



**County of Fulton  
McConnellsburg, Pennsylvania**

**Financial Statements**

December 31, 2022



**County of Fulton**  
**McConnellsburg, Pennsylvania**

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December 31, 2022

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## Independent Auditor's Report

To the Board of County Commissioners  
County of Fulton  
McConnellsburg, Pennsylvania

### Opinions

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, McConnellsburg, Pennsylvania (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and GAS, we

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 15 and the required supplementary information on pages 51 to 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with GAS, we have also issued our report, dated September 26, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAS in considering the County's internal control over financial reporting and compliance.

RKL LLP

September 26, 2023  
Lancaster, Pennsylvania

**County of Fulton  
McConnellsburg, Pennsylvania**

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Management's Discussion and Analysis  
December 31, 2022

The County of Fulton, McConnellsburg, Pennsylvania (the County) is pleased to present its financial statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *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 ended December 31, 2022. Please read this management's 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.

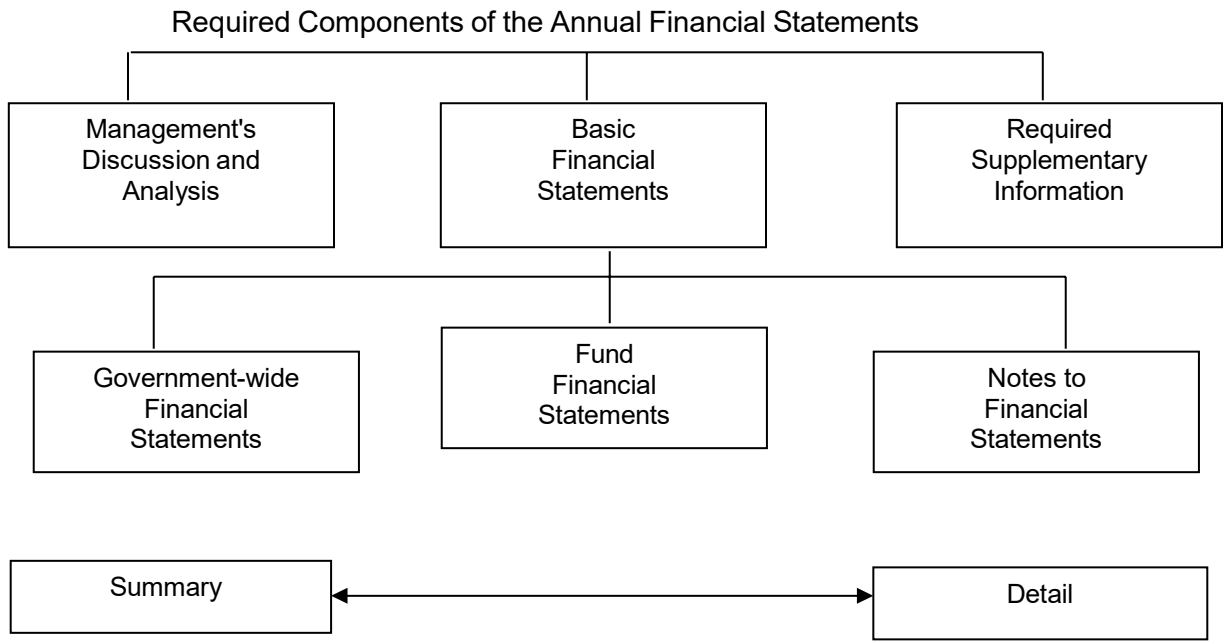
**Fund Financial Statements** - the remaining statements, focus on individual parts of the County's government. They provide more detail on operations than the government-wide financial statements. There are two types of fund financial statements:

**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.

**Overview of the Financial Statements (continued)**

**Table A-1: Organization of the County's Annual Financial Report**





**County of Fulton  
McConnellsburg, Pennsylvania**

Management's Discussion and Analysis  
December 31, 2022

**Overview of the Financial Statements (continued)**

**Table A-2: Major Features of the Government-Wide and Fund Financial Statements**

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.

	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<b>Governmental</b>	<b>Fiduciary</b>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	Instances in which the County administers resources on behalf of others
Required financial statements	Statement of net position	Balance sheet	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual	Modified Accrual	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
Type of inflow and outflow information	All revenues and expenses during the 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 additions and deductions during the year, regardless of when cash is received or paid

### **Overview of the Financial Statements (continued)**

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.

**Statement of Net Position.** 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.

**Statement of Activities.** 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.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Management's Discussion and Analysis  
December 31, 2022

**Government-Wide Financial Statements (continued)**

Government-wide financial 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 two kinds of funds:

**Governmental Funds**

Governmental funds include most of the County's basic services and focus on (1) the flow 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.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Management's Discussion and Analysis  
December 31, 2022

**Fund Financial Statements (continued)**

**Fiduciary Funds**

Fiduciary funds are funds for which the County is the trustee or fiduciary. These include certain custodial 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 and statement of changes in 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.

**Implementation of GASB 34**

The County implemented the infrastructure asset portion of GASB 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 \$21,350,595 at December 31, 2022. Of this amount, \$8,005,694 was capital assets.

GASB 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements.

**County of Fulton  
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Management's Discussion and Analysis  
December 31, 2022

**Government-Wide Financial Statements (continued)**

**Net Position (continued)**

The following condensed statement of net position represents the change in net position for the years ended December 31:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
<b>Assets</b>			
Current assets	\$ 13,344,901	\$ 11,589,716	\$ 1,755,185
Capital assets, net	<u>8,005,694</u>	<u>8,567,858</u>	<u>(562,164)</u>
<b>Total Assets</b>	<u>21,350,595</u>	<u>20,157,574</u>	<u>1,193,021</u>
<b>Deferred Outflows of Resources</b>	<u>2,082,436</u>	<u>439,004</u>	<u>1,643,432</u>
<b>Liabilities</b>			
Current liabilities	3,541,808	2,288,522	1,253,286
Long-term liabilities	<u>5,732,489</u>	<u>3,987,236</u>	<u>1,745,253</u>
<b>Total Liabilities</b>	<u>9,274,297</u>	<u>6,275,758</u>	<u>2,998,539</u>
<b>Deferred Inflows of Resources</b>	<u>1,005,428</u>	<u>1,324,651</u>	<u>(319,223)</u>
<b>Net Position</b>			
Net investment in capital assets	4,203,894	4,289,988	(86,094)
Restricted	3,040,439	2,787,718	252,721
Unrestricted	<u>5,908,973</u>	<u>5,918,463</u>	<u>(9,490)</u>
<b>Total Net Position</b>	<u>\$ 13,153,306</u>	<u>\$ 12,996,169</u>	<u>\$ 157,137</u>

A condensed statement of activities is presented below at December 31:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
<b>Program Revenues</b>			
Charges for services	\$ 1,038,361	\$ 638,924	\$ 399,437
Operating grants and contributions	<u>6,250,363</u>	<u>7,186,880</u>	<u>(936,517)</u>
<b>General Revenues</b>			
Property taxes	4,965,992	4,895,791	70,201
Unrestricted investment earnings (loss)	<u>(177,885)</u>	<u>22,880</u>	<u>(200,765)</u>
<b>Total Revenues</b>	<u>12,076,831</u>	<u>12,744,475</u>	<u>(667,644)</u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Management's Discussion and Analysis  
 December 31, 2022

**Government-Wide Financial Statements (continued)**

**Net Position (continued)**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
<b>Expenses</b>			
General government - administration	\$ 2,008,546	\$ 1,621,133	\$ 387,413
General government - judicial	1,756,475	1,943,604	(187,129)
Public safety	3,206,861	2,586,538	620,323
Public works	372,599	370,454	2,145
Human services	2,922,288	4,145,191	(1,222,903)
Culture and recreation	13,861	13,874	(13)
Conservation and development	97,788	95,230	2,558
Interest on long-term debt	1,650,635	59,418	1,591,217
<b>Total Expenses</b>	<u><b>12,029,053</b></u>	<u>10,835,442</u>	<u><b>1,193,611</b></u>
<b>Change in Net Position</b>	<u><b>\$ 47,778</b></u>	<u>\$ 1,909,033</u>	<u><b>\$ (1,861,255)</b></u>

**Net Program Expenses**

Net program expenses for the year ended December 31, 2022 indicates the amount of support required from taxes and other general revenues for a program of the government. In 2022, property taxes brought in \$4,965,992.

**Cost of Governmental Activities**

	<u>2022</u>	<u>2021</u>
General government - administration	\$ 2,008,546	\$ 1,621,133
General government - judicial	1,756,475	1,943,604
Public safety	3,206,861	2,586,538
Public works	372,599	370,454
Human services	2,922,288	4,145,191
Culture and recreation	13,861	13,874
Conservation and development	97,788	95,230
Interest on long-term debt	1,650,635	59,418
	<u><b>\$ 12,029,053</b></u>	<u>\$ 10,835,442</u>

The County relied on property taxes and other general revenues to fund 41.3% of its governmental activities in 2022.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Management's Discussion and Analysis  
 December 31, 2022

**Capital Assets**

The County's investment in capital assets at December 31, 2022, net of accumulated depreciation, was \$8,005,694. Capital assets consist primarily of land, buildings, and machinery and equipment. The following is a summary of capital assets at December 31, 2022:

Land	\$ 230,925
Construction in progress	318,540
Buildings and improvements	9,400,799
Machinery and equipment	5,467,809
Vehicles	445,661
	<u>15,863,734</u>
Accumulated depreciation	<u>(7,858,040)</u>
	<u><u>\$ 8,005,694</u></u>

Other detailed information about the County's capital assets can be found in Note 5 to the financial statements.

**Debt Administration**

At December 31, 2022, the County had \$3,801,800 of long-term debt obligations outstanding. Debt decreased 11% from the previous year. The following is a summary of debt obligations for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
General obligation notes	\$ 4,277,870	\$ -	\$ (476,070)	\$ 3,801,800
Compensated absences	147,921	-	(19,443)	128,478
	<u>\$ 4,425,791</u>	<u>\$ -</u>	<u>\$ (495,513)</u>	<u>\$ 3,930,278</u>

Other detailed information about the County's long-term debt obligations can be found in Note 6 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.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Management's Discussion and Analysis  
December 31, 2022

**Governmental Funds (continued)**

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 were as follows for the year ended December 31:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
Taxes	\$ 4,953,411	\$ 4,990,379	\$ (36,968)
Intergovernmental revenues	6,248,063	6,837,147	(589,084)
Charges for services	715,765	635,210	80,555
Interest and rents	(177,885)	22,880	(200,765)
Miscellaneous income	324,896	353,447	(28,551)
Transfers in	636,058	1,412,456	(776,398)
	<u>\$ 12,700,308</u>	<u>\$ 14,251,519</u>	<u>\$ (1,551,211)</u>

Governmental fund revenues totaled \$12,700,308 for the year ended December 31, 2022. This is a net decrease of \$1,551,211 from the year ended December 31, 2021 with the difference largely resulting from a decrease in transfers in, in the amount of \$776,398.

