



**FINANCIAL CONDITION
CARROLL COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FINANCIAL CONDITION
CARROLL COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Government Center
242 Federal Plaza West, Suite 302
Youngstown, OH 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

REPORT OF INDEPENDENT ACCOUNTANTS

Carroll County
119 Public Square
Carrollton, OH 44615

To County Commissioners:

We have audited the accompanying general-purpose financial statements of Carroll County, Ohio (the County) as of and for the year ended December 31, 2000. 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 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 other auditors provide 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, 2000, and the results of its operations and cash flows of its proprietary fund types and discretely 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 25, 2001 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Financial Condition
Carroll County
Report of Independent Accountants

Our audit was performed 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 25, 2001

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**FINANCIAL CONDITION
CARROLL COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Equity in pooled cash and cash equivalents	\$909,817	\$3,922,845	\$39,065	\$278,794
Cash with fiscal and escrow agents	31,590	17		
Receivables (net of allowances of uncollectibles):				
Sales taxes	220,182			
Real and other taxes	1,235,320	1,534,871		
Accounts	23,970	10,852		
Special assessments			1,052	
Accrued interest	16,614	2,649		1,212
Interfund loan receivable	24,269			
Due from other funds	11,987	22,124		
Due from other governments	2,816	89,500		
Prepayments	45,480	7,077		
Materials and supplies inventory	42,846	307,603		
Loans receivable		136,583		
Note receivable				
Restricted assets:				
Equity in pooled cash and cash equivalents				
Property, plant and equipment (net of accumulated depreciation where applicable)				
OTHER DEBITS:				
Amount available in debt service fund				
Amount to be provided from general government resources				
Total assets and other debits	\$2,564,891	\$6,034,121	\$40,117	\$280,006

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
\$572,326	\$12,293	\$1,337,178			\$7,072,318		\$7,072,318
27,937		79,948			139,492	\$74,179	213,671
					220,182		220,182
					2,770,191		2,770,191
27,937					62,759	20,033	82,792
					1,052		1,052
1,890					22,365		22,365
					24,269		24,269
		3,430			37,541		37,541
					92,316		92,316
					52,557		52,557
656					351,105		351,105
					136,583		136,583
						50,000	50,000
28,970					28,970		28,970
6,297,251			\$19,998,636		26,295,887	290,118	26,586,005
				\$39,065	39,065		39,065
				1,324,896	1,324,896		1,324,896
<u>\$6,956,967</u>	<u>\$12,293</u>	<u>\$1,420,556</u>	<u>\$19,998,636</u>	<u>\$1,363,961</u>	<u>\$38,671,548</u>	<u>\$434,330</u>	<u>\$39,105,878</u>

**FINANCIAL CONDITION
CARROLL COUNTY, OHIO**

**COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT
DECEMBER 31, 2000
(Continued)**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$92,033	\$288,444		\$10,895
Accrued wages and benefits.	54,328	181,962		
Compensated absences payable	11,554	24,921		
Contracts payable.				
Retainage payable.				
Interfund loan payable		24,269		
Due to other funds	18,792	11,987		
Due to other governments	143,508	207,230		
Due to component units.		2,122		
Deposits held and due to others.				
Amount to be repaid to claimants.				
Deferred revenue	1,235,320	1,557,212	\$1,052	
Accrued interest payable				
Incurred but not reported claims	70,179			
Revenue bond payable				
Notes payable.				
OPWC loans payable.				
USDA loan payable.				
Special assessment bonds with governmental commitment				
General obligation bonds payable				
Obligation under capital lease				
Estimated accrued liability for landfill closure and post-closure costs.				
Total liabilities.	<u>1,625,714</u>	<u>2,298,147</u>	<u>1,052</u>	<u>10,895</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets				
Contributed capital				
Retained earnings:				
Reserved.				
Unreserved (accumulated deficit)				
Fund balances:				
Reserved for encumbrances	464,662	811,274		430,410
Reserved for materials and supplies inventory.	42,846	307,603		
Reserved for prepayments.	45,480	7,077		
Reserved for debt service			\$39,065	
Reserved for loans		136,583		
Unreserved, undesignated (deficit)	<u>386,189</u>	<u>2,473,437</u>		<u>(161,299)</u>
Total equity and other credits.	<u>939,177</u>	<u>3,735,974</u>	<u>39,065</u>	<u>269,111</u>
Total liabilities, equity and other credits	<u>\$2,564,891</u>	<u>\$6,034,121</u>	<u>\$40,117</u>	<u>\$280,006</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government (Memorandum Only)	Component Unit	Total Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
	\$3,090				\$394,462		\$394,462
	5,816				242,106	\$2,107	244,213
	5,805			\$627,104	669,384		669,384
	544,740				544,740		544,740
	397,997				397,997		397,997
					24,269		24,269
		\$6,762			37,541		37,541
5,343		338,892			694,973		694,973
					2,122		2,122
		1,024,028			1,024,028		1,024,028
		25,436			25,436		25,436
					2,793,584	2,200	2,795,784
1,363					1,363		1,363
				44,248	114,427		114,427
327,000					327,000		327,000
				17,610	17,610	94,276	111,886
				39,068	39,068		39,068
2,051,613					2,051,613		2,051,613
				63,000	63,000		63,000
				499,000	499,000		499,000
				73,931	73,931		73,931
3,535,500					3,535,500		3,535,500
6,878,267		1,395,118		1,363,961	13,573,154	98,583	13,671,737
			\$19,998,636		19,998,636		19,998,636
4,371,724					4,371,724		4,371,724
28,970					28,970		28,970
(4,321,994)	\$12,293				(4,309,701)	335,747	(3,973,954)
					1,706,346		1,706,346
					350,449		350,449
					52,557		52,557
					39,065		39,065
					136,583		136,583
		25,438			2,723,765		2,723,765
78,700	12,293	25,438	19,998,636		25,098,394	335,747	25,434,141
\$6,956,967	\$12,293	\$1,420,556	\$19,998,636	\$1,363,961	\$38,671,548	\$434,330	\$39,105,878

