

COUNTY OF FULTON
MCCONNELLSBURG, PENNSYLVANIA
FINANCIAL STATEMENTS
AND SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2018

COUNTY OF FULTON
YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the COUNTY OF FULTON as of and for the year ended December 31, 2018, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the COUNTY OF FULTON as of December 31, 2018, and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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Adoption of GASB Pronouncements

As described in Note 1 to the financial statements, in 2018 COUNTY OF FULTON adopted the provisions of Governmental Accounting Standards Board GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", GASB Statement No. 85 "Omnibus 2017", and GASB Statement No. 86 "Certain Debt Extinguishment Issues". Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of contributions, schedule of investment returns and budgetary comparison information on pages 4 through 14 and 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF FULTON's basic financial statements. The combining and individual nonmajor fund financial statements on pages 52 through 59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of 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 Pennsylvania Department of Human Services Single Audit Supplement is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal and awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated July 24, 2019 on our consideration of the COUNTY OF FULTON's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 OF FULTON's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
July 24, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

The COUNTY OF FULTON, hereafter referred to as the "COUNTY", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the COUNTY's financial performance during the year that ended on December 31, 2018. Please read this Management Discussion and Analysis in conjunction with the COUNTY's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

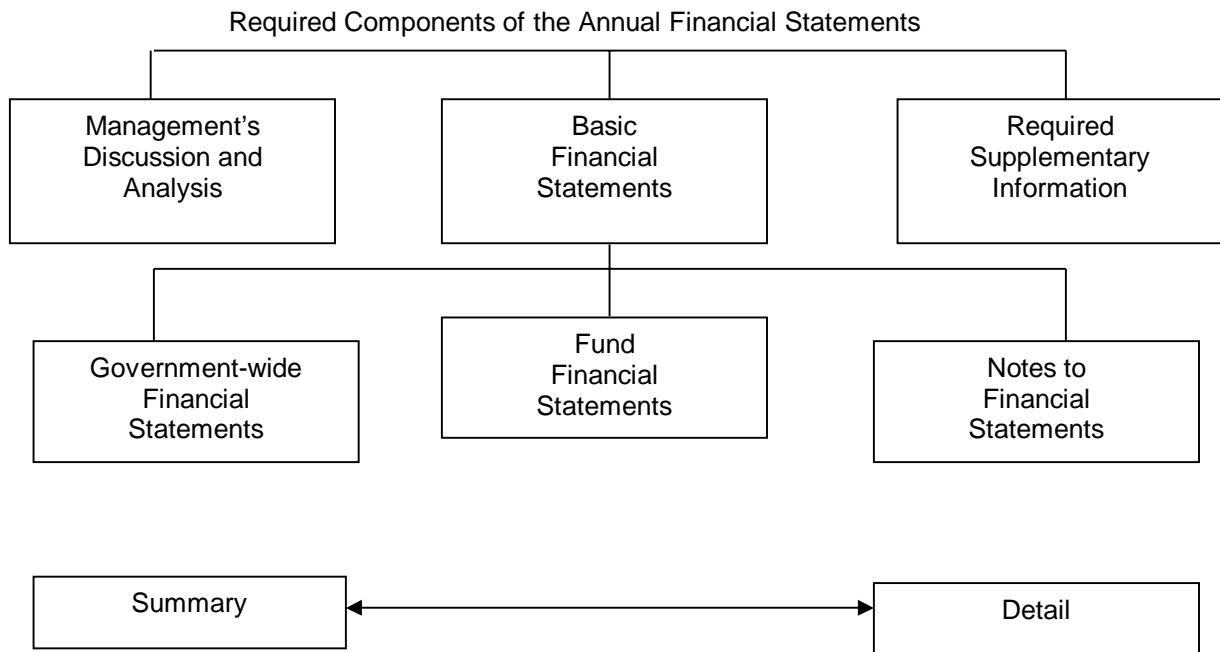
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the COUNTY's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the COUNTY's budget to actual figures for the general fund.

The basic financial statements present two different views of the COUNTY.

- *Government-wide financial statements*, the first two statements, provide information about the COUNTY's overall financial status.
- *Fund financial statements*, the remaining statements, focus on individual parts of the COUNTY's government. They provide more detail on operations than the government-wide statements. There are two types of fund financial statements:
 - *Governmental funds statements* show how general government services such as public safety, human services, public works, culture and recreation, and conservation and development are financed in the short term, as well as what remains for future spending.
 - *Fiduciary funds statements* reflect activities involving resources that are held by the COUNTY as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the COUNTY's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Table A-1: Organization of the County's annual financial report



**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

	Government-wide Statements	Fund Financial Statements		
		<u>Governmental</u>	<u>Proprietary</u>	<u>Fiduciary</u>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	The activities of the County, such as the health choices fund	Instances in which the County administers resources on behalf of others
Required Financial Statements	-Statement of net position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in net position -Statement of cash flows	-Statement of fiduciary net position
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the COUNTY as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all the COUNTY's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the COUNTY's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net position is one way to measure the COUNTY's financial position. Over time, increases or decreases in the COUNTY's net position is one indicator of whether the COUNTY's financial position is improving or deteriorating. However, other non-financial factors such as changes in the COUNTY's property tax base and general economic conditions must be considered to assess the overall position of the COUNTY.

There is one category of activities for the primary government:

- *Governmental activities* include the COUNTY's basic services such as general government, judicial, public safety, public works, human services, culture and recreation, and conservation and development.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Government wide statements are reported on the accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net position is those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
 - Unrestricted net position is net position that does not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the COUNTY's most significant funds, not the COUNTY as a whole. Funds are accounting devices, i.e., a group of related accounts, the COUNTY uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The COUNTY has three kinds of funds:

- *Governmental funds* include most of the COUNTY's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The COUNTY adopts an annual budget for the general fund, as required by state law. A budgetary comparison of the COUNTY's general fund is presented as required supplementary information.

- *Fiduciary Funds* are for which the COUNTY is the trustee or fiduciary. These include certain agency funds, or clearing accounts for assets held by the COUNTY in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The COUNTY is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position. These funds are excluded from the COUNTY's government-wide financial statements because the COUNTY cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

IMPLEMENTATION OF GASB 34

The COUNTY implemented the infrastructure asset portion of GASB Statement No. 34 on a prospective basis in 2004. As a phase three government, the COUNTY did not retroactively report infrastructure assets.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The COUNTY's total assets were \$16,774,678 at December 31, 2018. Of this amount, \$9,735,815 was capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements.

	2018 Governmental Activities	2017 Governmental Activities	Changes from 2017 to 2018
Capital Assets, net	\$ 9,735,815	\$ 10,430,974	\$ (695,159)
Other Assets	7,038,863	6,626,302	412,561
Total Assets	\$ 16,774,678	\$ 17,057,276	\$ (282,598)
Deferred Outflows of Resources	\$ 1,238,167	\$ 305,106	\$ 933,061
Current Liabilities	\$ 1,097,974	\$ 1,290,433	\$ (192,459)
Long-term Liabilities	7,996,967	6,906,999	1,089,968
Total Liabilities	\$ 9,094,941	\$ 8,197,432	\$ 897,509
Deferred Inflows of Resources	\$ 83,359	\$ 479,597	\$ (396,238)
Net Position			
Net Investment in Capital Assets	\$ 4,276,289	\$ 4,565,450	\$ (289,161)
Restricted	1,701,252	1,312,549	388,703
Unrestricted	2,857,004	2,807,354	49,650
Total Net Position	\$ 8,834,545	\$ 8,685,353	\$ 149,192

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Table A-3: Condensed Statement of Net Position

Change in Net Position

The following statement of activities represents the change in net position for the year ended December 31, 2018 and December 31, 2017 and changes from 2018 to 2017. It shows revenues by source and expenses by function for governmental activities.

Table A-4: Condensed Statement of Activities

	<u>2018 Activities</u>	<u>2017 Activities</u>	<u>Changes from 2018 to 2017</u>
Program Revenues:			
Charges for Services	\$ 680,337	\$ 655,874	\$ 24,463
Operating Grants and Contributions	3,534,550	7,962,527	(4,427,977)
General Revenues:			
Property Taxes	4,897,107	4,853,596	43,511
Unrestricted Investment Earnings	67,461	42,717	24,744
Miscellaneous Revenue	180,408	194,709	(14,301)
Total Revenues	<u>\$ 9,359,863</u>	<u>\$ 13,709,423</u>	<u>\$ (4,349,560)</u>
Expenses:			
General Government -Administrative	\$ 1,365,731	\$ 1,369,606	\$ (3,875)
General Government - Judicial	1,992,847	1,695,789	297,058
Public Safety	2,483,412	4,947,197	(2,463,785)
Public Works	355,453	1,398,006	(1,042,553)
Human Services	2,732,228	3,056,935	(324,707)
Culture and Recreation	14,638	2,115	12,523
Conservation and Development	137,861	138,295	(434)
Interest on Long-Term Debt	128,501	133,914	(5,413)
Total Expenses	<u>9,210,671</u>	<u>12,741,857</u>	<u>(3,531,186)</u>
Change in Net Position	<u>\$ 149,192</u>	<u>\$ 967,566</u>	<u>\$ (818,374)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Net Program Expenses

Net program expenses for the year ended December 31, 2018 indicate the amount of support required from taxes and other general revenues for a program of the government. In 2018, property taxes brought in \$4,897,107.

Net Cost of Governmental Activities

	2018 Total Cost of Services	2018 Net Cost of Services
Program:		
General Government -Administrative	\$ 1,365,731	\$ (980,551)
General Government - Judicial	1,992,847	(1,395,022)
Public Safety	2,483,412	(1,787,259)
Public Works	355,453	(135,120)
Human Services	2,732,228	(433,192)
Culture and Recreation	14,638	(14,638)
Conservation and Development	137,861	(121,501)
Interest on Long-Term Debt	<u>128,501</u>	<u>(128,501)</u>
 Total	 <u>\$ 9,210,671</u>	 <u>\$ (4,995,784)</u>

The COUNTY relied on property taxes and other general revenues to fund 53.2% of its governmental activities in 2018.

Capital Assets

The COUNTY's investment in capital assets at December 31, 2018, net of accumulated depreciation, was \$9,735,815. Capital assets consist primarily of land, buildings and equipment. The following is a summary of capital assets at December 31, 2018:

	Governmental Activities
Land	\$ 230,925
Buildings and Improvements	9,146,996
Machinery and Equipment	4,457,090
Vehicles	<u>297,361</u>
 Total Capital Assets	 <u>\$ 14,132,372</u>
 Accumulated Depreciation	 <u>(4,396,557)</u>
 Net Capital Assets	 <u>\$ 9,735,815</u>

Other detailed information about the COUNTY's capital assets can be found in Note 4, Notes to the Financial Statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Debt Administration

At December 31, 2018, the COUNTY had \$5,618,394 of long-term debt obligations outstanding. Debt decreased 7.2% from the previous year. The following is a summary of debt obligations for the 2018 year:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities:</u>				
General Obligation Notes	\$ 5,865,524	\$ -	\$ 405,998	\$ 5,459,526
Total Debt Obligations	5,865,524	-	405,998	5,459,526
Compensated absences	190,115	-	31,247	158,868
Total Governmental Activities Long-Term Liabilities	\$ 6,055,639	\$ -	\$ 437,245	\$ 5,618,394

Other detailed information about the COUNTY's long-term debt obligations can be found in Note 5, Notes to the Financial Statements.

GOVERNMENTAL FUNDS

The COUNTY uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The COUNTY's governmental funds include the general fund and various special revenue funds. The general fund is the chief operating fund for the COUNTY. Special revenue funds are restricted to specific legislated use. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements.

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source for the year ended December 31, 2018 and 2017 were as follows:

	2018	2017	Changes from 2018 to 2017
Revenue			
Taxes	\$ 4,882,954	\$ 4,875,987	\$ 6,967
Intergovernmental Revenues	3,534,550	7,962,527	(4,427,977)
Charges for service	478,370	516,849	(38,479)
Interest and Rents	165,079	42,717	122,362
Fines and Forfeitures	28,743	180,011	(151,268)
Liscences and Permits	67,462	26,045	41,417
Miscellaneous Income	188,553	127,678	60,875
Note Proceeds	-	6,090,365	(6,090,365)
Transfers In	747,732	1,631,838	(884,106)
Total Revenues	<u>\$ 10,093,443</u>	<u>\$ 21,454,017</u>	<u>\$ (11,360,574)</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Governmental fund revenues totaled \$10,069,695 for the year ended December 31, 2018. This is a net decrease of \$11,384,322 from 2017 with the difference largely resulting from no note proceeds and a decrease in intergovernmental revenues in the amount of \$4,451,725.

