FINANCIAL CONDITION
CARROLL COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

CARROLL COUNTY
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REPORT OF INDEPENDENT ACCOUNTANT'S

Carroll County
Board of Commissioners
119 Public Square
Carrollton, Ohio 44615

We have audited the accompanying general-purpose financial statements of Carroll County, Ohio (the County) as of and for the year ended December 31, 1999 as listed in the table of contents. These general-purpose financial statements are the responsibility of Carroll County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of Carroll Hills Workshop Inc. which represents, 100 percent of the assets and revenues of the Component Unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Carroll Hills Workshop Inc., is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Carroll County, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and descretely presented component unit for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2000 on our consideration of Carroll County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was preformed for the purpose of forming an opinion on the general-purpose financial statements of the County, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Jim Petro
Auditor of State

June 19, 2000

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CARROLL COUNTY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups				
ASSETS AND OTHER DEBITS	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
ASSETS:												
Equity in pooled cash and cash equivalents	$575,786	$3,893,348	$46,035	$353,400	$140,670	$21,210	$1,072,816			$6,103,265		$6,103,265
Cash with fiscal and escrow agents	33,566				32,527		74,215			140,308	$95,534	235,842
Receivables (net of allowances of uncollectibles):												
Sales taxes	365,164									365,164		365,164
Real and other taxes	1,179,452	1,479,807								2,659,259		2,659,259
Accounts	27,686	16,977			28,189					72,852	12,992	85,844
Special assessments			997							997		997
Accrued interest	6,091	2,121		1,134	776					10,122		10,122
Interfund loan receivable	179,971									179,971		179,971
Due from other funds	12,051	26,331					5,218			43,600		43,600
Due from primary government											2,457	2,457
Due from other governments	43,273	180,917								224,190		224,190
Prepayments	51,636	4,861								56,497	1,357	57,854
Materials and supplies inventory	39,273	254,840			521					294,634		294,634
Loans receivable		188,302								188,302		188,302
Restricted assets:												
Equity in pooled cash and cash equivalents					28,970					28,970		28,970
Property, plant and equipment (net of accumulated depreciation where applicable)					3,404,070			$19,392,202		22,796,272	313,917	23,110,189
OTHER DEBITS:												
Amount available in debt service fund									$46,035	46,035		46,035
Amount to be provided from general government resources									1,302,803	1,302,803		1,302,803
Total assets and other debits	$2,513,949	$6,047,504	$47,032	$354,534	$3,635,723	$21,210	$1,152,249	$19,392,202	$1,348,838	$34,513,241	$426,257	$34,939,498

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CARROLL COUNTY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT
(CONTINUED)
DECEMBER 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups				
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
LIABILITIES, EQUITY AND OTHER CREDITS												
LIABILITIES:												
Accounts payable	$109,671	$295,039		$484	$4,408					$409,602	$2,110	$411,712
Accrued wages and benefits	48,162	170,001			5,901					224,064	830	224,894
Compensated absences payable	6,102	20,345			5,149				$589,724	621,320		621,320
Other accrued expenses				3,030						3,030		3,030
Interfund loan payable		45,711			134,260					179,971		179,971
Due to other funds	14,705	15,604			6,741		$6,550			43,600		43,600
Due to other governments	88,314	219,787			6,378		257,154			571,633		571,633
Due to component units		2,151								2,151		2,151
Deposits held and due to others							831,737			831,737		831,737
Amount to be repaid to claimants							28,403			28,403		28,403
Deferred revenue	1,179,452	1,517,561	$997							2,698,010	1,350	2,699,360
Accrued interest payable				1,339	1,512					2,851		2,851
Claims payable						$87,122				87,122		87,122
Revenue bond payable					338,000					338,000		338,000
Notes payable				50,000					23,480	73,480	71,151	144,631
OPWC loans payable									43,951	43,951		43,951
Special assessment bonds with governmental commitment					25,000				70,000	95,000		95,000
General obligation bonds payable									561,000	561,000		561,000
Obligation under capital lease									60,683	60,683		60,683
Estimated accrued liability for landfill closure and post-closure costs					3,535,500					3,535,500		3,535,500
Total liabilities	1,446,406	2,286,199	997	54,853	4,062,849	87,122	1,123,844		1,348,838	10,411,108	75,441	10,486,549
EQUITY AND OTHER CREDITS:												
Investment in general fixed assets								$19,392,202		19,392,202		19,392,202
Contributed capital					4,371,724					4,371,724		4,371,724
Retained earnings:												
Reserved					28,970					28,970		28,970
Unreserved (accumulated deficit)					(4,827,820)	(65,912)				(4,893,732)	350,816	(4,542,916)
Fund balances:												
Reserved for encumbrances	320,106	558,902		225,585						1,104,593		1,104,593
Reserved for materials and supplies inventory	39,273	254,840								294,113		294,113
Reserved for prepayments	51,636	4,861								56,497		56,497
Reserved for debt service			$46,035							46,035		46,035
Reserved for loans		188,302								188,302		188,302
Unreserved,undesignated	656,528	2,754,400		74,096			28,405			3,513,429		3,513,429
Total equity and other credits	1,067,543	3,761,305	46,035	299,681	(427,126)	(65,912)	28,405	19,392,202		24,102,133	350,816	24,452,949
Total liabilities, equity and other credits	$2,513,949	$6,047,504	$47,032	$354,534	$3,635,723	$21,210	$1,152,249	$19,392,202	$1,348,838	$34,513,241	$426,257	$34,939,498

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CARROLL COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Total Primary Government (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Property taxes	$1,125,200	$1,474,335				$2,599,535
Sales taxes	1,486,350					1,486,350
Charges for services	807,110	1,110,696				1,917,806
Licenses and permits	4,174					4,174
Fines and forfeitures	67,062	90,569				157,631
Intergovernmental	636,893	7,412,668		$33,260		8,082,821
Special assessments			$21,062			21,062
Investment income	347,195	31,427		17,504		396,126
Rental income	39,545		42,263			81,808
Other	285,056	197,731	57,187	2,238	$3,398	545,610
Total revenue	4,798,585	10,317,426	120,512	53,002	3,398	15,292,923
Expenditures:						
Current:						
General government:						
Legislative and executive	1,751,833	290,813				2,042,646
Judicial	543,509	115,432				658,941
Public safety	1,396,955	338,294				1,735,249
Public works	194,969	3,083,440				3,278,409
Health	34,151	2,521,769				2,555,920
Human services	90,808	3,593,946				3,684,754
Economic development	26,000	216,469				242,469
Urban housing and redevelopment		312,161				312,161
Other	327,045	234,622				561,667
Capital outlay	45,158			62,045		107,203
Debt service:						
Principal retirement	54,112	1,660	78,753			134,525
Interest and fiscal charges	5,069	416	30,667	2,731		38,883
Total expenditures	4,469,609	10,709,022	109,420	64,776		15,352,827
Excess (deficiency) of revenues over (under) expenditures	328,976	(391,596)	11,092	(11,774)	3,398	(59,904)
Other financing sources (uses):						
Proceeds from sale of fixed assets	3,138					3,138
Operating transfers in	40,000	275,302				315,302
Operating transfers out	(122,042)	(193,260)				(315,302)
Other financing sources		223,292		12,609		235,901
Other financing uses	(219,141)					(219,141)
Proceeds from capital lease	45,158					45,158
Total other financing sources (uses)	(252,887)	305,334		12,609		65,056
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	76,089	(86,262)	11,092	835	3,398	5,152
Fund balances, January 1 (restated)	1,001,784	3,845,170	34,943	298,846	25,007	5,205,750
Increase (decrease) in reserve for inventory	(10,330)	2,397				(7,933)
Fund balances, December 31	$1,067,543	$3,761,305	$46,035	$299,681	$28,405	$5,202,969