**Governmental Fund Expenditures**

Governmental fund expenditures by function were as follows at December 31:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
General government - administration	\$ 1,911,632	\$ 1,494,985	\$ 416,647
General government - judicial	1,374,749	1,815,667	(440,918)
Public safety	2,212,828	2,252,951	(40,123)
Public works	317,448	345,564	(28,116)
Human services	2,441,274	3,775,931	(1,334,657)
Culture and recreation	12,000	12,000	-
Conservation and development	83,700	88,431	(4,731)
Debt service	2,126,705	430,781	1,695,924
Employee benefits and liability insurance	1,127,568	1,112,605	14,963
Transfers out	636,058	1,412,456	(776,398)
	<u>\$ 12,243,962</u>	<u>\$ 12,741,371</u>	<u>\$ (497,409)</u>

Governmental fund expenditures totaled \$12,243,962 for the year ended December 31, 2022. The decrease of \$497,409 resulted primarily from the decreased human services expenditures.



**County of Fulton**  
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Management's Discussion and Analysis  
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**Governmental Fund Balances**

Ending balances for governmental funds were as follows at December 31, 2022:

General Fund	\$ 6,994,467
Human Service Development Fund	(12,602)
SFC Evidence Fund	15,810
911 Wireless Fund	779,995
Community Development Block Grant Fund	-
Capital Projects Fund	836,626
Non-Major Governmental Funds	
Non spendable prepaid assets	50,742
Restricted	
Government - administration	8,443
Government - judicial	511,248
Public safety	146,787
Public works	376,868
Human services	365,792
Unassigned	<u>(32,087)</u>
	<u><u>\$ 10,042,089</u></u>

The County's governmental funds reported a combined fund balance of \$10,042,089 at December 31, 2022. Of the total, the general fund reported a fund balance in the amount of \$6,994,467.

**Budget Highlights**

In 2022, the tax millage rate remained at 12.40 mills.

The County had a surplus of revenues over budget in the general fund in the amount of \$360,090. This favorable variance was the result of an increase in intergovernmental revenues as a result of unanticipated grants. Overall expenditures came in over the budgeted amount by \$122,755. The total fund balance in the general fund at year end was \$6,994,467.

**Economic Conditions and Next Year's Budget**

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 a stagnant population base 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 2010 to 2022, fiscal capacity was 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 2022, the change in property values is a relatively stagnant, a trend which reflects a limited tax base with little economic development.

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**McConnellsburg, Pennsylvania**

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Management's Discussion and Analysis  
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**Economic Conditions and Next Year's Budget (continued)**

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 at 116 West Market Street, McConnellsburg, Pennsylvania 17233.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Statement of Net Position  
December 31, 2022

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 8,632,202
Investments	2,620,946
Receivables	
Accounts, net	635,974
Taxes, net	558,179
Due from other governments	768,733
Prepaid assets	68,801
Restricted cash - cash escheats	60,066
Capital assets not being depreciated	549,465
Capital assets being depreciated, net	<u>7,456,229</u>
<b>Total Assets</b>	<b><u>21,350,595</u></b>
<b>Deferred Outflows of Resources</b>	
Pensions	<u>2,082,436</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>2,082,436</u></b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	942,920
Overdraft liability	554,538
Accrued payroll and withholdings	131,266
Escrow liability	2,432
Unearned revenues	1,303,853
General obligation bonds	466,891
Compensated absences	<u>139,908</u>
<b>Total Current Liabilities</b>	<b>3,541,808</b>
<b>Long-Term Liabilities</b>	
General obligation bonds	3,334,909
Net pension liability	<u>2,397,580</u>
<b>Total Long-Term Liabilities</b>	<b>5,732,489</b>
<b>Total Liabilities</b>	<b><u>9,274,297</u></b>
<b>Deferred Inflows of Resources</b>	
Pensions	<u>1,005,428</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,005,428</u></b>
<b>Net Position</b>	
Net investment in capital assets	4,203,894
Restricted	
General governmental - administration	8,443
General governmental - judicial	511,248
Public safety	925,652
Public works	376,868
Human services	381,602
Capital projects	836,626
Unrestricted	<u>5,908,973</u>
<b>Total Net Position</b>	<b><u>\$ 13,153,306</u></b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Statement of Activities

Year Ended December 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
<b>Functions/Programs</b>						
Primary government						
Governmental activities						
General government - administration	\$ 2,008,546	\$ 489,853	\$ 622,453	\$ -	\$ (896,240)	\$ (896,240)
General government - judicial	1,756,475	413,089	475,439	-	(867,947)	(867,947)
Public safety	3,206,861	42,008	974,977	-	(2,189,876)	(2,189,876)
Public works	372,599	21,698	47,011	-	(303,890)	(303,890)
Human services	2,922,288	67,026	4,130,483	-	1,275,221	1,275,221
Culture and recreation	13,861	-	-	-	(13,861)	(13,861)
Conservation and development	97,788	4,687	-	-	(93,101)	(93,101)
Interest on long-term debt	1,650,635	-	-	-	(1,650,635)	(1,650,635)
<b>Total Governmental Activities</b>	<b>12,029,053</b>	<b>1,038,361</b>	<b>6,250,363</b>	<b>-</b>	<b>(4,740,329)</b>	<b>(4,740,329)</b>
<b>Total Primary Government</b>	<b>\$ 12,029,053</b>	<b>\$ 1,038,361</b>	<b>\$ 6,250,363</b>	<b>\$ -</b>	<b>(4,740,329)</b>	<b>(4,740,329)</b>
General revenues						
Property taxes, levied for general purposes					4,965,992	4,965,992
Unrestricted investment loss					(177,885)	(177,885)
<b>Total General Revenues</b>					<b>4,788,107</b>	<b>4,788,107</b>
<b>Change in Net Position</b>					<b>47,778</b>	<b>47,778</b>
<b>Net Position at Beginning of Year</b>					<b>13,105,528</b>	<b>13,105,528</b>
<b>Net Position at End of Year</b>					<b>\$ 13,153,306</b>	<b>\$ 13,153,306</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Balance Sheet - Governmental Funds  
December 31, 2022

	General Fund	Human Services Development Fund	SFC Evidence Fund	911 Wireless Fund	Community Development Block Grant Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 5,584,811	\$ 48,854	\$ 73,536	\$ 690,008	\$ -	\$ 836,626	\$ 1,398,367	\$ 8,632,202
Investments	2,620,946	-	-	-	-	-	-	2,620,946
Receivables								
Accounts, net	80,114	-	-	-	-	-	555,860	635,974
Taxes, net	558,179	-	-	-	-	-	-	558,179
Due from other governments	459,491	7,291	38,965	122,850	9,744	-	130,392	768,733
Prepaid assets	16,929	-	-	1,130	-	-	50,742	68,801
Restricted cash - cash escheats	2,432	-	-	-	-	-	57,634	60,066
<b>Total Assets</b>	<b>\$ 9,322,902</b>	<b>\$ 56,145</b>	<b>\$ 112,501</b>	<b>\$ 813,988</b>	<b>\$ 9,744</b>	<b>\$ 836,626</b>	<b>\$ 2,192,995</b>	<b>\$ 13,344,901</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 778,795	\$ 48,099	\$ 15,383	\$ 23,455	\$ 9,744	\$ -	\$ 67,444	\$ 942,920
Overdraft liability	-	-	-	-	-	-	554,538	554,538
Accrued payroll and withholdings	73,092	-	-	10,538	-	-	47,636	131,266
Escrow liability	2,432	-	-	-	-	-	-	2,432
Unearned revenues	1,106,313	20,648	81,308	-	-	-	95,584	1,303,853
<b>Total Liabilities</b>	<b>1,960,632</b>	<b>68,747</b>	<b>96,691</b>	<b>33,993</b>	<b>9,744</b>	<b>-</b>	<b>765,202</b>	<b>2,935,009</b>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue - property taxes	367,803	-	-	-	-	-	-	367,803
<b>Total Deferred Inflows of Resources</b>	<b>367,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>367,803</b>
<b>Fund Balances</b>								
Non-spendable prepaid expenses	16,929	-	-	1,130	-	-	50,742	68,801
Restricted								
General government - administration	-	-	-	-	-	-	8,443	8,443
General government - judicial	-	-	-	-	-	-	511,248	511,248
Public safety	-	-	-	778,865	-	-	146,787	925,652
Public works	-	-	-	-	-	-	376,868	376,868
Human services	-	-	15,810	-	-	-	365,792	381,602
Capital reserve	-	-	-	-	-	836,626	-	836,626
Assigned								
Development of 911 dispatch service center	972,000	-	-	-	-	-	-	972,000
Capital improvements	1,414,334	-	-	-	-	-	-	1,414,334
Unassigned funds	4,591,204	(12,602)	-	-	-	-	(32,087)	4,546,515
<b>Total Fund Balances</b>	<b>6,994,467</b>	<b>(12,602)</b>	<b>15,810</b>	<b>779,995</b>	<b>-</b>	<b>836,626</b>	<b>1,427,793</b>	<b>10,042,089</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,322,902</b>	<b>\$ 56,145</b>	<b>\$ 112,501</b>	<b>\$ 813,988</b>	<b>\$ 9,744</b>	<b>\$ 836,626</b>	<b>\$ 2,192,995</b>	<b>\$ 13,344,901</b>

See accompanying notes.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
 December 31, 2022

Total fund balances of governmental funds	<u>\$ 10,042,089</u>
Amounts 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 \$15,863,734 and the accumulated depreciation is \$7,858,040	<u>8,005,694</u>
Revenue not available to pay for the current period's expenditures and, therefore, reported as deferred inflows of resources in the funds Property taxes	<u>367,803</u>
Long-term liabilities are not due and payable in the current period and, accordingly, 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 consist of:	
Deferred outflows of resources - pensions	2,082,436
2017 General Obligation Note	(968,800)
2020 General Obligation Note	(2,833,000)
Compensated absences	(139,908)
Net pension liability	(2,397,580)
Deferred inflows of resources - pensions	<u>(1,005,428)</u>
	<u>(5,262,280)</u>
<b>Total Net Position of Governmental Activities</b>	<u><u>\$ 13,153,306</u></u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2022

	General Fund	Human Services Development Fund	SFC Evidence Fund	911 Wireless Fund	Community Development Block Grant Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>								
Taxes	\$ 4,953,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,953,411
Intergovernmental revenues	1,869,381	1,212,375	147,626	865,026	308,795	-	1,844,860	6,248,063
Charges for services	566,413	-	-	-	-	-	149,352	715,765
Interest and rents	(182,593)	212	-	2,135	-	-	2,361	(177,885)
Miscellaneous income	233,205	-	-	-	-	-	91,691	324,896
<b>Total Revenues</b>	<b>7,439,817</b>	<b>1,212,587</b>	<b>147,626</b>	<b>867,161</b>	<b>308,795</b>	<b>-</b>	<b>2,088,264</b>	<b>12,064,250</b>
<b>Expenditures</b>								
General government - administration	1,911,632	-	-	-	-	-	-	1,911,632
General government - judicial	1,374,749	-	-	-	-	-	-	1,374,749
Public safety	1,216,437	-	-	750,473	-	-	245,918	2,212,828
Public works	-	-	-	-	302,394	-	15,054	317,448
Human services	1,019,961	1,230,916	147,626	-	-	-	42,771	2,441,274
Cultural and recreation	12,000	-	-	-	-	-	-	12,000
Conservation and development	83,700	-	-	-	-	-	-	83,700
Debt service	-	-	-	-	-	-	2,126,705	2,126,705
Employee benefits and liability insurance	1,127,568	-	-	-	-	-	-	1,127,568
<b>Total Expenditures</b>	<b>6,746,047</b>	<b>1,230,916</b>	<b>147,626</b>	<b>750,473</b>	<b>302,394</b>	<b>-</b>	<b>2,430,448</b>	<b>11,607,904</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>693,770</b>	<b>(18,329)</b>	<b>-</b>	<b>116,688</b>	<b>6,401</b>	<b>-</b>	<b>(342,184)</b>	<b>456,346</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	66,710	-	-	-	-	-	569,348	636,058
Transfers out	(565,348)	(4,000)	-	-	(6,401)	-	(60,309)	(636,058)
<b>Total Other Financing Sources (Uses)</b>	<b>(498,638)</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>(6,401)</b>	<b>-</b>	<b>509,039</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>195,132</b>	<b>(22,329)</b>	<b>-</b>	<b>116,688</b>	<b>-</b>	<b>-</b>	<b>166,855</b>	<b>456,346</b>
<b>Funds Balances at Beginning of Year</b>	<b>6,799,335</b>	<b>9,727</b>	<b>15,810</b>	<b>663,307</b>	<b>-</b>	<b>836,626</b>	<b>1,260,938</b>	<b>9,585,743</b>
<b>Fund Balances at End of Year</b>	<b>\$ 6,994,467</b>	<b>\$ (12,602)</b>	<b>\$ 15,810</b>	<b>\$ 779,995</b>	<b>\$ -</b>	<b>\$ 836,626</b>	<b>\$ 1,427,793</b>	<b>\$ 10,042,089</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds to the Statement of Activities  
 Year Ended December 31, 2022

