



Certified Public Accountants, A.C.

**VILLAGE OF CARROLLTON
CARROLL COUNTY
Regular Audit
For the Years Ended December 31, 2017 and 2016**

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Dave Yost • Auditor of State

Village Council
Village of Carrollton
80 Second Street
Carrollton, Ohio 44615

We have reviewed the *Independent Auditor's Report* of the Village of Carrollton, Carroll County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Carrollton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 14, 2018

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VILLAGE OF CARROLLTON
CARROLL COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2017	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2017	4
Notes to the Financial Statements 2017	5
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2016	16
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2016	17
Notes to the Financial Statements 2016	18
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	29
Schedule of Audit Findings.....	31
Schedule of Prior Audit Findings	33

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INDEPENDENT AUDITOR'S REPORT

August 10, 2018

Village of Carrollton
Carroll County
80 Second Street
Carrollton, Ohio 44615

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of **Village of Carrollton**, Carroll County, (the Village) as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2017 and 2016, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Village of Carrollton, Carroll County as of December 31, 2017 and 2016, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2018, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 290,384	\$ 114,422	\$ -	\$ -	\$ 404,806
Municipal Income Tax	1,190,159	-	-	-	1,190,159
Intergovernmental	87,322	215,479	-	-	302,801
Special Assessments	-	41,512	-	-	41,512
Charges for Services	7,297	26,964	-	-	34,261
Fines, Licenses and Permits	75,460	6,000	-	-	81,460
Earnings on Investments	10,824	667	-	30	11,521
Miscellaneous	318,394	51,320	-	-	369,714
<i>Total Cash Receipts</i>	<u>1,979,840</u>	<u>456,364</u>	<u>-</u>	<u>30</u>	<u>2,436,234</u>
Cash Disbursements					
Current:					
Security of Persons and Property	651,242	90,976	-	-	742,218
Public Health Services	20,148	-	-	-	20,148
Leisure Time Activities	53,335	-	-	-	53,335
Community Environment	7,469	20,810	-	372	28,651
Basic Utility Services	-	19,500	-	-	19,500
Transportation	361,434	150,677	-	-	512,111
General Government	357,619	-	-	-	357,619
Capital Outlay	125,990	74,931	-	-	200,921
Debt Service:					
Principal Retirement	-	14,667	-	-	14,667
<i>Total Cash Disbursements</i>	<u>1,577,237</u>	<u>371,561</u>	<u>-</u>	<u>372</u>	<u>1,949,170</u>
<i>Excess of Receipts Over Disbursements</i>	<u>402,603</u>	<u>84,803</u>	<u>-</u>	<u>(342)</u>	<u>487,064</u>
Other Financing Receipts					
Sale of Capital Assets	-	23,600	-	-	23,600
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>23,600</u>	<u>-</u>	<u>-</u>	<u>23,600</u>
<i>Net Change in Fund Cash Balances</i>	<u>402,603</u>	<u>108,403</u>	<u>-</u>	<u>(342)</u>	<u>510,664</u>
<i>Fund Cash Balances, January 1</i>	<u>1,752,438</u>	<u>562,414</u>	<u>527</u>	<u>17,451</u>	<u>2,332,830</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	15,000	15,000
Restricted	-	670,817	527	2,109	673,453
Assigned	505,276	-	-	-	505,276
Unassigned	1,649,765	-	-	-	1,649,765
<i>Fund Cash Balances, December 31</i>	<u>\$ 2,155,041</u>	<u>\$ 670,817</u>	<u>\$ 527</u>	<u>\$ 17,109</u>	<u>\$ 2,843,494</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$ 1,708,054</u>
<i>Total Operating Cash Receipts</i>	<u>1,708,054</u>
Operating Cash Disbursements	
Personal Services	354,368
Travel Transportation	175,460
Contractual Services	427,325
Supplies and Materials	208,722
Other	<u>180</u>
<i>Total Operating Cash Disbursements</i>	<u>1,166,055</u>
<i>Operating Income</i>	<u>541,999</u>
Non-Operating Receipts (Disbursements)	
Intergovernmental	466
Earnings on Investments (proprietary funds only)	6
Other Debt Proceeds	301,770
Miscellaneous Receipts	8,123
Capital Outlay	(961,485)
Principal Retirement	(256,061)
Interest and Other Fiscal Charges	<u>(148,895)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(1,056,076)</u>
<i>Income before Capital Contributions and Transfers</i>	(514,077)
Capital Contributions	407,459
Transfers In	42,375
Transfers Out	<u>(42,375)</u>
<i>Net Change in Fund Cash Balances</i>	(106,618)
<i>Fund Cash Balances, January 1</i>	<u>1,490,862</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 1,384,244</u></u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 - Reporting Entity

The Village of Carrollton, Carroll County, (the Village) as a body politic and corporate established to exercise rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities, maintenance of Village streets and alleys, park operations and police services. The Village supports a paid volunteer fire department through fire levies voted on by the Village residents.

