,061</u>	<u>78,365</u>	<u>25,937</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	1,800,000	-	3,405,000	3,200,000
Delinquent property tax revenue not available.	4,057	-	7,674	7,212
Accrued interest not available	34,551	-	-	-
Special assessments revenue not available.	-	-	-	-
Sales tax revenue not available	911,072	-	-	-
Intergovernmental revenue not available	287,727	1,452,627	183,736	105,655
Miscellaneous revenue not available.	-	-	-	238,239
Total deferred inflows of resources	<u>3,037,407</u>	<u>1,452,627</u>	<u>3,596,410</u>	<u>3,551,106</u>
Fund balances:				
Nonspendable	484,321	339,183	6,125	756
Restricted.	-	5,135,918	10,209,794	2,332,601
Committed	-	-	-	-
Assigned	4,729,711	-	-	-
Unassigned (deficit)	11,209,646	-	-	-
Total fund balances.	<u>16,423,678</u>	<u>5,475,101</u>	<u>10,215,919</u>	<u>2,333,357</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,178,744</u>	<u>\$ 7,075,789</u>	<u>\$ 13,890,694</u>	<u>\$ 5,910,400</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 17,011,465	\$ 48,531,450
321	46,386
-	2,483,723
2,374,679	10,798,622
72,352	555,073
718,607	718,607
-	100,000
-	59,184
72,795	87,325
463,861	3,653,580
-	200,473
119,544	565,425
46,110	135,513
157,374	157,374
<u>21,037,108</u>	<u>68,092,735</u>
\$ 149,996	\$ 360,846
129,082	413,498
72,351	546,737
100,000	100,000
200,473	200,473
85,301	85,671
<u>737,203</u>	<u>1,707,225</u>
2,347,000	10,752,000
5,289	24,232
-	34,551
718,607	718,607
-	911,072
305,501	2,335,246
-	238,239
<u>3,376,397</u>	<u>15,013,947</u>
165,654	996,039
15,927,231	33,605,544
870,307	870,307
1,176	4,730,887
(40,860)	11,168,786
<u>16,923,508</u>	<u>51,371,563</u>
<u>\$ 21,037,108</u>	<u>\$ 68,092,735</u>

FULTON COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total governmental fund balances		\$ 51,371,563
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds.		60,760,590
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Sales taxes receivable	\$ 911,072	
Property taxes receivable	24,232	
Charges for service receivable	238,239	
Intergovernmental receivable	2,335,246	
Special assessments receivable	718,607	
Accrued interest receivable	34,551	
Total	4,261,947	4,261,947
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.		(314,860)
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	126,143	
Deferred outflows of resources	2,727,882	
Deferred inflows of resources	(3,815,344)	
Net pension liability	(15,755,496)	
Total	(16,716,815)	(16,716,815)
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	12,481	
Deferred outflows of resources	1,782,894	
Deferred inflows of resources	(1,689,624)	
Net OPEB liability	(10,671,844)	
Total	(10,566,093)	(10,566,093)
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	(1,062,489)	
OPWC loans	(1,286,632)	
Total	(2,349,121)	(2,349,121)
Net position of governmental activities		\$ 86,447,211

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, 2020

	General	Motor Vehicle and Gas Tax	County Board of DD	EMS A & B Life Services
Revenues:				
Property taxes	\$ 1,955,845	\$ -	\$ 3,804,073	\$ 3,662,321
Sales taxes	8,859,559	542,182	-	-
Charges for services	2,009,174	80,600	92,595	911,440
Licenses and permits	3,495	-	-	-
Fines and forfeitures	230,499	55,444	-	-
Intergovernmental	1,088,340	5,446,880	823,128	239,566
Special assessments	-	-	-	-
Investment income	1,069,676	96,136	-	-
Rental income	168,908	-	-	-
Contributions and donations	2,608	-	5,982	-
Other	2,229,673	397,641	135,647	5,605
Total revenues	<u>17,617,777</u>	<u>6,618,883</u>	<u>4,861,425</u>	<u>4,818,932</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	5,255,724	-	-	-
Judicial	1,981,990	-	-	-
Public safety	4,444,947	-	-	4,166,358
Public works	33,990	4,596,702	-	-
Health	81,374	-	3,377,915	-
Human services	479,246	-	-	-
Economic development and assistance	-	-	-	-
Capital outlay	59,848	65,478	-	-
Intergovernmental	1,056,115	-	-	-
Other	27,968	-	-	-
Debt service:				
Principal retirement	-	160,643	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13,421,202</u>	<u>4,822,823</u>	<u>3,377,915</u>	<u>4,166,358</u>
Excess of revenues over expenditures	<u>4,196,575</u>	<u>1,796,060</u>	<u>1,483,510</u>	<u>652,574</u>
Other financing sources (uses):				
Transfers in	10,000	-	75,000	-
Transfers (out)	(2,340,107)	-	-	-
Total other financing sources (uses)	<u>(2,330,107)</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	1,866,468	1,796,060	1,558,510	652,574
Fund balances at beginning of year	<u>14,557,210</u>	<u>3,679,041</u>	<u>8,657,409</u>	<u>1,680,783</u>
Fund balances at end of year	<u>\$ 16,423,678</u>	<u>\$ 5,475,101</u>	<u>\$ 10,215,919</u>	<u>\$ 2,333,357</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,753,548	\$ 12,175,787
-	9,401,741
2,330,503	5,424,312
81,981	85,476
158,233	444,176
9,802,909	17,400,823
855,748	855,748
7,072	1,172,884
-	168,908
9,392	17,982
963,769	3,732,335
<u>16,963,155</u>	<u>50,880,172</u>
1,568,984	6,824,708
232,735	2,214,725
2,055,604	10,666,909
1,134,634	5,765,326
1,689,379	5,148,668
5,391,204	5,870,450
562,200	562,200
1,906,423	2,031,749
52,983	1,109,098
2,000	29,968
25,553	186,196
1,165	1,165
<u>14,622,864</u>	<u>40,411,162</u>
<u>2,340,291</u>	<u>10,469,010</u>
2,238,938	2,323,938
(85,000)	(2,425,107)
<u>2,153,938</u>	<u>(101,169)</u>
4,494,229	10,367,841
12,429,279	41,003,722
<u>\$ 16,923,508</u>	<u>\$ 51,371,563</u>

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, 2020

Net change in fund balances - total governmental funds	\$	10,367,841
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	\$ 4,162,000	
Current year depreciation	<u>(4,367,212)</u>	
Total		(205,212)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(80,568)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Sales taxes	98,724	
Property taxes	1,291	
Intergovernmental revenues	(429,075)	
Special assessments	(337,215)	
Investment income	(12,715)	
Charges for services	66,709	
Total		<u>(612,281)</u>
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.		
		186,196
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
		97
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	1,711,117	
OPEB	9,783	
Total		<u>1,720,900</u>
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	(2,453,236)	
OPEB	(921,230)	
Total		<u>(3,374,466)</u>
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.		
		(64,274)
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.		
		<u>(16,113)</u>
Change in net position of governmental activities	\$	<u>7,922,120</u>

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 1,807,500	\$ 1,807,500	\$ 1,975,327	\$ 167,827
Sales taxes	7,500,000	7,500,000	8,746,376	1,246,376
Charges for services	1,366,080	1,366,080	1,673,635	307,555
Licenses and permits	1,300	1,300	3,220	1,920
Fines and forfeitures	306,300	306,300	237,742	(68,558)
Intergovernmental	846,400	846,400	1,094,995	248,595
Investment income	725,310	725,310	739,898	14,588
Rental income	75,000	75,000	171,073	96,073
Contributions and donations	2,000	2,000	2,608	608
Other	403,200	403,200	2,083,152	1,679,952
Total revenues	13,033,090	13,033,090	16,728,026	3,694,936
Expenditures:				
Current:				
General government:				
Legislative and executive	5,140,021	5,919,077	5,376,580	542,497
Judicial	2,257,645	2,333,091	1,831,464	501,627
Public safety	5,430,170	5,305,613	4,288,653	1,016,960
Public works	36,000	36,600	34,051	2,549
Health	138,548	134,868	129,509	5,359
Human services	1,081,885	1,063,801	506,111	557,690
Intergovernmental	992,784	1,126,954	1,052,464	74,490
Other	397,000	73,831	-	73,831
Capital outlay	605,435	288,766	273,977	14,789
Total expenditures	16,079,488	16,282,601	13,492,809	2,789,792
Excess (deficiency) of revenues over (under) expenditures	(3,046,398)	(3,249,511)	3,235,217	6,484,728
Other financing sources (uses):				
Advances in	-	-	190,000	190,000
Transfers in	-	-	10,000	10,000
Transfers (out)	-	(2,319,331)	(2,319,331)	-
Total other financing sources (uses)	-	(2,319,331)	(2,119,331)	200,000
Net change in fund balance	(3,046,398)	(5,568,842)	1,115,886	6,684,728
Fund balance at beginning of year	8,564,143	8,564,143	8,564,143	-
Prior year encumbrances appropriated	416,473	416,473	416,473	-
Fund balance at end of year	\$ 5,934,218	\$ 3,411,774	\$ 10,096,502	\$ 6,684,728