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at December 31, 2018 and December 31, 2017 were as follows:

	<u>2018</u>	<u>2017</u>	<u>Changes from 2018 to 2017</u>
Expenditures:			
General government - Administration	\$ 1,183,469	\$ 1,325,510	\$ (142,041)
General government - Judicial	1,703,325	1,634,992	68,333
Public Safety	1,740,995	5,779,035	(4,038,040)
Public Works	315,822	1,398,437	(1,082,615)
Human Services	2,337,889	2,898,043	(560,154)
Culture and Recreation	12,000	12,000	-
Conservation and Development	114,882	114,593	289
Debt Service	534,499	4,750,818	(4,216,319)
Employee Benefits/Liability Insurance	834,170	981,582	(147,412)
Operating Transfers Out	747,732	1,681,638	(933,906)
	<u>\$ 9,524,783</u>	<u>\$ 20,576,648</u>	<u>\$ (11,051,865)</u>

Governmental fund expenditures totaled \$9,481,115 for the year ended December 31, 2018. The decrease of 53.9 percent resulted primarily from the decrease in Public Safety and Public Works expenditures and Debt Service for the refunding of a note.

GOVERNMENTAL FUND BALANCES

Ending balances for governmental funds at December 31, 2018 were as follows:

Fund	<u>Governmental Funds</u>
General Fund	\$ 4,318,786
911 Wireless Fund	460,297
Pass-Through Grants Fund	(894)
Capital Projects	447,352
Non-Major Governmental Funds	
Non-Spendable	
Prepaid Assets	59,706
Restricted for:	
Government Administration	7,287
Government Judicial	375,717
Public Safety Funds	78,859
Public Works	204,987
Human Service	156,241
Unassigned	(48,404)
	<u>834,393</u>
Total Other Governmental Funds	<u>834,393</u>
Total Governmental Fund Balances	<u>\$ 6,059,934</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2018

The County's governmental funds reported a combined fund balance of \$6,079,855 at December 31, 2018. Of the total, the general fund reported a fund balance in the amount of \$ 4,318,786.

BUDGET HIGHLIGHTS

In 2018 the tax millage remained at 12.40 mills.

The County had a surplus of revenues over budget in the general fund in the amount of \$112,522. This favorable variance was the result of additional unanticipated tax revenue and several items that were not within the direct control of the County. Overall expenditures came in under the budgeted amount by \$595,288. The total fund balance in the general fund at year end was \$4,318,786.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

In 2018 Fulton County had one of the higher unemployment rates in the Commonwealth of Pennsylvania. With an underperforming economy the need for more County services is increased.

Revenue per Capita shows how a County's revenues are affected by changes in population. In the case of Fulton County Revenue per Capita and Taxes per Capita are flat as a result of the population not significantly increasing in Fulton County and little economic growth.

Because of the importance of property taxes, one measure of a county's health is the amount of assessed valuation per capita. This factor will show if fiscal capacity, the ability to meet its obligations, is reflected in its major asset which is property value. From 2008 to 2018 fiscal capacity is relatively flat. This is a result of low population growth and little economic development.

The percentage change in property values from year to year reflects the growth in property values. Property taxes represent a major source of revenue for the County. From 2005 to 2018 the change in property values is a downward sloping trend which reflects a limited tax base with little economic development.

With unfavorable economic indicators the County will need to look for opportunities to control government costs while maintaining a professional staff that can deliver the services that are needed in Fulton County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

County of Fulton
Business Office
116 West Market Street
McConnellsburg, PA 17233

Phone: 717-485-6860

COUNTY OF FULTON
STATEMENT OF NET POSITION
DECEMBER 31, 2018

<u>Assets</u>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 5,738,119
Receivables (Net, Where Applicable, of Allowance for Uncollectibles)	
Accounts	57,264
Taxes	664,031
Due From Other Governments	373,539
Prepaid Assets	205,639
Restricted Cash	
Cash for Escheat	271
Capital Assets, Not Being Depreciated	230,925
Capital Assets Being Depreciated, Net	<u>9,504,890</u>
Total Assets	<u>16,774,678</u>
<u>Deferred Outflows of Resources</u>	
Pensions	<u>1,238,167</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,012,845</u>
<u>Liabilities</u>	
Liabilities	
Current liabilities:	
Accounts Payable	\$ 228,569
Overdraft Liability	51,576
Accrued Payroll and Withholdings	131,804
Due to Other Governments	277
Escrow Liability	271
Unearned Revenues	111,627
Long-Term Liabilities	
Portion Due or Payable within One Year	
General Obligation Bonds	414,982
Compensated Absences	158,868
Portion Due or Payable after One Year	
General Obligation Bonds	5,044,544
Net Pension Liability	<u>2,952,423</u>
Total Liabilities	<u>9,094,941</u>
<u>Deferred Inflows of Resources</u>	
Pensions	<u>83,359</u>
<u>Net Position</u>	
Net Investment in Capital Assets	4,276,289
Restricted for:	
Governmental Administration	20,240
Governmental Judicial	375,717
Public Safety	502,809
Public Works	204,987
Human Services	156,241
Capital Projects	447,352
Unrestricted	<u>2,850,911</u>
Total Net Position	<u>8,834,545</u>
Total Liabilities, Deferred Outflows of Resources and Net Position	<u>\$ 18,012,845</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Primary Government:						
Government Activities:						
General Government - Administration	\$ 1,365,731	\$ 257,823	\$ 127,357	\$ -	\$ (980,551)	\$ (980,551)
General Government - Judicial	1,992,847	229,068	368,757	-	(1,395,022)	(1,395,022)
Public Safety	2,483,412	64,703	631,450	-	(1,787,259)	(1,787,259)
Public Works	355,453	2,075	218,258	-	(135,120)	(135,120)
Human Services	2,732,228	117,556	2,181,480	-	(433,192)	(433,192)
Culture and Recreation	14,638	-	-	-	(14,638)	(14,638)
Conservation and Development	137,861	9,112	7,248	-	(121,501)	(121,501)
Interest on Long Term Debt	128,501	-	-	-	(128,501)	(128,501)
Total Government Activities	9,210,671	680,337	3,534,550	-	(4,995,784)	(4,995,784)
Total Primary Government	\$ 9,210,671	\$ 680,337	\$ 3,534,550	\$ -	\$ (4,995,784)	\$ (4,995,784)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					4,897,107	4,897,107
Unrestricted Investment Earnings					67,461	67,461
Fines and Forfeitures					165,079	165,079
License and Permits					15,329	15,329
Total General Revenues					5,144,976	5,144,976
Change in Net Position					149,192	149,192
Net Position - Beginning of Year					8,685,353	8,685,353
Net Position - End of Year					\$ 8,834,545	\$ 8,834,545

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2018

<u>Assets</u>	<u>General</u>	911 Wireless <u>Fund</u>	Grant <u>Fund</u>	Capital Projects <u>Fund</u>	Non-Major Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Cash and Cash Equivalents	\$ 4,075,964	\$ 301,582	\$ -	\$ 447,352	\$ 913,221	\$ 5,738,119
Accounts Receivables						
Accounts	55,105	-	-	-	2,159	57,264
Taxes	664,031	-	-	-	-	664,031
Due from Other Governments	174,917	140,879	-	-	57,743	373,539
Prepaid Expenses	109,585	36,347	-	-	59,706	205,639
Restricted Cash						
Cash Escheats	271	-	-	-	-	271
Total Assets	<u>\$ 5,079,874</u>	<u>\$ 478,808</u>	<u>\$ -</u>	<u>\$ 447,352</u>	<u>\$ 1,032,829</u>	<u>\$ 7,038,863</u>
Liabilities						
Accounts Payable	184,026	18,511	617	-	25,415	228,569
Overdraft Liability	-	-	-	-	51,576	51,576
Due to Other Governments	-	-	277	-	-	277
Accrued Payroll and Withholdings	121,986	-	-	-	9,818	131,804
Escrow Liability	271	-	-	-	-	271
Unearned Revenues	-	-	-	-	111,627	111,627
Total Liabilities	<u>306,283</u>	<u>18,511</u>	<u>894</u>	<u>-</u>	<u>198,436</u>	<u>524,124</u>
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	454,805	-	-	-	-	454,805
Total Deferred Inflows of Resources	<u>454,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454,805</u>
Fund Balances						
Non-spendable						
Prepaid Expenses	109,585	36,347	-	-	59,706	205,639
Restricted for:						
Government Administration	-	-	-	-	7,287	7,287
General Government Judicial	-	-	-	-	375,717	375,717
Public Safety	-	423,950	-	-	78,859	502,809
Public Works	-	-	-	-	204,987	204,987
Human Services	-	-	-	-	156,241	156,241
Capital Reserve	-	-	-	447,352	-	447,352
Assigned						
Development of new 911 dispatch service center	700,000	-	-	-	-	700,000
Future purchase of voting machines	400,000	-	-	-	-	400,000
Unassigned Funds	3,109,201	-	(894)	-	(48,404)	3,059,903
Total Fund Balances	<u>4,318,786</u>	<u>460,297</u>	<u>(894)</u>	<u>447,352</u>	<u>834,393</u>	<u>6,059,934</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 5,079,874</u>	<u>\$ 478,808</u>	<u>\$ -</u>	<u>\$ 447,352</u>	<u>\$ 1,032,829</u>	<u>\$ 7,038,863</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2018

Total fund balances of governmental funds	\$	6,059,934
Amount reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
The cost of the assets is \$14,132,372 and the accumulated depreciation is \$4,396,557.		9,735,815
Revenue not available to pay for the current period's expenditures and therefore reported as deferred inflows of resources in the funds:		
Property Taxes		454,805
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term-are reported in the Statement of Net Position.		
Long-term liabilities at year-end consists of:		
Compensated absences	(158,868)	
Net Pension Liability	(2,952,423)	
Deferred Outflows of Resources - Pension	1,238,167	
Deferred Inflows of Resources - Pension	(83,359)	
2007 General Obligation Note	(66,657)	
2017 Series A General Obligation Note	(2,575,622)	
2017 Series B General Obligation Note	(239,797)	
2017 Series C General Obligation Note	(1,035,763)	
2017 General Obligation Note	(1,541,687)	
		(7,416,009)
Total net position of governmental activities	\$	8,834,545

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	General Fund	911 Wireless Fund	Grant Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 4,882,954	\$ -	\$ -	\$ -	\$ -	\$ 4,882,954
Intergovernmental Revenues	1,610,773	457,958	407,689	-	1,058,130	3,534,550
Charges for Services	412,703	-	-	-	65,667	478,370
Fines and Forfeitures	147,461	-	12,121	-	5,497	165,079
Licenses and Permits	28,743	-	-	-	-	28,743
Interest and Rents	65,497	662	-	-	1,302	67,461
Miscellaneous Income	120,096	-	-	8,293	60,164	188,553
Total Revenues	7,268,227	458,620	419,810	8,293	1,190,760	9,345,710
Expenditures						
General Government - Administrative	1,183,469	-	-	-	-	1,183,469
General Government - Judicial	1,496,001	-	-	-	207,324	1,703,325
Public Safety	1,108,497	617,659	11,796	-	3,043	1,740,995
Public Works	-	-	-	139,449	176,373	315,822
Human Services	1,298,923	-	401,660	-	637,306	2,337,889
Culture and Recreation	12,000	-	-	-	-	12,000
Conservation and Development	107,634	-	7,248	-	-	114,882
Debt Service	2,363	-	-	-	532,136	534,499
Employee Benefits and Liability Insurance	834,170	-	-	-	-	834,170
Total Expenditures	6,043,057	617,659	420,704	139,449	1,556,182	8,777,051
Excess of Revenues Over (Under)						
Expenditures	1,225,170	(159,039)	(894)	(131,156)	(365,422)	568,659
Other Financing Sources (Uses)						
Transfer In	172,114	-	-	30,500	545,118	747,732
Transfer Out	(634,371)	-	-	-	(113,361)	(747,732)
Total Other Financing Sources (Uses)	(462,257)	-	-	30,500	431,757	-
Net Change in Fund Balances	762,913	(159,039)	(894)	(100,656)	66,335	568,659
Fund Balances						
Beginning of Year	3,555,873	619,336	-	548,008	768,058	5,491,275
Fund Balances - End of Year	\$ 4,318,786	\$ 460,297	\$ (894)	\$ 447,352	\$ 834,393	\$ 6,059,934

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018

Amount reported for governmental activities in the Statement of
 Activates are different because:

Net change in fund balances - total governmental funds \$ 568,659

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.

Capital Assets effect in the current year are:

Capital Additions	139,610	
Depreciation Expense	(834,769)	
Capital Assets net amount for the current period		(695,159)

Revenues in the statement of activities that are not available to provide
 current financial resources are not reported as revenues in the funds.

At the government-wide level revenue recognition is not limited by
 availability. The effects of these adjustments in the current year are:

Real Estate Taxes	14,153
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Under the modified accrual basis of accounting used in governmental
 funds, expenditures are not recognized for transactions that are
 not normally paid with expendable available financial resources.