Joint Venture

The Village participates in a joint venture. Note 12 to the financial statements provides additional information for this entity. The organization is:

Joint Venture:

The Village is involved with the landfill located a few miles outside of the Village.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund – This fund receives gasoline tax, motor vehicle tax money and a monthly fee from an exclusive trash contract for constructing, maintaining and repairing Village streets.

Fire Department Fund – This fund receives tax levy monies to support a paid volunteer fire department.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Sidewalk Repair Fund – This fund receives any grant/Village share funds for construction or repair of sidewalks.

VILLAGE OF CARROLLTON
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Park Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the greenery for the Village's Kiddieland and Square Parks.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover water service costs.

Sewer Fund – This fund receives charges for services from residents to cover sewer service costs.

Water Capital Projects Fund – This fund receives capital contributions from Carroll Energy Services for the construction of a new waterline within the Village. (See Note 13 for additional information regarding this capital contribution).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

VILLAGE OF CARROLLTON
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

The Village holds Certificates of Deposit with local banks. The interest from the Certificates of Deposit is posted at maturity. The Village also has an interest bearing checking account.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,727,660	1,979,840	252,180
Special Revenue	415,453	479,964	64,511
Permanent	40	30	(10)
Enterprise	2,054,639	2,468,253	413,614
Total	4,197,792	4,928,087	730,295

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,022,881	\$ 1,683,323	\$ 339,558
Special Revenue	636,326	440,407	195,919
Capital Projects	527	-	527
Permanent	1,040	372	668
Enterprise	3,042,315	2,674,397	367,918
Total	\$ 5,703,089	\$ 4,798,499	\$ 904,590

Note 4 – Deposits and Investments

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2017
Demand Deposits	\$ 2,825,208
Savings Account	66,016
Certificates of Deposit	15,000
Total deposits	2,908,241
MMAX Trade Account	1,319,497
Total investments	1,319,497
Total deposits and investments	\$ 4,227,738

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 4 – Deposits (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS).

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Commercial Insurance

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village obtained commercial insurance for the below risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Claims have not exceeded coverage in any of the past four years. There were no significant reductions in coverage from the prior year.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 6 - Risk Management (Continued)

Commercial Insurance (Continued)

Property coverage contracts protect against losses, subject to a deductible of \$1,000 on commercial, limited to an annual aggregate loss of \$2,000,000. Auto coverage carries a \$250 deductible for comprehensive and a \$500 deductible for collision with a liability limit of \$1,000,000 per each accident for bodily injury and property damage. Crime coverage has a deductible of \$500 per occurrence. Public Officials and Employees Liability Insurance through Scottsdale indemnity Company carries a liability limit of \$1,000,000 for each loss, and a \$1,000,000 aggregate for each "Policy Period", with a \$2,500 deductible for each loss. The Police Professional liability insurance with Darwin Select Insurance Company carries an annual aggregate limit of \$1,000,000 with a \$7,000 deductible amount for each and every claim.

Health Insurance

The Village provides 100% health insurance coverage for all full-time employees and their dependents, which elect to be enrolled in the Village's group healthcare insurance plan with Aultcare, who pays covered claims to service providers. The insurance coverage is an HSA plan with a \$1,500 deductible for single coverage and a \$3,000 deductible for family. The Village contributed \$750 for each single coverage employee and \$1,500 for each family coverage employee to their HSA account.

Life Insurance

The Village also provides life insurance to all full-time employees through Security Life and Health Insurance Company of America in the amount of \$15,000 for a monthly premium of \$4.80 per month for those under age 65.

Note 7 - Transfers

During 2017, the following transfers were made from the Sewer Fund to the Sewer Reserve Fund to meet debt covenant requirements in relation to their USDA loan and Sewer Maintenance Fund to build a reserve for future maintenance expense of the sewer system.

	Transfers - In	Transfers - Out
Sewer Fund	\$ -	\$ (42,375)
Sewer Reserve Fund	12,375	-
Sewer Maintenance Fund	30,000	-
	\$ 42,375	\$ (42,375)

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time and part-time employees that are not a full-time Police Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 8 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2017.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributed 1.0 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefit during calendar year 2017.

Note 10 - Debt

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan CT74M	\$ 337,333	0.00%
OPWC Loan CN26C	21,209	0.00%
OPWC Loan CT72M	375,000	0.00%
OPWC Loan CT34L	362,500	0.00%
OWDA Loan 5127	729,540	1.50%
OWDA Loan 6177	96,201	2.00%
OWDA Loan 6209	48,670	2.82%
OWDA Loan 6476	2,648,720	2.00%
OWDA Loan 6477	133,539	2.00%
OWDA Loan 6962	269,894	2.75%
OWDA Loan 7332	112,056	2.33%
USDA Bonds	3,031,800	2.13%
Vacuum Truck	301,770	2.84%
Total	<u>\$ 8,468,232</u>	

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 10 – Debt (Continued)

The Ohio Public Works Commission (OPWC) CT74M Loan relates to the storm sewer improvement project for replacement of storm sewer lines in various areas of the Village. The project was started in 2009 and completed in 2010 with final payment to engineers and contractor in early January of 2011. This loan was issued March 13, 2009 in the amount of \$440,000 for 30 years at 0% interest and will be re-paid in semi-annual installments of \$7,333 over 30 years, payable on January 1 and July 1 of each year with final payment due January 1, 2041. This loan is secured by special storm water user fees. The Village has agreed to set user fees sufficient to cover the OPWC debt service requirements. Payments are made from the Storm Sewer Fund.