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Sales taxes	\$ 550,000	\$ 550,000	\$ 543,784	\$ (6,216)
Charges for services.	78,000	78,000	85,707	7,707
Fines and forfeitures	32,000	32,000	62,055	30,055
Intergovernmental.	5,470,000	5,470,000	5,311,389	(158,611)
Investment income.	10,000	10,000	96,136	86,136
Other	162,000	162,000	397,709	235,709
Total revenues	<u>6,302,000</u>	<u>6,302,000</u>	<u>6,496,780</u>	<u>194,780</u>
Expenditures:				
Current:				
Public works	6,375,299	8,392,606	4,781,969	3,610,637
Capital outlay	-	220,000	145,630	74,370
Debt service:				
Principal retirement.	165,000	165,000	160,643	4,357
Total expenditures	<u>6,540,299</u>	<u>8,777,606</u>	<u>5,088,242</u>	<u>3,689,364</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(238,299)</u>	<u>(2,475,606)</u>	<u>1,408,538</u>	<u>3,884,144</u>
Other financing sources:				
Transfers in	50,000	50,000	34,568	(15,432)
Net change in fund balance	(188,299)	(2,425,606)	1,443,106	3,868,712
Fund balance at beginning of year	2,289,896	2,289,896	2,289,896	-
Prior year encumbrances appropriated . . .	166,775	166,775	166,775	-
Fund balance at end of year	<u>\$ 2,268,372</u>	<u>\$ 31,065</u>	<u>\$ 3,899,777</u>	<u>\$ 3,868,712</u>

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes.	\$ 3,500,000	\$ 3,500,000	\$ 3,845,024	\$ 345,024
Charges for services.	46,000	46,000	126,229	80,229
Intergovernmental.	636,500	636,500	804,391	167,891
Contributions and donations.	-	-	5,983	5,983
Other	75,000	75,000	135,715	60,715
Total revenues	<u>4,257,500</u>	<u>4,257,500</u>	<u>4,917,342</u>	<u>659,842</u>
Expenditures:				
Current:				
Health	5,170,301	4,856,196	3,480,723	1,375,473
Total expenditures	<u>5,170,301</u>	<u>4,856,196</u>	<u>3,480,723</u>	<u>1,375,473</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(912,801)</u>	<u>(598,696)</u>	<u>1,436,619</u>	<u>2,035,315</u>
Other financing sources (uses):				
Transfers in	-	-	75,000	75,000
Transfers (out).	(300,000)	(300,000)	-	300,000
Total other financing sources (uses).	<u>(300,000)</u>	<u>(300,000)</u>	<u>75,000</u>	<u>375,000</u>
Net change in fund balance	(1,212,801)	(898,696)	1,511,619	2,410,315
Fund balance at beginning of year	8,187,654	8,187,654	8,187,654	-
Prior year encumbrances appropriated . . .	364,128	364,128	364,128	-
Fund balance at end of year	<u>\$ 7,338,981</u>	<u>\$ 7,653,086</u>	<u>\$ 10,063,401</u>	<u>\$ 2,410,315</u>

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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 2,831,059	\$ 3,200,000	\$ 3,696,955	\$ 496,955
Charges for services.	787,388	890,000	877,795	(12,205)
Intergovernmental.	141,553	160,000	239,566	79,566
Other	-	-	5,605	5,605
Total revenues	<u>3,760,000</u>	<u>4,250,000</u>	<u>4,819,921</u>	<u>569,921</u>
Expenditures:				
Current:				
Public safety	4,691,050	4,765,574	4,375,508	390,066
Net change in fund balance	(931,050)	(515,574)	444,413	959,987
Fund balance at beginning of year	1,332,428	1,332,428	1,332,428	-
Prior year encumbrances appropriated . . .	143,379	143,379	143,379	-
Fund balance at end of year	<u>\$ 544,757</u>	<u>\$ 960,233</u>	<u>\$ 1,920,220</u>	<u>\$ 959,987</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020

	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	\$ 2,100,622	\$ 584,378	\$ 91,466	\$ 2,776,466	\$ 250,573
Receivables:					
Accounts	354,920	44,750	7,161	406,831	-
Special assessments	8,255	298,624	-	306,879	-
Materials and supplies inventory	8,731	8,731	-	17,462	249
Prepayments	75,188	567	258	76,013	16,448
Total current assets	<u>2,547,716</u>	<u>937,050</u>	<u>98,885</u>	<u>3,583,651</u>	<u>267,270</u>
Noncurrent assets:					
Net pension asset	1,306	1,306	423	3,035	2,535
Capital assets:					
Depreciable capital assets, net	13,917,360	4,600,470	37,873	18,555,703	1,700
Total noncurrent assets	<u>13,918,666</u>	<u>4,601,776</u>	<u>38,296</u>	<u>18,558,738</u>	<u>4,235</u>
Total assets	<u>16,466,382</u>	<u>5,538,826</u>	<u>137,181</u>	<u>22,142,389</u>	<u>271,505</u>
Deferred outflows of resources:					
Pension	28,392	28,392	8,589	65,373	57,281
OPEB	18,881	18,881	5,694	43,456	38,097
Total deferred outflows of resources	<u>47,273</u>	<u>47,273</u>	<u>14,283</u>	<u>108,829</u>	<u>95,378</u>
Total assets and deferred outflows of resources	<u>16,513,655</u>	<u>5,586,099</u>	<u>151,464</u>	<u>22,251,218</u>	<u>366,883</u>
Liabilities:					
Current liabilities:					
Accounts payable	38,150	8,431	46,286	92,867	5,525
Accrued wages and benefits	4,498	4,498	1,035	10,031	8,862
Due to other funds	793	794	67	1,654	-
Due to other governments	1,718	1,718	560	3,996	3,603
Accrued interest payable	57	162	-	219	-
Compensated absences payable - current	6,247	6,247	-	12,494	17,162
Special assessment bonds payable	1,001	9,242	-	10,243	-
OWDA loans payable	66,216	12,188	-	78,404	-
Other loans payable	19,699	-	-	19,699	-
Total current liabilities	<u>138,379</u>	<u>43,280</u>	<u>47,948</u>	<u>229,607</u>	<u>35,152</u>
Long-term liabilities:					
Compensated absences payable	2,023	2,023	1,351	5,397	13,582
Special assessment bonds payable	5,868	30,592	-	36,460	-
OWDA loans payable	1,357,430	89,564	-	1,446,994	-
Other loans payable	41,444	-	-	41,444	-
Net pension liability	161,378	161,387	52,213	374,978	313,166
Net OPEB liability	110,513	110,519	35,756	256,788	214,459
Total long-term liabilities	<u>1,678,656</u>	<u>394,085</u>	<u>89,320</u>	<u>2,162,061</u>	<u>541,207</u>
Total liabilities	<u>1,817,035</u>	<u>437,365</u>	<u>137,268</u>	<u>2,391,668</u>	<u>576,359</u>
Deferred inflows of resources:					
Pension	38,549	38,545	12,334	89,428	71,789
OPEB	17,741	17,739	5,724	41,204	33,595
Total deferred inflows of resources	<u>56,290</u>	<u>56,284</u>	<u>18,058</u>	<u>130,632</u>	<u>105,384</u>
Total liabilities and deferred inflows of resources	<u>1,873,325</u>	<u>493,649</u>	<u>155,326</u>	<u>2,522,300</u>	<u>681,743</u>
Net position:					
Net investment in capital assets	12,425,702	4,476,717	37,873	16,940,292	1,700
Unrestricted (deficit)	2,214,628	615,733	(41,735)	2,788,626	(316,560)
Total net position (deficit)	<u>\$ 14,640,330</u>	<u>\$ 5,092,450</u>	<u>\$ (3,862)</u>	<u>\$ 19,728,918</u>	<u>\$ (314,860)</u>