Net change in fund balances - total governmental funds \$ 456,346

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital assets effect in the current year	
Capital additions, net	306,808
Depreciation expense	<u>(960,849)</u>

Capital assets, net amount for the current period	<u>(654,041)</u>
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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 as follows:

Real estate taxes	<u>12,581</u>
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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 of accounting until due, rather than as it accrues. This adjustment is as follows:

Compensated absences	<u>8,013</u>
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Governmental funds do not report the changes in the pension income	<u>(251,191)</u>
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Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position

Principal payments	
2007 General Obligation Note	16,312
2017 911 General Obligation Note	147,758
2020 General Obligation Note	<u>312,000</u>

<b>Net Debt Transactions</b>	<u><b>476,070</b></u>
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<b>Change in Net Position of Governmental Activities</b>	<u><b>\$ 47,778</b></u>
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**County of Fulton**  
**McConnellsburg, Pennsylvania**

Statement of Fiduciary Net Position - Fiduciary Funds  
December 31, 2022

	Employee Retirement Trust Fund	IRC Section 457 Plan	Krivak Trust Fund	Custodial Funds	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 182,498	\$ 273,236	\$ 518,177	\$ 547,890	\$ 1,521,801
Investments	12,181,473	-	-	-	12,181,473
Receivables	35,467	-	-	-	35,467
<b>Total Assets</b>	<b>\$ 12,399,438</b>	<b>\$ 273,236</b>	<b>\$ 518,177</b>	<b>\$ 547,890</b>	<b>\$ 13,738,741</b>
<b>Liabilities</b>					
Liabilities					
Benefits and refunds payable	\$ 2,983	\$ -	\$ -	\$ -	\$ 2,983
Funds held in fiduciary capacity	-	273,236	-	-	273,236
<b>Total Liabilities</b>	<b>2,983</b>	<b>273,236</b>	<b>-</b>	<b>-</b>	<b>276,219</b>
<b>Net Position</b>					
Restricted					
Pension benefits	12,396,455	-	-	-	12,396,455
Individual, organizations, and other governments	-	-	518,177	547,890	1,066,067
<b>Total Net Position</b>	<b>12,396,455</b>	<b>-</b>	<b>518,177</b>	<b>547,890</b>	<b>13,462,522</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 12,399,438</b>	<b>\$ 273,236</b>	<b>\$ 518,177</b>	<b>\$ 547,890</b>	<b>\$ 13,738,741</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
Year Ended December 31, 2022

	Employee Retirement Trust Fund	Krivak Trust Fund	Custodial Funds	Total
<b>Additions</b>				
Contributions				
Employee	\$ 199,538	\$ 549,059	\$ -	\$ 748,597
County contribution	339,512		-	339,512
Investment income				
Net depreciation in fair value of investments	(1,723,452)	(24,919)	-	(1,748,371)
Interest, dividends, and other	-	9,630	-	9,630
Property tax collection for other governments	-	-	1,486,974	1,486,974
Other taxes and fees for other governments	-	-	1,260,474	1,260,474
Licenses and fees collected for Pennsylvania	-	-	2,108,484	2,108,484
<b>Total Additions</b>	<b>(1,184,402)</b>	<b>533,770</b>	<b>4,855,932</b>	<b>4,205,300</b>
<b>Deductions</b>				
Beneficiary payments to individuals	650,076	12,078	-	662,154
Payments of property tax to other governments	-	-	1,516,028	1,516,028
Payments to state	-	-	1,643,689	1,643,689
Administrative expense	12,900	3,515	-	16,415
Payments to other entities	-	-	1,384,804	1,384,804
<b>Total Deductions</b>	<b>662,976</b>	<b>15,593</b>	<b>4,544,521</b>	<b>5,223,090</b>
<b>Change in Net Position</b>	<b>(1,847,378)</b>	<b>518,177</b>	<b>311,411</b>	<b>(1,017,790)</b>
<b>Net Position at Beginning of Year</b>	<b>14,243,833</b>	<b>-</b>	<b>236,479</b>	<b>14,480,312</b>
<b>Net Position at End of Year</b>	<b>\$ 12,396,455</b>	<b>\$ 518,177</b>	<b>\$ 547,890</b>	<b>\$ 13,462,522</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 1 - Nature of Entity**

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.

**Note 2 - Summary of Significant Accounting Policies**

The accompanying financial statements are in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies used by the County.

**The Financial Reporting Entity**

The County follows the criteria promulgated by 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 generally accepted accounting principles (GAAP), the financial statements include those of the County of Fulton (the Primary Government) and its Component Units. The Component Units discussed below are included in the County's financial reporting entity because of their operational or financial relationship with the County.

**Component Units**

In conformity with GAAP, the following Component Units have been included in the financial reporting entity as Blended Component Units.

**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.

**Fiduciary Component Unit**

The Fulton County Employee's Pension Plan (the Plan) was established to provide retirement, disability, and death benefits to eligible retirees of the County. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is (1) considered to be a separate legal entity, (2) the County appoints a voting majority of the governing board, and (3) the Plan imposes a financial burden on the County as it is legally obligated or has assumed an obligation to make contributions to the Plan.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**The Financial Reporting Entity (continued)**

**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

**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:

**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 2022, Fulton County contributed \$10,965 to the operations of this Joinder.

Complete and more detailed financial statements are available by contacting Huntingdon - Bedford - Fulton Area Agency on Aging at P. O. Box 46, Bedford, Pennsylvania 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 of 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 2 - Summary of Significant Accounting Policies (continued)**

**The Financial Reporting Entity (continued)**

**Joint Ventures (continued)**

**Bedford Fulton Joint Recreation Authority**

Fulton County entered into a Joinder Agreement with Bedford County for the provision of operating, managing, and funding a property providing outdoor recreation activities on a stretch of abandoned Pennsylvania Turnpike. Bedford County is responsible for appointing three board members and Fulton County is responsible for appointing three board members. Fulton County made no contributions during 2022. Complete and more detailed financial statements are available by contacting Bedford Fulton Joint Recreation Authority at 200 South Juliana Street, Bedford, Pennsylvania 15522.

**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

**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 No. 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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

**Government-Wide Financial Statements (continued)**

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. 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 a "doubling up" effect.

**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.

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 non-major funds in the aggregate for governmental funds. The fiduciary statements include financial information for the County's retirement system and custodial funds. The custodial 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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Basis of Presentation (continued)**

**Governmental Funds (continued)**

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.

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.

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34. The non-major funds are combined in a column in the fund financial statements. The following are the County's major funds:

**Governmental Fund Types**

**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.

**Human Services Development Fund** - The Human Services Development Fund is used to account for specific revenues and expenditures related to human services.

**SFC Evidence Fund** - The SFC Evidence Fund is used to account for specific revenues and expenses related to children and youth grants.

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

## Note 2 - Summary of Significant Accounting Policies (continued)

### Basis of Presentation (continued)

#### Governmental Funds (continued)

##### Governmental Fund Types (continued)

**Community Development Block Grant Fund** - The Community Development Block Grant Fund is used to account for specific revenues and expenses related to the community development block grant program.

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

##### Other Fund Types

**Employee 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 Employee Retirement Trust Fund.

**Krivak Trust Fund** - The Krivak Trust Fund was established through a restricted contribution received by a taxpayer to be used to support the needs of the County residents receiving services through Franklin/Fulton Intellectual and Developmental Disabilities.

**Custodial Funds** - Custodial 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.

### 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 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In September, the department heads submit to the Board of County Commissioners proposed operating budgets for the fiscal year which commences 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.



**Note 2 - Summary of Significant Accounting Policies (continued)**

**Budgets and Budgetary Accounting (continued)**

**Legal Requirements (continued)**

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.
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.

**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.

**Investments**

Investments in all funds are carried at fair value.

**Capital Assets**

Capital assets, which include land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure, 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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Capital Assets (continued)**

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

Land improvements	10 to 15 years
Buildings and improvements	10 to 50 years
Machinery and equipment	8 to 20 years
Vehicles	5 years
Infrastructure	20 to 50 years

**Interfunds**

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

**Compensated Absences**

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

**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.

**Unearned Revenues**

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.

## Note 2 - Summary of Significant Accounting Policies (continued)

### Deferred Outflows/Inflows of Resources

The statements of net position reports 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 revenue - property taxes.

Deferred outflows and inflows of resources related to pensions are described further in Note 7. 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 ten-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 revenue - property taxes, which arises under the modified accrual basis of accounting, is reported only in the balance sheet - governmental funds. 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.

### Net Position

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

**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.

### 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 follows:

**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.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Fund Balances (continued)**

**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 (Board of 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 Board of County 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.

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.

**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.

**Adoption of Governmental Accounting Standards Board Statements**

The County adopted the provisions of GASB Statement No. 87, *Leases*. The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 91, *Conduit Debt Obligations*. The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 92, *Omnibus 2020*. The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The adoption of this statement had no effect on previously reported amounts.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Adoption of Governmental Accounting Standards Board Statements (continued)**

The County adopted the provisions of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans*. The adoption of this statement had no effect on previously reported amounts.

**Pending Changes in Accounting Principles**

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The County is required to adopt Statement No. 94 for its calendar year 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription Based Information Technology Arrangements*. The County is required to adopt Statement No. 96 for its calendar year 2023 financial statements.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The County is required to adopt Statement No. 99 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The County is required to adopt Statement No. 100 for its calendar year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The County is required to adopt Statement No. 101 for its calendar year 2024 financial statements.

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

**Note 3 - 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.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**Note 3 - Deposit and Investment Risk (continued)**

- 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 Employee Retirement Trust Fund may make any investment authorized by 20 Pa. C.S.A. §7302(b) (relating to fiduciaries' investments).