In the Statement of Activities, however, which is presented on the
 accrual basis, expenses and liabilities are reported regardless of
 when financial resources are available. In addition, interest on
 long-term debt is not recognized under the modified accrual basis
 accounting until due, rather than as it accrues. This adjustment
 is as follows:

Compensated Absences	31,247
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Governmental funds do not report the changes in the Pension expense: (175,706)

Repayment of principal is an expenditure in the governmental funds, but
 reduces the liability in the Statement of Net Position:

Principal repayments:

2007 General Obligation Note	16,666	
2017 Series A General Obligation Note	170,635	
2017 Series B General Obligation Note	22,453	
2017 Series C General Obligation Note	60,364	
2017 General Obligation Note	135,880	
Net Debt Transactions		405,998

Total Change in Net Position of Governmental Activities \$ 149,192

COUNTY OF FULTON
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2018

	<u>Employee Retirement</u>	<u>IRC Section 457 Plan</u>	<u>Other Agency Funds</u>	<u>Total</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 306,365	\$ 199,526	\$ 837,179	\$ 1,343,070
Investments	9,789,464	-	-	9,789,464
Receivables	14,703	-	-	14,703
Total Assets	\$ 10,110,532	\$ 199,526	\$ 837,179	\$ 11,147,237
<u>Liabilities and Net Position</u>				
Liabilities				
Benefits and Refunds Payable	\$ 2,850	\$ -	\$ -	\$ 2,850
Funds Held in Fiduciary Capacity	-	199,526	837,179	1,036,705
Total Liabilities	\$ 2,850	\$ 199,526	\$ 837,179	\$ 1,039,555
Net Position				
Employees' Pension Benefits	10,107,682	-	-	10,107,682
Total Net Position	\$ 10,107,682	\$ -	\$ -	\$ 10,107,682

The accompanying notes are an integral part of the financial statements.

COUNTY OF FULTON
STATEMENT OF CHANGES IN PLAN NET POSITION -
EMPLOYEE RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

Additions:	
Contributions	
Employee	\$ 207,744
County Contribution	<u>327,427</u>
Total Contributions	<u>535,171</u>
Investment Income:	
Net Depreciation in Fair Value of Investments	(1,185,172)
Dividends	311,075
Interest	<u>77,864</u>
Total Investment Income	(796,233)
Less: Investment Expense	<u>(50,801)</u>
Net Investment Income	<u>(847,034)</u>
Total Additions	<u>(311,863)</u>
Deductions:	
Administrative Cost	12,900
Retirement Benefits	528,225
Refunds to Member Contributions	<u>91,331</u>
Total Deductions	<u>632,456</u>
Net decrease in Net Position	(944,319)
Net Position Held in Trust for Employees' Pension Benefits:	
Beginning of Year	<u>11,052,001</u>
End of Year	<u><u>\$ 10,107,682</u></u>

The accompanying notes are an integral part of the financial statements.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Fulton (the "County") was formed in 1850. The County operates under the direction of an elected Board of County Commissioners and provides the following services: general administrative services, tax assessment and collection, judicial, public improvements, and public safety.

A summary of the County's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

A) Reporting Entity

The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"*, for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements include those of the County of Fulton (the "Primary Government") and its Component Unit. The Component Unit discussed below is included in the County's financial reporting entity because of its operational or financial relationship with the County.

1. Component Units

In conformity with GAAP, the following Component Unit has been included in the financial Reporting Entity as a Blended Component Unit:

· Fulton County Food Basket ("The Program")

The Program is fiscally dependent on the County. Therefore, the Program is included in the Special Revenue Funds of the financial statements of the County.

2. Related Organizations

The Board of County Commissioners is also responsible for appointing certain members of the boards or is a member of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments or being a member of the board. These organizations include:

- Franklin - Fulton Drug and Alcohol
- Franklin - Fulton Mental Health/Mental Retardation
- Huntingdon - Bedford - Fulton Area Agency on Aging and Aging Advisory Council
- South Central Counties Solid Waste Agency
- Penn State Agricultural Extension - Fulton County

3. Joint Ventures

The County has entered into various Joinder Agreements for the provision of services to the member Counties. The County's Joint Ventures are as follows:

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

A) Reporting Entity (continued)

3. Joint Ventures (continued)

· Huntingdon - Bedford - Fulton Area Agency on Aging

The County has entered into a Joinder Agreement with the Counties of Huntingdon and Bedford for the administration of providing services to the elderly in the communities. The governing board consists of the nine County Commissioners involved in the Joinder Agreement. This board, on an annual basis, sets the amount of contribution required from each participating County. In 2018 Fulton County contributed \$10,965 to the operations of this Joinder.

Condensed information for this agency as of and for the year ended June 30, 2018, is as follows:

Assets	<u>\$ 1,080,108</u>
Liabilities	<u>\$ 789,982</u>
Fund Balance	<u>\$ 290,126</u>
Revenues	<u>\$ 6,466,485</u>
Expenditures	<u>\$ 6,466,485</u>

Complete and more detailed financial statements are available by contacting Huntingdon - Bedford - Fulton Area Agency on Aging, P. O. Box 46, Bedford, PA 15522.

· Franklin/Fulton Drug and Alcohol and Mental Health/Mental Retardation

Fulton County entered into a Joinder Agreement with Franklin County for the provision of Drug and Alcohol and Mental Health/Mental Retardation services. The Fulton County Board of County Commissioners has delegated the responsibility to act as local authority for day-to-day program operations to the Franklin County Board of Commissioners and all Fulton County's share of grant revenues is sent directly to Franklin County. The Drug and Alcohol and Mental Health/Mental Retardation programs have been deemed to be departments of Franklin County. Pursuant to the Joinder Agreement, Fulton County contributes 10% of the cost of operations. Complete and more detailed financial statements are available by contacting Franklin County Department of Resource Management.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B) Basis of Presentation

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a column for the governmental activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The County chooses to eliminate the indirect costs between governmental activities to avoid "doubling up" effect.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B) Measurement Focus and Basis of Accounting (Continued)

2. Fund Financial Statements (Continued)

Fund financial statements for the primary government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. The fiduciary statements include financial information for the County's retirement system and agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 180 days of the end of the current fiscal period, with the exception of property taxes which must be received within 60 days of year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

B) Measurement Focus and Basis of Accounting (Continued)

Governmental Funds (Continued)

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

C) Basis of Presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement Number 34. The non-major funds are combined in a column in the fund financial statements. The following are the County's major funds:

1. Governmental Fund Types

a. General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, State and Federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, boards, commissions, the court system, and health and welfare activities.

b. 911 Wireless Fund

The 911 Wireless Fund is used to account for the emergency response communications network of the County.

c. Capital Projects Fund

The Capital Projects Fund is used to account for specific revenue sources related to the purchase of capital items.

d. Grant Fund

The Grant Fund is used to account for specific revenue sources related to various grant programs that are passed through to various agencies.

2. Other Fund Types

a. Retirement Trust Fund

The Employee Retirement Trust Fund is used to account for the revenue (i.e., member contributions, County appropriations, and net investment income) and the expenses (i.e., allowance contributions refunded, retirement allowances, and death benefits paid) of the Retirement Trust Fund.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C) Basis of Presentation

2. Other Fund Types (Continued)

b. Agency Funds

Agency Funds consist of restricted assets of the various row offices of the County. The row office funds, in essence, are escrow funds maintained with the row offices for bail posted, funds held from sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal actions.

c. IRC Section 457 Trust Fund

The IRC Section 457 Trust Fund consists of the restricted assets of the plan in which the County acts in a fiduciary capacity along with a corresponding liability to the plan participants.

D) Budgets and Budgetary Accounting

· Legal Requirements

Commonwealth of Pennsylvania statutes require that all County Governments establish budgetary systems and approve annual operating budgets. The County's annual budget relates to the General Fund and Certain Special Revenue Funds, and is based on estimates of revenues and expenditures approved by the Board of County Commissioners. The County of Fulton follows these procedures in establishing the budgetary data reflected in the financial statements:

County Budget Process

1. In September, the department heads submit to the Board of County Commissioners proposed operating budgets for the fiscal year which commence on January 1.
2. Subsequently, the County Chief Financial Officer assembles the preliminary projections of revenues and expenditures into a formal budget incorporating any revisions or adjustments resulting from the Board of County Commissioners' review.
3. The Board of County Commissioners then interview department heads to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
4. Public hearings are conducted on the proposed budget. The proposed budget is available for public inspection for 20 days prior to final adoption.
5. After the 20-day inspection period, but prior to December 31, the Board of County Commissioners adopts the final budget by enacting an appropriate resolution.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

D) Budgets and Budgetary Accounting (Continued)

County Budget Process (Continued)

6. Formal budgeting integration is employed as a planning device. The budget adopted is on the cash basis. Budget amounts are as originally adopted by the Board of County Commissioners.

· Level of Control

The County maintains budgeting control at the individual fund level.

· Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

E) Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

F) Interfunds

Operating transfers between funds are reported as other financing sources (uses) within those funds.

G) Unearned Revenue

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available and, in accordance with the modified accrual basis of accounting, are reported as unearned revenues. The County deems revenues received within 180 days of year end to be available with the exception of property taxes, which must be received within 60 days of year end to be deemed available.

H) Investments

Investments in all funds are carried at fair value.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

I) Deferred Outflows/Inflows of Resources

The Statements of Net Position report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The County has two items that qualify for reporting in these categories: deferred outflows and inflows related to pensions and unavailable tax revenue.

Deferred outflows and inflows of resources related to pensions are described further in Note 6. The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a 10 year closed period, which reflects the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). *Unavailable tax revenue*, which arises under the modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

J) Cash and Cash Equivalents

The County considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

K) Capital Assets

Capital Assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life exceeding one year. Such assets are recorded at historical costs. Donated capital assets are recorded at the estimated fair market value at the time of donation. Infrastructure Assets are not reported prior to January 1, 2004.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Land Improvements	10 - 15 Years
Buildings and Improvements	10 - 50 Years
Machinery and Equipment	8 - 20 Years
Vehicles	5 Years
Infrastructure	20 - 50 Years

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

L) Compensated Absences

The County accrues accumulated unpaid vacation and compensatory leave when earned by the employee in the government-wide financial statements.

M) Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

N) Net Position/Fund Balances

GASB Statement No. 54 establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follow:

Non-spendable – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted – This classification consists of amounts that are restricted to specific purposes, defined below by GASB Statement No. 34. The County's restricted fund balances consist of external enabling legislation for the state, federal or local government grants.

Committed – This classification of amounts used for specific purposes imposed by formal action of the County's highest level of decision – making authority (County Commissioners). The removal or modification of the use of committed funds can only be accomplished by formal action prior to fiscal year-end by the County's highest level of authority.

Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The present procedures are for the Commissioners to assign amounts to be used for specific purposes before issuance of audited financial statements.

Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance.

The County's GASB 54 Fund Balance Policy is to apply expenditures against any restricted fund balance, committed fund balance, assigned fund balance, and then unassigned fund balance.

The government activities financial statements utilize a net position presentation. Net positions are categorized as net investment in capital assets, restricted and unrestricted.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

N) Net Position/Fund Balances (Continued)

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

O) Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 85, "Omnibus 2017". The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 86, "Certain Debt Extinguishment Issues". The adoption of this statement had no effect on previously reported amounts.

P) Pending Changes in Accounting Principles

In November of 2016, the GASB issued Statement No. 83 "Certain Asset Retirement Obligations". The County is required to adopt Statement No. 83 for its calendar year 2019 financial statements.

In January 2017, the GASB issued Statement No. 84 "Fiduciary Activities". The County is required to adopt Statement No. 84 for its calendar year 2019 financial statements.

In June 2017, the GASB issued Statement No. 87, "Leases". The County is required to adopt Statement No. 87 for its calendar year 2020 financial statements.

In April 2018, the GASB issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The County is required to adopt Statement No. 88 for is fiscal year 2019 financial statements.

NOTE 1: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

P) Pending Changes in Accounting Principles (Continued)

In June 2018 the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of Construction Period*". The County is required to adopt Statement No. 89 for its calendar year 2020 financial statements.

In August 2018 the GASB issued Statement No. 90 "*Majority Equity Interest—An Amendment of GASB Statements No. 14 and No. 61*". The County is required to adopt Statement No. 90 for its calendar year 2019 financial statements.

In May 2019 the GASB issued Statement No. 91, "*Conduit Debt Obligations*". The County is required to adopt Statement No. 90 for its fiscal year 2021 financial statements.

The County has not completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: DEPOSIT AND INVESTMENT RISK

The County utilizes various temporary investment sources in an effort to maximize interest earnings on its cash balances.

Under Section 1706 of the County Code of the Commonwealth of Pennsylvania, the County is authorized to invest its funds in the following:

- United States Treasury Bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities.
- Deposits in savings accounts or time deposits, other than certificates of deposit, or savings accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania, any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.
- Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- Certificates of Deposit purchased from institutions having their principal place of business in or outside the Commonwealth of Pennsylvania which are insured by the FDIC or other like insurance. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of Deposit may not exceed 20% of the bank's total capital surplus or 20% of a savings and loan's or savings bank's assets net of its liabilities.
- Commercial paper and prime commercial paper meeting certain requirements.
- Repurchase agreements which are fully collateralized by obligations of the United States of America.

In addition, the County Code provides that the employees' retirement trust fund may make any investment authorized by 20 Pa. C.S.A. §7302(b) (relating to fiduciaries' investments).