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THE STATEMENT

CARROLL COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum Only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:															
Property taxes	$1,099,246	$1,125,200	$25,954	$1,456,966	$1,474,335	$17,369							$2,556,212	$2,599,535	$43,323
Sales taxes	1,307,030	1,337,889	30,859										1,307,030	1,337,889	30,859
Charges for services	756,712	774,578	17,866	1,040,398	1,106,559	66,161							1,797,110	1,881,137	84,027
Licenses and permits	4,078	4,174	96										4,078	4,174	96
Fines and forfeitures	65,515	67,062	1,547	88,296	91,828	3,532							153,811	158,890	5,079
Intergovernmental	678,343	694,359	16,016	7,255,767	7,390,080	134,313				$696,488	$33,260	($663,228)	8,630,598	8,117,699	(512,899)
Special assessments							$21,062	$21,062	$0				21,062	21,062	0
Investment income	343,551	351,662	8,111	97,662	91,709	(5,953)				14,160	16,734	2,574	455,373	460,105	4,732
Rental income	38,633	39,545	912				36,000	42,263	6,263				74,633	81,808	7,175
Other	240,950	246,639	5,689	179,381	181,990	2,609	57,188	57,187	(1)	1,890	2,238	348	479,409	488,054	8,645
Total revenues	4,534,058	4,641,108	107,050	10,118,470	10,336,501	218,031	114,250	120,512	6,262	712,538	52,232	(660,306)	15,479,316	15,150,353	(328,963)
Expenditures:															
Current:															
General government:															
Legislative and executive	1,990,846	1,975,340	15,506	608,853	549,679	59,174							2,599,699	2,525,019	74,680
Judicial	575,476	562,273	13,203	223,200	136,892	86,308							798,676	699,165	99,511
Public safety	1,611,907	1,593,638	18,269	445,169	356,778	88,391							2,057,076	1,950,416	106,660
Public works	259,980	199,648	60,332	3,521,694	3,265,744	255,950							3,781,674	3,465,392	316,282
Health	34,350	34,309	41	2,568,383	2,533,534	34,849							2,602,733	2,567,843	34,890
Human services	102,464	95,123	7,341	3,973,081	3,705,065	268,016							4,075,545	3,800,188	275,357
Economic development and assistance	26,000	26,000	0	410,921	237,648	173,273							436,921	263,648	173,273
Urban redevelopment and housing				418,592	378,929	39,663							418,592	378,929	39,663
Other	324,000	318,251	5,749	250,309	248,082	2,227	2,500	0	2,500				576,809	566,333	10,476
Capital outlay										895,361	301,719	593,642	895,361	301,719	593,642
Debt service:															
Principal retirement							88,754	88,753	1				88,754	88,753	1
Interest and fiscal charges							45,357	45,063	294				45,357	45,063	294
Total expenditures	4,925,023	4,804,582	120,441	12,420,202	11,412,351	1,007,851	136,611	133,816	2,795	895,361	301,719	593,642	18,377,197	16,652,468	1,724,729
Excess (deficiency) of revenues over (under) expenditures	(390,965)	(163,474)	227,491	(2,301,732)	(1,075,850)	1,225,882	(22,361)	(13,304)	9,057	(182,823)	(249,487)	(66,664)	(2,897,881)	(1,502,115)	1,395,766
Other financing sources (uses):															
Proceeds from sale of fixed assets	$3,066	3,138	72										3,066	3,138	72
Advances in and not repaid	101,799	104,203	2,404	43,424	50,711	7,287							145,223	154,914	9,691
Advances (out) and not repaid	(180,000)	(179,971)	29	(109,203)	(109,203)	0							(289,203)	(289,174)	29
Operating transfers in	39,077	40,000	923	318,040	314,590	(3,450)							357,117	354,590	(2,527)
Operating transfers (out)	(127,933)	(122,042)	5,891	(269,288)	(232,548)	36,740				(1,000)	0	1,000	(398,221)	(354,590)	43,631
Other financing sources				218,637	223,292	4,655	12,609	12,609	0				231,246	235,901	4,655
Other financing uses	(233,206)	(232,204)	1,002										(233,206)	(232,204)	1,002
Total other financing sources (uses)	(397,197)	(386,876)	10,321	201,610	246,842	45,232	12,609	12,609	0	(1,000)	0	1,000	(183,978)	(127,425)	56,553
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(788,162)	(550,350)	237,812	(2,100,122)	(829,008)	1,271,114	(9,752)	(695)	9,057	(183,823)	(249,487)	(65,664)	(3,081,859)	(1,629,540)	1,452,319
Fund balances, January 1	191,469	191,469	0	3,189,617	3,189,617	0	46,730	46,730	0	325,144	325,144	0	3,752,960	3,752,960	0
Prior year encumbrances appropriated	497,003	497,003	0	660,737	660,737	0	0	0	0	51,674	51,674	0	1,209,414	1,209,414	0
Fund balances, December 31	($99,690)	$138,122	$237,812	$1,750,232	$3,021,346	$1,271,114	$36,978	$46,035	$9,057	$192,995	$127,331	($65,664)	$1,880,515	$3,332,834	$1,452,319

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CARROLL COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Types		Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
	Enterprise	Internal Service			
Operating revenues:					
Charges for services	$357,848	$1,183,412	$1,541,260	$119,819	$1,661,079
Other operating revenues	9,536	60,059	69,595	34,050	103,645
Total operating revenues	367,384	1,243,471	1,610,855	153,869	1,764,724
Operating expenses:					
Personal services	162,344		162,344	52,597	214,941
Contract services	311,296	131,900	443,196	32,980	476,176
Materials and supplies	29,881		29,881	37,316	67,197
Depreciation	124,582		124,582	33,789	158,371
Claims expense		1,138,813	1,138,813		1,138,813
Other operating expenses	35,544		35,544	14,250	49,794
Total operating expenses	663,647	1,270,713	1,934,360	170,932	2,105,292
Operating loss	(296,263)	(27,242)	(323,505)	(17,063)	(340,568)
Nonoperating revenues (expenses):					
Interest income	8,241		8,241	5,875	14,116
Intergovernmental	35,800		35,800	12,117	47,917
Interest and fiscal charges	(19,917)		(19,917)	(1,481)	(21,398)
Total nonoperating revenues (expenses)	24,124		24,124	16,511	40,635
Net income (loss)	(272,139)	(27,242)	(299,381)	(552)	(299,933)
Retained earnings (accumulated deficit) at January 1	(4,526,711)	(38,670)	(4,565,381)	351,368	(4,214,013)
Retained earnings (accumulated deficit) at December 31	(4,798,850)	(65,912)	(4,864,762)	350,816	(4,513,946)
Contributed capital at December 31	4,371,724		4,371,724		4,371,724
Total fund equity (deficit) at December 31	($427,126)	($65,912)	($493,038)	$350,816	($142,222)

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

CARROLL COUNTY, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Types		Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
	Enterprise	Internal Service			
Cash flows from operating activities:					
Cash received from sales/service charges	$352,784	$1,183,412	$1,536,196	$138,610	$1,674,806
Cash received from other operations	9,536	60,059	69,595	21,933	91,528
Cash payments for personal services	(160,311)		(160,311)	(51,808)	(212,119)
Cash payments for contract services	(327,219)	(134,400)	(461,619)	(30,870)	(492,489)
Cash payments materials and supplies	(27,963)		(27,963)	(26,680)	(54,643)
Cash payments for claims expenses		(1,111,383)	(1,111,383)		(1,111,383)
Cash payments for other expenses	(29,094)		(29,094)	(14,250)	(43,344)
Net cash provided by (used in) operating activities	(182,267)	(2,312)	(184,579)	36,935	(147,644)
Cash flows from noncapital financing activities:					
Cash received from interfund loans	354,727		354,727		354,727
Cash used in repayment of interfund loans	(220,467)		(220,467)		(220,467)
Cash received from operating grants	44,200		44,200	12,117	56,317
Net cash provided by noncapital financing activities	178,460		178,460	12,117	190,577
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,035)		(2,035)	(189,081)	(191,116)
Proceeds from notes payable				73,000	73,000
Principal retirement	(40,000)		(40,000)	(1,849)	(41,849)
Interest and fiscal charges	(20,084)		(20,084)	(1,481)	(21,565)
Net cash used in capital and related financing activities	(62,119)		(62,119)	(119,411)	(181,530)
Cash flows from investing activities:					
Interest received	7,876		7,876	5,875	13,751
Net cash provided by investing activities	7,876		7,876	5,875	13,751
Net decrease in cash and cash equivalents	(58,050)	(2,312)	(60,362)	(64,484)	(124,846)
Cash and cash equivalents at beginning of year	260,217	23,522	283,739	160,018	443,757
Cash and cash equivalents at end of year	$202,167	$21,210	$223,377	$95,534	$318,911
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	($296,263)	($27,242)	($323,505)	($17,063)	($340,568)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	124,582		124,582	33,789	158,371
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	(5,064)		(5,064)	18,667	13,603
Increase in materials and supplies inventory	(69)		(69)		(69)
Increase in prepayments				(1,357)	(1,357)
Increase (decrease) in accounts payable	(14,227)	(2,500)	(16,727)	2,110	(14,617)
Increase in accrued wages and benefits	1,161		1,161		1,161
Increase in compensated absences payable	1,368		1,368		1,368
Increase in claims payable		27,430	27,430		27,430
Increase in other accrued expenses				789	789
Increase in due to other funds	6,741		6,741		6,741
Decrease in due to other governments	(496)		(496)		(496)
Net cash provided by (used in) operating activities	($182,267)	($2,312)	($184,579)	$36,935	($147,644)

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

1. DESCRIPTION OF THE COUNTY

Carroll County, Ohio (County) was created in 1812. The County is governed by a Board of three commissioners elected by the voters of the County. The County Commissioners serve as the taxing authority, the contracting body, and the chief administrators of public services for the County. Other officials elected by the voters of the County that manage various segments of the County's operations are: the county auditor, county treasurer, recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, a common pleas court judge, a probate court judge, and a county municipal court judge.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the County's accounting policies are described below.