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, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Operating revenues:					
Charges for services	\$ 3,946,152	\$ 474,683	\$ 349,036	\$ 4,769,871	\$ 515,227
Tap-in fees.	563	563	-	1,126	-
Other operating revenues	55,125	314	-	55,439	17,042
Special assessments.	1,651	11,763	-	13,414	-
Total operating revenues.	<u>4,003,491</u>	<u>487,323</u>	<u>349,036</u>	<u>4,839,850</u>	<u>532,269</u>
Operating expenses:					
Personal services	172,652	172,656	53,022	398,330	369,021
Contract services.	3,455,502	201,889	339,869	3,997,260	-
Materials and supplies.	6,770	11,704	2,155	20,629	227,124
Administrative costs.	4,570	4,570	-	9,140	-
Depreciation.	493,235	174,590	6,345	674,170	680
Other	127,245	2,148	3,236	132,629	1,557
Total operating expenses.	<u>4,259,974</u>	<u>567,557</u>	<u>404,627</u>	<u>5,232,158</u>	<u>598,382</u>
Operating Loss.	<u>(256,483)</u>	<u>(80,234)</u>	<u>(55,591)</u>	<u>(392,308)</u>	<u>(66,113)</u>
Nonoperating expenses:					
Interest and fiscal charges	<u>(3,007)</u>	<u>(2,396)</u>	<u>-</u>	<u>(5,403)</u>	<u>-</u>
Loss before transfers	(259,490)	(82,630)	(55,591)	(397,711)	(66,113)
Transfer in	<u>-</u>	<u>1,169</u>	<u>50,000</u>	<u>51,169</u>	<u>50,000</u>
Change in net position	(259,490)	(81,461)	(5,591)	(346,542)	(16,113)
Net position (deficit) at beginning of year	<u>14,899,820</u>	<u>5,173,911</u>	<u>1,729</u>	<u>20,075,460</u>	<u>(298,747)</u>
Net position (deficit) at end of year	<u>\$ 14,640,330</u>	<u>\$ 5,092,450</u>	<u>\$ (3,862)</u>	<u>19,728,918</u>	<u>\$ (314,860)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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FULTON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Funds		
Cash flows from operating activities:					
Cash received from tap-in fees	\$ 563	\$ 563	\$ -	\$ 1,126	\$ -
Cash received from charges for services.	3,990,318	515,213	346,088	4,851,619	515,227
Cash received from other operations	53,214	12,077	-	65,291	17,042
Cash payments for personal services.	(165,569)	(165,569)	(47,323)	(378,461)	(331,404)
Cash payments for contractual services	(3,549,907)	(238,461)	(335,659)	(4,124,027)	-
Cash payments for materials and supplies	(7,139)	(13,343)	(2,139)	(22,621)	(226,884)
Cash payments for administrative costs	(5,787)	(5,787)	-	(11,574)	(15)
Cash payments for other expenses	(128,129)	(2,190)	(3,236)	(133,555)	(1,117)
Net cash provided by (used in) operating activities.	187,564	102,503	(42,269)	247,798	(27,151)
Cash flows from noncapital financing activities:					
Cash received from transfers in	-	1,169	50,000	51,169	50,000
Net cash provided by noncapital financing activities.	-	1,169	50,000	51,169	50,000
Cash flows from capital and related financing activities:					
Principal retirement on bonds	(899)	(8,802)	-	(9,701)	-
Principal retirement on loans	(85,265)	(12,188)	-	(97,453)	-
Interest and fiscal charges.	(3,014)	(2,432)	-	(5,446)	-
Net cash used in capital and related financing activities.	(89,178)	(23,422)	-	(112,600)	-
Net increase in cash and investments	98,386	80,250	7,731	186,367	22,849
Cash and investments at beginning of year	<u>2,002,236</u>	<u>504,128</u>	<u>83,735</u>	<u>2,590,099</u>	<u>227,724</u>
Cash and investments at end of year.	<u>\$ 2,100,622</u>	<u>\$ 584,378</u>	<u>\$ 91,466</u>	<u>\$ 2,776,466</u>	<u>\$ 250,573</u>

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FULTON COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Funds	Total	
Reconciliation of operating loss to net cash provided (used in) by operating activities:					
Operating loss	\$ (256,483)	\$ (80,234)	\$ (55,591)	\$ (392,308)	\$ (66,113)
Adjustments:					
Depreciation.	493,235	174,590	6,345	674,170	680
Changes in assets and liabilities:					
Change in materials and supplies inventory.	(1,110)	(1,110)	-	(2,220)	(33)
Change in accounts receivable.	25,405	25,660	(2,948)	48,117	-
Change in special assessment.	15,199	14,870	-	30,069	-
Change in net pension asset.	(579)	(579)	(191)	(1,349)	(1,144)
Change in deferred outflows - pension.	48,293	48,290	13,680	110,263	87,474
Change in deferred outflows - OPEB.	(7,772)	(7,775)	(2,950)	(18,497)	(13,900)
Change in prepayments	(61,841)	(269)	492	(61,618)	(5,528)
Change in accounts payable	(34,059)	(38,180)	3,718	(68,521)	273
Change in accrued wages and benefits	1,024	1,024	22	2,070	2,142
Change in intergovernmental payable.	1,239	1,239	420	2,898	2,676
Change in net pension liability.	(70,353)	(70,344)	(21,895)	(162,592)	(130,223)
Change in net OPEB liability.	2,831	2,837	1,319	6,987	8,423
Change in deferred inflows pension.	35,158	35,154	10,646	80,958	58,390
Change in deferred inflows OPEB.	17,305	17,304	4,490	39,099	22,417
Change in compensated absences payable.	(19,676)	(19,676)	158	(39,194)	7,330
Change in due to other funds	(252)	(298)	16	(534)	(15)
Net cash provided (used in) by operating activities . .	<u>\$ 187,564</u>	<u>\$ 102,503</u>	<u>\$ (42,269)</u>	<u>\$ 247,798</u>	<u>\$ (27,151)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	\$ 6,759,505
Cash in segregated accounts	386,754
Receivables:	
Property taxes	66,482,134
Special assessments	3,105,481
Deferred assessments.	1,263,107
Due from other governments.	1,925,408
Prepayments	7,825
Total assets.	79,930,214
Liabilities:	
Due to other governments.	386,754
Deferred loan payments.	1,263,107
Total liabilities.	1,649,861
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	60,406,270
Net position:	
Restricted for individuals, organizations and other governments.	17,874,083
Total net position.	\$ 17,874,083

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, 2020

	Custodial
Additions:	
Intergovernmental.	\$ 9,944,274
Amounts received as fiscal agent.	7,643,864
Amounts held for employees.	2,964,858
Fines and forfeitures for other governments.	10,019,075
Property tax collection for other governments.	55,652,331
Other custodial fund collections.	214,502
Total additions.	86,438,904
Deductions:	
Distributions of state funds to other governments.	10,028,547
Distributions as fiscal agent.	6,893,616
Distributions to individuals.	2,963,384
Fines and forfeitures distributions to other governments.	10,310,132
Property tax distributions to other governments.	51,604,444
Other custodial fund disbursements.	196,776
Total deductions.	81,996,899
Net change in fiduciary net position.	4,442,005
Net position beginning of year (restated)	13,432,078
Net position end of year.	\$ 17,874,083

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 2020, the County paid per capita charges of \$40,807 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 2020 were \$1,459,243. Complete 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 2020, 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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, 2020 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 2020. 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 \$292,663 to NWOJDD in 2020.

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.

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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.

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, See Notes 15 and 16 for deferred outflows of resources related the County's net pension liability and net OPEB liability, 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, 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, 2020, but which were levied to finance 2021 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

For the County, See Notes 15 and 16 for deferred inflows of resources related to the County's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is 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 2020.

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 2020 are included in the original and final budget amounts in the budget-to-actual comparisons.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 2020, investments were limited to federal agency securities, negotiable certificates of deposit, nonnegotiable certificates of deposit, municipal bonds 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. Interest revenue credited to the general fund during 2020 amounted to \$1,069,676 which includes \$774,780 assigned from other County funds.

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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. Interest incurred during the construction of capital assets is also 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:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
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 2020, 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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, 2020, 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, 2020 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, 2020, 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 2020, 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, 2020, 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 2020.

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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

For 2020, the County has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements", and GASB Statement No. 90, "Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61."

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the County.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. The County reviewed its agency funds and these funds will be reported in the new fiduciary classification of custodial funds. These fund reclassifications resulted in the restatement of the County's financial statements.

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$13,432,078. Also, related to the implementation of GASB Statement No. 84, the County will no longer be reporting agency funds. At December 31, 2019, agency funds reported assets and liabilities of \$70,092,348.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the County.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the County.