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

The County's investments at December 31, 2018 were as follows:

	Cost	Market
Fiduciary Funds		
Retirement Fund		
Corporate Bonds	\$ 2,446,380	\$ 2,337,935
Common Stock	299,299	289,375
Mutual Funds	6,338,099	6,680,885
Real Estate	528,831	481,269
Total Retirement Fund	9,612,609	9,789,464
Total Fiduciary Funds	\$ 9,612,609	\$ 9,789,464
Total Investments	\$ 9,612,609	\$ 9,789,464

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's Operating Funds Investment Policy (Operating Investment Policy) states that maturities shall be set to generally match the projected cash flow requirements for the County as determined by the County Treasurer, unless market conditions dictate otherwise. As of December 31, 2018, the County had no operating fund investments. The County's Retirement Fund Investment Policy does not address interest rate risk.

Investment Type	Fair Value	Less Than 1 Year	1 - 5 Years	5 - 10 Years	10 + Years
Corporate Bonds	\$ 2,337,935	\$ -	\$ 1,528,608	\$ 789,852	\$ 19,475
Total	\$ 2,337,935	\$ -	\$ 1,528,608	\$ 789,852	\$ 19,475

Credit Risk. The County's Operating Funds Investment Policy limits investments in federal agency securities that carry direct or implied guarantees of the U.S. Government.

As of December 31, 2018, the County's retirement investments had credit quality ratings as follows:

Investment Type	Credit Rating	Percentage
Corporate Bonds	A3	7%
Corporate Bonds	BAA1	38%
Corporate Bonds	BAA2	31%
Corporate Bonds	BAA3	24%
Mutual Fund	Not Rated	100%
Real Estate	Not Rated	100%

NOTE 2: DEPOSIT AND INVESTMENT RISK (CONTINUED)

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.

At December 31, 2018, the County had the following recurring fair value measurements:

	12/31/2018	Level 1	Level 2	Level 3
Investments measured by fair value level				
Corporate Bonds	\$ 2,337,935	\$ 2,337,935	\$ -	\$ -
Corporate Stocks	289,375	289,375	-	-
Mutual Funds	6,680,885	6,680,885	-	-
Real Estate	481,269	-	481,269	-
Total investments by fair value level	\$ 9,789,464	\$ 9,308,195	\$ 481,269	\$ -

Custodial Credit Risk. For deposits and investments of the primary government, 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.

At December 31, 2018, the County's primary government's deposits, excluding the Employee Retirement Fund and IRC Section 457 Plan, had a carrying amount of \$6,523,993 and a bank balance of \$6,817,416. Of the bank balance, \$1,010,018 was covered by federal depository insurance, and the balance of \$5,807,398 in deposits was either insured or collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name.

At December 31, 2018, the County's entire retirement fund's cash and cash equivalents balance was either insured or collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the County's name.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer. At December 31, 2018, the County is not subject to concentration of credit risk.

NOTE 3: REAL ESTATE TAXES

Real Estate Property Taxes

Real estate taxes for the calendar year are levied on March 1 of each year. Any unpaid real estate taxes attach as an enforceable lien on property as of January 1 of the following year. Taxes are billed on April 1 and payable with a 2% discount to May 31, with no discount or penalty to July 30 and with a 5% penalty from August 1 to March 31 of the subsequent year. The County bills these taxes which are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

COUNTY OF FULTON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 3: REAL ESTATE TAXES

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded or funded debt.

The County's 2018 real estate taxes are based on assessed values established by the County's Bureau of Assessments. Assessed values of real property are generally 100% of the market value as determined by the Fulton County Bureau of Assessments. The total 2018 real estate taxes levied was \$4,866,127 based on a total County assessed valuation of \$411,242,430. Based on the 2018 levy of 12.40 mills, a property owner would pay \$12.40 per \$1,000 of assessed valuation.

NOTE 4: CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2018 was as follows:

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Increase	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 230,925	\$ -	\$ -	\$ 230,925
Construction-in-Progress	129,909	-	(129,909)	-
Total Capital Assets, Not Being Depreciated	<u>360,834</u>	<u>-</u>	<u>(129,909)</u>	<u>230,925</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	8,877,477	269,519	-	9,146,996
Machinery and Equipment	4,457,090	-	-	4,457,090
Vehicles	297,361	-	-	297,361
Total Capital Assets, Being Depreciated	<u>13,631,928</u>	<u>269,519</u>	<u>-</u>	<u>13,901,447</u>
Total Capital Assets, Historical Cost	<u>13,992,762</u>	<u>269,519</u>	<u>(129,909)</u>	<u>14,132,372</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(2,493,936)	(273,824)	-	(2,767,760)
Machinery and Equipment	(871,491)	(529,434)	-	(1,400,925)
Vehicles	(196,361)	(31,511)	-	(227,872)
Total Accumulated Depreciation	<u>(3,561,788)</u>	<u>(834,769)</u>	<u>-</u>	<u>(4,396,557)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 10,430,974</u>	<u>\$ (565,250)</u>	<u>\$ (129,909)</u>	<u>\$ 9,735,815</u>

COUNTY OF FULTON
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

Public Safety	\$ 519,580
General Government	20,898
Conservation and Development	6,463
Judicial	203,644
Human Services	83,174
Recreation	1,010
Total Depreciation	<u><u>\$ 834,769</u></u>

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of changes in general long-term obligations for the County for the year ended December 31, 2018.

General Long-Term Obligations	Balances as of January 1, 2018	Additions	Reductions	Balances as of December 31, 2018	Amount Due in One Year
G.O. Note 2007	\$ 83,333	\$ -	\$ 16,676	\$ 66,657	\$ 17,011
G.O. Note 2017 A	2,746,257	-	170,635	2,575,622	174,581
G.O. Note 2017 B	262,240	-	22,443	239,797	22,929
G.O. Note 2017 C	1,096,127	-	60,364	1,035,763	61,704
G.O. Note 2017 911	1,677,567	-	135,880	1,541,687	138,757
Total General Long-term Obligations	<u>5,865,524</u>	<u>-</u>	<u>405,998</u>	<u>5,459,526</u>	<u>414,982</u>
Compensated Absences	<u>190,115</u>	<u>-</u>	<u>31,247</u>	<u>158,868</u>	<u>158,868</u>
Total Governmental Activities Long-Term Debt	<u><u>\$ 6,055,639</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 437,245</u></u>	<u><u>\$ 5,618,394</u></u>	<u><u>\$ 573,851</u></u>

A summary of the outstanding loan principle and interest amortization as of December 31, 2018, is presented in the following table:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 414,982	\$ 117,357	\$ 532,339
2020	424,212	108,134	532,346
2021	433,648	98,705	532,353
2022	439,837	89,066	528,903
2023	434,734	79,212	513,946
2024-2028	2,309,806	245,034	2,554,840
2029-2033	1,002,307	71,924	1,074,231
	<u><u>\$ 5,459,526</u></u>	<u><u>\$ 809,432</u></u>	<u><u>\$ 6,268,958</u></u>

COUNTY OF FULTON
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018

NOTE 5: LONG-TERM OBLIGATIONS

The following is a summary of the Long-term Obligations outstanding as of December 31, 2018:

<u>Year</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Balance Outstanding December 31, 2018</u>
2007	\$250,000	A 15 year General Obligation Note in the amount of \$250,000 with a variable interest rate of 1.395% to a maximum of 5.50%. The purpose of this loan is for the purchase of two properties. (Final Maturity in 2022).	\$ 66,657
2017	\$2,871,275	A 14 year General Obligation Note in the amount of \$2,871,275 with a fixed interest rate of 2.30% for a term of 12 years and will then be adjusted a re-fixed until the maturity date with a rate ceiling of 5.79%. The purpose of this loan is to refund the Series A of 2014 note. (Final Maturity in 2031). The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of \$137,450. The refunding also resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$62,550.	2,575,622
2017	\$278,712	A 11 year General Obligation Note in the amount of \$278,712 with a fixed interest rate of 2.12% for a term of 10 years and will then be adjusted and re-fixed until the maturity date with a rate ceiling of 3.00%. The purpose of this loan is to refund the Series B of 2014 note. (Final maturity in 2028). The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of \$7,310. The refunding also resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,439.	239,797
2017	\$1,140,378	A 12 year General Obligation note in the amount of \$1,140,378 with a fixed interest of 2.12% for a term of 12 years and will then be adjusted and re-fixed until the maturity date with a rate ceiling of 3.00%. The purpose of this loan is to refund the Series C of 2014 note. (Final maturity in 2029). The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of \$95,715. The refunding also resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$67,132.	1,035,763
2017	\$1,800,000	A 11 year General Obligation note in the amount of \$1,800,000 with a fixed interest of 2.10%. The purpose of this loan is for 911 projects throughout the county. (Final maturity in 2028).	<u>1,541,687</u>
Total General Long-term Obligations			<u>\$5,459,526</u>

NOTE 6: EMPLOYEES' RETIREMENT PLAN

The Fulton County Employee's Retirement Plan (the "Plan") is a single-employer defined benefit pension plan that covers all full time employees of the County. The plan provides retirement, disability and death benefits to plan members and their beneficiaries. The Plan is part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund.

Summary of Significant Accounting Policies

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent appraisal should be obtained once every year to determine the fair market value of the real estate assets.

Plan Description

The Fulton County Employees' Retirement System (the "Plan") is a contributory defined benefit single employer retirement plan that is administered by the County Retirement Board. All employees working over 1,000 hours per year are required to enter the plan, and County elected officials have the option of enrolling in the plan. The plan is included in the financial statements of County of Fulton as a pension trust fund. The plan provides retirement, disability and death benefits to plan members pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania (County Pension Law). Cost-of-living adjustments are provided at the discretion of the County Retirement Board.

Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the Chief Clerk and the County Treasurer.

Membership

At December 31, 2018, employees covered by the Plan consisted of the following:

Inactive Members or Beneficiaries Currently Receiving Benefits	49
Inactive Members Entitled to but not yet Receiving Benefits	5
Active Members	<u>61</u>
Total	<u>115</u>

Benefits provided. Fulton County Employees Pension Plan provides retirement, disability, and death benefits. Employees who have reached the normal retirement age of 60, or age 55 with 20 years of County service, are entitled to annual retirement benefits equal to the member's annuity based on the actuarial equivalent of the accumulated payroll deductions, and a County annuity equal to the product of: (a) the "Final Average Salary" (three highest years), (b) the employee's applicable class rate, and (c) the membership service in the applicable class. The Plan permits early retirement on a voluntary basis before age 55 with 20 years of service and, on an involuntary basis, after eight years of service. Employees become 100% vested after five years of service.

Death and disability benefits are also provided for in the Plan. If an active employee dies at age 60 or older, or after ten years of County service, death benefits are paid to the employee's beneficiary. Active employees who become totally disabled receive an annual pension equal to 25% of the "Final Average Salary" after five years of County service.

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Contributions. All members currently contribute 8% of pay, except those hired on or after May 1, 2016, who are required to contribute 6% of pay. Voluntary member contributions up to an additional 10% of pay are permitted. Member contributions are credited with interest. The Retirement Board determines by January 31 of each year the interest rate to be credited for that year. The rate must be between 4% and 5.5%. The interest rate credited during 2018 was 4.0%. The County contributes amounts periodically to provide for the county portion of the pension. Per the County Pension Law, contribution requirements of the plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania.

Administrative costs of the Plan may be financed through investment earnings. The Act makes no provision for termination of the Plan. The County does not issue a separate financial report for the Plan.

Legally Required Reserves

At December 31, 2018, the County has a balance of \$3,197,077 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2017. Since these accumulations represent the present value as of December 31, 2018 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$1,459,661 in the County Annuity Reserve Account as of December 31, 2018. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances and this reserve is fully funded.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the county are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered into.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances, including cost-of-living adjustments and death benefits are paid. The balance in this account was \$5,450,944 as of December 31, 2018. The corresponding liability for those annuitants on the roll is identical.

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation dated January 1, 2018 and update procedures were used to rollforward the total pension liability to the December 31, 2018 measurement date. The components of the net pension liability of the County for the 2018 measurement period were as follows:

Total pension liability	\$ 13,060,105
Plan fiduciary net position	<u>10,107,682</u>
County's net pension liability	<u>\$ 2,952,423</u>
Plan fiduciary net position as a percentage of the total pension liability	77.39%

COUNTY OF FULTON
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2018

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Changes in the County's net pension liability for the plan for the year ended December 31, 2018 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 12/31/17	\$ 12,499,418	\$ 11,052,000	\$ 1,447,418
Service Cost	137,802	-	137,802
Interest Cost	647,114	-	647,114
Changes of Benefit Terms	-	-	-
Changes for Experience	63,597	-	63,597
Changes of Assumptions	-	-	-
Contributions - Employer	-	327,427	(327,427)
Contributions - Member	207,744	207,744	-
Net Investment Income	-	(847,033)	847,033
Benefit Payments, including			
Refunds of Member Contributions	(619,556)	(619,556)	-
Administrative Expense	-	(12,900)	12,900
Other Changes	123,986	-	123,986
Net Changes	560,687	(944,318)	1,505,005
Balances at 12/31/18	\$ 13,060,105	\$ 10,107,682	\$ 2,952,423

Deferred Outflows of Resources

The total pension expense recognized in 2018 for the plan was \$503,133. At December 31, 2018, the County reported deferred outflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 93,223	\$ 83,359
Change in Assumptions	203,859	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	941,085	-
Total	\$ 1,238,167	\$ 83,359

NOTE 6: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

The deferred outflows/(inflows) of resources will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31:</u>	<u>Governmental</u> <u>Activities</u>
2019	\$ 351,564
2020	189,199
2021	255,917
2022	383,132
2023	(1,340)
2024	<u>(23,664)</u>
Total	<u>\$ 1,154,808</u>

The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan.