The Ohio Public Works Commission (OPWC) Loan CN26C relates to construction of waterline improvements – Phase III for waterline replacement on various streets in the Village. The loan was issued on January 11, 2000 in the amount of \$212,093 at 0% interest for 20 years. The loan will be repaid in semi-annual installments of \$5,302 payable on January 1 and July 1 of each year with final payment due January 1, 2020. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Water Fund.

The Ohio Public Works Commission (OPWC) Loan CT72M relates to installation of new water tanks and meter upgrades for users of Village water. The loan was issued March 6, 2009 in the amount of \$500,000 at 0% interest for 30 years. The loan will be repaid in semi-annual installments of \$8,333 over 30 years, payable January 1 and July 1 of each year with final payment due January 1, 2040. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Water Fund.

The Ohio Public Works Commission Loan #CT34L relates to the construction of the wastewater treatment plant project for the Village. The loan was issued in the amount of \$500,000 at 0% interest. The loan is for a term of 20 years and payable January 1 and July 1 of each year in the amount of \$12,500, with final payment due July 1, 2032. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #5127 relates to the water system improvements for replacement of water tanks and water meters. The loan was issued June 25, 2009 at the rate of 1.5% interest for 30 years with a maturity date of January 1, 2040. The loan will be re-paid in semi-annual installments in an amount invoiced by OWDA, payable January 1 and July 1 of each year. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6177 relates to a waterline replacement project on Second Street NW in the Village. The loan was issued April 26, 2012 in the original amount of \$118,877. The term of the loan is 30 years at 2% interest, with payments due January 1 and July 1 of each year beginning July 1, 2013 and final payment due January 1, 2043. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6209 relates to the Lincoln Avenue waterline replacement project in the Village. The loan was issued June 28, 2012 in the original amount of \$100,400 for 10 years at 2.82% interest, with payments due January 1 and July 1 of each year with a maturity date of July 1, 2022. Final payment is due July 1, 2022. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan #6476 relates to the design and construction of the new water treatment plant project. The loan was issued June 27, 2013 in the original amount of \$2,835,727 for a period of 30 years at 2.00% interest with payments due July 1 and January of each year beginning 7/1/2014. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6477 relates to a waterline replacement project on Brenner Road. The loan was issued June 27, 2013 in the original amount of \$149,960.94 for a period of 30 years at 2.00% interest with payments due January and July of each year, beginning July 1, 2014 with a maturity date of January 1, 2044. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Village financed the wastewater treatment plant through USDA, who issued bonds in the amount of \$3,310,000 along with a USDA Grant in the amount of \$2,660,000 for the project that was completed in 2013. The interest rate is 2.125% for a term of 40 years and will be repaid with sewer revenue. One payment of principal and interest will be made once a year until paid in full. There is also a Sewer Reserve Fund set up for which the Sewer Department sets aside \$1,031.24 per month until the fund reaches a balance of \$123,748 known as the "Minimum Reserve". The Village has agreed to set utility rates sufficient to cover the USDA debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #6962 relates to the Bacon Pump Station and Sewerline Replacement. The loan was issued in the amount of \$299,615 at 2.75% interest. The loan is for a term of 20 years and payable January 1 and July 1 of each year in an amount invoiced by OWDA, with final payment due July 1, 2035. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #7332 relates to the removal and replacement of membrane filters at the WWTP. The loan was issued June 30, 2016 and the project is still under construction. The loan was issued in the amount of \$181,568 at 2.33% interest. The loan is for a term of 10 years and payable January 1 and July 1 of each year in an amount invoiced by OWDA, with final payment due January 1, 2027. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Sewer Fund. As of the date of the report, an amortization schedule is not currently available for this loan.

The Village entered into a lease agreement with Leaf on a new Canon IR C5540i copy machine on June 28, 2017. The purchase price of the machine was \$7,876. Payments are \$144.37 for 63 months.

The Ohio Public Works Commission (OPWC) Loan CN27U relates to the replacement of an existing culvert and storm sewer to alleviate flooding at the intersection of State Route 43 and Bacon Road, The loan was issued on July 1, 2017 in the amount of \$96,083 at 0% interest for 30 years. The loan will be repaid in semi-annual installments yet to be determined by OPWC and payable on January 1 and July 1 of each year with final payment due January 1, 2048. Payments are scheduled to be made from the Storm Sewer Fund.