For 2020, the County has applied GASB Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*” to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the County has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the County has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

B. Deficit Fund Balances

Fund balances at December 31, 2020 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Lodging tax	\$ 387
Ditch bond retirement	40,473
<u>Nonmajor enterprise fund</u>	
Transfer station	13,393
<u>Internal service fund</u>	
GIS fund	245,183
Loss fund	69,677

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:

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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,

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 \$433,140 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, 2020, the County had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FHLMC	\$ 1,256,382	\$ -	\$ -	\$ -	\$ -	\$ 1,256,382
FHLB	1,349,438	-	-	-	-	1,349,438
FFCB	2,373,240	-	-	-	-	2,373,240
FNMA	4,036,516	-	-	-	255,320	3,781,196
Negotiable CD's	6,380,282	1,738,886	-	765,532	256,530	3,619,334
Municipal bonds	501,055	501,055	-	-	-	-
State of Israel Bonds	799,997	-	-	-	250,000	549,997
U.S. Government money market	406	406	-	-	-	-
Total	\$ 16,697,316	\$ 2,240,347	\$ -	\$ 765,532	\$ 761,850	\$ 12,929,587

The weighted average maturity of investments is 3.02 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, 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.

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 negotiable certificates of deposit, municipal bonds, and U.S. government money market were not rated.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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, 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, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of total</u>
Fair value:		
FHLMC	\$ 1,256,382	7.52%
FHLB	1,349,438	8.08%
FFCB	2,373,240	14.21%
FNMA	4,036,516	24.17%
Negotiable CD's	6,380,282	38.21%
Municipal bonds	501,055	3.00%
State of Israel Bonds	799,997	4.79%
U.S. Government money market	<u>406</u>	<u>0.02%</u>
Total	<u>\$ 16,697,316</u>	<u>100.00%</u>

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, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 42,053,818
Investments	<u>16,697,316</u>
Total	<u>\$ 58,751,134</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 48,828,409
Business-type activities	2,776,466
Custodial funds	<u>7,146,259</u>
Total	<u>\$ 58,751,134</u>

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers to general fund from:</u>	
Nonmajor governmental funds	\$ 10,000
<u>Transfers to nonmajor governmental funds from:</u>	
General fund	2,238,938
<u>Transfers to County Board of DD fund from:</u>	
Nonmajor governmental fund	75,000
<u>Transfers to Sewer fund from:</u>	
General fund	1,169
<u>Transfers to nonmajor enterprise fund from:</u>	
General fund	50,000
<u>Transfers to internal service fund from:</u>	
General fund	<u>50,000</u>
Total transfers	<u>\$ 2,425,107</u>

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, 2020, consisted of the following, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 200,473</u>

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

- C. Due to/from other funds consisted of the following at December 31, 2020, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	EMS A&B	\$ 298
General fund	Motor Vehicle Gas Tax	72
General fund	Nonmajor governmental funds	12,506
General fund	Water	793
General fund	Sewer	794
General fund	Nonmajor enterprise fund	67
Nonmajor governmental funds	Nonmajor governmental funds	<u>72,795</u>
Total due to/from other funds		<u>\$ 87,325</u>

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.

- D. Interfund loans receivable/payable consisted of the following at December 31, 2020 as reported on the fund statement:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	\$ 100,000

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. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their 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, 2020 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 2019 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, 2020 was \$13.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 860,184,090
Commercial/industrial/mineral	144,760,640
<u>Public utility</u>	
Real/Personal	<u>240,086,140</u>
Total assessed value	<u>\$ 1,245,030,870</u>

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 2020 operations. Sales tax revenue for 2020 amounted to \$9,401,741.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

NOTE 8 - RECEIVABLES

Receivables at December 31, 2020, consisted of taxes, special assessments, accounts (billings for user charged services), interest, 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, 2020.

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

Governmental activities:

Sales taxes	\$ 2,483,723
Property taxes	10,798,622
Accounts	555,073
Due from other governments	3,653,580
Special assessments	718,607
Accrued interest	59,184

Business-type activities:

Accounts	406,831
Special assessments	306,879

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.

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 2020 is as follows:

	Balance at 12/31/2019	Issued/ Additions	Payments/ Reductions	Balance at 12/31/2020
Revolving loans	\$ 312,457	\$ -	\$ (18,048)	\$ 294,409
Allowance for doubtful accounts	<u>(137,035)</u>	<u>-</u>	<u>-</u>	<u>(137,035)</u>
Revolving loans, net	<u>\$ 175,422</u>	<u>\$ -</u>	<u>\$ (18,048)</u>	<u>\$ 157,374</u>

The loans are reported in the nonmajor governmental funds.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

NOTE 10 - CAPITAL ASSETS

A. Capital asset activity for the fiscal year ended December 31, 2020, was as follows:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/20</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,011,931	\$ -	\$ -	\$ 1,011,931
Easements	-	5,107	-	5,107
Construction in progress	<u>1,360,042</u>	<u>231,501</u>	<u>-</u>	<u>1,591,543</u>
Total capital assets not being depreciated	<u>2,371,973</u>	<u>236,608</u>	<u>-</u>	<u>2,608,581</u>
<i>Capital assets being depreciated:</i>				
Land improvements	4,714,085	398,011	-	5,112,096
Buildings and improvements	37,205,464	31,781	-	37,237,245
Machinery and equipment	7,718,127	302,465	(77,931)	7,942,661
Vehicles	7,299,057	467,722	(258,411)	7,508,368
Infrastructure	<u>68,011,572</u>	<u>2,725,413</u>	<u>-</u>	<u>70,736,985</u>
Total capital assets being depreciated	<u>124,948,305</u>	<u>3,925,392</u>	<u>(336,342)</u>	<u>128,537,355</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(3,900,905)	(112,908)	-	(4,013,813)
Buildings and improvements	(14,327,439)	(1,136,208)	-	(15,463,647)
Machinery and equipment	(5,656,792)	(404,933)	35,070	(6,026,655)
Vehicles	(3,530,306)	(446,585)	220,704	(3,756,187)
Infrastructure	<u>(38,856,086)</u>	<u>(2,267,258)</u>	<u>-</u>	<u>(41,123,344)</u>
Total accumulated depreciation	<u>(66,271,528)</u>	<u>(4,367,892)</u>	<u>255,774</u>	<u>(70,383,646)</u>
Total capital assets being depreciated, net	<u>58,676,777</u>	<u>(442,500)</u>	<u>(80,568)</u>	<u>58,153,709</u>
Governmental activities capital assets, net	<u>\$ 61,048,750</u>	<u>\$ (205,892)</u>	<u>\$ (80,568)</u>	<u>\$ 60,762,290</u>

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Capital assets of the business-type activities for the year ended December 31, 2020, was as follows:

	<u>Balance</u> <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/20</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Buildings and improvements	\$ 77,849	\$ -	\$ -	\$ 77,849
Machinery and equipment	269,371	-	-	269,371
Vehicles	126,896	-	-	126,896
Waterlines/sewerlines	<u>32,996,519</u>	<u>-</u>	<u>-</u>	<u>32,996,519</u>
Total capital assets being depreciated	<u>33,470,635</u>	<u>-</u>	<u>-</u>	<u>33,470,635</u>
<i>Less: accumulated depreciation:</i>				
Buildings and improvements	(63,315)	(3,422)	-	(66,737)
Machinery and equipment	(238,551)	(3,248)	-	(241,799)
Vehicles	(29,728)	(12,690)	-	(42,418)
Waterlines/sewerlines	<u>(13,909,168)</u>	<u>(654,810)</u>	<u>-</u>	<u>(14,563,978)</u>
Total accumulated depreciation	<u>(14,240,762)</u>	<u>(674,170)</u>	<u>-</u>	<u>(14,914,932)</u>
Total capital assets being depreciated, net	<u>\$ 19,229,873</u>	<u>\$ (674,170)</u>	<u>\$ -</u>	<u>\$ 18,555,703</u>

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

Governmental activities:	
Legislative and executive	\$ 516,059
Judicial	240,590
Public safety	358,427
Public works	2,664,013
Health	273,062
Human services	177,499
Economic development	11,688
Intergovernmental	125,874
Depreciation of internal service fund capital assets	<u>680</u>
Total depreciation expense - governmental activities	<u>\$ 4,367,892</u>
 Business-type activities:	
Water	\$ 493,235
Sewer	174,590
Nonmajor	<u>6,345</u>
Total depreciation expense - business-type activities	<u>\$ 674,170</u>

FULTON COUNTY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

NOTE 11 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County entered into capital lease agreements for the acquisition of office equipment and copier equipment. These leases meet the criteria of a capital lease as defined by generally accepted accounting principles which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. At inception, capital lease transactions are accounted for as a capital outlay expenditure and other financing source in the appropriate fund.

Capital assets consisting of copier equipment has been capitalized in the amount of \$14,731. This amount represents the present value of minimum lease payments at the time of acquisition. Accumulated depreciation as of December 31, 2020 was \$14,731, leaving a current book value of \$0. Principal and interest payments made in 2020 totaled \$553, and \$3, respectively. As of December 31, 2020 the County has no outstanding capital lease obligations.