A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity." The GPFS include all funds, account groups, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's general purpose financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

Based on the foregoing criteria, the financial activities of the following PCUs have been reflected in the accompanying GPFS as follows:

BLENDED COMPONENT UNITS

Emergency Management Agency (EMA) - The financial activities of the EMA will be blended into the County's financial statements. The County Commissioners appoint a majority of the board members and finance the operations of the EMA. The operations of the EMA are accounted for in the general fund. Fixed assets and long-term obligations associated with the EMA are reflected in the account groups.

Carroll County Economic Development Council (Council) - The Council's Board is comprised of the Carroll County Commissioners which appoint an Advisory Committee to oversee the operations of the Council. The Council is not legally separate from the County and, therefore, it's financial activities are blended with that of the County. The operators of the Council are accounted for as a separate special revenue fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Local Emergency Planning Commission (LEPC) - The LEPC consists of an eleven to fifteen member board. The board which oversees the operations of the LEPC is recommended by the County Commissioners and appointed by the State Emergency Response Commission (SERC). The members consist of County officials, a fire enforcement representatives and representatives from County agencies, Red Cross, emergency medical services, a legal representative, and a township trustee.

The commission receives its funding strictly through grant money received from the SERC to be used for the purpose of developing, preparing, reviewing, exercising or revising chemical emergency response and preparedness plans and awareness and education programs in the County. The approval of the County Commissioners is required for many expenditures to be made. The operations of the LEPC are accounted for as a separate special revenue fund. Fixed assets and long-term obligations associated with these operations are reflected in the account groups.

DISCRETELY PRESENTED COMPONENT UNIT

Carroll Hills Workshop, Inc. (Workshop) - The Workshop is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Carroll County Board of Retardation and Developmental Disabilities, provides sheltered employment for adults with mental retardation or developmental disabilities in the County. The Carroll County Board of MRDD provides the Workshop certain personnel, salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to mentally retarded or developmentally disabled adults of the County, the Workshop is reflected as a component unit of the County. It is reported separately to emphasize that it is legally separate from the County. Separately issued financial statements can be obtained from the Carroll Hills Workshop, Inc., Carrollton, Ohio.

RELATED ORGANIZATIONS

Carroll County Public Library (Library) - The Library is statutorily created as a separate and distinct political subdivision of the State. Four trustees of the Library are appointed by the county commissioners and three trustees are appointed by the judge of common pleas court. The Board of Library trustees is a body politic and corporate, capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real and personal property, and of exercising such other powers and privileges as are conferred upon them by law. The Library Board approves their own budget and then sends a copy to the county budget commission. The County serves as the taxing authority for the Library, but the Library is not considered part of the County. The trustees adopt their own appropriations, hire and fire their own staff, authorize Library expenditures and do not rely on the County to finance deficits.

Carroll County Airport Authority (Authority) - The Authority is a separate legal entity from the County. The County appoints a voting majority of the Authority's Board, but is not "accountable" for its operations. The Authority is not fiscally dependent upon the County nor is there a financial benefit/burden relationship.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

EXCLUDED POTENTIAL COMPONENT UNITS

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

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

Carroll County Board of Health
Soil and Water Conservation District
Carroll County Regional Planning Commission
Carroll County Law Library

Information in the notes to the GPFS is applicable to the primary government. When information is provided relative to the component unit, it is specifically identified.

JOINTLY GOVERNED ORGANIZATION

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

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

JOINT VENTURES WITHOUT EQUITY INTEREST

Multi-County Juvenile Attention System (Attention System) - The Attention System, a six county operation, provides services to Carroll, Columbiana, Holmes, Stark, Tuscarawas and Wayne Counties. The Attention System consists of four group homes, four detention facilities, one treatment center, and one shelter care facility. The board of trustees consists of three members from each County, with the exception of Stark County which has four members. Two members from each county are appointed by a judge from that county (three from Stark County), and one member from each county is a county commissioner. A superintendent of the Attention System is appointed by the board of trustees. State grant monies are applied for from the Ohio Department of Youth Services and received by the board of trustees. Other revenues consists of County contributions based on prior year's usage and County population, and donations from organizations. Policies are outlined by State guidelines, as well as the board of trustees of the Attention System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The County cannot significantly influence operations, the board has sole budgetary authority, the board controls surpluses and deficits and the County is not legally of morally obligated for any debt. In 1999, the County contributed $141,926 to the Attention System. Complete financial statements for the Attention System can be obtained from their administrative office on County Road 24 in Stryker, Ohio.

Carroll/Columbiana/Harrison Solid Waste Policy District (Solid Waste District) - The Solid Waste District is a three county district. The twenty-one-member committee consists of the County Health Commissioner, or his appointee; the chairman of the County Commissioners, or his appointee; a member of the County Trustees Association; the Mayor of the largest municipality, or his appointee; two members of the public at large; and a representative of the generators of waste or an appointee, from each of the three counties.

The plan for the Solid Waste District has been in effect for approximately four years. The committee has thus far been financed through a portion of the tipping/disposal fees from the landfills, as well as from grant monies. Complete financial statements for the Solid Waste District can be obtained from their office located at 1072 Kensington Road, Carrollton, Ohio 44615.

Alcohol, Drug Addiction and Mental Health Services Board of Carroll and Tuscarawas Counties (ADAM Board) - The ADAM Board is a two County non-profit corporation whose general purpose is to provide leadership in planning for and supporting community-based alcohol, drug addiction and mental health services in cooperation with public and private resources with emphasis on the development of prevention and early intervention programming, while respecting, protecting and advocating for the rights as persons as consumers of alcohol, drug addiction and mental health services. The Board of Trustees of the ADAM Board consists of eighteen members. Four members are appointed by the Director of the Ohio Department of Mental Health and four members are appointed by the Director of the Ohio Department of Alcohol and Drug Addiction Services. The remaining members are appointed by the county commissioners of Carroll and Tuscarawas Counties in the same proportion as each County's population bears to the total population of the two counties combined.

Tuscarawas County acts as the fiscal agent for the ADAM Board. The Board receives tax revenue from Tuscarawas County and receives federal and state funding grant monies which are applied for and received by the Board of Trustees.

The County cannot significantly influence operations of the ADAM Board. The Board has sole budgetary authority and controls surpluses, and deficits and the County is not legally or morally obligated for the Board's debt. The ADAM Board will not be included as part of Carroll County. Due to the ongoing financial relationship of the County to the ADAM Board, it will be disclosed as a joint venture without equity interest in the County’s financial statements. Complete financial statements from the ADAM Board can be obtained from their office located at 611 High Street NW, Carrollton, Ohio 44615.

B. Basis of Presentation - Fund Accounting

The accounts of the County are maintained on the basis of funds or account groups, each of which is considered 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 equity or retained earnings, as appropriate; and revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the County:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUNDS

General Fund - The general fund is used to account for all activities of the County not required to be included in another fund.

Special Revenue Funds - The special revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general obligation long-term debt principal, interest and related costs.

Capital Projects Funds - The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

PROPRIETARY FUNDS

Enterprise Funds - The enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The intent of the County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - The internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include an expendable trust fund and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve the measurement of operations. The agency funds are presented on a budget basis, with note disclosure, if applicable, regarding items which, in other fund types, would be subject to accrual (See Note 3).