The County's investments were as follows at December 31, 2022:

	<u>Cost</u>	<u>Market</u>
<b>Governmental Funds</b>		
<b>General Funds</b>		
U.S. Treasury securities	\$ 134,002	\$ 134,002
CDs - governmental	1,555,861	1,432,938
Government sponsored securities	<u>1,205,288</u>	<u>1,054,006</u>
<b>Total Governmental Funds</b>	<u>2,895,151</u>	<u>2,620,946</u>
<b>Fiduciary Funds</b>		
<b>Retirement Funds</b>		
Corporate bonds	2,340,228	2,024,091
Common stocks	571,374	692,870
Mutual funds	7,125,652	9,125,464
Real estate	<u>319,951</u>	<u>339,048</u>
<b>Total Fiduciary Funds</b>	<u>10,357,205</u>	<u>12,181,473</u>
<b>Total Investments</b>	<u>\$ 13,252,356</u>	<u>\$ 14,802,419</u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**Note 3 - Deposit and Investment Risk (continued)**

*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 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, 2022, the County had no operating fund investments. The County's Retirement Fund Investment Policy does not address interest rate risk.

	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Five to Ten Years</u>	<u>More than Ten</u>
Securities - governmental	\$ 2,620,946	\$ 243,619	\$ 2,279,657	\$ 97,670	\$ -
Corporate bonds - fiduciary	<u>2,024,091</u>	<u>717,671</u>	<u>1,184,591</u>	<u>8,822</u>	<u>113,007</u>
	<u>\$ 4,645,037</u>	<u>\$ 961,290</u>	<u>\$ 3,464,248</u>	<u>\$ 106,492</u>	<u>\$ 113,007</u>

*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.

The County's General Fund investments had credit quality ratings as follows as of December 31, 2022:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Percentage</u>
Securities	Aaa	35 %
Securities	Not rated	65

The County's retirement investments had credit quality ratings as follows as of December 31, 2022:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Percentage</u>
Corporate bonds	Aaa	3 %
Corporate bonds	A1	2
Corporate bonds	A2	6
Corporate bonds	A3	38
Corporate bonds	B2	1
Corporate bonds	Ba1	1
Corporate bonds	Ba2	4
Corporate bonds	Baa1	22
Corporate bonds	Baa2	6
Corporate bonds	Baa3	11
Corporate bonds	Caa1	1
Corporate bonds	Not Rated	5

**County of Fulton**  
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Notes to Financial Statements  
 December 31, 2022

**Note 3 - 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.

The following tables present the balances of fair value measurements on a recurring basis by level within the hierarchy as of:

	<b>Fair Value Measurements at December 31, 2022</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
<b>Governmental Funds</b>				
U.S. Treasury securities	\$ 134,002	\$ -	\$ -	\$ 134,002
CDs - governmental	1,432,938	-	-	1,432,938
Government sponsored securities	1,054,006	-	-	1,054,006
<b>Total Governmental Activities</b>	<b>\$ 2,620,946</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,620,946</b>
<b>Pension Trust Funds</b>				
Corporate bonds - fiduciary	\$ 2,024,091	\$ -	\$ -	\$ 2,024,091
Corporate stocks - fiduciary	692,870	-	-	692,870
Mutual funds - fiduciary	9,125,464	-	-	9,125,464
Real estate - fiduciary	-	339,048	-	339,048
<b>Total Pension Trust Funds</b>	<b>\$ 11,842,425</b>	<b>\$ 339,048</b>	<b>\$ -</b>	<b>\$ 12,181,473</b>

**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, 2022, the County's primary government's deposits, excluding the Employee Retirement Trust Fund, Internal Revenue Code (IRC) Section 457 Plan, and Krivak Trust Fund, had a carrying amount of \$11,861,104 and a bank balance of \$8,946,480. Of the bank balance, \$445,015 was covered by federal depository insurance, and the balance of \$8,501,465 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, 2022, the County's Employee Retirement Trust Fund, IRC Section 457 Plan, and Krivak Trust 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.



**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 3 - Deposit and Investment Risk (continued)**

**Concentration of Credit Risk**

The County places no limit on the amount that the County may invest in any one issuer. At December 31, 2022, the County is not subject to concentration of credit risk.

**Note 4 - Real Estate 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 August 10 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.

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 2022 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 2022 real estate taxes levied was \$4,974,571 based on a total County assessed valuation of \$402,490,569. Based on the 2022 levy of 12.40 mills, a property owner would pay \$12.40 per \$1,000 of assessed valuation.

**County of Fulton**  
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Notes to Financial Statements  
 December 31, 2022

**Note 5 - Capital Assets**

Capital asset activity was as follows:

**Governmental Activities**

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 230,925	\$ -	\$ -	\$ 230,925
Construction in progress	-	318,540	-	318,540
<b>Total Capital Assets Not Being Depreciated</b>	<b>230,925</b>	<b>318,540</b>	<b>-</b>	<b>549,465</b>
<b>Capital Assets Being Depreciated</b>				
Buildings and improvements	9,400,799	-	-	9,400,799
Machinery and equipment	5,523,108	140,521	195,820	5,467,809
Vehicles	402,094	43,567	-	445,661
<b>Total Capital Assets Being Depreciated</b>	<b>15,326,001</b>	<b>184,088</b>	<b>195,820</b>	<b>15,314,269</b>
<b>Total Capital Assets - Historical Cost</b>	<b>15,556,926</b>	<b>502,628</b>	<b>195,820</b>	<b>15,863,734</b>
<b>Accumulated Depreciation</b>				
Buildings and improvements	3,592,127	277,334	-	3,869,461
Machinery and equipment	3,096,039	651,057	91,877	3,655,219
Vehicles	300,902	32,458	-	333,360
<b>Accumulated Depreciation</b>	<b>6,989,068</b>	<b>960,849</b>	<b>91,877</b>	<b>7,858,040</b>
<b>Capital Assets Being Depreciated, Net</b>	<b>8,336,933</b>	<b>(776,761)</b>	<b>103,943</b>	<b>7,456,229</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 8,567,858</b>	<b>\$ (458,221)</b>	<b>\$ 103,943</b>	<b>\$ 8,005,694</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**Note 5 - Capital Assets (continued)**

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

Public safety	\$ 685,373
General government	24,617
Judicial	162,127
Human services	87,722
Culture and recreation	1,010
	<u>960,849</u>
	<u>\$ 960,849</u>

**Note 6 - Long-Term Debt Obligations**

The following is a summary of changes in general long-term debt obligations for the County:

	Balance as of January 1, 2022	Additions	Reductions	Balance as of December 31, 2022	Amounts Due in One Year
G.O. Note 2007	\$ 16,312	\$ -	\$ (16,312)	\$ -	\$ -
G.O. Note 2017 911	1,116,558	-	(147,758)	968,800	150,891
G.O. Note 2020	3,145,000	-	(312,000)	2,833,000	316,000
<b>Total General Long-Term Debt Obligations</b>	<b>4,277,870</b>	<b>-</b>	<b>(476,070)</b>	<b>3,801,800</b>	<b>466,891</b>
Compensated absences	147,921	-	(8,013)	139,908	-
<b>Total Governmental Activities Long-Term Debt</b>	<b>\$ 4,425,791</b>	<b>\$ -</b>	<b>\$ (484,083)</b>	<b>\$ 3,941,708</b>	<b>\$ 466,891</b>

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

	Principal	Interest	Total
2023	\$ 466,891	\$ 48,481	\$ 515,372
2024	474,084	41,789	515,873
2025	480,361	34,969	515,330
2026	454,695	61,264	515,959
2027	466,101	48,924	515,025
2028 to 2032	1,424,668	88,704	1,513,372
2033	35,000	263	35,263
	<u>\$ 3,801,800</u>	<u>\$ 324,394</u>	<u>\$ 4,126,194</u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 6 - Long-Term Debt Obligations (continued)**

The following is a summary of the long-term debt obligations outstanding as of December 31, 2022:

In January 2017, the County issued an 11-year General Obligation Note in the amount of \$1,800,000 with a fixed interest rate of 2.10%.	\$ 968,800
In December 2020, the County issued a 13-year General Obligation Note in the amount of \$3,355,000 with a fixed rate of 1.10% for a term of six years and will then be adjusted a re-fixed rate until the maturity date with a rate ceiling of 3.00%. The Note was taken to refinance General Obligation Bond 2017 Series A, General Obligation Bond 2017 Series B, and General Obligation Bond 2017 Series C.	<u>2,833,000</u>
	<u>\$ 3,801,800</u>

**Note 7 - 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 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 County Retirement Board, which consists of five members - three elected County Commissioners, the Chief Clerk, and the County Treasurer.

**Note 7 - Employees' Retirement Plan (continued)**

**Membership**

Employees covered by the Plan consisted of the following at December 31, 2022:

Inactive members or beneficiaries currently receiving benefits	<b>58</b>
Inactive members entitled to, but not yet receiving benefits	<b>12</b>
Active members	<b>61</b>
	<hr/>
	<b>131</b>
	<hr/> <hr/>

**Benefits Provided**

The 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.

**Contributions**

All members currently contribute 8% of eligible compensation, except those hired on or after May 1, 2016, who are required to contribute 6% of compensation. Voluntary member contributions up to an additional 10% of compensation 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 4.0% and 5.5%. The interest rate credited during 2022 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 Pennsylvania Law Act 205 of 1984 (Act 205) makes no provision for termination of the Plan. The County does not issue a separate financial report for the Plan.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 7 - Employees' Retirement Plan (continued)**

**Legally Required Reserves**

At December 31, 2022, the County has a balance of \$3,318,018 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, 2022. Since these accumulations represent the present value as of December 31, 2022 of future benefits, the reserve balance and liability are identical.

The County has a balance of \$1,746,545 in the County Annuity Reserve Account as of December 31, 2022. 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 \$7,331,892 as of December 31, 2022. 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, 2022 and update procedures were used to rollforward the total pension liability to the December 31, 2022 measurement date. The components of the net pension liability of the County for 2022 measurement period were as follows:

Total pension liability	<b>\$ 14,794,035</b>
Plan fiduciary net position	<u>12,396,455</u>
	<u><b>\$ 2,397,580</b></u>

Plan fiduciary net position as a percentage of total pension liability	<b>83.8%</b>
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**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**Note 7 - Employees' Retirement Plan (continued)**

**Plan Reporting (continued)**

**Net Pension Liability of the County (continued)**

Changes in the County's net pension liability for the plan were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at December 31, 2021</b>	\$ 14,427,567	\$ 14,243,833	\$ 183,734
Service cost	146,360	-	146,360
Interest cost	762,247	-	762,247
Change of benefit terms	106,185	-	106,185
Changes for experience	(334,497)	-	(334,497)
Contributions - employer	-	339,512	(339,512)
Contributions - member	199,538	199,538	-
Net investment income	-	(1,723,452)	1,723,452
Benefit payments, including refunds of member contributions	(650,076)	(650,076)	-
Administrative expenses	-	(12,900)	12,900
Other - interest on member contribution balances	136,711	-	136,711
<b>Balance at December 31, 2022</b>	<b>\$ 14,794,035</b>	<b>\$ 12,396,455</b>	<b>\$ 2,397,580</b>

**Deferred Outflows of Resources**

The total pension expense recognized in the year ended December 31, 2022 for the Plan was \$590,703. The County reported deferred outflows of resources related to the pension plan from the following sources at December 31, 2022:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 39,239	\$ 443,226
Change of assumptions	212,397	-
Actual earnings on pension plan investments	1,268,598	-
	<b>\$ 1,520,234</b>	<b>\$ 443,226</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 7 - Employees' Retirement Plan (continued)**

**Deferred Outflows of Resources (continued)**

The deferred outflows of resources will be recognized in pension expense as follows for the years ended December 31:

2023	\$	34,554
2024		324,491
2025		241,632
2026		476,331
		<hr/>
	\$	1,077,008
		<hr/>

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 multi-year trend information about the Plan.