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, 2020, vested benefits for vacation leave for governmental activities employees totaled \$750,158 and vested benefits for sick leave totaled \$186,327. These amounts represent the non-current portion of the vested benefits and are reported in the government-wide financial statements. There was no current liability reported for governmental activities sick leave at December 31, 2020. For business-type activities, vested benefits for vacation leave totaled \$12,494 and vested benefits for sick leave totaled \$1,351. These amounts represent the current and non-current portion of the vested benefits and are reported as a liability of the fund from which the employee is paid. In accordance with GASB Statement No. 16, an additional liability of \$173,901 for governmental activities employees and \$4,046 for business-type activities employees was accrued to record termination (severance) payments for employees expected to become eligible to retire in the future.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

NOTE 13 - LONG-TERM OBLIGATIONS

A. Governmental Long-Term Obligations

During 2020, the following changes occurred in the County's governmental long-term obligations.

	Issue Date	Maturity Date	Balance 12/31/19	Additions	Reductions	Balance 12/31/20	Amount Due in One Year
Governmental activities:							
<u>Special assessment bonds:</u>							
Ditch Bond, Series 2014	5/08/14	12/1/20	\$ 25,000	\$ -	\$ (25,000)	\$ -	\$ -
Total special assessment bonds			25,000	-	(25,000)	-	-
<u>OPWC loans payable - direct borrowings:</u>							
Issue II Loan - Co Rd C Project	12/01/06	01/01/27	33,338	-	(4,763)	28,575	4,762
Issue II Loan - Co Rd 14 Project	12/01/06	01/01/27	28,935	-	(4,134)	24,801	4,134
Issue II Loan - Co Rd C Reconstruct.	01/01/07	01/01/28	10,000	-	(1,250)	8,750	1,250
Issue II Loan - County Rd B	10/22/10	01/01/21	27,905	-	(27,905)	-	-
Issue II Loan - Co Rd D Resurfacing	07/22/11	01/01/22	62,031	-	(31,016)	31,015	31,015
Issue II Loan - Bridge T64.9 replace	10/05/12	07/01/32	78,379	-	(6,270)	72,109	6,270
Issue II Loan - Bridge 26 D5 replace	09/15/15	01/01/36	125,804	-	(7,863)	117,941	7,863
Issue II Loan - Bridge 26 D5 replace	09/15/16	01/01/37	153,125	-	(8,750)	144,375	8,750
Issue II Loan - Road M Construction	07/01/16	07/01/37	153,125	-	(8,750)	144,375	8,750
Issue II Loan - Road 26 Resurfacing	07/01/18	07/01/35	70,470	-	(4,546)	65,924	4,547
Issue II Loan - Road L and Road M	01/01/19	01/01/39	154,123	-	(8,111)	146,012	8,111
Issue II Loan - Road J, Bridge 8-1HJ & 5-2SR 2	01/01/19	07/01/39	158,437	-	(8,125)	150,312	8,125
Issue II Loan - Road 5-2, F & 6-3	07/01/19	01/01/30	391,603	-	(39,160)	352,443	39,161
Total OPWC Loans			1,447,275	-	(160,643)	1,286,632	132,738
<u>Other long-term obligations</u>							
Capital lease obligations			553	-	(553)	-	-
Net pension liability			22,567,857	64,263	(6,563,458)	16,068,662	-
Net OPEB liability			10,436,952	449,351	-	10,886,303	-
Compensated absences			1,044,192	616,004	(566,963)	1,093,233	735,024
Total other long-term obligations			34,049,554	1,129,618	(7,130,974)	28,048,198	735,024
Total governmental activities							
long-term liabilities			\$ 35,521,829	\$ 1,129,618	\$ (7,316,617)	\$ 29,334,830	\$ 867,762

Net pension liability and net OPEB liability: See Notes 15 and 16 for more details. The County pays obligations related to employee compensation from the fund benefitting from their service.

Special assessment bonds: The special assessment bonds are supported by the full faith and credit of the County. Special assessment bonds were paid from the proceeds of special assessments levied against benefited property owners from nonmajor governmental funds. As of December 31, 2020 the County has no obligations outstanding related to these bonds

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

OPWC loans payable: The Ohio Public Works Commission (OPWC) loans were issued on December 1, 2006, January 1, 2007, July 24, 2008, June 22, 2009, October 22, 2010, July 22, 2011, October 5, 2012, September 15, 2015, July 1, 2016, July 1, 2018, and January 1, 2019 to provide for improvements to County Road C, County Road 14, County Road 20, County Road B, County Road D, Bridge T64.9, Bridge 26 D5, Bridge M23.9, Bridge B8.7, 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.

Capital lease obligation: The County has entered into a capital lease obligation for the purchase of copier equipment. Principal payments on this obligation is reported in nonmajor governmental funds. The capital lease obligation is further described in Note 11.

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:

Year Ending	OPWC Loans		
	Principal	Interest	Total
2021	\$ 132,738	\$ -	\$ 132,738
2022	101,723	-	101,723
2023	101,722	-	101,722
2024	101,721	-	101,721
2025	101,725	-	101,725
2026 - 2030	430,116	-	430,116
2031 - 2035	237,863	-	237,863
2036 - 2039	79,024	-	79,024
Total	\$ 1,286,632	\$ -	\$ 1,286,632

- 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 \$29,625,772 at December 31, 2020 and the unvoted legal debt margin was \$12,450,309 at December 31, 2020.

C. Business-Type Activities

During 2020, the following changes occurred in the County's business-type long-term obligations.

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Amount Due in One Year</u>
Business-type activities:							
<u>OWDA loans - direct borrowings:</u>							
NE Fulton County Water Supply	2010	2042	\$ 1,489,862	\$ -	\$ (66,216)	1,423,646	\$ 66,216
Riviera Mobile Home Court sewer	2011	2031	19,530	-	(1,698)	17,832	1,698
Wastewater collection/treatment	2007	2028	94,410	-	(10,490)	83,920	10,490
Total OWDA loans			<u>1,603,802</u>	<u>-</u>	<u>(78,404)</u>	<u>1,525,398</u>	<u>78,404</u>
<u>Special assessment bonds:</u>							
Waterline extension assessment	6/15/06	6/15/26	7,768	-	(899)	6,869	1,001
Industrial corridor sewer district	12/23/04	12/1/24	48,636	-	(8,802)	39,834	9,242
Total special assessment bonds			<u>56,404</u>	<u>-</u>	<u>(9,701)</u>	<u>46,703</u>	<u>10,243</u>
<u>Other long-term obligations:</u>							
Loan payable			80,192	-	(19,049)	61,143	19,699
Net pension liability			537,570	-	(162,592)	374,978	-
Net OPEB liability			249,801	6,987	-	256,788	-
Compensated absences			57,085	-	(39,194)	17,891	12,494
Total other long-term obligations			<u>924,648</u>	<u>6,987</u>	<u>(220,835)</u>	<u>710,800</u>	<u>32,193</u>
Total business-type activities long-term liabilities			<u>\$ 2,584,854</u>	<u>\$ 6,987</u>	<u>\$ (308,940)</u>	<u>\$ 2,282,901</u>	<u>\$ 120,840</u>

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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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:

Year Ended	Special Assessment Bonds			OWDA Loans		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 10,243	\$ 2,650	\$ 12,893	\$ 78,404	\$ -	\$ 78,404
2022	10,796	2,088	12,884	78,404	-	78,404
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 - 2030	786	39	825	371,042	-	371,042
2031 - 2035	-	-	-	331,930	-	331,930
2036 - 2040	-	-	-	331,081	-	331,081
2041 - 2042	-	-	-	99,324	-	99,324
Total	\$ 46,703	\$ 7,315	\$ 54,018	\$ 1,525,398	\$ -	\$ 1,525,398

Year Ended	Loan Payable		
	Principal	Interest	Total
2021	\$ 19,699	\$ 1,689	\$ 21,388
2022	20,374	1,091	21,465
2023	21,070	475	21,545
Total	\$ 61,143	\$ 3,255	\$ 64,398

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 2020, the County contributed a total of \$2,943,401 to the Consortium.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions 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 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 liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

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

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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 table on the following page 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 Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits).

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 for calculation of an annual cost-of-living adjustment.

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 percent.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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.

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:

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2020 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2020 Actual Contribution Rates			
Employer:			
Pension	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0 %	0.0 %	0.0 %
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** 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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

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 \$1,786,677 for 2020. Of this amount, \$61,131 is reported as due to other governments.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 year 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, 2023, 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 fifty 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 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 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2020, the full employer contribution was allocated to pension.

The County had no contractually required contribution to STRS for 2020.