General Fixed Assets Account Group - The general fixed assets account group is used to account for all general fixed assets of the County, other than those fixed assets accounted for in the proprietary funds.

General Long-Term Obligations Account Group - The general long-term obligations account group is used to account for all long-term obligations of the County, except those accounted for in the proprietary funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

COMPONENT UNITS

Component Units - Component units are either legally separate organizations for which the elected officials of the County are not financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would not cause the County's financial statement to be misleading or incomplete. The County considers the Carroll Hills Workshop, Inc. to be a separate discretely presented component unit of the County.

C. Measurement Focus and Basis of Accounting

The modified accrual basis of accounting is followed for governmental and expendable trust funds. Revenues are recognized in the period when measurable and available to meet obligations incurred during the year. The County defines measurable as meaning collectible within 60 days of year end. Revenues which are accrued include earnings on investments; delinquent real and personal property taxes; sales taxes; federal and state grants and subventions; and charges for current services.

Deferred revenues, as reported on the combined balance sheet, arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessments due at December 31, to the extent that they were not collected within the available period, are recorded as deferred revenue because they do not meet the availability criteria.

Property taxes that are measurable as of December 31, 1999, but are intended to finance 2000 operations and delinquent property taxes, whose availability is interminable, have been recorded as deferred revenue to the extent that the delinquent taxes at December 31 were not collected during the available period.

Expenditures are recognized when the related liability is expected to be liquidated with expendable available financial resources with the following exceptions: general long term obligation principal and interest is reported only when paid, and the costs of accumulated unpaid vacation and sick leave are reported in the period due and payable rather than in the period earned by employees.

The proprietary funds and the component unit are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Unbilled service charges receivable are recognized as revenue at year end.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and the component unit are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgetary Data

Outlined below are the procedures followed by the County to establish the expenditures budget data reported in the combined financial statements:

1. Following submission of requests by various offices and departments, the Board of County Commissioners holds budget hearings during the fall with respective officeholders and department heads.

2. Shortly after the beginning of the fiscal year, the County Commissioners pass an Appropriation Resolution which legally authorizes the expenditure of funds for respective officeholders and department heads.

3. The County is accorded discretion in its method of appropriating federal funds. Appropriations are provided in the amounts of approved grants by the Board of County Commissioners.

4. The Revised budget figures reflected in the combined financial statements include the prior year appropriations carried over for liquidations against prior year encumbrances, and any amendments to the original Appropriation Resolution.

5. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, materials and supplies, contractual services and interfund transfers. For funds which are directly appropriated by the Commissioners, transfers of appropriations at the major account level or between appropriation level require a resolution signed by at least two Commissioners.

6. Supplemental appropriations are made when needed, subject to approval by at least two Commissioners. Supplemental appropriations were made during 1999.

7. Unencumbered appropriations lapse at year end. Contracts and purchase type encumbrances outstanding at year end carry their appropriations with them into the next year. Contract and purchase type encumbrances outstanding at year end are recorded as expenditures on the budget basis of accounting.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the appropriated governmental and proprietary funds. Encumbrances outstanding at year end, not recognized as accounts payable, are reported as reservations of fund balance for subsequent year expenditures on the modified accrual basis of accounting. Encumbrances outstanding at year end are reported as expenditures on the budget basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Cash and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 1999, investments were limited to nonnegotiable certificates of deposit, money market savings accounts and a repurchase agreement. Investments in nonparticipating interest-earning investment contracts, such as repurchase agreements, nonnegotiable certificates of deposit, and money market savings accounts are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 1999 amounted to $347,195 which includes $305,487 assigned from other County funds.

The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "Cash with Fiscal and Escrow Agents" since they are not required to be deposited into the County treasury.

For purpose of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Inventories of Materials and Supplies

Inventories are valued at cost using the first in, first out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in the proprietary funds when used. The total of inventories at year end is reported as a reservation of fund balance in the governmental funds because it does not represent available, spendable resources.

H. Property, Plant, Equipment, and Depreciation

1. *General Fixed Assets Account Group*

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and disposals during the year in the general fixed assets account group. Contributed fixed assets are recorded at their fair market values as of the date donated. The County follows a policy of not capitalizing infrastructure,
which is defined as assets that are immovable and of value only to the County, (i.e. roads, bridges, etc.), ornamental artifacts, or any asset with a cost of less than $500. No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized in the account group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. *Enterprise Funds*

Property, plant, and equipment reflected in the enterprise funds are stated at cost (or estimated historical) and updated for the cost of additions and disposals during the year. Contributed fixed assets are recorded at their fair market value as of the date donated. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Life
Autos and trucks	7
Machinery, equipment, furniture and fixtures	5-20
Building	40
Sewer lines	50

The County also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on tax exempt debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned on the proceeds of such debt.

I. Compensated Absences

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

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

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

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

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group because it will not be liquidated with expendable, available resources. General long-term obligations are not limited to liabilities arising from debt issuances, but may also include non-current liabilities and other commitments that are not current liabilities properly recorded in governmental funds. Vacation and sick leave for governmental fund type employees is recognized as an expenditure when used. Vacation and sick leave in the proprietary fund types is recorded as an expense when earned, and the liability for unused amounts is shown as a fund liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Intergovernmental Revenues

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receivables and revenues when the entitlement occurs. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when measurable and earned.

K. Long-Term Obligations

Long-term obligations for general obligation bonds, special assessment bonds, revenue bonds, special assessment notes, Ohio Public Works Commission (OPWC) loans, vested sick and vacation leave, capital lease obligations, and any claims or judgement that are expected to be paid from the governmental funds are shown in the general long-term obligations account group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

Under Ohio law, a debt retirement fund must be created and used for the payment of all debt principal and interest. GAAP requires the allocation of the debt liability among the capital projects and enterprise funds, and the general long-term obligations account group, with principal and interest payments on matured general obligation long-term debt being reported in the debt service fund. To comply with GAAP reporting requirements, the County's debt retirement fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

L. Interfund Transactions

During the course of normal operations, the County has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.

2. Reimbursements from one fund to another are treated as expenditures/ expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.

13. Short-term interfund balances, related to charges for goods and services rendered, are reflected as “due to/from other funds”.

4. Short-term interfund loans, accrued interfund reimbursements and accrued operating transfers are reflected as “interfund loans receivable/payable.”

5. Long-term interfund loans that will be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The County had no long-term advances at December 31, 1999.

See Note 5 for an analysis of the County's interfund transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The County reports amounts representing material and supply inventories prepayments, encumbrances outstanding, debt service, and loans receivable as reservations of fund balance in the governmental funds.

Retained earnings have been reserved for restricted assets maintained in the Sewer enterprise fund (see Note 2.Q.).

N. Prepayments

Prepayments for governmental funds represent cash disbursements that are not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

O. Estimates

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

P. Contributed Capital

Contributed capital represents grants restricted for capital construction. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. Depreciation on those proprietary fund type assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end.

Q. Restricted Assets

Certain cash and cash equivalents are classified as restricted cash on the balance sheet because their use is limited by debt covenants. Retained earnings have been reserved for the restricted cash balance since it is not available for general operating use.

R. Total Columns on General Purpose Financial Statements

Total columns on the GPFS are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

3. ACCOUNTABILITY AND COMPLIANCE

A. Fund Reclassification

Fund reclassifications are required to properly reflect the intended purpose of certain funds. Two funds previously reported as agency funds are now reported as special revenue funds and one fund previously reported as a special revenue fund is now reported as an agency fund. The effect of these fund reclassifications or fund balance as previously reported at December 31, 1998 is as follows:

	Special Revenue
Fund balance as previously reported	$ 3,840,059
Fund reclassifications	5,111
Restated fund balance as of January 1, 1999	$ 3,845,170

B. Prior Period Adjustment

The County overstated special assessments receivable at December 31, 1998. The effect of this adjustment on fund balance as previously reported as of December 31, 1998 is as follows:

	Debt Service
Fund balance as previously reported	$72,021
Restatement for overstated special assessments receivable	(37,078)
Restated fund balance as of January 1, 1999	$34,943

C. Fund Deficits

The following funds had a deficit fund balance/retained earnings as of December 31, 1999:

	Deficit Balance
Special Revenue Funds	
COPS Grant	$ 1,112
Community Housing Improvement Program	26,229
Caravan Grant	3,131
County Home	11,254
MRDD	13,169
OCJS	8,344
Capital Projects Funds	
Fire House Construction	51,339
Internal Service Funds	
Employee Self-Insurance	78,458
Enterprise Funds	
Landfill	3,533,648
Sewer	1,265,202

These funds complied with Ohio state law, which does not permit a cash basis deficit at year end.