**Plan Actuarial Methods and Assumptions**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation for the 2022 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.00%

Mortality rates were based on the PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

The actuarial assumptions used in the valuation for the year ended December 31, 2022 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 ten years.

Under Act 205, 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.



**Note 7 - Employees' Retirement Plan (continued)**

**Plan Actuarial Methods and Assumptions (continued)**

**Investment Policy**

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

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 real 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	60.00%	5.50% to 7.50%
International equity	10.00%	4.50% to 6.50%
Fixed income	20.00%	1.00% to 3.00%
Real estate/alternative	7.00%	4.50% to 6.50%
Cash	3.00%	0.00% to 1.00%
	<b>100.00%</b>	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. 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 County Pension Law. The pension plan's actuarially determined contribution is calculated based on the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 7 - Employees' Retirement Plan (continued)**

**Plan Actuarial Methods and Assumptions (continued)**

**Net Pension Liability Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Plan, calculated using the discount rate of 7.00% as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
<b>Net Pension Liability</b>	<u>\$ 3,978,865</u>	<u>\$ 2,397,580</u>	<u>\$ 1,494,327</u>

**Rate of Return**

For the 2022 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (11.75%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 8 - 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, 2022, the County paid insurance premiums of \$12,013 to the Trust.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**Note 9 - Fund Balance Reporting**

Under GASB 54, fund balances recorded as non-spendable, restricted, 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:

	<u>Fund Balance</u>	<u>Balances</u>
<b>Major Funds</b>		
General Fund	<u>Non-spendable</u>	
	These amounts are prepaid expenses	\$ 16,929
SFC Evidence Fund	<u>Assigned</u>	
	These amounts are to be used for the future capital improvements	1,414,334
	These funds are assigned for the costs associated with the development of a new 911 service dispatch center	972,000
911 Wireless Fund	<u>Restricted funds</u>	
	These funds are restricted for the human service programs	15,810
Capital Projects Fund	<u>Non-spendable</u>	
	These amounts are prepaid expenses	1,130
	<u>Restricted funds</u>	
	These funds are restricted for public safety	778,865
	<u>Restricted funds</u>	
	These funds are restricted for the capital projects programs	836,626
<b>Non-Major Governmental Funds</b>		
Debt Service Fund	<u>Non-spendable</u>	
	These amounts are prepaid expenses	\$ 42,831
Special Revenue Funds	<u>Non-spendable</u>	
	These amounts are prepaid expenses	7,911
	<u>Restricted funds</u>	
	These funds are restricted within the departments of general government - administration	8,443
	These funds are restricted within the general government - judicial	511,248
	These funds are restricted within the public safety programs	146,787
	These funds are restricted within the public works program	376,868
	These funds are restricted within the human services programs	365,792

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Notes to Financial Statements  
 December 31, 2022

**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. received pass-through funding from the County for the Medical Assistance Transportation Program in the amount of \$476,985.

**Note 11 - Interfund Balances**

The County affects a variety of transactions between its funds. Transfers occur if a certain fund is required to or is utilized to fund the operations of another. The majority of the transfers are from the General Fund in order to cover the operating expenses of other funds. Interfund operating transfers are as follows for the year ended December 31, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds</b>		
General Fund	\$ 66,710	\$ 565,348
Human Services Development Fund	-	4,000
Community Development Block Grant Fund	-	6,401
<b>Total Major Funds</b>	<u>66,710</u>	<u>575,749</u>
<b>Special Revenue Funds</b>		
County Records Improvement Fund	-	4,125
Prothonotary Automation Fund	-	1,388
Clerk of Courts Automation Fund	-	606
Recorder of Deeds Improvement Fund	-	5,556
Victims of Juvenile Offenders Fund	-	6,368
Victim Witness Fund	-	36,081
Law Library Fund	29,821	-
Hazardous Materials Fund	2,000	-
Offender Supervision Fund	-	6,185
Domestic Relations Title IV-D Fund	5,398	-
<b>Total Special Revenue Funds</b>	<u>37,219</u>	<u>60,309</u>
<b>Debt Service Fund</b>	<u>532,129</u>	<u>-</u>
<b>Total Transfers In and Out</b>	<u>\$ 636,058</u>	<u>\$ 636,058</u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

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Notes to Financial Statements  
December 31, 2022

**Note 12 - Litigation**

The County is involved in certain legal matters that may expose the County to potential costs if the County is unsuccessful. The potential outcome is undeterminable.

**Note 13 - Expenditures in Excess of Appropriations**

The General Fund expenditures were greater than budgeted resulting in a negative variance. This was due to higher than anticipated general government - administrative expenditures. The excess amount was covered by a positive variance of revenues.

The Human Services Development Fund expenditures were greater than budgeted resulting in a negative variance. This was due to higher than anticipated human service expenditures. The excess amount was partially covered by a positive variance of revenues.

The SFC Evidence Fund expenditures were greater than budgeted resulting in a negative variance. This was due to higher than anticipated human service expenditures. The excess amount was covered by a positive variance of revenues.

**Note 14 - Reclassification**

Certain items in the financial statements for the year ended December 31, 2021 have been reclassified to conform to the presentation of the financial statements for the year ended December 31, 2022.

**Note 15 - Subsequent Events**

The County has evaluated subsequent events through September 26, 2023. This date is the date the financial statements were available to be issued. The following material event subsequent to December 31, 2022 was noted:

In May 2023, the County purchased a building, and they plan to move the District Attorney's office into that building. The County obtained a three-year loan in the amount of \$145,000 with a fixed interest rate of 4.00%, maturing January 2026.

No other material events subsequent to December 31, 2022 were noted.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years\*

	Years Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net Pension Liability</b>									
Service cost	\$ 146,360	\$ 137,609	\$ 119,263	\$ 125,826	\$ 137,802	\$ 142,600	\$ 119,872	\$ 97,674	\$ 97,640
Interest cost	762,247	858,020	675,886	667,894	647,114	596,214	805,328	772,310	736,328
Changes of benefit terms	106,185	-	-	-	-	27,823	6,028	-	34,817
Differences between expected and actual experience	(334,497)	47,738	(209,096)	(281,922)	63,597	60,338	(117,249)	(2,141)	(54,528)
Changes in assumptions	-	-	530,991	-	-	305,789	-	-	-
Other - increase in employee contribution balance	336,249	211,274	331,140	323,150	331,729	334,461	251,096	109,911	228,032
Benefit payments, including refunds of member contributions	(650,076)	(695,812)	(579,479)	(895,020)	(619,556)	(1,162,689)	(510,009)	(546,535)	(510,037)
<b>Net Changes in Net Pension Liability</b>	<b>366,468</b>	<b>558,829</b>	<b>868,705</b>	<b>(60,072)</b>	<b>560,686</b>	<b>304,536</b>	<b>555,066</b>	<b>431,219</b>	<b>532,252</b>
<b>Net Pension Liability at Beginning of Year</b>	<b>14,427,567</b>	<b>13,868,738</b>	<b>13,000,033</b>	<b>13,060,105</b>	<b>12,499,419</b>	<b>12,194,883</b>	<b>11,639,817</b>	<b>11,208,598</b>	<b>10,676,346</b>
<b>Net Pension Liability at End of Year (a)</b>	<b>\$ 14,794,035</b>	<b>\$ 14,427,567</b>	<b>\$ 13,868,738</b>	<b>\$ 13,000,033</b>	<b>\$ 13,060,105</b>	<b>\$ 12,499,419</b>	<b>\$ 12,194,883</b>	<b>\$ 11,639,817</b>	<b>\$ 11,208,598</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 339,512	\$ 361,548	\$ 334,983	\$ 375,946	\$ 327,427	\$ 326,781	\$ 314,626	\$ 293,643	\$ 294,176
Contributions - member	199,538	211,274	201,934	197,189	207,744	208,311	210,446	196,220	190,622
Net investment income (loss)	(1,723,452)	2,022,868	722,851	1,916,569	(847,034)	1,338,461	989,103	(143,873)	575,971
Benefit payments, including refunds of member contributions	(650,076)	(695,812)	(579,479)	(895,020)	(619,556)	(1,162,689)	(510,009)	(546,535)	(510,037)
Administrative expense	(12,900)	(12,900)	(12,900)	(12,900)	(12,900)	(12,900)	(13,900)	(12,900)	(11,400)
<b>Net Changes in Plan Fiduciary Net Position</b>	<b>(1,847,378)</b>	<b>1,886,978</b>	<b>667,389</b>	<b>1,581,784</b>	<b>(944,319)</b>	<b>697,964</b>	<b>990,266</b>	<b>(213,445)</b>	<b>539,332</b>
<b>Plan Fiduciary Net Position at Beginning of Year</b>	<b>14,243,833</b>	<b>12,356,855</b>	<b>11,689,466</b>	<b>10,107,682</b>	<b>11,052,001</b>	<b>10,354,037</b>	<b>9,363,771</b>	<b>9,577,216</b>	<b>9,037,884</b>
<b>Plan Fiduciary Net Position at End of Year (b)</b>	<b>\$ 12,396,455</b>	<b>\$ 14,243,833</b>	<b>\$ 12,356,855</b>	<b>\$ 11,689,466</b>	<b>\$ 10,107,682</b>	<b>\$ 11,052,001</b>	<b>\$ 10,354,037</b>	<b>\$ 9,363,771</b>	<b>\$ 9,577,216</b>
<b>County's Net Pension Liability at End of Year (a) - County's Plan Fiduciary Net Position at End of Year (b)</b>	<b>\$ 2,397,580</b>	<b>\$ 183,734</b>	<b>\$ 1,511,883</b>	<b>\$ 1,310,567</b>	<b>\$ 2,952,423</b>	<b>\$ 1,447,418</b>	<b>\$ 1,840,846</b>	<b>\$ 2,276,046</b>	<b>\$ 1,631,382</b>
<b>Plan Fiduciary Net Position as a Percentage of the Net Pension Liability</b>	<b>83.8%</b>	<b>98.7%</b>	<b>89.1%</b>	<b>89.9%</b>	<b>77.4%</b>	<b>88.4%</b>	<b>84.9%</b>	<b>80.4%</b>	<b>85.4%</b>
<b>Covered Employee Payroll</b>	<b>\$ 2,352,514</b>	<b>\$ 2,116,740</b>	<b>\$ 2,213,377</b>	<b>\$ 2,208,716</b>	<b>\$ 2,302,357</b>	<b>\$ 2,289,761</b>	<b>\$ 2,089,918</b>	<b>\$ 2,105,641</b>	<b>\$ -</b>
<b>County's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>101.9%</b>	<b>8.7%</b>	<b>68.3%</b>	<b>59.3%</b>	<b>128.2%</b>	<b>63.2%</b>	<b>88.1%</b>	<b>108.1%</b>	<b>N/A</b>

\* This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for the years for which information is available is shown.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Schedule of County Contributions  
 Last Ten Years

	Years Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined employer contributions	\$ 339,512	\$ 361,548	\$ 334,983	\$ 375,946	\$ 327,427	\$ 326,781	\$ 314,626	\$ 293,643	\$ 294,176	\$ 343,204
Contributions in relation to the actuarially determined employer contribution	<u>339,512</u>	<u>361,548</u>	<u>334,983</u>	<u>375,946</u>	<u>327,427</u>	<u>326,781</u>	<u>314,626</u>	<u>293,643</u>	<u>294,176</u>	<u>343,204</u>
<b>Employer Contributions Deficiency (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Covered Employee Payroll</b>	<u>\$ 2,352,514</u>	<u>\$ 2,116,740</u>	<u>\$ 2,213,377</u>	<u>\$ 2,208,716</u>	<u>\$ 2,302,357</u>	<u>\$ 2,289,761</u>	<u>\$ 2,089,918</u>	<u>\$ 2,105,641</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Employer Contributions as a Percentage of Covered Employee Payroll</b>	<u>14.43%</u>	<u>17.08%</u>	<u>15.13%</u>	<u>17.02%</u>	<u>14.22%</u>	<u>14.27%</u>	<u>15.05%</u>	<u>13.95%</u>	<u>N/A</u>	<u>N/A</u>

**Notes to Schedule**

Valuation date January 1, 2022

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	28 years
Asset valuation method	Smoothed value with a corridor of 70% to 130% of market value
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.00%
Retirement age	Retirement rates from age 55 to 70
Mortality	PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Changes in benefit terms: Retiree COLA (2.00%) granted December 2022, effective January 2023.