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 the OPERS were measured as of December 31, 2019, 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, 2020, 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	0.09570700%	0.07239900%	0.05559300%	0.00048645%	
Proportion of the net pension liability/asset current measurement date	<u>0.09419100%</u>	<u>0.07111200%</u>	<u>0.06386500%</u>	<u>0.00071018%</u>	
Change in proportionate share	<u>-0.00151600%</u>	<u>-0.00128700%</u>	<u>0.00827200%</u>	<u>0.00022373%</u>	
Proportionate share of the net pension liability	\$ 16,271,802	\$ -	\$ -	\$ 171,838	\$ 16,443,640
Proportionate share of the net pension asset	-	(129,603)	(2,110)	-	(131,713)
Pension expense	2,635,911	14,848	(1,243)	(78,943)	2,570,573

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

At December 31, 2020, 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	\$ -	\$ -	\$ 7,051	\$ 387	\$ 7,438
Net difference between projected and actual earnings on pension plan investments	-	-	-	8,356	8,356
Changes of assumptions	869,105	13,365	343	9,226	892,039
Changes in employer's proportionate percentage/difference between employer contributions	122,122	-	-	33,904	156,026
Contributions subsequent to the measurement date	1,728,952	32,187	25,538	-	1,786,677
Total deferred outflows of resources	<u>\$ 2,720,179</u>	<u>\$ 45,552</u>	<u>\$ 32,932</u>	<u>\$ 51,873</u>	<u>\$ 2,850,536</u>

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	STRS	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 205,734	\$ 30,424	\$ -	\$ 1,099	\$ 237,257
Net difference between projected and actual earnings on pension plan investments	3,245,857	16,811	661	-	3,263,329
Changes of assumptions	-	-	-	-	-
Changes in employer's proportionate percentage/difference between employer contributions	211,595	-	-	264,380	475,975
Total deferred inflows of resources	<u>\$ 3,663,186</u>	<u>\$ 47,235</u>	<u>\$ 661</u>	<u>\$ 265,479</u>	<u>\$ 3,976,561</u>

\$1,786,677 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 the net pension liability/asset in the year ending December 31, 2021.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2021	\$ (393,798)	\$ (8,259)	\$ 829	\$ (85,209)	\$ (486,437)
2022	(1,123,753)	(7,945)	843	(90,464)	(1,221,319)
2023	134,410	(3,257)	1,010	(49,631)	82,532
2024	(1,288,818)	(9,407)	752	11,698	(1,285,775)
2025	-	(1,752)	906	-	(846)
Thereafter	-	(3,250)	2,393	-	(857)
Total	\$ (2,671,959)	\$ (33,870)	\$ 6,733	\$ (213,606)	\$ (2,912,702)

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, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 percent simple to 1.40 percent simple through 2020 the 2.15 percent simple.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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 of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2019, 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 for 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 17.20 percent for 2019.

The allocation of investment assets with 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, 2019, 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	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20 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, 2019 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 7.20 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 (6.20 percent) or one-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$26,837,464	\$ 16,271,802	\$ 6,773,578
Combined Plan	(78,312)	(129,603)	(166,568)
Member-Directed Plan	(1,116)	(2,110)	(2,791)

Actuarial Assumptions - State Teachers Retirement System (STRS)

All disclosures related to the actuarial assumptions relate to the amounts used for the net pension liability for STRS which was measured as of June 30, 2020.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increase	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount rate of return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.00%, effective July 1, 2017

Post-retirement mortality rates for healthy retirees 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period 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 Rate of Return**
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquid reserves	1.00	2.25
Total	100.00 %	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' 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 7.45 percent as of June 30, 2020. 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 rate increases described above. 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' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net pension liability:	\$ 244,668	\$ 171,838	\$ 110,121

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

NOTE 16 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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. This 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 refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. 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' comprehensive annual 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 2020, 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00 percent for the Traditional and Combined plans. 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 2020 was 4.00 percent.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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

The County's contractually required contribution was \$10,215 for 2020. Of this amount, \$350 is reported as intergovernmental payable.

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 will be discontinued effective January 1, 2021. 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. All benefit recipients 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 2020, 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 and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, 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, 2020, 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 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 prior measurement date	0.09342500%	0.00048645%	
Proportion of the net OPEB liability current measurement date	<u>0.09230300%</u>	<u>0.00071018%</u>	
Change in proportionate share	<u>-0.00112200%</u>	<u>0.00022373%</u>	
Proportionate share of the net OPEB liability	\$ 11,143,091	\$ -	\$ 11,143,091
Proportionate share of the net OPEB asset	\$ -	\$ (12,481)	\$ -
OPEB expense	\$ 975,686	\$ (9,496)	\$ 966,190

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

At December 31, 2020, 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	\$ 299	\$ 798	\$ 1,097
Net difference between projected and actual earnings on OPEB plan investments	-	438	438
Changes of assumptions	1,763,833	206	1,764,039
Changes in employer's proportionate percentage/ difference between employer contributions	87,369	1,289	88,658
Contributions subsequent to the measurement date	10,215	-	10,215
Total deferred outflows of resources	<u>\$ 1,861,716</u>	<u>\$ 2,731</u>	<u>\$ 1,864,447</u>

	OPERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,019,087	\$ 2,487	\$ 1,021,574
Net difference between projected and actual earnings on OPEB plan investments	567,401	-	567,401
Changes of assumptions	-	11,854	11,854
Changes in employer's proportionate percentage/ difference between employer contributions	130,734	32,860	163,594
Total deferred inflows of resources	<u>\$ 1,717,222</u>	<u>\$ 47,201</u>	<u>\$ 1,764,423</u>

\$10,215 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 the net OPEB liability in the year ending December 31, 2021.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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

Year Ending December 31:	OPERS	STRS	Total
2021	\$ 281,442	\$ (10,839)	\$ 270,603
2022	94,842	(10,543)	84,299
2023	450	(10,442)	(9,992)
2024	(242,455)	(10,370)	(252,825)
2025	-	(1,881)	(1,881)
Thereafter	-	(395)	(395)
Total	\$ 134,279	\$ (44,470)	\$ 89,809

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, 2018, rolled forward to the measurement date of December 31, 2019. 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	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.00% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 (CONTINUED)

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 of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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.

During 2019, 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, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. 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 19.70 percent for 2019.

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.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the table on the following page.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate - A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 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 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
County's proportionate share of the net OPEB liability	\$ 14,582,522	\$ 11,143,091	\$ 8,389,226

Sensitivity of the County's Proportionate Share of the Net OPEB Liability 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 liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability 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 that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 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 that in the not-too-distant future, the health plan 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$ 10,814,268	\$ 11,143,091	\$ 11,467,642

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-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 pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions - State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, compared with July 1, 2019, are presented below:

	July 1, 2020		July 1, 2019	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.87%	4.00%
Medicare	-6.69%	4.00%	4.93%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	7.73%	4.00%
Medicare	11.87%	4.00%	9.62%	4.00%

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

For 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2019.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' 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 asset was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB asset as of June 30, 2019.

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, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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.

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
County's proportionate share of the net OPEB asset	\$ 10,860	\$ 12,481	\$ 13,857
	1% Decrease	Current Trend Rate	1% Increase
County's proportionate share of the net OPEB asset	\$ 13,772	\$ 12,481	\$ 10,909

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 and EMS Advance and Basic (A&B) Life Services 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).

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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

	<u>General fund</u>	<u>Motor Vehicle Gas Tax</u>	<u>County Board of DD</u>	<u>EMS A&B Life Services</u>
Budget basis	\$ 1,115,886	\$ 1,443,106	\$ 1,511,619	\$ 444,413
Net adjustment for revenue accruals	418,582	122,103	(55,917)	(989)
Net adjustment for expenditure accruals	(321,564)	(67,408)	6,850	1,193
Net adjustment for other sources/uses	(120,776)	(34,568)	-	-
Funds budgeted elsewhere	132,669	-	-	-
Adjustment for encumbrances	<u>641,671</u>	<u>332,827</u>	<u>95,958</u>	<u>207,957</u>
GAAP basis	<u>\$ 1,866,468</u>	<u>\$ 1,796,060</u>	<u>\$ 1,558,510</u>	<u>\$ 652,574</u>

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, 2020, \$21,630,000 was still outstanding.

FULTON COUNTY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

NOTE 20 - 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.