3. ACCOUNTABILITY AND COMPLIANCE - (Continued)

The deficit fund balance in the COPS Grant Fund, MRDD Fund and County Home Fund are due to the application of GAAP in the reporting of accrued wages and benefits at December 31 as a fund liability. These deficit balances will be eliminated by anticipated future revenues or other subsidies not recognized and recorded at December 31.

The deficit fund balance in the Community Housing Improvement Program Fund and the Caravan Grant Fund are primarily due to the recognition of short-term interfund loans as a fund liability. These deficit balances will be eliminated as resources become available to repay the short-term interfund loans.

The deficit fund balance in the Fire House Construction Fund is due to the reporting of tax anticipation notes and related accrued interest payable as a liability in the fund which received the proceeds. This deficit fund balance will be alleviated as taxes and/or other resources are collected to pay off the notes.

The deficit retained earnings in the Employee Self-Insurance Fund is primarily due to the reporting of incurred but unpaid claims and incurred but not reported claims at December 31 as a fund liability. This deficit will be alleviated as premiums are collected to pay these claims.

The deficit retained earnings in the Landfill Fund is primarily due to the reporting of estimated landfill closure and postclosure costs as a fund liability. This deficit will be alleviated as revenues become available to cover these costs as they are incurred. The deficit retained earnings in the Sewer Fund is the result of accumulated operating losses. This deficit will be eliminated as user charges are increased or as cost-cutting measurers are implemented.

D. Agency Funds

The following are accruals for agency fund types, which, in other fund types, would be recognized in the combined balance sheet:

ASSETS	
Real and other taxes receivable	$12,992,362
Special assessments receivable	42,483
Due from other governments	46,264
Total	$13,081,109
LIABILITIES	
Due to other governments	$13,071,492
Accrued wages and benefits	6,793
Compensated absences payable	1,830
Accounts payable	994
	$13,081,109

4. EQUITY IN POOLED CASH AND INVESTMENTS

A. Primary Government

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

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Moneys held by the County which are not considered active are classified as inactive. Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

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

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

4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's Investment Pool (STAR Ohio);

8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;

9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and

10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Cash on Hand: At year end, the County had $10,167 in undeposited cash on hand which is included on the Balance Sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits: At year end, the carrying amount of the County's deposits, including nonnegotiable certificates of deposit, money market accounts and cash with fiscal and escrow agents was $5,362,376 and the bank balance was $6,041,241. Of the bank balance:

1. $1,310,739 was covered by federal depository insurance; and

2. $4,730,502 was uninsured and uncollateralized as defined by GASB even though it was covered by collateral held by third party trustees pursuant to Section 135.81, Ohio Revised Code, in single institution collateral pools securing all public funds on deposit with specific depository institutions. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

   Investments: The County's investments are required to be categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's name.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	$900,000	$900,000	$900,000

The classification of cash and cash equivalents on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement No. 9	$6,272,543	$ 0
Investments of the Cash Management Pool:		
Repurchase Agreement	(900,000)	900,000
Cash on Hand	(10,167)	- - -
GASB Statement No. 3	$5,362,376	$900,000

4. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

B. Component Unit

At December 31, 1999, the carrying amount of the component unit's demand deposits was $95,534. The carrying amount of the demand deposits equaled the bank balance at that date. The entire bank balance was insured by the FDIC and thus would belong in risk category (1). The component unit had no investments at December 31, 1999. There are no statutory guidelines regarding the deposit and investment of funds by a not-for-profit corporation.

5. INTERFUND TRANSACTIONS

A. Interfund balances, related to items other than charges for goods and services rendered, at December 31, 1999, consist of the following individual fund loans receivable and payable:

	Interfund Receivable	Interfund Payable
General Fund	$179,971	$ - - -
Special Revenue Funds		
Prosecutors OCJS Grant	- - -	8,344
Community Housing Improvement Program	- - -	11,080
Community Development Block Grant	- - -	6,762
Litter - - -	2,333	
County Transit Grant	- - -	17,192
Enterprise Funds		
Sewer	- - -	134,260
Total	$179,971	$179,971

B. Interfund balances, related to charges for goods and services rendered, at December 31, 1999, consist of the following amounts due to and due from other funds:

	Due From Other Funds	Due To Other Funds
General Fund	$ 12,051	$ 14,705
Special Revenue Funds		
Motor Vehicle & Gas Tax	3,525	- - -
Public Assistance	- - -	2,961
Certificate of Title Administration	8,005	- - -
Caravan Grant	10,909	- - -
Local Caravan	- - -	7,333
Dog and Kennel	1,408	- - -
Court Computerization	1,972	- - -
Domestic Violence	512	- - -
MRDD	- - -	300
Bureau of Support	- - -	5,010
Enterprise Funds		
Sewer	- - -	6,741
Agency Funds		
Law Library	5,218	- - -
County Court Agency	- - -	6,550
Total	$ 43,600	$ 43,600

5. INTERFUND TRANSACTIONS - (Continued)

C. The following is a summarized breakdown of the County's operating transfers for 1999

	Transfers In	Transfers Out
General Fund	$ 40,000	$122,042
Special Revenue Funds		
Children Services	26,000	153,260
Title Administration	- - -	40,000
Public Assistance	249,302	- - -
Total	$315,302	$315,302

6. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 1999 taxes were collected was $400,623,322. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 1999, was $9.70 per $1,000 of assessed valuation.

The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

Real Property	
Agricultural/Residential	$281,667,410
Commercial/Industrial/Mineral	35,934,150
Tangible Personal Property	31,787,112
Public Utility	
Real	37,690
Personal	51,196,960
Total Assessed Value	$400,623,322

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31 and the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

6. PROPERTY TAXES - (Continued)

Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due April 30 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first $10,000 of taxable value is exempt from taxation for each business by state law. The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business must file a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

"Real and Other Taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of the last settlement (net of allowances for estimated uncollectibles) and real and public utility taxes which were measurable as of the year end.

Since the current levy is not intended to finance 1999 operations, the receivable is offset by a credit to "Deferred Revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first 60 days of 2000 are shown as 1999 revenue; the remainder is shown as "Deferred Revenue".

The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

7. PERMISSIVE SALES AND USE TAX

In 1985, the County Commissioners by resolution imposed a 1% percent tax on all retail sales, except sales of motor vehicles, made in the County, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to the sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month of collection. The State Auditor then has five days in which to draw the warrant payable to the County. In 1996, this tax was approved for an additional five years by the voters of the County.

Proceeds of the sales and use tax are credited to the general fund and amounts that have been collected by the State and are to be received within the available period are accrued as revenue to the extent they are intended to finance the fiscal 1999 operations. Sales and use tax revenue for 1999 amounted to $1,486,350.

8. RECEIVABLES

Receivables at December 31, 1999, consisted of taxes, interest, accounts (billings for user charged services), special assessments, short-term interfund loans, interfund transactions related to charges for goods and services rendered and intergovernmental receivables arising from grants, entitlements and shared revenue. All intergovernmental receivables have been classified as “Due From Other Governments” on the combined balance sheet and all interfund transactions related to charges for goods and services rendered have been classified as “Due From Other Funds” on the combined balance sheet. Receivables have been recorded to the extent that they are both measurable and available at December 31, 1999, as well as intended to finance fiscal 1999 operations.

8. RECEIVABLES - (Continued)

A summary of the principal items of receivables follows:

Fund/Description	Amount
General Fund	
Sales taxes	$ 365,164
Real and other taxes	1,179,452
Accounts	27,686
Accrued interest	6,091
Interfund loans	179,971
Due from other funds	12,051
Intergovernmental	43,273
Special Revenue Funds	
Real and other taxes	1,479,807
Accounts	16,977
Accrued Interest	2,121
Due from other funds	26,331
Intergovernmental	180,917
Debt Service Funds	
Special Assessments	997
Capital Projects Funds	
Accrued interest	1,134
Enterprise Funds	
Accounts	28,189
Accrued interest	776

9. LOANS RECEIVABLE

Loans receivable represents low interest loans made by the County for development projects and small businesses under the Federal Community Block Development Grant (CDBG) program. The loans bear interest at annual rates ranging between 3 and 5 percent. The loans are to be repaid over periods ranging from 5 to 10 years. The balance of the loans receivable at December 31, 1999 was $188,302.