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Schedule of Investment Returns  
 Last Ten Years\*

	Years Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	<u>(11.75) %</u>	<u>16.98 %</u>	<u>6.64 %</u>	<u>19.28 %</u>	<u>(7.70) %</u>	<u>13.34 %</u>	<u>10.56 %</u>	<u>(1.51) %</u>	<u>6.39 %</u>

\* This schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for the years for which information is available is shown.



**County of Fulton**  
**McConnellsburg, Pennsylvania**

Budgetary Comparison Schedule - General Fund  
 Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,000,251	\$ 5,000,251	\$ 4,953,411	\$ (46,840)
Intergovernmental revenues	1,252,482	1,252,482	1,869,381	616,899
Charges for services	509,142	509,142	566,413	57,271
Interest and rents	17,500	17,500	(182,593)	(200,093)
Miscellaneous income	300,352	300,352	233,205	(67,147)
<b>Total Revenues</b>	<b>7,079,727</b>	<b>7,079,727</b>	<b>7,439,817</b>	<b>360,090</b>
<b>Expenditures</b>				
General government - administrative	1,477,130	1,477,130	1,911,632	(434,502)
General government - judicial	1,495,864	1,495,864	1,374,749	121,115
Public safety	1,226,249	1,226,249	1,216,437	9,812
Human services	1,055,044	1,055,044	1,019,961	35,083
Culture and recreation	12,000	12,000	12,000	-
Conservation and development	123,941	123,941	83,700	40,241
Employee benefits and liability insurance	1,233,064	1,233,064	1,127,568	105,496
<b>Total Expenditures</b>	<b>6,623,292</b>	<b>6,623,292</b>	<b>6,746,047</b>	<b>(122,755)</b>
<b>Excess of Revenues over Expenditures</b>	<b>456,435</b>	<b>456,435</b>	<b>693,770</b>	<b>237,335</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	214,449	214,449	66,710	(147,739)
Transfers out	(670,884)	(670,884)	(565,348)	105,536
<b>Total Other Financing Sources (Uses)</b>	<b>(456,435)</b>	<b>(456,435)</b>	<b>(498,638)</b>	<b>(42,203)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195,132</b>	<b>\$ 195,132</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Budgetary Comparison Schedule - Human Services Development Fund  
 Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 641,551	\$ 641,551	\$ 1,212,375	\$ 570,824
Interest and rents	150	150	212	62
<b>Total Revenues</b>	<b>641,701</b>	<b>641,701</b>	<b>1,212,587</b>	<b>570,886</b>
<b>Expenditures</b>				
Human services	641,701	641,701	1,230,916	(589,215)
<b>Total Expenditures</b>	<b>641,701</b>	<b>641,701</b>	<b>1,230,916</b>	<b>(589,215)</b>
<b>Deficiency of Revenues under Expenditures</b>	<b>-</b>	<b>-</b>	<b>(18,329)</b>	<b>(18,329)</b>
<b>Other Financing Uses</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(4,000)	(4,000)
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>(4,000)</b>	<b>(4,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (22,329)</b>	<b>\$ (22,329)</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Budgetary Comparison Schedule - SFC Evidence Fund  
 Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 31,695	\$ 31,695	\$ 147,626	\$ 115,931
<b>Total Revenues</b>	<b>31,695</b>	<b>31,695</b>	<b>147,626</b>	<b>115,931</b>
<b>Expenditures</b>				
Human services	52,825	52,825	147,626	(94,801)
<b>Total Expenditures</b>	<b>52,825</b>	<b>52,825</b>	<b>147,626</b>	<b>(94,801)</b>
<b>Deficiency of Revenues under Expenditures</b>	<b>(21,130)</b>	<b>(21,130)</b>	<b>-</b>	<b>21,130</b>
<b>Other Financing Sources</b>				
Transfers in	21,130	21,130	-	(21,130)
<b>Total Other Financing Sources</b>	<b>21,130</b>	<b>21,130</b>	<b>-</b>	<b>(21,130)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Budgetary Comparison Schedule - 911 Wireless Fund  
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 633,802	\$ 633,802	\$ 865,026	\$ 231,224
Interest and rents	150	150	2,135	1,985
<b>Total Revenues</b>	<b>633,952</b>	<b>633,952</b>	<b>867,161</b>	<b>233,209</b>
<b>Expenditures</b>				
Public safety	776,860	776,860	750,473	26,387
<b>Total Expenditures</b>	<b>776,860</b>	<b>776,860</b>	<b>750,473</b>	<b>26,387</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(142,908)</b>	<b>(142,908)</b>	<b>116,688</b>	<b>259,596</b>
<b>Other Financing Sources</b>				
Transfers in	142,908	142,908	-	(142,908)
<b>Total Other Financing Sources</b>	<b>142,908</b>	<b>142,908</b>	<b>-</b>	<b>(142,908)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 116,688</b>	<b>\$ 116,688</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Budgetary Comparison Schedule - Community Development Block Grant Fund  
 Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 302,395	\$ 302,395	\$ 308,795	\$ 6,400
<b>Total Revenues</b>	<b>302,395</b>	<b>302,395</b>	<b>308,795</b>	<b>6,400</b>
<b>Expenditures</b>				
Public works	302,395	302,395	302,394	1
<b>Total Expenditures</b>	<b>302,395</b>	<b>302,395</b>	<b>302,394</b>	<b>1</b>
<b>Excess of Revenues over Expenditures</b>	<b>-</b>	<b>-</b>	<b>6,401</b>	<b>6,401</b>
<b>Other Financing Sources</b>				
Transfers out	-	-	(6,401)	(6,401)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>(6,401)</b>	<b>(6,401)</b>
<b>Net Change in Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**County of Fulton  
McConnellsburg, Pennsylvania**

Combining Balance Sheet - Non-Major Governmental Funds  
December 31, 2022

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,398,367	\$ -	\$ 1,398,367
Accounts receivable	40,607	515,253	555,860
Due from other governments	130,392	-	130,392
Prepaid assets	7,911	42,831	50,742
Restricted cash escheats	57,634	-	57,634
<b>Total Assets</b>	<b>\$ 1,634,911</b>	<b>\$ 558,084</b>	<b>\$ 2,192,995</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	67,444	-	67,444
Overdraft liability	15,203	539,335	554,538
Accrued payroll and withholdings	47,636	-	47,636
Unearned revenues	95,584	-	95,584
<b>Total Liabilities</b>	<b>225,867</b>	<b>539,335</b>	<b>765,202</b>
<b>Fund Balances</b>			
Non-spendable funds - prepaid assets	7,911	42,831	50,742
Restricted			
General government - administration	8,443	-	8,443
General government - judicial	511,248	-	511,248
Public safety	146,787	-	146,787
Public works	376,868	-	376,868
Human services	365,792	-	365,792
Unassigned	(8,005)	(24,082)	(32,087)
<b>Total Fund Balances</b>	<b>1,409,044</b>	<b>18,749</b>	<b>1,427,793</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,634,911</b>	<b>\$ 558,084</b>	<b>\$ 2,192,995</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major  
 Governmental Funds  
 December 31, 2022

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental revenues	\$ 1,844,860	\$ -	\$ 1,844,860
Charges for services	149,352	-	149,352
Interest and rents	2,361	-	2,361
Miscellaneous income	91,691	-	91,691
<b>Total Revenues</b>	<b>2,088,264</b>	<b>-</b>	<b>2,088,264</b>
<b>Expenditures</b>			
General government - judicial	245,918	-	245,918
Public safety	15,054	-	15,054
Public works	42,771	-	42,771
Human services	1,594,576	532,129	2,126,705
<b>Total Expenditures</b>	<b>1,898,319</b>	<b>532,129</b>	<b>2,430,448</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>189,945</b>	<b>(532,129)</b>	<b>(342,184)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	37,219	532,129	569,348
Transfers out	(60,309)	-	(60,309)
<b>Total Other Financing Sources (Uses)</b>	<b>(23,090)</b>	<b>532,129</b>	<b>509,039</b>
<b>Net Change in Fund Balances</b>	<b>166,855</b>	<b>-</b>	<b>166,855</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,242,189</b>	<b>18,749</b>	<b>1,260,938</b>
<b>Fund Balances at End of Year</b>	<b>\$ 1,409,044</b>	<b>\$ 18,749</b>	<b>\$ 1,427,793</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Balance Sheet - Special Revenue Funds  
 December 31, 2022

	Liquid Fuel Fund	County Records Improvement Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund	Adoption Counseling Fund	Independent Living Fund	Recorder of Deeds Improvement Fund	Clerk of Orphan Courts Automation Fund
<b>Assets</b>								
Cash and cash equivalents	\$ 61,694	\$ 10,508	\$ 1,959	\$ 606	\$ 1,608	\$ 74,146	\$ 7,166	\$ 7,103
Accounts receivable	-	-	-	-	-	-	450	-
Due from other governments	-	-	-	-	-	13,010	-	-
Prepaid assets	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 61,694</b>	<b>\$ 10,508</b>	<b>\$ 1,959</b>	<b>\$ 606</b>	<b>\$ 1,608</b>	<b>\$ 87,156</b>	<b>\$ 7,616</b>	<b>\$ 7,103</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 4,125	\$ 1,388	\$ 606	\$ -	\$ -	\$ 5,556	\$ -
Accrued payroll and withholdings	-	-	-	-	-	-	-	-
Overdraft liability	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	35,396	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>4,125</b>	<b>1,388</b>	<b>606</b>	<b>-</b>	<b>35,396</b>	<b>5,556</b>	<b>-</b>
<b>Fund Balances</b>								
Non-spendable prepaid assets	-	-	-	-	-	-	-	-
Restricted								
General government - administration	-	6,383	-	-	-	-	2,060	-
General government - judicial	-	-	571	-	-	-	-	7,103
Public safety	-	-	-	-	-	-	-	-
Public works	61,694	-	-	-	-	-	-	-
Human services	-	-	-	-	1,608	51,760	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>61,694</b>	<b>6,383</b>	<b>571</b>	<b>-</b>	<b>1,608</b>	<b>51,760</b>	<b>2,060</b>	<b>7,103</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61,694</b>	<b>\$ 10,508</b>	<b>\$ 1,959</b>	<b>\$ 606</b>	<b>\$ 1,608</b>	<b>\$ 87,156</b>	<b>\$ 7,616</b>	<b>\$ 7,103</b>