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FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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	Motor Vehicle Gas Tax	County Board of DD	EMS A & B Life Services	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 109,603	\$ 334,555	\$ 1,723	\$ -	\$ 119,544	\$ 565,425
Prepays	79,617	4,628	4,402	756	46,110	135,513
Advances to other funds	200,473	-	-	-	-	200,473
Unclaimed hospital bond	40,262	-	-	-	-	40,262
Unclaimed monies	54,366	-	-	-	-	54,366
Total nonspendable	484,321	339,183	6,125	756	165,654	996,039
Restricted:						
Debt service	-	-	-	-	8,296	8,296
Capital improvements	-	-	-	-	2,580,083	2,580,083
Public works	-	5,135,918	-	-	176,261	5,312,179
Real estate assessment	-	-	-	-	1,063,231	1,063,231
Economic development	-	-	-	-	437,566	437,566
Public safety	-	-	-	2,332,601	3,315,296	5,647,897
WIA	-	-	-	-	86,565	86,565
Health programs	-	-	10,209,794	-	2,291,186	12,500,980
Human service programs	-	-	-	-	4,109,378	4,109,378
County court computer services	-	-	-	-	642,272	642,272
County court special projects	-	-	-	-	703,120	703,120
COVID relief services	-	-	-	-	177,043	177,043
Other purposes	-	-	-	-	336,934	336,934
Total restricted	-	5,135,918	10,209,794	2,332,601	15,927,231	33,605,544
Committed:						
Capital improvements	-	-	-	-	870,307	870,307
Assigned:						
Debt service	-	-	-	-	191	191
Capital improvements	-	-	-	-	985	985
Legislative and executive	122,870	-	-	-	-	122,870
Public Safety Programs	157,454	-	-	-	-	157,454
Health	40,626	-	-	-	-	40,626
Human Services Programs	5,462	-	-	-	-	5,462
Capital Outlay	214,129	-	-	-	-	214,129
Subsequent year's appropriations	2,633,573	-	-	-	-	2,633,573
Stabilization	1,532,830	-	-	-	-	1,532,830
Other purposes	22,767	-	-	-	-	22,767
Total assigned	4,729,711	-	-	-	1,176	4,730,887
Unassigned (deficit)	11,209,646	-	-	-	(40,860)	11,168,786
Total fund balances	\$ 16,423,678	\$ 5,475,101	\$ 10,215,919	\$ 2,333,357	\$ 16,923,508	\$ 51,371,563

FULTON COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

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:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 560,613
Motor vehicle and gas tax	252,686
County Board of DD	76,659
EMS A&B life services	183,066
Nonmajor governmental	<u>1,025,986</u>
 Total	 <u>\$ 2,099,010</u>

NOTE 23 - TAX ABATEMENTS

As of December 31, 2020, 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 2020, the County’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>County Taxes Abated</u>
CRA	<u>\$ 113,733</u>

FULTON COUNTY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)**

NOTE 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The County's investment portfolio and the pension and other employee benefits plan in which the County participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 25 - OTHER REVENUE

For the year ended December 31, 2020, other revenue in the general, motor vehicle and gas tax, and other governmental funds consists primarily of refunds, reimbursements and donations.

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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 SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
County's proportion of the net pension liability	0.094191%	0.095707%	0.093289%	0.093922%
County's proportionate share of the net pension liability	\$ 16,271,802	\$ 22,997,852	\$ 12,843,492	\$ 18,896,127
County's covered payroll	\$ 11,722,800	\$ 11,448,636	\$ 11,180,692	\$ 10,831,483
County's proportionate share of the net pension liability as a percentage of its covered payroll	138.80%	200.88%	114.87%	174.46%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
County's proportion of the net pension asset	0.071112%	0.072399%	0.061893%	0.044419%
County's proportionate share of the net pension asset	\$ 129,603	\$ 71,030	\$ 73,941	\$ 21,903
County's covered payroll	\$ 277,736	\$ 271,736	\$ 224,577	\$ 172,900
County's proportionate share of the net pension asset as a percentage of its covered payroll	46.66%	26.14%	32.92%	12.67%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
County's proportion of the net pension asset	0.063865%	0.055593%	0.049848%	0.056113%
County's proportionate share of the net pension asset	\$ 2,110	\$ 1,112	\$ 1,527	\$ 207
County's covered payroll	\$ 333,090	\$ 278,880	\$ 242,060	\$ 291,292
County's proportionate share of the net pension asset as a percentage of its covered payroll	0.63%	0.40%	0.63%	0.07%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.097214%	0.097169%	0.097169%
\$ 14,874,708	\$ 10,303,126	\$ 10,070,412
\$ 10,390,575	\$ 10,901,087	\$ 11,735,615
143.16%	94.51%	85.81%
81.08%	86.45%	86.36%
0.064600%	0.065660%	0.065660%
\$ 27,769	\$ 22,226	\$ 6,057
\$ 225,275	\$ 240,013	\$ 180,815
12.33%	9.26%	3.35%
116.90%	114.83%	104.56%
0.062949%	n/a	n/a
\$ 214	n/a	n/a
\$ 344,467	n/a	n/a
0.06%	n/a	n/a
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 SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net pension liability	0.00071018%	0.00048645%	0.00207602%	0.00313785%
County's proportionate share of the net pension liability	\$ 171,838	\$ 107,575	\$ 456,470	\$ 745,403
County's covered-employee payroll	\$ -	\$ 16,214	\$ 268,286	\$ 254,664
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	663.47%	170.14%	292.70%
Plan fiduciary net position as a percentage of the total pension liability	75.48%	77.40%	77.30%	75.30%

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

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.00305406%	0.00308570%	0.00306584%
\$ 1,022,286	\$ 852,797	\$ 745,718
\$ 258,779	\$ 235,614	\$ 240,023
395.04%	361.95%	310.69%
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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 1,728,952	\$ 1,641,192	\$ 1,602,809	\$ 1,453,490
Contributions in relation to the contractually required contribution	<u>(1,728,952)</u>	<u>(1,641,192)</u>	<u>(1,602,809)</u>	<u>(1,453,490)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,349,657	\$ 11,722,800	\$ 11,448,636	\$ 11,180,692
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 32,187	\$ 38,883	\$ 38,043	\$ 29,195
Contributions in relation to the contractually required contribution	<u>(32,187)</u>	<u>(38,883)</u>	<u>(38,043)</u>	<u>(29,195)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 229,907	\$ 277,736	\$ 271,736	\$ 224,577
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 25,538	\$ 33,309	\$ 27,888	\$ 24,206
Contributions in relation to the contractually required contribution	<u>(25,538)</u>	<u>(33,309)</u>	<u>(27,888)</u>	<u>(24,206)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 255,380	\$ 333,090	\$ 278,880	\$ 242,060
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,299,778	\$ 1,246,869	\$ 1,308,130	\$ 1,525,630	\$ 1,150,880	\$ 1,172,960
<u>(1,299,778)</u>	<u>(1,246,869)</u>	<u>(1,308,130)</u>	<u>(1,525,630)</u>	<u>(1,150,880)</u>	<u>(1,172,960)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,831,483	\$ 10,390,575	\$ 10,901,083	\$ 11,735,615	\$ 11,508,800	\$ 11,729,600
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 20,748	\$ 27,033	\$ 28,802	\$ 23,506	\$ 10,054	\$ 6,306
<u>(20,748)</u>	<u>(27,033)</u>	<u>(28,802)</u>	<u>(23,506)</u>	<u>(10,054)</u>	<u>(6,306)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 172,900	\$ 225,275	\$ 240,017	\$ 180,815	\$ 126,465	\$ 79,321
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 34,955	\$ 41,336				
<u>(34,955)</u>	<u>(41,336)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 291,292	\$ 344,467				
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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ 2,270	\$ 37,560
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(2,270)</u>	<u>(37,560)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ 16,214	\$ 268,286
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 35,653	\$ 36,229	\$ 32,986	\$ 31,203	\$ 30,744	\$ 30,773
<u>(35,653)</u>	<u>(36,229)</u>	<u>(32,986)</u>	<u>(31,203)</u>	<u>(30,744)</u>	<u>(30,773)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 254,664	\$ 278,685	\$ 253,738	\$ 240,023	\$ 236,492	\$ 236,715
14.00%	13.00%	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
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.092303%	0.093425%	0.090630%	0.100496%
County's proportionate share of the net OPEB liability	\$ 11,143,091	\$ 10,686,753	\$ 8,636,858	\$ 10,150,478
County's covered payroll	\$ 12,333,626	\$ 11,999,252	\$ 11,647,329	\$ 11,295,675
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	90.35%	89.06%	74.15%	89.86%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

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

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 FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	0.00071018%	0.00048645%	0.00207602%	0.00313785%
County's proportionate share of the net OPEB liability (asset)	\$ (12,481)	\$ (8,057)	\$ (33,000)	\$ 122,427
County's covered-employee payroll	\$ -	\$ 16,214	\$ 268,286	\$ 254,664
County's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	N/A	49.69%	12.30%	48.07%
Plan fiduciary net position as a percentage of the total OPEB liability	182.13%	174.70%	176.00%	47.10%

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

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 10,215	\$ 13,323	\$ 11,156	\$ 136,124
Contributions in relation to the contractually required contribution	<u>(10,215)</u>	<u>(13,323)</u>	<u>(11,156)</u>	<u>(136,124)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 12,834,944	\$ 12,333,626	\$ 11,999,252	\$ 11,647,329
Contributions as a percentage of covered payroll	0.08%	0.11%	0.09%	1.17%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 250,097	\$ 178,597	\$ 230,173	\$ 111,692	\$ 455,831	\$ 481,137
<u>(250,097)</u>	<u>(178,597)</u>	<u>(230,173)</u>	<u>(111,692)</u>	<u>(455,831)</u>	<u>(481,137)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 11,295,675	\$ 10,960,317	\$ 11,141,100	\$ 11,916,430	\$ 11,635,265	\$ 11,808,921
2.21%	1.63%	2.07%	0.94%	3.92%	4.07%

FULTON COUNTY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ -	\$ -	\$ 16,214	\$ 268,286
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,823	\$ 8,738
-	-	-	-	(5,823)	(8,738)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 254,664	\$ 278,685	\$ 253,738	\$ 240,023	\$ 236,492	\$ 236,715
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

FULTON COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

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 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.