10. FIXED ASSETS

A. Enterprise Fund Fixed Assets

A summary of the enterprise fund fixed assets at December 31, 1999 is as follows:

Machinery and equipment	$ 447,331
Sewer plant	435,317
Sewer lines	5,157,994
Total gross assets	6,040,642
Less: accumulated depreciation	(2,636,572)
Total net assets	$ 3,404,070

10. FIXED ASSETS - (Continued)

B. General Fixed Assets

A summary of the changes in the general fixed assets account group during the fiscal year follows:

	Balance at 1/1/99	Additions	(Disposals)	Balance at 12/31/99
Land/improvements	$ 1,242,645	$ - - -	$ - - -	$ 1,242,645
Building/improvement	12,174,090	- - -	- - -	12,174,090
Furniture, fixtures and equipment	3,634,523	438,744	(161,513)	3,911,754
Vehicles	1,822,067	302,335	(60,689)	2,063,713
Total	$18,873,325	$741,079	$(222,202)	$19,392,202

11. CONTRIBUTED CAPITAL

Contributed capital for the year ended December 31, 1999 are summarized by source as follows:

	Enterprise
Contributed capital, December 31, 1998	$4,371,724
Current contributions	---
Contributed Capital, December 31, 1999	$4,371,724

12. CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the County entered into capitalized lease agreements for the acquisition of two copiers and six vehicles. During 1999, the County entered into additional capitalized lease agreements for the acquisition of two vehicles. The terms of these lease agreements provide an option to purchase the equipment. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfer benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Fund Types and Expendable Trust Fund. General fixed assets acquired by lease have been capitalized in the general fixed assets account group in an amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in the 1999 fiscal year totaled $54,112 and $1,660 in the general fund and special revenue funds, respectively. These amounts are reflected as debt service principal retirement in the respective funds.

The following is an analysis of equipment leased under a capital lease as of December 31, 1999:

	General Fixed Assets
Equipment	$173,746
Carrying value	$173,746

12. CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 1999.

General Long-Term Obligations

Year Ending December 31	Equipment
2000	$46,945
2001	18,024
2002	1,800
Total minimum lease payments	66,769
Less: amount representing interest	$ (6,086)
Present value of future minimum lease payment	$60,683

The County does not have capitalized lease obligations after fiscal year 2002.

13. COMPENSATED ABSENCES LIABILITY

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the general long-term obligations account group. Vacation and sick leave earned by proprietary funds type employees is expensed when earned.

Upon termination of County service, a fully vested employee is entitled to a percentage of their accumulated sick leave based on their years of service not to exceed 30 days and all accumulated vacation. At December 31, 1999 vested benefits for vacation leave for governmental fund type employees totaled $419,817 and vested benefits for sick leave totaled $54,876. For proprietary fund types, vested benefits for vacation leave totaled $5,149 and there were no vested benefits for sick leave. In accordance with GASB Statement No. 16, an additional liability of $115,031 was accrued to record termination (severance) payments expected to become eligible to retire in the future for the governmental fund type employees.

14. LONG-TERM OBLIGATIONS

A. General Long-Term Obligations

The County's general long-term obligations at year end consist of the following:

	Issue Date	Maturity Date	Balance Outstanding 1/1/99	Additions	Reductions	Balance Outstanding 12/31/99
General Obligation Bonds						
DHS Building-7.375%	12/01/89	12/01/2009	$ 110,000	$ - - -	$ (10,000)	$ 100,000
DHS Jobs Building-5.5%	7/29/92	7/29/2012	175,000	- - -	(15,000)	160,000
Energy Debt-5.15%	5/30/96	6/01/2006	336,000	- - -	(35,000)	301,000
Total General Obligation Bonds			$ 621,000	$ - - -	$ (60,000)	$ 561,000
Special Assessment Bond						
Magnolia Sewerlines-7.375%	12/01/89	12/01/2009	$ 78,000	$ - - -	$ (8,000)	$ 70,000
Total Special Assessment Bond			$ 78,000	$ - - -	$ (8,000)	$ 70,000
Note Payable						
Cumberland Special Assessment-5.07%	3/12/93	3/12/2003	$ 29,350	$ - - -	$ (5,870)	$ 23,480
Total Note Payable			$ 29,350	$ - - -	$ (5,870)	$ 23,480
OPWC Loans Payable						
Drake Church Road Bridge	7/01/92	3/12/2003	$ 48,834	$ - - -	$ (4,883)	$ 43,951
Total OPWC Loans Payable			$ 48,834	$ - - -	$ (4,883)	$ 43,951
Other Long-Term Obligations:						
Capital Leases		$ 71,297	$ 45,158	$ (55,772)	$ 60,683	
Compensated Absences			496,385	93,339	- - -	589,724
Total Other Long-Term Obligations			$ 567,682	$138,497	$ (55,772)	$ 650,407
Total General Long-Term Obligations			$1,344,866	$138,497	$(134,525)	$1,348,838

General Obligation Bonds: The general obligation bonds are supported by the full faith and credit of the County. The bonds were issued to provide resources for building renovations and improvements including energy conservation measures. These bonds are being retired through rental charges and other County operating sources.

Special Assessment Bond: The special assessment bond is supported by the full faith and credit of the County. The bond was issued to provide resources for the Magnolia sewerline installation. The bond is being retired through special assessments levied against benefitted property owners.

14. LONG-TERM OBLIGATIONS - (Continued)

Note Payable: The note payable is supported by the full faith and credit of the County. The note was issued to provide resources for the installation of the Cumberline waterline. The note is being retired through special assessments levied against benefitted property owners.

OPWC Loan Payable: The Ohio Public Wastes Commission (OPWC) loans was issued in 1992 to provide for improvements to the Drake Church Road bridge. This loan bears no interest rate as long as the County remains current on its payments. The OPWC loan is being retired through resources from motor vehicle and gas tax fund. The resources are transferred to and the repayment of the loan is accounted for in the debt service funds.

Capital Leases: Capital lease obligations represent leases entered into for the acquisition of capital assets. The capital lease obligations will be paid from the fund that maintains custody of the related asset.

Compensated Absences: Vested sick leave and vacation benefits are presented net of actual increases and decreases because of the practicality of determining these values. The benefits will be paid from the fund from which the person is paid.

Future Debt Service Requirements: The following is a summary of the County's future annual debt service principal and interest requirements for general long-term obligations:

Year	General Obligation Bonds			Special Assessment Bond		
Ended	Principal	Interest	Total	Principal	Interest	Total
2000	$ 62,000	$ 31,837	$ 93,837	$ 7,000	$ 5,162	$12,162
2001	64,000	28,444	92,444	7,000	4,646	11,646
2002	65,000	24,926	89,926	7,000	4,130	11,130
2003	68,000	21,334	89,334	7,000	3,615	10,615
2004	70,000	17,563	87,563	7,000	3,099	10,099
2005-2009	202,000	36,601	238,601	35,000	7,684	42,684
2010-2012	30,000	3,540	33,540	- - -	- - -	- - -
Total	$561,000	$164,245	$725,245	$70,000	$28,336	$98,336

Year	Note Payable			OPWC Loans Payable		
Ended	Principal	Interest	Total	Principal	Interest	Total
2000	$ 5,870	$1,190	$ 7,060	$ 4,884	$ ---	$ 4,884
2001	5,870	893	6,763	4,884	---	4,884
2002	5,870	595	6,465	4,884	---	4,884
2003	5,870	298	6,168	4,884	---	4,884
2004	---	---	---	4,883	---	4,883
2005-2008	---	---	---	19,532	---	19,532
Total	$23,480	$2,976	$26,456	$43,951	$ ---	$43,951

14. LONG TERM OBLIGATIONS - (Continued)

B. Enterprise Fund Obligations

The County had the following special assessment bond, revenue bond and note payable outstanding at year end related to enterprise fund operations:

	Issue Date	Maturity Date	Balance Outstanding 1/1/99	Reductions	Balance Outstanding 12/31/99
Special Assessment Bond					
Brown Township/					
Malvern Sewerlines-5.0%	12/01/80	12/01/2000	$ 49,000	$(24,000)	$ 25,000
Revenue Bond					
Brown Township/					
Malvern Sewerline Improve.-5.0%	2/07/79	2/07/2019	349,000	(11,000)	338,000
Note Payable					
Brown Township/					
Malvern Truck Note-4.92%	12/01/89	12/01/1999	5,000	(5,000)	0
Total			$403,000	$(40,000)	$363,000

Special Assessment Bond: The Special assessment bond was issued to provide resources for the construction of sewerlines between Brown Township and Malvern. This bond will be through special assessments levied against benefitted property owners.