The Village entered into an agreement with Kansas State Bank on October 1, 2017 to finance the purchase of a combination sewer cleaner mounted on a Freightliner Chassis (vacuum truck) in the amount of \$301,770 with an interest rate of 2.84%. Annual payments of \$80,874 will be made through October 1, 2021. The first payment is scheduled to be made in fiscal year 2018.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 10 – Debt (Continued)

Amortization of the Village's debt principal and interest is scheduled as follows:

Year ending December 31:	OPWC	OPWC	OPWC	OPWC		
	CT74M	CN26C	CT72M	CT34L		
2018	\$ 14,666	\$ 10,604	\$ 16,666	\$ 25,000		
2019	14,666	10,605	16,666	25,000		
2020	14,666		16,666	25,000		
2021	14,666	-	16,666	25,000		
2022	14,666	-	16,666	25,000		
2023-2027	73,330	-	83,330	125,000		
2028-2032	73,330	-	83,330	112,500		
2033-2037	73,330	-	83,330	-		
2038-2042	44,013	-	41,680	-		
Total	<u>\$ 337,333</u>	<u>\$ 21,209</u>	<u>\$ 375,000</u>	<u>\$ 362,500</u>		

Year ending December 31:	OWDA	OWDA	OWDA	OWDA	OWDA	OWDA
	5127	6177	6209	6476	6477	6962
2018	\$ 39,056	\$ 4,908	\$ 11,592	\$ 127,438	\$ 6,612	\$ 19,534
2019	39,056	4,908	11,592	127,438	6,612	19,534
2020	39,056	4,908	11,592	127,438	6,612	19,534
2021	39,056	4,908	11,592	127,438	6,612	19,534
2022	39,056	4,908	11,592	127,438	6,612	19,534
2023-2027	195,280	24,540	-	637,190	33,060	97,670
2028-2032	195,280	24,540	-	637,190	33,060	97,670
2033-2037	195,280	24,540	-	637,190	33,060	58,602
2038-2042	97,639	24,540	-	637,190	33,060	-
2043-2047	-	2,454	-	318,595	9,918	-
Total	<u>\$ 878,759</u>	<u>\$ 125,154</u>	<u>\$ 57,960</u>	<u>\$ 3,504,545</u>	<u>\$ 175,218</u>	<u>\$ 351,612</u>

Year ending December 31:	Kansas	
	USDA Bonds	State Bank
2018	\$ 123,726	\$ 80,874
2019	123,666	80,874
2020	123,626	80,874
2021	123,680	80,874
2022	123,626	-
2023-2027	618,300	-
2028-2032	618,342	-
2033-2037	618,356	-
2038-2042	618,385	-
2043-2047	618,306	-
2048-2052	618,347	-
Total	<u>\$ 4,328,360</u>	<u>\$ 323,496</u>

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 11 – Contingent Liabilities

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

The Village is a defendant in a lawsuit filed by Christopher and Brittany Tangler alleging negligence in the maintenance or operation of a sewer line, seeking damages in excess of \$25,000.

Note 12 – Joint Venture

The Village landfill was deeded over to the Carroll County Commissioners during 1989 and was closed in 1993. State and Federal laws and regulations require that Carroll County perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The Village may potentially share in the estimated liability for closure. Carroll County has been in negotiations with the Ohio EPA regarding the landfill closure issues and no costs have yet been determined for which the Village may be liable. The Village is assuming no liability and a lawsuit was filed against the Carroll County Commissioners by the Ohio EPA, but the Village was not named a party to the lawsuit.

The Village has taken steps to generate and stockpile funds for any portion of the Village's expenses including legal fees by establishing a special revenue account entitled "Landfill Closure Fund". Revenue is generated by the Village's exclusive trash contract, which was negotiated and renewed at the rate of \$3,170 per month from the trash hauler. Of this monthly amount \$670 is allocated to the Landfill Closure Fund and the other \$2,500 is allocated to the Street Maintenance Fund for maintenance of streets. The Landfill Closure Fund has a balance of \$211,705 as of December 31, 2017.

Note 13 – Capital Contributions

The Village is currently in the process of a water project that will be paid in full by Carroll County Energy and should be completed very soon. They received \$407,459 out of the approximately \$3,047,000 in funding for the project and expensed \$165,349 for the project in 2017. The Village does not anticipate to utilize any of their funds for the project, however will own a portion of the waterlines after completion.