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 2018-2020.

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 of assumption for 2018-2020.

(Continued)

FULTON COUNTY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

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.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2020.

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) increase in the discount rate from 4.13% to 7.45% and (b) decrease in trend rates from 6.00%-11.00% initial; 4.50% ultimate down to 5.23%-9.62% initial; 4.00% ultimate. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in prescription drug trend rates from -5.23%-9.62% initial; 4.00% ultimate up to 4.00%-9.62% initial; 4.00% ultimate. For 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) decrease in medical trend rates from 4.93%-5.87% to -6.69%-5.00% and (b) an increase in prescription drug trend rates from 7.73%-9.62% to 6.50%-11.87%.

FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF TREASURY				
<i>Passed through the Ohio Office of Budget and Management</i>				
Coronavirus Relief Fund	21.019		\$ 50,000	\$ 2,452,784
<i>Passed through Area Office of Aging</i>				
Coronavirus Relief Fund	21.019			60,000
Total Coronavirus Relief Fund Program (CFDA 21.019)			50,000	2,512,784
Total U.S. Department of Treasury			50,000	2,512,784
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed through the Ohio Department of Development Services Agency</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Program	14.228	B-F-19-1AX-1		79,813
Target of Opportunity Program	14.228	B-D-19-1AX-1		32,400
Critical Infrastructure Program	14.228	B-X-17-1AX-1		6,000
Total U.S. Department of Housing and Urban Development				118,213
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Direct Program</i>				
COVID-19 Testing for the Uninsured	93.461			25,760
<i>Passed through Ohio Department of Job and Family Services</i>				
Promoting Safe and Stable Families	93.556	G-2021-11-5926		31,502
Temporary Assistance for Needy Families (TANF) State Programs	93.558	G-2021-11-5926	202,201	969,383
Child Support Enforcement	93.563	G-2021-11-5926		462,731
<u>Child Care and Development Fund Cluster</u>				
Child Care and Development Block Grant	93.575	G-2021-11-5926	38,796	38,796
Total Child Care and Development Fund Cluster			38,796	38,796
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2021-11-5926		30,570
Foster Care Title IV-E	93.658	G-2021-11-5926		321,309
Adoption Assistance	93.659	G-2021-11-5926		57,914
Social Services Block Grant	93.667	G-2021-11-5926		402,044
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	G-2021-11-5926		486,063
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	G-2021-11-5926		3,399
Children's Health Insurance Program	93.767	G-2021-11-5926		15,215
<i>Total passed through Ohio Department of Job and Family Services</i>			240,997	2,818,926
<i>Passed through Area Office of Aging</i>				
<u>Aging Cluster</u>				
Nutrition Services Incentive Program	93.053			83,234
Special Programs for the Aging - Title III Part C Nutrition Services	93.045			97,634
COVID-19 Special Programs for the Aging - Title III Part C Nutrition Services	93.045			74,522
Special Programs for the Aging - Title III Part B Grants for Supportive Services and Senior Centers	93.044			11,220
COVID-19 Special Programs for the Aging - Title III Part B Grants for Supportive Services and Senior Centers	93.044			12,455
Total Aging Cluster				279,065
<i>Total passed through Area Office of Aging</i>				279,065
<i>Passed through Ohio Department of Developmental Disabilities</i>				
<u>Medicaid Cluster</u>				
Medicaid Assistance Program	93.778			81,020
Social Services Block Grant	93.667			32,442
<i>Total passed through Ohio Department of Developmental Disabilities</i>				113,462
Total Social Service Block Grant Program (CFDA 93.667)				434,486
Total Medicaid Assistance Program (CFDA 93.778)				567,083
Total Medicaid Cluster				567,083
Total U.S. Department of Health and Human Services			240,997	3,237,213

FULTON COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass-through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF LABOR				
<i>Passed through Area 7, Workforce Investment Board (Montgomery County)</i>				
Workforce Investment Act (WIA) National Emergency Grants	17.277	2018-7126-1 / 2020/21-7126-1		11,680
<u>Workforce Innovation and Opportunity Act (WIOA) Cluster</u>				
WIA Adult Program	17.258	2018-7126-1 / 2020/21-7126-1		55,448
WIA Youth Activities	17.259	2018-7126-1 / 2020/21-7126-1		64,231
WIA Dislocated Worker Formula Grants	17.278	2018-7126-1 / 2020/21-7126-1		137,224
Total Workforce Innovation and Opportunity Act (WIOA) Cluster				256,903
Total U.S. Department of Labor				268,583
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
<i>Passed through Ohio Emergency Management Agency</i>				
Emergency Management Performance Grants	97.042	EMC-2019-EP-00005		20,965
Emergency Management Performance Grants	97.042	EMC-2020-EP-00014		31,690
Total Emergency Management Performance Grants				52,655
Hazard Mitigation Grant	97.039	DR-4360-15P-OH		9,557
Total U.S. Department of Homeland Security				62,212
UNITED STATES DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE				
<i>Passed through Ohio Department of Job and Family Services</i>				
<u>Supplemental Nutrition Assistance Program Cluster</u>				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	G-2021-11-5926		218,798
Total Supplemental Nutrition Assistance Program Cluster				218,798
ELECTIONS ASSISTANCE COMMISSION				
<i>Passed through Ohio Secretary of State</i>				
Help America Vote Act (HAVA) Election Security Grant Funds	90.404			43,542
COVID-19 Help America Vote Act (HAVA) Election Security Grant Funds	90.404			34,423
Total Elections Assistance Commission				77,965
UNITED STATES DEPARTMENT OF TRANSPORTATION				
<i>Federal Aviation Administration</i>				
<i>Direct Program</i>				
COVID-19 Airport Improvement Program	21.106			30,000
<i>Passed through Ohio Department of Public Safety</i>				
<u>Highway Safety Cluster</u>				
State and Community Highway Safety	20.600	IDEP/STEP-2020-Fulton County Sheriff's Office-00034		7,810
State and Community Highway Safety	20.600	IDEP/STEP-2021-Fulton County Sheriff's Office-00006		2,097
Total State and Community Highway Safety				9,907
Total Highway Safety Cluster				9,907
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2020-Fulton County Sheriff's Office-00034		9,038
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2020-Fulton County Sheriff's Office-00006		6,184
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				15,222
<i>Total passed through Ohio Department of Public Safety</i>				25,129
<i>Passed through the Ohio Emergency Management Agency</i>				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940044HMEP		1,396
Total U.S. Department of Transportation				56,525
TOTAL FEDERAL AWARDS EXPENDITURES			\$ 290,997	\$ 6,552,293

THE ACCOMPANYING NOTES ARE A INTEGRAL PART OF THIS SCHEDULE

FULTON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS 2 CFR 200.510(b)(6) FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Fulton County, Ohio (the County) under programs of the federal government for the year ended December 31, 2020. 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, 2020 is \$102,883.

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 and 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, 2020, 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 14, 2021, wherein we noted the County adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the County.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

OHIO AUDITOR OF STATE KEITH FABER



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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

We have audited Fulton County, Ohio's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Fulton County's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Fulton County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 14, 2021

FULTON COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

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)?	No
(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):	Coronavirus Relief Fund – CFDA 21.019 Child Support Enforcement – CFDA 93.563
(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**

None

3. FINDINGS FOR FEDERAL AWARDS

None



BRETT J. KOLB

FULTON COUNTY AUDITOR

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 Tim Klopfenstein
 Tom Lammers
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 Bonnie Davis
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 Derek Zimmerman
 Jodi Bostelman
 Alexis Luttrell

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 Estate Tax
 Dog License
 Vendor's License
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Payroll
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GIS
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Information
 Technologies
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Weights & Measures
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 2 CFR 200.511(b)
 DECEMBER 31, 2020

Finding Number	Finding Summary	Status	Additional Information
2019-001	Significant deficiency due to financial statement reporting errors.	Corrective action taken and finding is fully corrected.	

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 10/5/2021

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
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