Revenue Bond: The revenue bond was issued to provide resources for improvements to the Brown Township/Malvern sewerlines. This bond will be retired through revenues derived from sewer operations.

Note Payable: The note payable was issued to provide resources for a truck purchase. This note will be retired through revenues derived from sewer operations. This note was paid in full in 1999.

Future Debt Service Requirements: The following is a summary of the County's future annual debt service principal and interest requirements for enterprise fund obligations:

Year	Special Assessment Bond			Revenue Bond		
Ended	Principal	Interest	Total	Principal	Interest	Total
2000	$25,000	$1,250	$26,250	$ 11,000	$ 16,900	$ 27,900
2001	---	---	---	12,000	16,350	28,350
2002	---	---	---	12,000	15,750	27,750
2003	---	---	---	13,000	15,150	28,150
2004	---	---	---	14,000	14,500	28,500
2005 - 2009	---	---	---	78,000	61,550	139,550
2010 - 2014	---	---	---	100,000	40,000	140,000
2015 - 2018	---	---	---	98,000	12,500	110,500
Total	$25,000	$1,250	$26,250	$338,000	$192,700	$530,700

14. LONG TERM OBLIGATIONS - (Continued)

C. Component Unit Obligations

The Workshop had the following note payable obligations at December 31, 1999:

Notes Payable	Interest Rate	Balance Outstanding 12/31/99
Sky Bank	6.7%	$23,000
James Miller	6.0%	48,151
		$71,151

The following is a summary of the Workshops future annual debt service principal requirements for the notes payable:

Year Ended	Amount
2000	$26,872
2001	4,116
2002	4,371
2003	4,638
2004	4,926
2005 and thereafter	26,228
	$71,151

D. Legal Debt Margin

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

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000, of the assessed valuation, plus one and one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000. Based on this calculation, the County's legal debt margin was $7,567,618 as of December 31, 1999.

15. NOTE PAYABLE

The County had the following general obligation note outstanding at December 31, 1999 in the capital projects funds. The note is reported as a liability in the fund that received the proceeds.

	Issue Date	Maturity Date	Balance Outstanding 1/1/99	Reductions	Balance Outstanding 12/31/99
Fire House Construction					
4.46% Fire House Building	7/18/97	7/18/00	$60,000	$(10,000)	$50,000

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains two enterprise funds, the Landfill Fund and Sewer Fund, which are intended to be self-supporting through user fees charged for services. In addition, the County reports the activity of the Carroll Hills Workshop, Inc. as a discretely presented component unit. Financial information for the year ended December 31, 1999, is as follows:

	Sewer	Landfill	Total Primary Government	Component Unit	Total Reporting Entity
Operating revenue	$ 367,384	$ - - -	$ 367,384	$153,869	$521,253
Operating expenses before depreciation	539,065	- - -	539,065	137,143	676,208
Depreciation expense	124,582	- - -	124,582	33,789	158,371
Operating loss	(296,263)	- - -	(296,263)	(17,063)	(313,326)
Net income (loss)	(272,139)	- - -	(272,139)	(552)	(272,691)
Property, plant and equipment (net of accumulated depreciation)	3,404,070	- - -	3,404,070	313,917	3,717,987
Net working capital	65,462	1,852	67,314	81,178	148,492
Total assets	3,633,871	1,852	3,635,723	426,257	4,061,980
Total liabilities	527,349	3,535,500	4,062,849	75,441	4,138,290
Retained earnings (accumulated deficit)	(1,265,202)	(3,533,648)	(4,798,850)	350,816	(4,448,034)
Contributed capital	4,371,724	- - -	4,371,724	- - -	4,371,724
Total equity	3,106,522	(3,533,648)	(427,126)	350,816	(76,310)
Encumbrances outstanding (budget basis) at December 31, 1998	51,243	- - -	51,243	- - -	51,243

17. RISK MANAGEMENT

A. General Insurance

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

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

17. RISK MANAGEMENT - (Continued)

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

The County pays the State Workers' Compensation System a premium based on a rate per $100 of employee compensation. The rate is calculated based on accident history and administrative costs.

Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

B. Health Care Self-Insurance

The County has established an Employee Self-Insurance (an internal service fund) to account for and finance its health care benefits. Under this program, the Risk Management Fund provides coverage for up to a maximum of $35,000 per person per year to a group claims maximum. The County purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Employee Self-Insurance Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). A third party administrator reviews, and the County pays, all claims. The liability for unpaid claims of $87,122 reported in the Employee Self-Insurance Fund at December 31, 1999, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in the balances of the self insurance claims liabilities during the past two fiscal (calendar) years are as follows:

	Liability At Beginning Of Year	Incurred Claims	Claim Payments	Liability At End Of Year
1999	$59,692	$1,138,813	$(1,111,383)	$87,122
1998	$50,852	$1,151,577	$(1,142,737)	$59,692

C. DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All Carroll County full-time employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system created by the State of Ohio. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

18. DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 1999 was 8.5 percent for employees other than law enforcement. Law enforcement employees contribute 9.0 percent of covered salary. The employer contribution rate was 13.55 percent of covered payroll; 9.35 percent was the portion used to fund pension obligations for 1999. The law enforcement employer rate was 16.7 percent of covered payroll; 12.5 percent was the portion used to fund pension obligations for 1999. The County's contributions for pension obligations to PERS for the years ended December 31, 1999, 1998, and 1997 were $1,036,557, $911,615, and $852,634, respectively; 73.35 percent has been contributed for 1999 and 100 percent for 1998 and 1997. $276,231, representing the unpaid contribution for 1999, is recorded as a liability within the respective funds.

B. State Teachers Retirement System

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code.

STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions for pension obligations to STRS for the years ended December 31, 1999, 1998, and 1997 were $33,450, $31,253 and $ 33,016, respectively; 88.2 percent has been contributed for 1999 and 100 percent for the years 1998 and 1997. $3,962, representing the unpaid contributions for 1999, is recorded as a liability within the respective funds.

19. POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

PERS provides post retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for local employers was 13.55% of covered payroll; 4.2% was the portion that was used to fund health care. The law enforcement employer rate for 1999 was 16.7% of covered payroll; 4.2% was the portion used to fund health care.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS. The County's contribution actually made to fund postemployment benefits was $316,016.

19. POSTEMPLOYMENT BENEFITS - (Continued)

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were $523.599 million. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were $9.870 billion. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 2000, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

Additional information on the PERS, including historical trend information showing the progress in accumulating sufficient assets to pay benefits when due is available in the PERS December 31, 1999, Comprehensive Annual Financial Report.

B. State Teachers Retirement System

Comprehensive health care benefits are provided to retired teachers and their dependents through the STRS. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by STRS based on authority granted by State statute.

All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the System equal to 8% of covered payroll. For the County this amount equaled $7,372 during 1999. As of June 30, 1999, the balance in the Health Care Reserve Fund was $2.783 billion and eligible benefit recipients statewide totaled 95,796 for STRS as a whole. Net health care costs paid by STRS statewide were $249.929 million.

20. BUDGETARY BASIS OF ACCOUNTING

The County's budgetary process is based upon accounting for transactions on the cash basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and the expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the County reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis are as follows:

21. BUDGETARY BASIS OF ACCOUNTING - (Continued)

EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
Budget basis	$(550,350)	$(829,008)	$ (695)	$(249,487)
Net adjustment for revenue accruals	157,477	(19,075)	- - -	770
Net adjustment for expenditure accruals	(102,691)	(168,673)	24,396	10,874
Net adjustment for other financing sources (uses) accruals	133,989	58,492	(12,609)	12,609
Encumbrances (budget basis)	437,664	872,002	- - -	226,069
GAAP basis	$ 76,089	$ (86,262)	$ 11,092	$ 835

22. CONTINGENCIES

A. Grants

The County receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 1999.

During fiscal year 1999, the Brown Township-Malvern Sewer District was awarded a loan in the amount of $2,600,000 and a grant in the amount of $1,400,000 from the United States Department of Agriculture, Rural Development. The proceeds of the loan and grant were not received until fiscal year 2000.