**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Balance Sheet - Special Revenue Funds (continued)  
 December 31, 2022

	Register of Wills Automation Fund	Liquid Fuels Registration Fee Fund	Liquid Fuels Act 89 Fund	Children Services IT Fund	Victims of Juvenile Offenders Fund	Victim Witness Fund	Law Library Fund	Hazardous Materials Fund
<b>Assets</b>								
Cash and cash equivalents	\$ 3,881	\$ 58,858	\$ 57,997	\$ 33,558	\$ -	\$ -	\$ -	\$ 49,235
Accounts receivable	-	-	-	-	-	-	32,759	2,000
Due from other governments	-	-	-	18,295	1,291	1,372	-	-
Prepaid assets	-	-	-	6,911	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,881</b>	<b>\$ 58,858</b>	<b>\$ 57,997</b>	<b>\$ 58,764</b>	<b>\$ 1,291</b>	<b>\$ 1,372</b>	<b>\$ 32,759</b>	<b>\$ 51,235</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,773	\$ 79
Accrued payroll and withholdings	-	-	-	-	-	-	-	-
Overdraft liability	-	-	-	-	1,941	8,728	19,012	-
Unearned revenues	-	-	-	45,020	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,020</b>	<b>1,941</b>	<b>8,728</b>	<b>25,785</b>	<b>79</b>
<b>Fund Balances</b>								
Non-spendable prepaid assets	-	-	-	6,911	-	-	-	0
Restricted								
General government - administration	-	-	-	-	-	-	-	-
General government - judicial	3,881	-	-	-	-	-	6,974	-
Public safety	-	-	57,997	-	-	-	-	51,156
Public works	-	58,858	-	-	-	-	-	-
Human services	-	-	-	6,833	-	-	-	-
Unassigned	-	-	-	-	(650)	(7,356)	-	-
<b>Total Fund Balances</b>	<b>3,881</b>	<b>58,858</b>	<b>57,997</b>	<b>13,744</b>	<b>(650)</b>	<b>(7,356)</b>	<b>6,974</b>	<b>51,156</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,881</b>	<b>\$ 58,858</b>	<b>\$ 57,997</b>	<b>\$ 58,764</b>	<b>\$ 1,291</b>	<b>\$ 1,372</b>	<b>\$ 32,759</b>	<b>\$ 51,235</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Balance Sheet - Special Revenue Funds (continued)  
 December 31, 2022

	<b>Offender Supervision Fund</b>	<b>Juvenile Grant in Aid Fund</b>	<b>Substance Abuse Fund</b>	<b>Domestic Relations Title IV-D Fund</b>	<b>Farmland Preservation Fund</b>	<b>Marcellus Shale Act 13 Fund</b>	<b>Marcellus Shale Act 13 Bridge Fund</b>	<b>Caseworker Visitation Grant Fund</b>
<b>Assets</b>								
Cash and cash equivalents	\$ 3,940	\$ 61,799	\$ 81,659	\$ 397,697	\$ 39,140	\$ 38,931	\$ 217,385	\$ -
Accounts receivable	-	-	-	5,398	-	-	-	-
Due from other governments	-	-	-	34,744	-	-	-	-
Prepaid assets	-	-	-	-	-	1,000	-	-
Restricted cash	57,634	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 61,574</b>	<b>\$ 61,799</b>	<b>\$ 81,659</b>	<b>\$ 437,839</b>	<b>\$ 39,140</b>	<b>\$ 39,931</b>	<b>\$ 217,385</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 956	\$ -	\$ -	\$ 355	\$ -	\$ -	\$ -	\$ -
Accrued payroll and withholdings	-	-	-	11,951	-	-	-	-
Overdraft liability	-	-	-	-	-	-	-	-
Unearned revenues	-	24,165	-	-	-	-	-	(8,997)
<b>Total Liabilities</b>	<b>956</b>	<b>24,165</b>	<b>-</b>	<b>12,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,997)</b>
<b>Fund Balances</b>								
Non-spendable prepaid assets	-	-	-	-	-	1,000	-	-
Restricted								
General government - administration	-	-	-	-	-	-	-	-
General government - judicial	60,618	-	-	425,533	-	-	-	-
Public safety	-	37,634	-	-	-	-	-	-
Public works	-	-	-	-	-	38,931	217,385	-
Human services	-	-	81,659	-	39,140	-	-	8,997
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>60,618</b>	<b>37,634</b>	<b>81,659</b>	<b>425,533</b>	<b>39,140</b>	<b>39,931</b>	<b>217,385</b>	<b>8,997</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61,574</b>	<b>\$ 61,799</b>	<b>\$ 81,659</b>	<b>\$ 437,839</b>	<b>\$ 39,140</b>	<b>\$ 39,931</b>	<b>\$ 217,385</b>	<b>\$ -</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Balance Sheet - Special Revenue Funds (continued)  
 December 31, 2022

	Medical Assistance Transportation Fund	Food Basket Fund	Pass-Through Grants Fund	DA Forfeitures and Donations Fund	DCED Grant Funds	Opioid Settlement Fund	Total Special Revenue Funds
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 101,035	\$ -	\$ 6,568	\$ 40,985	\$ 40,909	\$ 1,398,367
Accounts receivable	-	-	-	-	-	-	40,607
Due from other governments	44,768	-	16,912	-	-	-	130,392
Prepaid assets	-	-	-	-	-	-	7,911
Restricted cash	-	-	-	-	-	-	57,634
<b>Total Assets</b>	<b>\$ 44,768</b>	<b>\$ 101,035</b>	<b>\$ 16,912</b>	<b>\$ 6,568</b>	<b>\$ 40,985</b>	<b>\$ 40,909</b>	<b>\$ 1,634,911</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 30,695	\$ -	\$ 16,911	\$ -	\$ -	\$ -	\$ 67,444
Accrued payroll and withholdings	-	3,252	-	-	-	-	15,203
Overdraft liability	17,955	-	-	-	-	-	47,636
Unearned revenues	-	-	-	-	-	-	95,584
<b>Total Liabilities</b>	<b>48,650</b>	<b>3,252</b>	<b>16,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,867</b>
<b>Fund Balances</b>							
Non-spendable prepaid assets	-	-	-	-	-	-	7,911
Restricted							
General government - administration	-	-	-	-	-	-	8,443
General government - judicial	-	-	-	6,568	-	-	511,248
Public safety	-	-	-	-	-	-	146,787
Public works	-	-	-	-	-	-	376,868
Human services	(3,882)	97,783	-	-	40,985	40,909	365,792
Unassigned	-	-	1	-	-	-	(8,005)
<b>Total Fund Balances</b>	<b>(3,882)</b>	<b>97,783</b>	<b>1</b>	<b>6,568</b>	<b>40,985</b>	<b>40,909</b>	<b>1,409,044</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 44,768</b>	<b>\$ 101,035</b>	<b>\$ 16,912</b>	<b>\$ 6,568</b>	<b>\$ 40,985</b>	<b>\$ 40,909</b>	<b>\$ 1,634,911</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds  
Year Ended December 31, 2022

	Liquid Fuel Fund	County Records Improvement Fund	Prothonotary Automation Fund	Clerk of Courts Automation Fund	Adoption Counseling Fund	Independent Living Fund	Recorder of Deeds Improvement Fund	Clerk of Orphan Courts Automation Fund
<b>Revenues</b>								
Intergovernmental revenues	\$ 35,040	\$ -	\$ -	\$ -	\$ -	\$ 32,481	\$ -	\$ -
Charges for services	-	4,106	1,388	606	-	-	6,006	560
Interest and rents	55	19	-	-	3	121	-	14
Miscellaneous income	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>35,095</b>	<b>4,125</b>	<b>1,388</b>	<b>606</b>	<b>3</b>	<b>32,602</b>	<b>6,006</b>	<b>574</b>
<b>Expenditures</b>								
General government - judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	21,371	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>21,371</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>13,724</b>	<b>4,125</b>	<b>1,388</b>	<b>606</b>	<b>3</b>	<b>32,602</b>	<b>6,006</b>	<b>574</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(4,125)	(1,388)	(606)	-	-	(5,556)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(4,125)</b>	<b>(1,388)</b>	<b>(606)</b>	<b>-</b>	<b>-</b>	<b>(5,556)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>13,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>32,602</b>	<b>450</b>	<b>574</b>
<b>Fund Balances at Beginning of Year</b>	<b>47,970</b>	<b>6,383</b>	<b>571</b>	<b>-</b>	<b>1,605</b>	<b>19,158</b>	<b>1,610</b>	<b>6,529</b>
<b>Fund Balances at End of Year</b>	<b>\$ 61,694</b>	<b>\$ 6,383</b>	<b>\$ 571</b>	<b>\$ -</b>	<b>\$ 1,608</b>	<b>\$ 51,760</b>	<b>\$ 2,060</b>	<b>\$ 7,103</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds (continued)  
Year Ended December 31, 2022

	Register of Wills Automation Fund	Liquid Fuels Registration Fee Fund	Liquid Fuels Act 89 Fund	Children Services IT Fund	Victims of Juvenile Offenders Fund	Victim Witness Fund	Law Library Fund	Hazardous Materials Fund
<b>Revenues</b>								
Intergovernmental revenues	\$ -	\$ -	\$ 7,011	\$ 24,927	\$ 5,721	\$ 29,378	\$ -	\$ 5,390
Charges for services	396	-	-	-	-	-	4,507	2,300
Interest and rents	7	115	106	-	-	-	-	87
Miscellaneous income	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>403</b>	<b>115</b>	<b>7,117</b>	<b>24,927</b>	<b>5,721</b>	<b>29,378</b>	<b>4,507</b>	<b>7,777</b>
<b>Expenditures</b>								
General government - judicial	-	-	-	-	-	653	34,328	-
Public safety	-	-	-	-	-	-	-	3,641
Public works	-	-	-	-	-	-	-	-
Human services	-	-	-	22,607	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,607</b>	<b>-</b>	<b>653</b>	<b>34,328</b>	<b>3,641</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>403</b>	<b>115</b>	<b>7,117</b>	<b>2,320</b>	<b>5,721</b>	<b>28,725</b>	<b>(29,821)</b>	<b>4,136</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	-	-	29,821	2,000
Transfers out	-	-	-	-	(6,368)	(36,081)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,368)</b>	<b>(36,081)</b>	<b>29,821</b>	<b>2,000</b>
<b>Net Change in Fund Balances</b>	<b>403</b>	<b>115</b>	<b>7,117</b>	<b>2,320</b>	<b>(647)</b>	<b>(7,356)</b>	<b>-</b>	<b>6,136</b>
<b>Funds Balances at Beginning of Year</b>	<b>3,478</b>	<b>58,743</b>	<b>50,880</b>	<b>11,424</b>	<b>(3)</b>	<b>-</b>	<b>6,974</b>	<b>45,020</b>
<b>Fund Balances at End of Year</b>	<b>\$ 3,881</b>	<b>\$ 58,858</b>	<b>\$ 57,997</b>	<b>\$ 13,744</b>	<b>\$ (650)</b>	<b>\$ (7,356)</b>	<b>\$ 6,974</b>	<b>\$ 51,156</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds (continued)  
Year Ended December 31, 2022