Note 14 – Subsequent Events

On July 1, 2017 the Village signed a Project Grant/Loan Agreement with the Ohio Public Works Commission (OPWC) for the State Route 43 Drainage Improvement Project. The total estimate of the project is not to exceed \$278,500. Of this amount, \$32,417 is the responsibility of the Village, \$150,000 is estimated to be provided by grants through OPWC and \$96,083 is estimated to be generated through a loan through OPWC. This project is expected to begin and complete during fiscal year 2018.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$ 264,340	\$ 112,329	\$ -	\$ -	\$ 376,669
Municipal Income Tax	1,094,048	-	-	-	1,094,048
Intergovernmental	88,675	167,901	-	-	256,576
Special Assessments	-	42,049	-	-	42,049
Charges for Services	8,882	25,000	-	-	33,882
Fines, Licenses and Permits	65,043	9,972	-	-	75,015
Earnings on Investments	5,190	252	-	30	5,472
Miscellaneous	197,530	68,537	-	-	266,067
<i>Total Cash Receipts</i>	<u>1,723,708</u>	<u>426,040</u>	<u>-</u>	<u>30</u>	<u>2,149,778</u>
Cash Disbursements					
Current:					
Security of Persons and Property	636,876	114,953	-	-	751,829
Public Health Services	23,891	-	-	-	23,891
Leisure Time Activities	43,615	-	-	550	44,165
Community Environment	5,856	50,761	-	-	56,617
Basic Utility Services	-	67	-	-	67
Transportation	309,019	151,428	-	-	460,447
General Government	398,687	-	-	-	398,687
Capital Outlay	142,208	42,714	-	-	184,922
Debt Service:					
Principal Retirement	701	14,667	-	-	15,368
Interest and Fiscal Charges	7	-	-	-	7
<i>Total Cash Disbursements</i>	<u>1,560,860</u>	<u>374,590</u>	<u>-</u>	<u>550</u>	<u>1,936,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>162,848</u>	<u>51,450</u>	<u>-</u>	<u>(520)</u>	<u>213,778</u>
Other Financing Receipts					
Sale of Capital Assets	200	-	-	-	200
<i>Total Other Financing Receipts</i>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<i>Net Change in Fund Cash Balances</i>	163,048	51,450	-	(520)	213,978
<i>Fund Cash Balances, January 1</i>	<u>1,589,390</u>	<u>510,964</u>	<u>527</u>	<u>17,971</u>	<u>2,118,852</u>
Fund Cash Balances, December 31					
Nonspendable	-	-	-	15,000	15,000
Restricted	-	562,414	527	2,451	565,392
Assigned	546,277	-	-	-	546,277
Unassigned	1,206,161	-	-	-	1,206,161
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,752,438</u>	<u>\$ 562,414</u>	<u>\$ 527</u>	<u>\$ 17,451</u>	<u>\$ 2,332,830</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$ 1,681,549
<i>Total Operating Cash Receipts</i>	<u>1,681,549</u>
Operating Cash Disbursements	
Personal Services	365,990
Travel Transportation	156,794
Contractual Services	505,113
Supplies and Materials	233,461
Other	196
<i>Total Operating Cash Disbursements</i>	<u>1,261,554</u>
<i>Operating Income</i>	<u>419,995</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	5
Other Debt Proceeds	286,913
Miscellaneous Receipts	8,859
Capital Outlay	(2,424,196)
Principal Retirement	(244,756)
Interest and Other Fiscal Charges	(151,081)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(2,524,256)</u>
<i>Income before Transfers</i>	(2,104,261)
Capital Contributions	8,940
Transfers In	42,375
Transfers Out	(42,375)
<i>Net Change in Fund Cash Balances</i>	(2,095,321)
<i>Fund Cash Balances, January 1</i>	<u>3,586,183</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,490,862</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1 - Reporting Entity

The Village of Carrollton, Carroll County, (the Village) as a body politic and corporate established to exercise rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides general government services, water and sewer utilities, maintenance of Village streets and alleys, park operations and police services. The Village supports a paid volunteer fire department through fire levies voted on by the Village residents.

Joint Venture

The Village participates in a joint venture. Note 12 to the financial statements provides additional information for this entity. The organization is:

Joint Venture:

The Village is involved with the landfill located a few miles outside of the Village.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance, and Repair Fund – This fund receives gasoline tax, motor vehicle tax money and a monthly fee from an exclusive trash contract for constructing, maintaining and repairing Village streets.

Fire Department Fund – This fund receives tax levy monies to support a paid volunteer fire department.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Sidewalk Repair Fund – This fund receives any grant/Village share funds for construction or repair of sidewalks.

VILLAGE OF CARROLLTON
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Permanent Funds These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant Permanent Fund:

Park Endowment Fund – This fund receives interest earned on the nonexpendable corpus from a trust agreement. These earnings are used for the greenery for the Village's Kiddieland and Square Parks.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund – This fund receives charges for services from residents to cover water service costs.

Sewer Fund – This fund receives charges for services from residents to cover sewer service costs.

Water Capital Projects Fund – This fund receives capital contributions from Carroll Energy Services for the construction of a new waterline within the Village. (See Note 13 for additional information regarding this capital contribution).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

VILLAGE OF CARROLLTON
CARROLL COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

Deposits and Investments

The Village holds Certificates of Deposit with local banks. The interest from the Certificates of Deposit is posted at maturity. The Village also has an interest bearing checking account.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	1,492,680	1,723,908	231,228
Special Revenue	338,400	426,040	87,640
Permanent	40	30	(10)
Enterprise	2,225,131	2,028,641	(196,490)
Total	<u>4,056,251</u>	<u>4,178,619</u>	<u>122,368</u>

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,949,209	\$ 1,572,517	\$ 376,692
Special Revenue	502,345	393,698	108,647
Capital Projects	527	-	527
Permanent	1,040	550	490
Enterprise	4,464,468	4,174,812	289,656
Total	<u>\$ 6,917,589</u>	<u>\$ 6,141,577</u>	<u>\$ 776,012</u>

Note 4 – Deposits and Investments

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2016
Demand Deposits	\$ 2,445,034
Savings Account	53,636
Certificates of Deposit	15,000
Total deposits	<u>2,515,686</u>
MMAX Trade Account	1,308,006
Total investments	<u>1,308,006</u>
Total deposits and investments	<u>\$ 3,823,692</u>