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2018 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.0 percent, average, including inflation
Investment rate of return	7.0 percent, percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Annuitant and Non- Annuitant Mortality Tables for Males and Females with no projected improvement.

The actuarial assumptions used in the valuation for the 2018 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. No experience studies have been performed in the last 10 years.

Under the Act, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the Plan elect to give one, is a percentage of the change in the Consumer Price Index. The Plan did not include an assumption for projected ad hoc postemployment benefit changes as they are not considered to be substantively automatic.

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

NOTE 6: EMPLOYEE'S RETIREMENT PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	50.00%	5.50-7.50%
International equity	10.00%	4.50-6.50%
Fixed income	30.00%	1.00-3.00%
Real Estate/Alternative	7.00%	4.50-6.50%
Cash	<u>3.00%</u>	0.00-1.00%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.0%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 96 of 1971. The pension plan's ARC is calculated based on the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.0%)</u>	Current Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
County's net pension liability	\$4,070,752	\$2,952,423	\$1,900,687

Rate of return. For the 2018 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (7.70) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 7: RISK MANAGEMENT

The County participates in the Pennsylvania Counties Workers' Compensation Trust (the "Trust") insurance pool for workers' compensation insurance. Insurance premiums are developed based on employee job descriptions, rate factors, and payroll costs for the year. The Trust has an audit performed each year and the County may be required to pay any additional premium as a result of the audit, or the County may be entitled to a refund as a result of the audit. For the year ended December 31, 2018 the County paid insurance premiums of \$16,444 to the trust.

COUNTY OF FULTON
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2018

NOTE 8: FUND BLANCE REPORTING

Under GASB 54, fund balances recorded as non-spendable, committed and assigned are not available for payments of other subsequent expenditures. The following fund balances are recorded on the fund level of the financial statements:

Fund	Fund Balance	Balances
<u>Major funds</u>		
General Fund	<u>Non-spendable:</u>	
	These amounts are prepaid expenses	\$ 109,585
	<u>Assigned:</u>	
	These amounts are to be used for the future purchase of voting machines	400,000
	These funds are assigned for the costs associated with the development of a new 911 service dispatch center	700,000
9-1-1 Wireless	<u>Non-spendable:</u> These amounts are prepaid expenses	36,347
Capital Projects	<u>Restricted Funds:</u> These funds are restricted for the Capital Projects programs	447,352
<u>Non-major Governmental funds</u>		
Debt Service	<u>Non-spendable:</u> These amounts are prepaid expenses	42,813
Special Revenue Funds	<u>Non-spendable:</u> These amounts are prepaid expenses	16,893
	<u>Restricted Funds:</u>	
	These funds are restricted within the departments of General Government	7,287
	These funds are restricted within the Judicial System	375,717
	These funds are restricted within the Public Safety Programs	78,859
	These funds are restricted within the Public Works Programs	204,987
	These funds are restricted within the Human Services Programs	156,241

NOTE 9: LITIGATION

The County is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the County's financial statements.

NOTE 10: RELATED THIRD PARTY TRANSACTIONS

The Human Services Director is the Vice President of the Board of the Fulton County Family Partnership Inc. The Fulton County Family Partnership Inc. receives pass through funding from the County for the Medical Assistance Transportation Program in the amount of \$395,751.

NOTE 11: INTERFUND OPERATING TRANSFERS

Interfund operating transfers are as follows:

Major Funds:	Transfers In	Transfers Out
General Fund	\$ 172,114	\$ 634,371
Capital Project Fund	30,500	-
Total Major Funds	202,614	634,371
Special Revenue Funds		
Human Services Fund	-	5,000
Hazardous Materials Fund	2,000	-
Community Development Block Grant	-	9,777
Clerk of Courts Automation Fund	-	1,030
Juvenile Grant-In-Aid	-	37,496
Recorder of Deeds Fund	-	5,490
Victims Of Juvenile Offenders Fund	-	5,723
County Records Improvement Fund	-	3,725
Prothonotary Automation Fund	-	1,824
Offender Supervision	-	11,877
Domestic Relations Fund	10,980	-
Victim Witness Fund	-	31,419
Total Special Revenue Funds	12,980	113,361
Debt Service Fund	532,138	-
Total Transfers In and Out	\$ 747,732	\$ 747,732

These transfers occur because certain funds reimburse other funds for expenditures incurred.

REQUIRED
SUPPLEMENTAL
INFORMATION

County of Fulton
Schedule of Changes in the Net
Pension Liability and Related Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability					
Service cost	\$ 97,640	\$ 97,674	\$ 119,872	\$ 142,600	\$ 137,802
Interest	736,328	772,310	805,328	596,214	647,114
Changes of benefit terms	34,817	-	6,028	27,823	-
Differences between expected and actual experience	(54,528)	(2,141)	(117,249)	60,338	63,597
Changes of assumptions	-	-	-	305,789	-
Other - Increase in Employee Contribution Balances	228,032	109,911	251,096	334,461	331,729
Benefit payments, including refunds of member contributions	(510,037)	(546,535)	(510,009)	(1,162,689)	(619,556)
Net change in total pension liability	532,252	431,219	555,066	304,536	560,686
Total pension liability - beginning	10,676,346	11,208,598	11,639,817	12,194,883	12,499,419
Total pension liability - ending (a)	\$ 11,208,598	\$ 11,639,817	\$ 12,194,883	\$ 12,499,419	\$ 13,060,105
Plan fiduciary net position					
Contributions - employer	\$ 294,176	\$ 293,643	\$ 314,626	\$ 326,781	\$ 327,427
Contributions - member	190,622	196,220	210,446	208,311	207,744
Net investment income	575,971	(143,873)	989,103	1,338,461	(847,034)
Benefit payments, including refunds of member contributions	(510,037)	(546,535)	(510,009)	(1,162,689)	(619,556)
Administrative expense	(11,400)	(12,900)	(13,900)	(12,900)	(12,900)
Net change in plan fiduciary net position	539,332	(213,445)	990,266	697,964	(944,319)
Plan fiduciary net position - beginning	9,037,884	9,577,216	9,363,771	10,354,037	11,052,001
Plan fiduciary net position - ending (b)	\$ 9,577,216	\$ 9,363,771	\$ 10,354,037	\$ 11,052,001	\$ 10,107,682
County's net pension liability - ending (a) - (b)	\$ 1,631,382	\$ 2,276,046	\$ 1,840,846	\$ 1,447,418	\$ 2,952,423
Plan fiduciary net position as a percentage of the total pension liability	85.4%	80.4%	84.9%	88.4%	77.4%
Covered-employee payroll	\$ 2,105,641	\$ 2,089,918	\$ 2,289,761	\$ 2,302,357	\$ 2,213,377
County's net pension liability as a percentage of covered-employee payroll	77.5%	108.9%	80.4%	62.9%	133.4%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 327,427	\$ 326,781	\$ 314,626	\$ 293,643	\$ 294,176	\$ 343,204	\$ 290,069	\$ 257,448	\$ 249,545	\$ 214,638
Contributions in relation to the actuarially determined contribution	327,427	326,781	314,626	293,643	294,176	343,204	290,069	257,448	249,545	214,638
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,213,377	\$ 2,302,357	\$ 2,289,761	\$ 2,089,918	\$ 2,105,641	\$ 2,164,505	\$ 2,038,005	\$ 2,124,688	\$ 2,224,110	\$ 1,997,751
Contributions as a percentage of covered-employee payroll	14.79%	14.19%	13.74%	14.05%	13.97%	15.86%	14.23%	12.12%	11.22%	10.74%

Notes to Schedule

Valuation date January 1, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	30 years
Asset valuation method	Smoothed value with a corridor of 70% to 130% of market value.
Inflation	3.0%
Salary increases	4.0% average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	Retirement rates from age 55 to age 70
Mortality	RP-2000 Table. This table does not include projected mortality improvements.

County of Fulton
Schedule of Investment Returns
Last 10 Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	6.39%	-1.51%	10.56%	13.34%	-7.70%

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

COUNTY OF FULTON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 4,808,369	\$ 4,808,369	\$ 4,882,954	\$ 74,585
Intergovernmental Revenues	1,667,416	1,667,416	1,610,773	(56,643)
Charges for Services	372,475	372,475	412,703	40,228
Fines and Forfeitures	156,500	156,500	147,461	(9,039)
Licenses and Permits	26,845	26,845	28,743	1,898
Interest and Rents	39,080	39,080	65,497	26,417
Miscellaneous Income	85,020	85,020	120,096	35,076
	<u>7,155,705</u>	<u>7,155,705</u>	<u>7,268,227</u>	<u>112,522</u>
Total Revenues				
Expenditures				
General Government - Administrative	1,332,587	1,332,587	1,183,469	149,118
General Government - Judicial	1,410,123	1,410,123	1,496,001	(85,878)
Public Safety	1,226,682	1,226,682	1,108,497	118,185
Human Services	1,436,207	1,436,207	1,298,923	137,284
Culture and Recreation	12,000	12,000	12,000	-
Conservation and Development	105,927	105,927	107,634	(1,707)
Debt Service	-	-	2,363	(2,363)
Employee Benefits and Liability Insurance	1,114,819	1,114,819	834,170	280,649
	<u>6,638,345</u>	<u>6,638,345</u>	<u>6,043,057</u>	<u>595,288</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>517,360</u>	<u>517,360</u>	<u>1,225,170</u>	<u>707,810</u>
Other Financing Sources (Uses)				
Operating Transfer In	117,501	117,501	172,114	54,613
Operating Transfer Out	(634,762)	(634,762)	(634,371)	391
	<u>(517,261)</u>	<u>(517,261)</u>	<u>(462,257)</u>	<u>55,004</u>
Total Other Financing Sources(Uses)				
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 99</u>	<u>\$ 99</u>	<u>\$ 762,913</u>	<u>\$ 762,814</u>

OTHER
SUPPLEMENTAL
INFORMATION

COUNTY OF FULTON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

<u>Assets</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
Cash and Cash Equivalents	\$ 913,221	\$ -	\$ 913,221
Accounts Receivable	2,159	-	2,159
Due From Other Governments	57,743	-	57,743
Prepaid Assets	16,893	42,813	59,706
	\$ 990,016	\$ 42,813	\$ 1,032,829
 <u>Liabilities and Fund Balances</u>			
Liabilities			
Accounts Payable and Accrued	\$ 25,415	\$ -	\$ 25,415
Overdraft Liability	9,265	42,311	51,576
Wage Payable	9,818	-	9,818
Unearned Revenues	111,627	-	111,627
	156,125	42,311	198,436
 Fund Balances			
Non-Spendable Funds			
Prepaid Assets	16,893	42,813	59,706
Restricted for:			
General Government Administration	7,287	-	7,287
General Government Judicial	375,717	-	375,717
Public Safety	78,859	-	78,859
Public Works	204,987	-	204,987
Human Services	156,241	-	156,241
Unassigned	(6,093)	(42,311)	(48,404)
	833,891	502	834,393
	\$ 990,016	\$ 42,813	\$ 1,032,829

COUNTY OF FULTON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE ENDED DECEMBER 31, 2018

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues			
Intergovernmental Revenues	\$ 1,058,130	\$ -	\$ 1,058,130
Charges for Services	65,667	-	65,667
Fines and Forfeitures	5,497	-	5,497
Interest	1,302	-	1,302
Miscellaneous Income	60,164	-	60,164
Total Revenues	1,190,760	-	1,190,760
Expenditures			
General Government Judicial	207,324	-	207,324
Public Safety	3,043	-	3,043
Public Works	176,373	-	176,373
Human Services	637,306	-	637,306
Debt Service	-	532,136	532,136
Total Expenditures	1,024,046	532,136	1,556,182
Excess of Revenues Over (Under) Expenditures	166,714	(532,136)	(365,422)
Other Financing Sources (Uses)			
Operating Transfers In	12,980	532,138	545,118
Operating Transfers (Out)	(113,361)	-	(113,361)
Total Other Financing Sources (Uses)	(100,381)	532,138	431,757
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	66,333	2	66,335
Fund Balances - Beginning of Year	767,558	500	768,058
Fund Balances - End of Year	<u>\$ 833,891</u>	<u>\$ 502</u>	<u>\$ 834,393</u>