	<b>Offender Supervision Fund</b>	<b>Juvenile Grant in Aid Fund</b>	<b>Substance Abuse Fund</b>	<b>Domestic Relations Title IV-D Fund</b>	<b>Farmland Preservation Fund</b>	<b>Marcellus Shale Act 13 Fund</b>	<b>Marcellus Shale Act 13 Bridge Fund</b>	<b>Caseworker Visitation Grant Fund</b>
<b>Revenues</b>								
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 185,131	\$ -	\$ -	\$ 40,000	\$ 2,000
Charges for services	74,564	-	5,240	16,078	21,698	-	-	-
Interest and rents	2	120	156	826	60	82	404	-
Miscellaneous income	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>74,566</b>	<b>120</b>	<b>5,396</b>	<b>202,035</b>	<b>21,758</b>	<b>82</b>	<b>40,404</b>	<b>2,000</b>
<b>Expenditures</b>								
General government - judicial	7,763	-	-	203,174	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	21,400	-	-
Human services	-	-	216	-	-	-	-	2,000
<b>Total Expenditures</b>	<b>7,763</b>	<b>-</b>	<b>216</b>	<b>203,174</b>	<b>-</b>	<b>21,400</b>	<b>-</b>	<b>2,000</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>66,803</b>	<b>120</b>	<b>5,180</b>	<b>(1,139)</b>	<b>21,758</b>	<b>(21,318)</b>	<b>40,404</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	5,398	-	-	-	-
Transfers out	(6,185)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(6,185)</b>	<b>-</b>	<b>-</b>	<b>5,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>60,618</b>	<b>120</b>	<b>5,180</b>	<b>4,259</b>	<b>21,758</b>	<b>(21,318)</b>	<b>40,404</b>	<b>-</b>
<b>Funds Balances at Beginning of Year</b>	<b>-</b>	<b>37,514</b>	<b>76,479</b>	<b>421,274</b>	<b>17,382</b>	<b>61,249</b>	<b>176,981</b>	<b>8,997</b>
<b>Fund Balances at End of Year</b>	<b>\$ 60,618</b>	<b>\$ 37,634</b>	<b>\$ 81,659</b>	<b>\$ 425,533</b>	<b>\$ 39,140</b>	<b>\$ 39,931</b>	<b>\$ 217,385</b>	<b>\$ 8,997</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds (continued)  
Year Ended December 31, 2022

	Medical Assistance Transportation Fund	Food Basket Fund	Pass-Through Grants Fund	DA Forfeitures and Donations Fund	DCED Grant Funds	Opioid Settlement Fund	Total Special Revenue Funds
<b>Revenues</b>							
Intergovernmental revenues	\$ 420,358	\$ 930,301	\$ 39,392	\$ -	\$ 46,821	\$ 40,909	\$ 1,844,860
Charges for services	-	-	11,903	-	-	-	149,352
Interest and rents	42	79	-	-	63	-	2,361
Miscellaneous income	-	47,799	43,892	-	-	-	91,691
<b>Total Revenues</b>	<b>420,400</b>	<b>978,179</b>	<b>95,187</b>	<b>-</b>	<b>46,884</b>	<b>40,909</b>	<b>2,088,264</b>
<b>Expenditures</b>							
General government - judicial	-	-	-	-	-	-	245,918
Public safety	-	-	11,413	-	-	-	15,054
Public works	-	-	-	-	-	-	42,771
Human services	476,985	1,047,476	39,393	-	5,899	-	1,594,576
<b>Total Expenditures</b>	<b>476,985</b>	<b>1,047,476</b>	<b>50,806</b>	<b>-</b>	<b>5,899</b>	<b>-</b>	<b>1,898,319</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(56,585)</b>	<b>(69,297)</b>	<b>44,381</b>	<b>-</b>	<b>40,985</b>	<b>40,909</b>	<b>189,945</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	-	-	37,219
Transfers out	-	-	-	-	-	-	(60,309)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,090)</b>
<b>Net Change in Fund Balances</b>	<b>(56,585)</b>	<b>(69,297)</b>	<b>44,381</b>	<b>-</b>	<b>40,985</b>	<b>40,909</b>	<b>166,855</b>
<b>Funds Balances at Beginning of Year</b>	<b>52,703</b>	<b>167,080</b>	<b>(44,380)</b>	<b>6,568</b>	<b>-</b>	<b>-</b>	<b>1,242,189</b>
<b>Fund Balances at End of Year</b>	<b>\$ (3,882)</b>	<b>\$ 97,783</b>	<b>\$ 1</b>	<b>\$ 6,568</b>	<b>\$ 40,985</b>	<b>\$ 40,909</b>	<b>\$ 1,409,044</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Net Position - Custodial Funds  
 Year Ended December 31, 2022

	<u>Commonwealth Fund</u>	<u>Clean and Green</u>	<u>Delinquent Tax Fund</u>	<u>Tax Claim Overage</u>	<u>Register of Wills</u>	<u>Orphans Court</u>	<u>Prothonotary</u>	<u>Clerk of Courts</u>	<u>Recorder of Deeds</u>	<u>Realty Transfer Tax</u>
<b>Assets</b>										
Cash and pooled investments	\$ 4,877	\$ -	\$ 19,566	\$ 599	\$ 5,021	\$ 186	\$ 346,260	\$ 99,109	\$ 48,513	\$ 12,001
<b>Total Assets</b>	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 19,566</u>	<u>\$ 599</u>	<u>\$ 5,021</u>	<u>\$ 186</u>	<u>\$ 346,260</u>	<u>\$ 99,109</u>	<u>\$ 48,513</u>	<u>\$ 12,001</u>
<b>Net Position</b>										
Restricted										
Individuals, organizations, other governments	\$ 4,877	\$ -	\$ 19,566	\$ 599	\$ 5,021	\$ 186	\$ 346,260	\$ 99,109	\$ 48,513	\$ 12,001
<b>Total Net Position</b>	<u>\$ 4,877</u>	<u>\$ -</u>	<u>\$ 19,566</u>	<u>\$ 599</u>	<u>\$ 5,021</u>	<u>\$ 186</u>	<u>\$ 346,260</u>	<u>\$ 99,109</u>	<u>\$ 48,513</u>	<u>\$ 12,001</u>



**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Net Position - Custodial Funds (continued)

Year Ended December 31, 2022

	<u>Inheritance Tax</u>	<u>Prothonotary Escrow</u>	<u>Prothonotary Office Escrow</u>	<u>Prothonotary FC Escrow</u>	<u>Prothonotary Office</u>	<u>Prothonotary Office Escrow (2)</u>	<u>Probation Work Release</u>	<u>Probation House Arrest</u>	<u>Total Custodial Funds</u>
<b>Assets</b>									
Cash and pooled investments	\$ -	\$ 1,260	\$ 6,116	\$ 2,266	\$ 509	\$ 1,607	\$ -	\$ -	\$ 547,890
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ 6,116</u>	<u>\$ 2,266</u>	<u>\$ 509</u>	<u>\$ 1,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,890</u>
<b>Net Position</b>									
Restricted									
Individuals, organizations, other governments	\$ -	\$ 1,260	\$ 6,116	\$ 2,266	\$ 509	\$ 1,607	\$ -	\$ -	\$ 547,890
<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ 1,260</u>	<u>\$ 6,116</u>	<u>\$ 2,266</u>	<u>\$ 509</u>	<u>\$ 1,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,890</u>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds  
Year Ended December 31, 2022

	<u>Commonwealth Fund</u>	<u>Clean and Green</u>	<u>Delinquent Tax Fund</u>	<u>Tax Claim Overage</u>	<u>Register of Wills</u>	<u>Orphans Court</u>	<u>Prothonotary</u>	<u>Clerk of Courts</u>	<u>Recorder of Deeds</u>	<u>Realty Transfer Tax</u>
<b>Additions</b>										
Property tax collections for other governments	\$ -	\$ -	\$ 891,421	\$ 10,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584,955
Other taxes and fees for other governments	112,724	143,454	-	-	-	-	-	-	-	-
License and fees collected for Pennsylvania	-	-	-	-	43,203	9,541	371,087	326,213	1,355,028	-
<b>Total Additions</b>	<b>112,724</b>	<b>143,454</b>	<b>891,421</b>	<b>10,598</b>	<b>43,203</b>	<b>9,541</b>	<b>371,087</b>	<b>326,213</b>	<b>1,355,028</b>	<b>584,955</b>
<b>Deductions</b>										
Payments of property tax to other governments	-	-	905,444	33,851	-	-	-	-	-	576,733
Payments to state	114,414	143,454	-	-	43,267	9,693	47,113	275,441	-	-
Payments to other entities	-	-	-	-	-	-	-	-	1,384,804	-
<b>Total Deductions</b>	<b>114,414</b>	<b>143,454</b>	<b>905,444</b>	<b>33,851</b>	<b>43,267</b>	<b>9,693</b>	<b>47,113</b>	<b>275,441</b>	<b>1,384,804</b>	<b>576,733</b>
<b>Change in Net Position</b>	<b>(1,690)</b>	<b>-</b>	<b>(14,023)</b>	<b>(23,253)</b>	<b>(64)</b>	<b>(152)</b>	<b>323,974</b>	<b>50,772</b>	<b>(29,776)</b>	<b>8,222</b>
<b>Net Position at Beginning of Year</b>	<b>6,567</b>	<b>-</b>	<b>33,589</b>	<b>23,852</b>	<b>5,085</b>	<b>338</b>	<b>22,286</b>	<b>48,337</b>	<b>78,289</b>	<b>3,779</b>
<b>Net Position at End of Year</b>	<b>\$ 4,877</b>	<b>\$ -</b>	<b>\$ 19,566</b>	<b>\$ 599</b>	<b>\$ 5,021</b>	<b>\$ 186</b>	<b>\$ 346,260</b>	<b>\$ 99,109</b>	<b>\$ 48,513</b>	<b>\$ 12,001</b>

**County of Fulton**  
**McConnellsburg, Pennsylvania**

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds (continued)  
Year Ended December 31, 2022

	Inheritance Tax	Prothonotary Escrow	Prothonotary Office Escrow	Prothonotary FC Escrow	Prothonotary Office	Prothonotary Office Escrow (2)	Probation Work Release	Probation House Arrest	Total Custodial Funds
<b>Additions</b>									
Property tax collections for other governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,486,974
Other taxes and fees for other governments	1,004,296	-	-	-	-	-	-	-	1,260,474
License and fees collected for Pennsylvania	-	-	-	-	-	-	-	3,412	2,108,484
<b>Total Additions</b>	<b>1,004,296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,412</b>	<b>4,855,932</b>
<b>Deductions</b>									
Payments of property tax to other governments	-	-	-	-	-	-	-	-	1,516,028
Payments to state	1,006,895	-	-	-	-	-	-	3,412	1,643,689
Payments to other entities	-	-	-	-	-	-	-	-	1,384,804
<b>Total Deductions</b>	<b>1,006,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,412</b>	<b>4,544,521</b>
<b>Change in Net Position</b>	<b>(2,599)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311,411</b>
<b>Net Position at Beginning of Year</b>	<b>2,599</b>	<b>1,260</b>	<b>6,116</b>	<b>2,266</b>	<b>509</b>	<b>1,607</b>	<b>-</b>	<b>-</b>	<b>236,479</b>
<b>Net Position at End of Year</b>	<b>\$ -</b>	<b>\$ 1,260</b>	<b>\$ 6,116</b>	<b>\$ 2,266</b>	<b>\$ 509</b>	<b>\$ 1,607</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 547,890</b>