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 4 – Deposits (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 - Risk Management

Commercial Insurance

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village obtained commercial insurance for the below risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Claims have not exceeded coverage in any of the past four years. There were no significant reductions in coverage from the prior year.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 6 - Risk Management (Continued)

Commercial Insurance (Continued)

Property coverage contracts protect against losses, subject to a deductible of \$1,000 on commercial, limited to an annual aggregate loss of \$2,000,000. Auto coverage carries a \$250 deductible for comprehensive and a \$500 deductible for collision with a liability limit of \$1,000,000 per each accident for bodily injury and property damage. Crime coverage has a deductible of \$500 per occurrence. Public Officials and Employees Liability Insurance through Scottsdale indemnity Company carries a liability limit of \$1,000,000 for each loss, and a \$1,000,000 aggregate for each "Policy Period", with a \$2,500 deductible for each loss. The Police Professional liability insurance with Darwin Select Insurance Company carries an annual aggregate limit of \$1,000,000 with a \$7,000 deductible amount for each and every claim.

Health Insurance

The Village provides 100% health insurance coverage for all full-time employees and their dependents, which elect to be enrolled in the Village's group healthcare insurance plan with Aultcare, who pays covered claims to service providers. The insurance coverage is an HSA plan with a \$1,500 deductible for single coverage and a \$3,000 deductible for family. The Village contributed \$750 for each single coverage employee and \$1,500 for each family coverage employee to their HSA account.

Life Insurance

The Village also provides life insurance to all full-time employees through Security Life and Health Insurance Company of America in the amount of \$15,000 for a monthly premium of \$4.80 per month for those under age 65.

Note 7 - Transfers

During 2016, the following transfers were made from the Sewer Fund to the Sewer Reserve Fund to meet debt covenant requirements in relation to their USDA loan and Sewer Maintenance Fund to build a reserve for future maintenance expense of the sewer system.

	Transfers - In	Transfers - Out
Sewer Fund	\$ -	\$ (42,375)
Sewer Reserve Fund	12,375	-
Sewer Maintenance Fund	30,000	-
	\$ 42,375	\$ (42,375)

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time and part-time employees that are not a full-time Police Officer belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 8 - Defined Benefit Pension Plans (Continued)

Ohio Public Employees Retirement System (Continued)

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2016.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2016.

Note 9 - Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 10 - Debt

Debt outstanding at December 31, 2016 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Loan CT74M	\$ 352,000	0.00%
OPWC Loan CN26C	31,814	0.00%
OPWC Loan CT72M	391,667	0.00%
OPWC Loan CT34L	387,500	0.00%
OWDA Loan 5127	757,340	1.50%
OWDA Loan 6177	99,142	2.00%
OWDA Loan 6209	58,677	2.82%
OWDA Loan 6476	2,721,536	2.00%
OWDA Loan 6477	137,421	2.00%
OWDA Loan 6962	281,724	2.75%
OWDA Loan 7332	128,569	2.33%
USDA Bonds	3,089,800	2.13%
Total	<u>\$ 8,437,190</u>	

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 10 – Debt (Continued)

The Ohio Public Works Commission (OPWC) CT74M Loan relates to the storm sewer improvement project for replacement of storm sewer lines in various areas of the Village. The project was started in 2009 and completed in 2010 with final payment to engineers and contractor in early January of 2011. This loan was issued March 13, 2009 in the amount of \$440,000 for 30 years at 0% interest and will be re-paid in semi-annual installments of \$7,333 over 30 years, payable on January 1 and July 1 of each year with final payment due January 1, 2041. This loan is secured by special storm water user fees. The Village has agreed to set user fees sufficient to cover the OPWC debt service requirements. Payments are made from the Storm Sewer Fund.

The Ohio Public Works Commission (OPWC) Loan CN26C relates to construction of waterline improvements – Phase III for waterline replacement on various streets in the Village. The loan was issued on January 11, 2000 in the amount of \$212,093 at 0% interest for 20 years. The loan will be repaid in semi-annual installments of \$5,302 payable on January 1 and July 1 of each year with final payment due January 1, 2020. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Water Fund.

The Ohio Public Works Commission (OPWC) Loan CT72M relates to installation of new water tanks and meter upgrades for users of Village water. The loan was issued March 6, 2009 in the amount of \$500,000 at 0% interest for 30 years. The loan will be repaid in semi-annual installments of \$8,333 over 30 years, payable January 1 and July 1 of each year with final payment due January 1, 2040. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Water Fund.