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

	Emergency Shelter Fund	Human Services Development Fund	Independent Living Fund	Domestic Relations Title IV-D Fund	Hazardous Materials Fund	Offender Supervision Fund	Substance Abuse Fund	Liquid Fuel Fund	Food Basket Fund	Community Development Block Grant Fund
<u>Assets</u>										
Cash and Cash Equivalents	\$ 21,299	\$ 54,705	\$ 34,194	\$ 326,040	\$ 47,031	\$ -	\$ 57,271	\$ 43,333	\$ 72,017	\$ 2,188
Accounts Receivable	-	-	-	-	-	1,778	-	-	-	-
Due From Other Governments	-	-	-	45,414	1,915	-	-	-	-	-
Prepaid Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 21,299	\$ 54,705	\$ 34,194	\$ 371,454	\$ 48,946	\$ 1,778	\$ 57,271	\$ 43,333	\$ 72,017	\$ 2,188
<u>Liabilities and Fund Balances</u>										
Liabilities										
Accounts Payable	\$ -	\$ 21,829	\$ -	\$ 459	\$ -	\$ 889	\$ -	\$ -	\$ -	\$ 2,188
Wage Payable	-	-	-	9,818	-	-	-	-	-	-
Overdraft Liability	-	-	-	-	-	889	-	-	-	-
Unearned Revenues	21,299	32,876	34,194	-	-	-	-	-	-	-
Total Liabilities	21,299	54,705	34,194	10,277	-	1,778	-	-	-	2,188
Fund Balances										
Non- spendable										
Prepaid Assets	-	-	-	-	-	-	-	-	-	-
Restricted for:										
General Government Administration	-	-	-	-	-	-	-	-	-	-
General Government Judicial	-	-	-	361,177	-	-	-	-	-	-
Public Safety	-	-	-	-	48,946	-	-	-	-	-
Public Works	-	-	-	-	-	-	43,333	-	-	-
Human Services	-	-	-	-	-	-	57,271	-	72,017	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	-	-	361,177	48,946	-	57,271	43,333	72,017	-
Total Liabilities and Fund Balances	\$ 21,299	\$ 54,705	\$ 34,194	\$ 371,454	\$ 48,946	\$ 1,778	\$ 57,271	\$ 43,333	\$ 72,017	\$ 2,188

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

(continued)

	Clerk of Courts Automation Fund	Register of Wills Automation Fund	Clerk of Ophran Courts Automation Fund	Victims of Juvenile Offenders Fund	Liquid Fuels Act 89 Fund	Adoption Counseling Fund	Performcare Fund	Recorder Of Deeds Improvement Fund	County Records Improvement Fund	Farmland Preservation Fund
<u>Assets</u>										
Cash and Cash Equivalents	\$ -	\$ 2,553	\$ 4,848	\$ -	\$ 29,913	\$ 1,599	\$ 4,747	\$ 524	\$ 6,382	\$ 11,610
Accounts Receivable	-	-	-	-	-	-	-	381	-	-
Due From Other Governments	-	-	-	1,537	-	-	-	-	-	-
Prepaid Assets	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 2,553	\$ 4,848	\$ 1,537	\$ 29,913	\$ 1,599	\$ 4,747	\$ 905	\$ 6,382	\$ 11,610
<u>Liabilities and Fund Balances</u>										
Liabilities										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wage Payable	-	-	-	-	-	-	-	-	-	-
Overdraft Liability	21	-	-	1,537	-	-	-	-	-	-
Unearned Revenues	(21)	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	1,537	-	-	-	-	-	-
Fund Balances										
Non- spendable										
Prepaid Assets	-	-	-	-	-	-	-	-	-	-
Restricted for:										
General Government Administration	-	-	-	-	-	-	-	905	6,382	-
General Government Judicial	-	2,553	4,848	-	-	-	-	-	-	-
Public Safety	-	-	-	-	29,913	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	1,599	4,747	-	-	11,610
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	2,553	4,848	-	29,913	1,599	4,747	905	6,382	11,610
Total Liabilities and Fund Balances	\$ -	\$ 2,553	\$ 4,848	\$ 1,537	\$ 29,913	\$ 1,599	\$ 4,747	\$ 905	\$ 6,382	\$ 11,610

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018

(continued)

	Prothonotary Automation Fund	Juvenile Grant In Aid Fund	Caseworker Visitation Grant Fund	Victim Witness Fund	Marcellus Shale Act 13 Fund	Marcellus Shale Act 13 Bridge Fund	Children Services IT Fund	Liquid Fuels Registration Fee Fund	DA Forfeitures & Donations Fund	Total Special Revenue Funds
<u>Assets</u>										
Cash and Cash Equivalents	\$ 571	\$ 42	\$ -	\$ -	\$ 45,855	\$ 57,272	\$ 24,132	\$ 58,527	\$ 6,568	\$ 913,221
Accounts Receivable	-	-	-	-	-	-	-	-	-	2,159
Due From Other Governments	-	-	-	6,868	-	-	2,009	-	-	57,743
Prepaid Assets	-	-	-	-	10,800	-	6,093	-	-	16,893
Total Assets	\$ 571	\$ 42	\$ -	\$ 6,868	\$ 56,655	\$ 57,272	\$ 32,234	\$ 58,527	\$ 6,568	\$ 990,016
<u>Liabilities and Fund Balances</u>										
Liabilities										
Accounts Payable	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,415
Wage Payable	-	-	-	-	-	-	-	-	-	9,818
Overdraft Liability	-	-	-	6,818	-	-	-	-	-	9,265
Unearned Revenues	-	42	(8,997)	-	-	-	32,234	-	-	111,627
Total Liabilities	-	42	(8,997)	6,868	-	-	32,234	-	-	156,125
Fund Balances										
Non- spendable										
Prepaid Assets	-	-	-	-	10,800	-	6,093	-	-	16,893
Restricted for:										
General Government Administration	-	-	-	-	-	-	-	-	-	7,287
General Government Judicial	571	-	-	-	-	-	-	-	6,568	375,717
Public Safety	-	-	-	-	-	-	-	-	-	78,859
Public Works	-	-	-	-	45,855	57,272	-	58,527	-	204,987
Human Services	-	-	8,997	-	-	-	-	-	-	156,241
Unassigned	-	-	-	-	-	-	(6,093)	-	-	(6,093)
Total Fund Balances	571	-	8,997	-	56,655	57,272	-	58,527	6,568	833,891
Total Liabilities and Fund Balances	\$ 571	\$ 42	\$ -	\$ 6,868	\$ 56,655	\$ 57,272	\$ 32,234	\$ 58,527	\$ 6,568	\$ 990,016

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Emergency Shelter Fund	Human Services Development Fund	Independent Living Fund	Domestic Relations Title IV-D Fund	Hazardous Materials Fund	Offender Supervision Fund	Substance Abuse Fund	Liquid Fuel Fund	Food Basket Fund	Community Development Block Grant Fund
Revenues										
Intergovernmental Revenues	\$ 31,403	\$ 222,909	\$ 34,020	\$ 192,668	\$ 3,808	\$ -	\$ -	\$ 39,835	\$ 219,258	\$ 113,423
Charges for Services	-	-	-	26,109	2,075	23,754	-	-	-	-
Interest	-	123	49	494	71	-	83	32	102	-
Fines and Forfeitures	-	-	-	-	-	-	5,497	-	-	-
Miscellaneous Income	-	16,311	-	-	-	-	-	-	43,081	360
Total Revenues	31,403	239,343	34,069	219,271	5,954	23,754	5,580	39,867	262,441	113,783
Expenditures										
General Government Judicial	-	-	-	194,642	-	11,877	300	-	-	-
Public Safety	-	-	-	-	3,043	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	43,367	-	104,006
Human Services	31,403	234,343	34,069	-	-	-	-	-	275,457	-
Total Expenditures	31,403	234,343	34,069	194,642	3,043	11,877	300	43,367	275,457	104,006
Excess of Revenues Over (Under) Expenditures	-	5,000	-	24,629	2,911	11,877	5,280	(3,500)	(13,016)	9,777
Other Financing Sources (Uses)										
Operating Transfers In	-	-	-	10,980	2,000	-	-	-	-	-
Operating Transfers (Out)	-	(5,000)	-	-	-	(11,877)	-	-	-	(9,777)
Total Other Financing Sources	-	(5,000)	-	10,980	2,000	(11,877)	-	-	-	(9,777)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	35,609	4,911	-	5,280	(3,500)	(13,016)	-
Fund Balances - Beginning of Year	-	-	-	325,568	44,035	-	51,991	46,833	85,033	-
Fund Balances - End of Year	\$ -	\$ -	\$ -	\$ 361,177	\$ 48,946	\$ -	\$ 57,271	\$ 43,333	\$ 72,017	\$ -

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2018

(continued)

	Clerk of Courts Automation Fund	Register of Wills Automation Fund	Clerk of Ophran Courts Automation Fund	Victims of Juvenile Offenders Fund	Liquid Fuels Act 89 Fund	Adoption Counseling Fund	Performcare Fund	Recorder Of Deeds Improvement Fund	County Records Improvement Fund	Farmland Preservation Fund
Revenues										
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 5,935	\$ 7,590	\$ -	\$ 15,000	\$ -	\$ -	\$ -
Charges for Services	1,030	330	525	-	-	-	-	5,490	3,712	818
Interest	-	4	6	-	37	2	-	-	13	22
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,030	334	531	5,935	7,627	2	15,000	5,490	3,725	840
Expenditures										
General Government Judicial	-	-	-	212	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	25,919	-	-	-
Total Expenditures	-	-	-	212	-	-	25,919	-	-	-
Excess of Revenues Over (Under) Expenditures	1,030	334	531	5,723	7,627	2	(10,919)	5,490	3,725	840
Other Financing Sources (Uses)										
Operating Transfers In	-	-	-	-	-	-	-	-	-	-
Operating Transfers (Out)	(1,030)	-	-	(5,723)	-	-	-	(5,490)	(3,725)	-
Total Other Financing Sources	(1,030)	-	-	(5,723)	-	-	-	(5,490)	(3,725)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	334	531	-	7,627	2	(10,919)	-	-	840
Fund Balances - Beginning of Year	-	2,219	4,317	-	22,286	1,597	15,666	905	6,382	10,770
Fund Balances - End of Year	\$ -	\$ 2,553	\$ 4,848	\$ -	\$ 29,913	\$ 1,599	\$ 4,747	\$ 905	\$ 6,382	\$ 11,610

COUNTY OF FULTON
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018

(continued)

	Prothonotary Automation Fund	Juvenile Grant In Aid Fund	Caseworker Visitation Grant Fund	Victim Witness Fund	Marcellus Shale Act 13 Fund	Marcellus Shale Act 13 Bridge Fund	Children Services IT Fund	Liquid Fuels Registration Fee Fund	DA Forfeitures & Donations Fund	Total Special Revenue Funds
Revenues										
Intergovernmental Revenues	\$ -	\$ 37,496	\$ 10,997	\$ 31,712	\$ 25,000	\$ 40,000	\$ 27,076	\$ -	\$ -	\$ 1,058,130
Charges for Services	1,824	-	-	-	-	-	-	-	-	65,667
Interest	2	42	-	-	81	51	-	88	-	1,302
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	5,497
Miscellaneous Income	-	-	-	-	-	-	-	-	412	60,164
Total Revenues	1,826	37,538	10,997	31,712	25,081	40,051	27,076	88	412	1,190,760
Expenditures										
General Government Judicial	-	-	-	293	-	-	-	-	-	207,324
Public Safety	-	-	-	-	-	-	-	-	-	3,043
Public Works	-	-	-	-	29,000	-	-	-	-	176,373
Human Services	-	42	8,997	-	-	-	27,076	-	-	637,306
Total Expenditures	-	42	8,997	293	29,000	-	27,076	-	-	1,024,046
Excess of Revenues Over (Under) Expenditures	1,826	37,496	2,000	31,419	(3,919)	40,051	-	88	412	166,714
Other Financing Sources (Uses)										
Operating Transfers In	-	-	-	-	-	-	-	-	-	12,980
Operating Transfers (Out)	(1,824)	(37,496)	-	(31,419)	-	-	-	-	-	(113,361)
Total Other Financing Sources	(1,824)	(37,496)	-	(31,419)	-	-	-	-	-	(100,381)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2	-	2,000	-	(3,919)	40,051	-	88	412	66,333
Fund Balances - Beginning of Year	569	-	6,997	-	60,574	17,221	-	58,439	6,156	767,558
Fund Balances - End of Year	\$ 571	\$ -	\$ 8,997	\$ -	\$ 56,655	\$ 57,272	\$ -	\$ 58,527	\$ 6,568	\$ 833,891