B. Litigation

On October 31, 1996, the State of Ohio filed a complaint against Carroll County for preliminary and permanent injunctive relief, civil penalties and damages from the alleged failure to properly close the Carroll County Landfill. The outcome of this lawsuit is not presently determinable and it is the opinion of the County's counsel that the range of any potential loss cannot be reasonably estimated. In accordance with FASB Statement No. 5, "Accounting for Contingencies", no liability has been reported in the financial statements.

22. CONTINGENCIES - (Continued)

On October 5, 1995, Norris Enterprises, Inc., Norris Equipment and Fabricating, Inc., and the Carroll County Community Improvement Corporation jointly entered into a $900,000 promissory note with the Citizens Banking Company. On December 4, 1995, Carroll County entered into a Unconditional Limited Suretyship Agreement whereby, in the event of default by the original debtors, the County may be called upon to repay the outstanding debt obligation to a maximum of $450,000. In November 1999, Norris Enterprises, Inc. and Norris Equipment and Fabricating, Inc. filed for bankruptcy protection under Chapter 11 of the Internal Revenue Code. While in reorganization, the liabilities of these companies are stayed pending the reorganization plan. At this time, it is not determinable wether the County has or will sustain a liability related to this matter, therefore, in accordance with FASB Statement No. 5, "Accounting for Contingencies", no liability has been reported in the financial statements. .

23. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and Federal laws and regulations require that the County perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The landfill was closed in 1993. The Village of Carrollton shares in the estimated liability disclosed. The Village and the County have pending negotiations regarding the Village's share of the liability. The estimated liability for the landfill is $2,363,000 for closure costs and $1,172,500 for postclosure costs. The estimated liability for landfill closure and postclosure care has a balance of $3,535,500 as of December 31, 1999. The estimated cost of landfill closure and postclosure care expenses is based on the amount that would be paid if all materials and services required to monitor and maintain the closed landfill were acquired as of December 31, 1999. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of the date of this report, the County does not have a comprehensive plan for retiring this liability and is considering its options.

24. RELATED PARTY TRANSACTION

The Workshop, a discretely presented component unit of the County, received contributions from the County for certain personnel salaries. The contributions are reflected as non-operating revenues in the GPFS. For the fiscal year ended December 31, 1999, the contributions were $12,117.

25. FEDERAL TRANSACTIONS

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

26. CHILD SUPPORT ENFORCEMENT AGENCY

To comply with the 1988 Federal Family Support Act, the Ohio Department of Human Services (ODHS) assumed responsibility for developing the Support Enforcement Tracking System (SETS) software all counties must use to account for child support activity. The County is responsible for collecting and receipting child support payments. Beginning April 30, 2000, the SETS program was fully functional and operating for Carroll County. Once information is entered into the SETS system, the SETS personnel batch the reports and checks are prepared and distributed by the SETS personnel in Columbus. Collections and payments processed through SETS during 1999 were approximately $3,000,000. ODHS is responsible for all costs (which are significantly reimbursed by Federal matching dollars) and programming for SETS development.

CARROLL COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Ohio Department of Development:			
Fair Housing Program	BN-97-010-1	14.228	$6,845
Community Housing Improvement Grant (CHIP)	BC-98-010-1	14.228	307,457
Community Development Formular Program	BF-97-010-1	14.228	1,490
Community Development Formular Program	BF-98-010-1	14.228	132,575
Community Development Formular Program	BF-99-010-1	14.228	6,761
Community Development Block Grants	BW-98-010-1	14.228	6,852
Total U.S. Department of Housing and Urban Development			461,980
U.S. DEPARTMENT OF JUSTICE			
Passed Through Office of Criminal Justice Services			
Crime Victim Assistance	99 VAGE	16.575	12,802
Crime Victim Assistance	VOCA 10-87-T	16.575	2,675
Crime Victim Assistance	VOCA 10-87-X	16.757	2,527
Byrne Formular Grant Programs	97-DG-D02-7193	16.579	2,208
	96-DG-D02-7185	16.579	387
	96-DG-D02-7185	16.579	290
	97-DG-D02-7185	16.579	1,640
	98-DG-D02-7185	16.579	41,248
	98-LE.LEB-3130	16.579	3,605
	97-TT-TMV-3000	16.579	42
Public Safety Partnership and Community Policing Grants	98-UM.WX-2403	16.710	43,813
Total U.S. Department of Justice			111,237
U.S. DEPARTMENT OF TRANSPORTATION			
Public Transportation for Unurbanized Areas	RPT-4010-017-991	20.509	30,609
Public Transportation for Unurbanized Areas	RPT-0010-018-992	20.509	22,022
Total U.S. Department of Transportation			52,631
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Special Education_Grants to State	6B-SF-94-P	84.027	21,915
Special Educatiion_Preschool Grants	PG-S1-98-P	84.173	6,093
Special Education_Grants for Infants and Families with Low Income		84.181	72,288
Total U.S. Department of Education			100,296
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Emergency Management - State and Local Assistance		83.534	3,431
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Mental Retardation and Developmental Disabilities			
Social Services Block Grant - Title XX		93.667	31,215
Medicaid - Title XIX		93.778	422,332
Total U.S. Department of Health and Human Services			453,547
Total			**$1,183,122**

The accompanying notes to this schedule are an integral part of this schedule.

CARROLL COUNTY
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activities of the Government's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN FUND.

The County did not receive any new revolving loans during the audit period. The CDBG Revolving Loan fund has receivables of $110,444.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Carroll County
Board of Commissioners
119 Public Square
Carrollton, Ohio 44615

We have audited the financial statements of Carroll County, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 19, 2000. We did not audit the financial statements of Carroll Hills Workshop Inc. which represents, 100 percent of the assets and revenues of the Component Unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Carroll Hills Workshop Inc., is based on the report of the other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the County's management in a separate letter dated June 19, 2000.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over Carroll County financial reporting and its operation that we considered to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated June 19, 2000.

This report is intended for the information and use of the audit committee, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Jim Petro
Auditor of State

June 19, 2000

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Carroll County
Board of Commissioners
119 Public Square
Carrollton, Ohio 44615

To the Board of Commissioners:

Compliance

We have audited the compliance of Carroll County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 1999. Carroll County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the major federal programs is the responsibility of Carroll County's management. Our responsibility is to express an opinion on Carroll County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Carroll County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Carroll County's compliance with those requirements.

In our opinion, Carroll County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of Carroll County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Carroll County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to the management of Carroll County in a separate letter dated June 19, 2000.

This report is intended for the information and use of the audit committee, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Jim Petro
Auditor of State

June 19, 2000

CARROLL COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 1999

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified.
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No.
(d)(1)(ii)	**Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material non-compliance at the financial statement level (GAGAS)?**	No.
(d)(1)(iv)	**Were there any material internal control weakness conditions reported for major federal programs?**	No.
(d)(1)(iv)	**Were there any other reportable internal control weakness conditions reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	CDBG (CFDA# 14.228) Medicaid (CFDA# 93.778)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

Finding Number	N/A - No finding is reported.

3. FINDINGS FOR FEDERAL AWARDS

1. <u>Title of Finding</u> (N/A - No finding is reported.)

Finding Number	N/A
CFDA Title and Number	N/A
Federal Award Number / Year	N/A
Federal Agency	N/A
Pass-Through Agency	

CARROLL COUNTY
SCHEDULE OF PRIOR AUDIT FINDING
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***:
1998-61210-001	Byrne Formula Grant Program (96-DG-D02-7193) - County carried a fund balance of $14,727.02 for 11 months after the grant ending period.	Yes. The county revised its quarterly Financial Reports to State of Ohio Office of Criminal Justice Services (OCJS), and returned Federal portion of the unused fund balance to OCJS.	N/A
1998-61210-002	Byrne Formula Grant Program (96-DG-D02-7193, 97-DG-D02-7193) - County failed to submit the quarterly Financial Reports in a timely manner.	Yes. The county revised the quarterly Financial Reports and submitted them to OCJS. OCJS approved the Financial Reports.	N/A
1998-61210-003	Byrne formula Grant Programs (96-DG-D02-7193, 96-DG-D02-7185) - County failed to disburse the grants during the grant available period.	Yes. 96-DG-D02-7193: The county returned Federal portion of the unused funds to OCJS. 96-DG-D02-7185: OCJS approved use of the fund ($290) after grant available period.	N/A

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CARROLL COUNTY FINANCIAL CONDITION

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
JULY 18, 2000