The Ohio Public Works Commission Loan #CT34L relates to the construction of the wastewater treatment plant project for the Village. The loan was issued in the amount of \$500,000 at 0% interest. The loan is for a term of 20 years and payable January 1 and July 1 of each year in the amount of \$12,500, with final payment due July 1, 2032. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #5127 relates to the water system improvements for replacement of water tanks and water meters. The loan was issued June 25, 2009 at the rate of 1.5% interest for 30 years with a maturity date of January 1, 2040. The loan will be re-paid in semi-annual installments in an amount invoiced by OWDA, payable January 1 and July 1 of each year. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6177 relates to a waterline replacement project on Second Street NW in the Village. The loan was issued April 26, 2012 in the original amount of \$118,877. The term of the loan is 30 years at 2% interest, with payments due January 1 and July 1 of each year beginning July 1, 2013 and final payment due January 1, 2043. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6209 relates to the Lincoln Avenue waterline replacement project in the Village. The loan was issued June 28, 2012 in the original amount of \$100,400 for 10 years at 2.82% interest, with payments due January 1 and July 1 of each year with a maturity date of July 1, 2022. Final payment is due July 1, 2022. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 10 – Debt (Continued)

The Ohio Water Development Authority (OWDA) Loan #6476 relates to the design and construction of the new water treatment plant project. The loan was issued June 27, 2013 in the original amount of \$2,835,727 for a period of 30 years at 2.00% interest with payments due July 1 and January of each year beginning 7/1/2014. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Ohio Water Development Authority (OWDA) Loan #6477 relates to a waterline replacement project on Brenner Road. The loan was issued June 27, 2013 in the original amount of \$149,960.94 for a period of 30 years at 2.00% interest with payments due January and July of each year, beginning July 1, 2014 with a maturity date of January 1, 2044. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Water Fund.

The Village financed the wastewater treatment plant through USDA, who issued bonds in the amount of \$3,310,000 along with a USDA Grant in the amount of \$2,660,000 for the project that was completed in 2013. The interest rate is 2.125% for a term of 40 years and will be repaid with sewer revenue. One payment of principal and interest will be made once a year until paid in full. There is also a Sewer Reserve Fund set up for which the Sewer Department sets aside \$1,031.24 per month until the fund reaches a balance of \$123,748 known as the "Minimum Reserve". The Village has agreed to set utility rates sufficient to cover the USDA debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #6962 relates to the Bacon Pump Station and Sewerline Replacement. The loan was issued in the amount of \$299,615 at 2.75% interest. The loan is for a term of 20 years and payable January 1 and July 1 of each year in an amount invoiced by OWDA, with final payment due July 1, 2035. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Sewer Fund.

The Ohio Water Development Authority (OWDA) Loan #7332 relates to the removal and replacement of membrane filters at the WWTP. The loan was issued June 30, 2016 and the project is still under construction. The loan was issued in the amount of \$181,568 at 2.33% interest. The loan is for a term of 10 years and payable January 1 and July 1 of each year in an amount invoiced by OWDA, with final payment due January 1, 2027. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. Payments are made from the Sewer Fund. As of the date of the report, an amortization schedule is not currently available for this loan.

The Village disbursed \$2,124 to pay lease costs on the Sharp MX-3110 Color Copier with paper stand through Dollar Bank Leasing, Corp. of which \$1,678 was applied to principal and \$446 was applied to interest. This lease was entered into on April 29, 2011 for the total cost of equipment being \$9,131 with a 60 month lease, expiring in April 2016. Monthly lease payments on the Sharp copier are made to Dollar Leasing Corp. in the amount of \$177 per month, which includes principal and interest. Payments are made from the General Fund. The lease was paid in full during 2016.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 10 – Debt (Continued)

Amortization of the Village's debt principal and interest is scheduled as follows:

Year ending December 31:	OPWC <u>CT74M</u>	OPWC <u>CN26C</u>	OPWC <u>CT72M</u>	OPWC <u>CT34L</u>		
2017	\$ 14,666	\$ 10,604	\$ 16,666	\$ 25,000		
2018	14,666	10,605	16,666	25,000		
2019	14,666	10,605	16,666	25,000		
2020	14,666	-	16,666	25,000		
2021	14,666	-	16,666	25,000		
2022-2026	73,330	-	83,330	125,000		
2027-2031	73,330	-	83,330	125,000		
2032-2036	73,330	-	83,330	12,500		
2037-2041	58,680	-	58,347	-		
Total	<u>\$ 352,000</u>	<u>\$ 31,814</u>	<u>\$ 391,667</u>	<u>\$ 387,500</u>		

Year ending December 31:	OWDA <u>5127</u>	OWDA <u>6177</u>	OWDA <u>6209</u>	OWDA <u>6476</u>	OWDA <u>6477</u>	OWDA <u>6962</u>
2017	\$ 39,056	\$ 4,908	\$ 11,592	\$ 127,438	\$ 6,612	\$ 19,534
2018	39,056	4,908	11,592	127,438	6,612	19,534
2019	39,056	4,908	11,592	127,438	6,612	19,534
2020	39,056	4,908	11,592	127,438	6,612	19,534
2021	39,056	4,908	11,592	127,438	6,612	19,534
2022-2026	195,280	24,540	11,592	637,190	33,060	97,670
2027-2031	195,280	24,540	-	637,190	33,060	97,670
2032-2036	195,280	24,540	-	637,190	33,060	78,136
2037-2041	136,696	24,540	-	637,190	33,060	-
2042-2046	-	7,362	-	446,033	16,530	-
Total	<u>\$ 917,816</u>	<u>\$ 130,062</u>	<u>\$ 69,552</u>	<u>\$ 3,631,983</u>	<u>\$ 181,830</u>	<u>\$ 371,146</u>