COUNTY OF FULTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2018

Federal Grantor/Pass-through Grantor/Program Title	Pass-through grantor's number	County Fund in Which Grant Activity is Recorded	Federal CFDA Number	(Accrued)/Unearned Revenue at 12/31/2017	Federal Grant Receipts	Expenditures	Accrued/(Unearned) Revenue at 12/31/2018	Subrecipient Expenditures
<u>U.S. Department of Agriculture</u>								
Passed Through Pennsylvania Emergency Management Agency:								
Food Distribution Cluster:								
Emergency Food Assistance Program	N/A	Pass-Through Grants	10.568	\$ (672)	\$ 2,034	\$ 1,876	\$ 514	\$ 1,876
Emergency Food Assistance Program - Commodities	N/A	Pass-Through Grants	10.569	-	12,645	12,645	-	12,645
Total Food Distribution Cluster				(672)	14,679	14,521	514	14,521
Total U.S. Department of Agriculture				(672)	14,679	14,521	514	14,521
<u>U.S. Federal Emergency Management Agency</u>								
Passed Through Pennsylvania Emergency Management Agency:								
Emergency Management Performance Grants	N/A	General Fund	97.042	\$ -	\$ -	\$ 42,500	\$ 42,500	\$ -
Total U.S. Federal Emergency Management Agency				-	-	42,500	42,500	-
<u>U.S. Department of Health and Human Services</u>								
Passed Through Pennsylvania Department of Human Services:								
Foster Care Title IV-E	N/A	General Fund	93.658	\$ (55,422)	\$ 86,285	\$ 30,863	\$ -	\$ -
Foster Care Title IV-E - SFC IT Grant	N/A	SFC IT Fund	93.658	-	6,017	6,017	-	-
Adoption Assistance	N/A	General Fund	93.659	(16,775)	64,074	106,187	58,888	-
Adoption Assistance - SFC IT Grant	N/A	SFC IT Fund	93.659	-	361	361	-	-
Guardianship Assistance	N/A	General Fund	93.090	-	23	23	-	-
Child Welfare Services Title IV-B	N/A	General Fund	93.645	-	36,692	36,692	-	-
Independent Living Title IV-E	N/A	Independent Living	93.674	10,122	4,365	4,365	(10,122)	-
Promoting Safe and Stable Families	N/A	Caseworker Grant	93.556	6,997	2,000	2,000	(6,997)	-
Temporary Assistance for Needy Families Cluster	N/A	General Fund	93.558	(8,300)	18,136	20,881	11,045	-
Title XX Block Grant	N/A	General Fund	93.667	-	11,791	11,791	-	-
Title XX Block Grant - HSBG (ID)	N/A	Pass-Through Grants	93.667	-	5,163	5,163	-	5,163
Title XX Block Grant - HSBG (MH)	N/A	Pass-Through Grants	93.667	-	468	468	-	468
Domestic Relation Title IV-D	4100070493	Domestic Relations	93.563	(60,854)	212,738	192,668 *	40,784	-
Community Mental Health Block Grant	N/A	Pass-Through Grants	93.958	-	6,348	6,348	-	6,348
Medical Assistance Program Cluster:								
Medicaid Relief	N/A	General Fund	93.778	-	1,078	1,078	-	-
Medicaid - HSBG (MA)	N/A	Pass-Through Grants	93.778	-	16,395	16,395	-	16,395
Medical Assistance Transportation Program	N/A	Pass-Through Grants	93.778	-	218,387	218,387	-	218,387
Total Medical Assistance Program Cluster				-	235,860	235,860	-	234,782
Total U. S. Department of Health and Human Services				(124,232)	690,321	659,687	93,598	246,761
Passed Through Pennsylvania Department of Community and Economic Development:								
Community Development Block Grant - 2013	C000057309	CDBG Fund	14.228	-	479	479	-	-
Community Development Block Grant - 2014	C000061758	CDBG Fund	14.228	-	1,148	1,148	-	-
Community Development Block Grant - Competitive 2014	C000062140	CDBG Fund	14.228	-	84,657	84,657	-	-
Community Development Block Grant - 2015	C000064188	CDBG Fund	14.228	-	26,984	26,984	-	-
Community Development Block Grant - 2016	C000066526	CDBG Fund	14.228	(22,416)	22,416	-	-	-
Total Community Development Block Grant				(22,416)	135,684	113,268	-	-
Total U.S. Department of Housing and Urban Development				(22,416)	135,684	113,268	-	-
Total Expenditures of Federal Awards				\$ (147,320)	\$ 840,684	\$ 829,976	\$ 136,612	\$ 261,282

* Denotes tested as a Major Program

NOTE 1: REPORTING ENTITY

The County of Fulton is the reporting entity for financial reporting purposes as defined in Note 1A to the County of Fulton's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards and Schedule of Pennsylvania Department of Human Services Expenditures include the grant activity of the County of Fulton and are presented on the modified accrual basis of accounting as described in Note 1C to the County of Fulton Financial Statements. The County did not use the 10% de minimis indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2018 threshold for determining Type A and Type B programs is \$750,000. The following Type B program was audited as major:

<u>CFDA#</u>	<u>Program</u>
93.563	Domestic Relations Title IV-D
<u>Pennsylvania Department of Human Services</u>	
PA DHS	Child Support Enforcement

The amount expended under programs audited as major federal programs totaled \$192,668 or 23.21% of total federal awards expended.

NOTE 4: RELATED THIRD PARTY TRANSACTIONS

The Human Services Director is the Vice President of the Board of the Fulton County Family Partnership Inc. The Fulton County Family Partnership receives pass through funding from the County for the Medical Assistance Transportation Program in the amount \$395,751.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of COUNTY OF FULTON, PENNSYLVANIA as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise COUNTY OF FULTON, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated July 24, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered COUNTY OF FULTON, PENNSYLVANIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COUNTY OF FULTON, PENNSYLVANIA's internal control. Accordingly, we do not express an opinion on the effectiveness of COUNTY OF FULTON, PENNSYLVANIA's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

Compliance and Other Matters

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

Purpose of this Report

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

Zelenkofske Axlerod LLC

ZELENKOSKE AXELROD LLC

Pittsburgh, Pennsylvania
July 24, 2019



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES *SINGLE AUDIT SUPPLEMENT*

Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited COUNTY OF FULTON, PENNSYLVANIA's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Pennsylvania Department of Human Services Single Audit Supplement that could have a direct and material effect on each of COUNTY OF FULTON, PENNSYLVANIA's major federal and DHS programs for the year ended December 31, 2018. COUNTY OF FULTON, PENNSYLVANIA's major federal and DHS programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and terms and conditions of its federal and DHS awards applicable to its federal and DHS programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of COUNTY OF FULTON, PENNSYLVANIA's major federal and DHS programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the Pennsylvania Department of Human Services Single Audit Supplement. Those standards, Uniform Guidance and the Pennsylvania Department of Human Services Single Audit Supplement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or DHS program occurred. An audit includes examining, on a test basis, evidence about COUNTY OF FULTON, PENNSYLVANIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and DHS program. However, our audit does not provide a legal determination of COUNTY OF FULTON, PENNSYLVANIA's compliance.

Unmodified Opinion on Each Major Federal and DHS Program

In our opinion, COUNTY OF FULTON, PENNSYLVANIA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and DHS programs for the year ended December 31, 2018.



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Report on Internal Control over Compliance

Management of COUNTY OF FULTON, PENNSYLVANIA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered COUNTY OF FULTON, PENNSYLVANIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or DHS program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and DHS program and to test and report on internal control over compliance in accordance with Uniform Guidance and the Pennsylvania Department of Human Services Single Audit Supplement, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of COUNTY OF FULTON, PENNSYLVANIA'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or DHS program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DHS program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to 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.

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

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Pittsburgh, Pennsylvania
July 24, 2019

COUNTY OF FULTON, PENNSYLVANIA
SUMMARY SCHEDULE OF AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
· Material weaknesses identified?	<u>No</u>
· Significant deficiency identified not considered to be material weaknesses?	<u>No</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal and Pennsylvania Department of Human Services Awards

Internal control over major programs:	
· Material weaknesses identified?	<u>No</u>
· Significant deficiency identified not considered to be material weaknesses?	<u>None Reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>

Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Program</u>
	<u>Federal</u>
93.563	Domestic Relations Title IV-D
	<u>Pennsylvania Department of Human Services</u>
	Child Support Enforcement

Dollar threshold used to determine major programs using risk-based approach:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

COUNTY OF FULTON, PENNSYLVANIA
SUMMARY SCHEDULE OF AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018

Section II – Financial Statement Findings

None

COUNTY OF FULTON, PENNSYLVANIA
SUMMARY SCHEDULE OF AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018

Section III - Federal and Pennsylvania Department of Human Services Award Findings and Questioned Costs

None

COUNTY OF FULTON, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2018

There were no findings in the prior year.



Zelenkofske Axlerod LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE FINANCIAL SCHEDULES AND EXHIBITS REQUIRED BY THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (DHS), and COUNTY OF FULTON, PENNSYLVANIA solely to assist you with respect to the financial schedules and exhibits required by the DHS Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are as follows:

- (a) We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to DHS for fiscal year ended June 30, 2018 (December 31, 2018 for Schedule A-1(a), A-1(b), A-1(c) and A-1(d)) have been accurately compiled and reflect the audited books and records of COUNTY OF FULTON, PENNSYLVANIA We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DHS Single Audit Supplement pertaining to this period.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Title IV-D Child Support Enforcement Program	A-1(a)	Summary of Expenditures
Title IV-D Child Support Enforcement Program	A-1(b)	PACSES OCSE 157 Data Reliability Validation
Title IV-D Child Support Enforcement Program	A-1(c)	Comparison of Reported Incentives to Incentives on Deposit
Title IV-D Child Support Enforcement Program	A-1(d)	Comparison of Single Audit Title-IV-D Account With Reported Title IV-D Account
Medical Assistance Transportation Program	III	Schedule of Revenues and Expenditures
Combined Homeless Assistance Programs	XIX	Schedule of Revenues and Expenditures



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CERTIFIED PUBLIC ACCOUNTANTS

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Board of County Commissioners
County of Fulton
McConnellsburg, Pennsylvania

- b) We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to the DHS for the period in question.
- c) In regard to the Reconciliation Schedule included as Exhibit XX, we have performed the following procedures:
 - 1. Agree the expenditure amounts listed on the Reconciliation Schedule under the "Federal Expenditures per the SEFA" column to the audited Schedule of Expenditures of Federal Awards ("SEFA").
 - 2. Agree the receipt amounts listed on the Reconciliation Schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Commonwealth of Pennsylvania Office of Budget, Comptroller Operations.
 - 3. Recalculate the amounts listed under the "Difference" column and the "% Difference" column.
 - 4. Agree the amounts listed under the "Difference" column to the audited books and records of the County.
 - 5. Agree the "Detailed Explanation of the Differences" to the audited books and records of the County.
- d) In regard to the Child Protective Services Law Monitoring of In-Home Purchased Service Providers Exhibit XXI, we will perform the following procedures:
 - 1. Reconcile the list of providers under "Provider Name" column A to the providers who were paid for In-Home Purchased Services during the year according to the County Children and Youth Agency's (CCYA) general ledger, cash disbursements journal or similar record. Note any providers who were paid during the year, but were not included on this schedule.
 - 2. Agree the response in column B to the appropriate Provider contract
 - 3. Agree the information in columns C through I to the CCYA's monitoring records for In-Home Purchased Service Providers
- e) The processes detailed in paragraphs (a), (b), (c) and (d) above disclosed no adjustments and/or findings.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Department of Human Services and should not be used by those who have not agreed to the procedures, and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Zelenkofske Axlerod LLC

ZELENKOSKE AXELROD LLC

Pittsburgh, Pennsylvania
July 24, 2019

COUNTY OF FULTON
SUMMARY OF EXPENDITURES - TITLE IV-D CHILD SUPPORT ENFORCEMENT PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2018