Year ending December 31:	<u>USDA Bonds</u>
2017	\$ 123,658
2018	123,726
2019	123,666
2020	123,680
2021	123,667
2022-2026	618,345
2027-2031	618,276
2032-2036	618,373
2037-2041	618,277
2042-2046	618,386
2047-2051	618,331
2052	123,673
Total	<u>\$ 4,452,058</u>

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(Continued)**

Note 11 – Contingent Liabilities

The Village participates in several state assisted grants that are subject to financial and compliance audits by grantor agencies or their representatives. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. The Village believes that disallowed claims, if any, will not have a material adverse effect on the Village's financial condition.

The Village is a defendant in a lawsuit filed by Christopher and Brittany Tangler alleging negligence in the maintenance or operation of a sewer line, seeking damages in excess of \$25,000.

Note 12 – Joint Venture

The Village landfill was deeded over to the Carroll County Commissioners during 1989 and was closed in 1993. State and Federal laws and regulations require that Carroll County perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The Village may potentially share in the estimated liability for closure. Carroll County has been in negotiations with the Ohio EPA regarding the landfill closure issues and no costs have yet been determined for which the Village may be liable. The Village is assuming no liability and a lawsuit was filed against the Carroll County Commissioners by the Ohio EPA, but the Village was not named a party to the lawsuit.

The Village has taken steps to generate and stockpile funds for any portion of the Village's expenses including legal fees by establishing a special revenue account entitled "Landfill Closure Fund". Revenue is generated by the Village's exclusive trash contract, which was negotiated and renewed at the rate of \$3,170 per month from the trash hauler. Of this monthly amount \$670 is allocated to the Landfill Closure Fund and the other \$2,500 is allocated to the Street Maintenance Fund for maintenance of streets. The Landfill Closure Fund has a balance of \$226,515 as of December 31, 2016.

Note 13 – Capital Contributions

The Village is currently in the process of a water project that will be paid in full by Carroll County Energy and should be completed very soon. They received \$8,940 out of the approximately \$3,047,000 in funding for the project and expensed \$1,962,633 for the project in 2016. The Village does not anticipate to utilize any of their funds for the project, however will own a portion of the waterlines after completion.



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

August 10, 2018

Village of Carrollton
Carroll County
80 Second Street
Carrollton, Ohio 44615

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of the **Village of Carrollton**, Carroll County, (the Village) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated August 10, 2018, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal controls, described in the accompanying schedule of audit findings that we consider material weaknesses. We consider finding 2017-001 to be a material weakness.

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Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2017-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 10, 2018.

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

VILLAGE OF CARROLLTON
CARROLL COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

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

FINDING NUMBER 2017-001

Material Weakness

Financial Reporting

Accurate financial reporting is the responsibility of the Clerk-Treasurer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- A loan payment to OWDA was improperly posted to the Water Fund when it should have been posted to the Sewer Fund;
- Various receipts for Sale of Capital Assets were improperly classified as Miscellaneous in 2017;
- A donation to the fire department was improperly classified as Charges for Services in 2017;
- Loan proceeds were improperly classified as Intergovernmental receipts instead of Debt Proceeds in 2016;
- The Village did not properly disclose a new debt issuance in 2017 in the notes to the financial statements or record the debt proceeds and corresponding capital outlay expense;
- A payment for contracted fire services was improperly classified as Miscellaneous instead of Charges for Services in 2016.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications and an adjustment. The financial statements reflect all reclassifications and adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Clerk-Treasurer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

Management's Response – Officials did not provide a response to this finding.

FINDING NUMBER 2017-002

Noncompliance

Ohio Revised Code Section 135.21 requires all interest earned on all investments to be placed in the General Fund, except as provided by law. Attorney General Opinion No. 82-031 requires that interest earned on moneys derived from fees, excises and taxes relating to the use, operation or registration of motor vehicles or to fuels for propelling such vehicles be credited to the special fund to which the principal belongs.

VILLAGE OF CARROLLTON
CARROLL COUNTY

SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2017-002 (Continued)

Noncompliance (Continued)

Ohio Revised Code Section 135.21 (Continued)

The Village did not allocate interest to the Street Fund as required and posted all interest to the General Fund. The financial statements have been adjusted by \$667 in 2017 and \$252 in 2016 to properly reflect Street Fund interest and the client has posted this adjustment to their accounting system.

We recommend the Village properly allocate interest to the General and Street Funds.

Management's Response – Officials did not provide a response to this finding.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Posting Receipts, Disbursements and Fund Balances	Not Corrected	Repeated as Finding 2017-001
2015-002	Ohio Rev. Code Section 5705.39	Fully Corrected	N/A
2015-003	Ohio Rev. Code Section 5705.41(B)	Fully Corrected	N/A

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Dave Yost • Auditor of State

VILLAGE OF CARROLLTON

CARROLL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 8, 2018