Calendar Quarter Ended 3/31/18	Total	Unallowable	Incentive	Net (A-B-C)	FFP	(D x E)	Total	Unallowable	Incentive	Net (A-B-C)	FFP	(D x E)	Total	Unallowable	Incentive	Net (A-B-C)	FFP	(D x E)	
Salary/Overhead (Exclude Blood Tests)	\$ 82,143	\$ 2,949	\$ -	\$ 79,194	66%	\$ 52,268	\$ 82,143	\$ 2,949	\$ -	\$ 79,194	66%	\$ 52,268	\$ -	\$ -	\$ -	\$ -	66%	\$ -	
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	\$ -	-	-	-	-	66%	-	
Interest/Program Income	1,817	67	-	1,750	66%	1,155	1,817	67	-	1,750	66%	\$ 1,155	-	-	-	-	66%	-	
Blood Testing Fees	27	-	-	27	66%	18	27	-	-	27	66%	\$ 18	-	-	-	-	66%	-	
Subtotal (1-2-3-4)	80,299	2,882	-	77,417	-	51,095	80,299	2,882	-	77,417	-	51,095	-	-	-	-	-	-	
Blood Testing	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Net Total (5+6+7)	\$ 80,299	\$ 2,882	\$ -	\$ 77,417	-	\$ 51,095	\$ 80,299	\$ 2,882	\$ -	\$ 77,417	-	\$ 51,095	\$ -	\$ -	\$ -	\$ -	-	\$ -	
Calendar Quarter Ended 6/30/18																			
Salary/Overhead (Exclude Blood Tests)	\$ 69,935	\$ 2,530	\$ -	\$ 67,405	66%	\$ 44,487	\$ 69,935	\$ 2,530	\$ -	\$ 67,405	66%	\$ 44,487	\$ -	\$ -	\$ -	\$ -	66%	\$ -	
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Interest/Program Income	3,234	118	-	3,116	66%	2,057	3,234	118	-	3,116	66%	2,057	-	-	-	-	66%	-	
Blood Testing Fees	153	-	-	153	66%	101	153	-	-	153	66%	101	-	-	-	-	66%	-	
Subtotal (1-2-3-4)	66,548	2,412	-	64,136	-	42,330	66,548	2,412	-	64,136	-	42,330	-	-	-	-	-	-	
Blood Testing	114	-	-	114	66%	75	114	-	-	114	66%	75	-	-	-	-	66%	-	
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Net Total (5+6+7)	\$ 66,662	\$ 2,412	\$ -	\$ 64,250	-	\$ 42,405	\$ 66,662	\$ 2,412	\$ -	\$ 64,250	-	\$ 42,405	\$ -	\$ -	\$ -	\$ -	-	\$ -	
Calendar Quarter Ended 9/30/18																			
Salary/Overhead (Exclude Blood Tests)	\$ 75,419	\$ 2,873	\$ -	\$ 72,546	66%	\$ 47,880	\$ 75,419	\$ 2,873	\$ -	\$ 72,546	66%	\$ 47,880	\$ -	\$ -	\$ -	\$ -	66%	\$ -	
Fees/Costs	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Interest/Program Income	2,953	115	-	2,838	66%	1,873	2,953	115	-	2,838	66%	1,873	-	-	-	-	66%	-	
Blood Testing Fees	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Subtotal (1-2-3-4)	72,466	2,758	-	69,708	-	46,007	72,466	2,758	-	69,708	-	46,007	-	-	-	-	-	-	
Blood Testing	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Net Total (5+6+7)	\$ 72,466	\$ 2,758	\$ -	\$ 69,708	-	\$ 46,007	\$ 72,466	\$ 2,758	\$ -	\$ 69,708	-	\$ 46,007	\$ -	\$ -	\$ -	\$ -	-	\$ -	
Calendar Quarter Ended 12/31/18																			
Salary/Overhead (Exclude Blood Tests)	\$ 87,236	\$ 3,701	\$ -	\$ 83,535	66%	\$ 55,133	\$ 87,236	\$ 3,701	\$ -	\$ 83,535	66%	\$ 55,133	\$ -	\$ -	\$ -	\$ -	66%	\$ -	
Fees/Costs	1	-	-	1	66%	1	1	-	-	1	66%	1	-	-	-	-	66%	-	
Interest/Program Income	3,111	131	-	2,980	66%	1,967	3,111	131	-	2,980	66%	1,967	-	-	-	-	66%	-	
Blood Testing Fees	69	-	-	69	66%	46	69	-	-	69	66%	46	-	-	-	-	66%	-	
Subtotal (1-2-3-4)	84,055	3,570	-	80,485	-	53,120	84,055	3,570	-	80,485	-	53,120	-	-	-	-	-	-	
Blood Testing	57	-	-	57	66%	38	57	-	-	57	66%	38	-	-	-	-	66%	-	
ADP	-	-	-	-	66%	-	-	-	-	-	66%	-	-	-	-	-	66%	-	
Net Total (5+6+7)	\$ 84,112	\$ 3,570	\$ -	\$ 80,542	-	\$ 53,158	\$ 84,112	\$ 3,570	\$ -	\$ 80,542	-	\$ 53,158	\$ -	\$ -	\$ -	\$ -	-	\$ -	

FULTON COUNTY
CHILD SUPPORT ENFORCEMENT
PACSES OCSE 157 Data Reliability Validation
Year Ended December 31, 2018

OCSE 157 Report Line Number	Number of Cases Reviewed	Case Problems Found
Line # 1 IV-D cases open at the end of the fiscal year.	5	One case closed prior to year end.
Line # 2 IV-D cases open at the end of the fiscal year with support orders established.	5	None
Line # 5 Children in IV-D cases open at the end of the fiscal year that were born out of wedlock.	5	None
Line # 6 Children in IV-D cases open at the end of the fiscal year who were born out of wedlock	5	None
Line # 21 Cases open at the end of the year where medical support is ordered.	5	None
Line #23 Cases open at the end of the year where Health Insurance is provided as ordered	5	None
Line # 24 Total amount of current support due for the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line # 25 Total amount of support disbursed as current support during the fiscal year for IV-D cases, excluding emancipated children.	5	None
Line # 28 Cases with arrears due during the fiscal year.	5	None
Line # 29 Cases with Disbursements on arrears during the fiscal year.	5	None

CHILD SUPPORT ENFORCEMENT
 COMPARISON OF REPORTED INCENTIVES TO INCENTIVES ON DEPOSIT

EXHIBIT A-1 (c)

County FULTON COUNTY Year Ended 12/31/18

Month	MSE Incentive Paid Cost Worksheet Ending Incentive Balance	Audited Title IV-D Account Incentive Balance	Type of Account Structure
January 1	278,796	278,796	<input type="checkbox"/> Separate Bank Account <input checked="" type="checkbox"/> Restricted Fund - General Ledger <input type="checkbox"/> Other: _____
March 31	282,827	282,827	
June 30	287,493	287,493	
September 30	291,994	291,994	
December 31	302,392	302,392	

Note: Do not include income received from interest or Medical Incentives.

See Series SA-36 DRO AUP Schedules

EXHIBIT A-1 (d)

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

County _____ <u>Fulton County</u>	Year Ended _____ <u>12/31/2018</u>		
	Single Audit TITLE IV-D Account	Reported TITLE IV-D Account	Single Audit Over/(Under) Reported
Balance at January 1	\$ 325,568	\$ 325,568	\$ -
Receipts:			
Reimbursements	\$ 212,738	\$ 212,738	\$ -
Incentives	19,529	19,529	-
Title XIX Incentives	-	-	-
Interest	494	494	-
Program Income	6,332	6,332	-
Genetic Testing Costs	114	114	-
Maintenance of Effort (MOE)	-	-	-
Other: Transfer From General Fund	10,980	10,980	-
Total Receipts	\$ 250,187	\$ 250,187	\$ -
Intra-fund Transfers - In	\$ -	\$ -	\$ -
Funds Available	\$ 575,755	\$ 575,755	\$ -
Disbursements:			
Transfers to General Fund	\$ -	\$ -	-
Vendor Payments	194,641	194,641	-
Bank Charges	-	-	-
Other: _____	-	-	-
Total Disbursements	\$ 194,641	\$ 194,641	\$ -
Intra-fund Transfers - Out	-	-	-
Balance at December 31	\$ 381,114	\$ 381,114	\$ -

The Title IV-D account consists of 1 account. Please indicate here the total number of accounts that make up the Title IV-D account.

The Title IV-D account is comprised of a 1 checking, _____ savings, _____ CD, and _____ other accounts. Please indicate here the type of accounts that the Title IV-D account is comprised of.

COUNTY OF FULTON
 SCHEDULE OF REVENUES AND EXPENDITURES
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

EXHIBIT III

<u>Service Data</u>	<u>Reported</u>	<u>Actual</u>
Expenditures (Line 5) *		
Group I Clients	\$ 403,698	\$ 403,698
Group II Clients	<u>16,385</u>	<u>16,385</u>
Total Expenditures	<u>\$ 420,083</u>	<u>\$ 420,083</u>
Summary of Trips (Line 4)*		
Group I Clients	368	368
Group II Clients	<u>7</u>	<u>7</u>
Total Passenger Trips	<u>375</u>	<u>375</u>
<u>Allocation Data:</u>		
Revenues		
Department of Human Services	\$ 420,063	\$ 420,063
Interest Income	<u>20</u>	<u>20</u>
Total Revenues	<u>420,083</u>	<u>420,083</u>
Funds Expended		
Service Costs (Line 2, I)*	420,083	420,083
Administrative Cost (Line 2, II)*	<u>-</u>	<u>-</u>
Excess of Revenues Under Expenditures	<u>\$ -</u>	<u>\$ -</u>

* Line number correspond to quarterly report.

COUNTY OF FULTON
 SCHEDULE OF REVENUES AND EXPENDITURES - COUNTY HOMELESS ASSISTANCE PROGRAMS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Sources of Funding</u>						<u>Total</u>	
DHS Allocation						\$ 48,890	
Client Contributions						-	
Other						-	
Interest Earned						-	
					Total HAP Funding	<u>\$ 48,890</u>	
<u>Expenses</u>	<u>Bridge Housing</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Emergency Shelter</u>	<u>Innovative Supportive Housing Services</u>		
Clients	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Personnel	-	-	-	-	-	-	
Operating	-	5,000	40,000	-	-	45,000	
Fixed Assets	-	-	-	-	-	-	
Subtotal	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 45,000	
(County Administration is not allowable for PENNFREE Bridge Housing)						County Administration	<u>3,890</u>
(Subtotal Plus County Administration)						Total HAP Expenses	<u>\$ 48,890</u>
(Total Funding Minus Total Expenses)						Total Unexpended HAP Funds	<u>\$ -</u>

COUNTY OF FULTON, PENNSYLVANIA
RECONCILIATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2018

CFDA Name	CFDA NO.	Dept.	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference	% of Difference	Detailed Explanation of the Differences
Promoting Safe and Stable Families (Caseworker Visitation)	93.556	Caseworker Grant	\$ 2,000	\$ 2,000	\$ -	0.00%	Explanation not necessary as difference is \$0
Temporary Assistance for Needy Families	93.558	SFC	20,881	14,311	6,570	45.91%	The County accrued additional expenditures of \$11,045 in the current year ("CY"), noted a timing difference between the State confirm and receipt by the County in the amount of \$2,745 and accrued expenditures of \$(8,300) in the prior year ("PY")
Child Support Enforcement	93.563	DRO	192,668	229,275	(36,607)	-15.97%	The County accrued additional expenditures of \$40,784 in the CY, noted a timing difference between the State confirm and receipt by the County in the amount of \$20,070 and accrued expenditures of \$(60,854) in the PY
Guardianship Assistance	93.090		23	23	-	0.00%	Explanation not necessary as difference is \$0
Child Welfare Services - State Grants	93.645	SFC	36,692	36,692	-	0.00%	Explanation not necessary as difference is \$0
Foster Care - Title IV-E	93.658	SFC	30,863	82,556	(51,693)	-62.62%	The County accrued additional expenditures of \$0 in the current year ("CY"), noted a timing difference between the State confirm and receipt by the County in the amount of \$55,422 and accrued expenditures of \$(55,422) in the prior year ("PY")
Foster Care - Title IV-E - IT Grant	93.658	SFC	6,017	6,017	-	0.00%	Explanation not necessary as difference is \$0
Adoption Assistance	93.659	SFC	106,187	53,697	52,490	97.75%	The County accrued additional expenditures of \$58,888 in the current year ("CY"), noted a timing difference between the State confirm and receipt by the County in the amount of \$42,113 and accrued expenditures of \$(16,775) in the prior year ("PY")
Adoption Assistance - IT Grant	93.658	SFC	361	361	-	0.00%	Explanation not necessary as difference is \$0
Social Services Block Grant	93.667	SFC	11,791	11,791	-	0.00%	Explanation not necessary as difference is \$0
Social Services Block Grant (MH & ID)	93.667	Pass-Through Grants	5,631	7,514	(1,883)	-25.06%	The County noted a timing difference between the State Confirm and receipt by the County in the amount of \$1,883
Chafee Foster Care Independence Program	93.674	Independent Living	4,365	3,724	641	17.22%	The County noted a timing difference between the State Confirm and receipt by the County in the amount of \$641
Medical Assistance Program	93.778	SFC	1,078	1,078	-	0.00%	Explanation not necessary as difference is \$0
Medical Assistance Transportation Program	93.778	Pass-Through Grants	218,387	218,388	(1)	0.00%	The County noted a timing difference between the State Confirm and receipt by the County in the amount of \$1
Medical Assistance Program	93.778	Pass-Through Grants	16,395	16,404	(9)	-0.05%	The County noted a timing difference between the State Confirm and receipt by the County in the amount of \$9
Community Mental Health Block Grant	93.958	Pass-Through Grants	6,348	12,382	(6,034)	-48.73%	The County noted a timing difference between the State Confirm and receipt by the County in the amount of \$6,034
TOTAL			\$ 659,687	696,213	\$ (36,526)		

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

SUPPLEMENTAL SCHEDULE

(A)	(B)	(C)	(D)	IF COLUMN D IS YES			(H)	(I)
				(E)	(F)	(G)		
<u>Provider Name</u>	<u>Does Provider Contract Include CPSL Requirements</u>	<u>Most Recent Monitoring Date</u>	<u>Monitored During the Current Year (Yes/No)</u>	<u>List Any Exceptions Noted During Current Year Monitoring</u>	<u>If Available Was CAP Submitted</u>	<u>Is CAP Acceptable to CCYA</u>	<u>Date Follow-up Was Done On Prior Year Monitoring</u>	<u>Has Provided Implemented CAP</u>
Fulton County Family Partnership	Yes	4/30/2019	Yes	None	N/A	N/A	FY 17/18 - 7/31/18 Calendar year 2018 - 1/29/19	N/A