**FINANCIAL CONDITION
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, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Total Primary Government (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	
Revenues:						
Property taxes	\$1,173,099	\$1,484,932				\$2,658,031
Sales taxes	1,504,183					1,504,183
Charges for services	2,062,800	1,186,166				3,248,966
Licenses and permits	3,999					3,999
Fines and forfeitures	67,217	69,900				137,117
Intergovernmental	731,558	8,284,612		\$661,977		9,678,147
Special assessments			\$18,844			18,844
Investment income	449,453	16,218		18,555		484,226
Rental income	39,235		34,833			74,068
Other	348,259	181,583	57,384	10,186	\$3,922	601,334
Total revenue	6,379,803	11,223,411	111,061	690,718	3,922	18,408,915
Expenditures:						
Current:						
General government:						
Legislative and executive	1,805,340	317,559				2,122,899
Judicial	539,604	69,751				609,355
Public safety	1,574,818	421,656				1,996,474
Public works	225,005	3,361,110				3,586,115
Health	57,822	2,657,250				2,715,072
Human services	81,357	4,194,964				4,276,321
Economic development	29,000	211,375				240,375
Urban housing and redevelopment		274,351				274,351
Claims	1,244,150					1,244,150
Other	385,189	192,173			6,889	584,251
Capital outlay	41,170	33,610		772,627		847,407
Debt service:						
Principal retirement	56,003	5,529	79,753			141,285
Interest and fiscal charges	4,523	913	38,278	404		44,118
Total expenditures	6,043,981	11,740,241	118,031	773,031	6,889	18,682,173
Excess (deficiency) of revenues over (under) expenditures	335,822	(516,830)	(6,970)	(82,313)	(2,967)	(273,258)
Other financing sources (uses):						
Proceeds from sale of fixed assets	35,491					35,491
Operating transfers in		766,007				766,007
Operating transfers out	(248,256)	(644,155)				(892,411)
Other financing sources		283,274		51,743		335,017
Other financing uses	(235,608)					(235,608)
Proceeds from capital lease	41,170	33,610				74,780
Total other financing sources (uses)	(407,203)	438,736		51,743		83,276
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(71,381)	(78,094)	(6,970)	(30,570)	(2,967)	(189,982)
Fund balances, January 1 (restated)	1,006,985	3,761,305	46,035	299,681	28,405	5,142,411
Increase in reserve for inventory	3,573	52,763				56,336
Fund balances, December 31	\$939,177	\$3,735,974	\$39,065	\$269,111	\$25,438	\$5,008,765

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

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**FINANCIAL CONDITION
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, 2000**

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Property taxes	\$1,129,176	\$1,173,099	\$43,923	\$1,468,319	\$1,484,932	\$16,613
Sales taxes	1,590,697	1,649,165	58,468			
Charges for services	2,050,106	2,073,349	23,243	1,063,019	1,157,589	94,570
Licenses and permits	3,857	3,999	142			
Fines and forfeitures	61,777	64,048	2,271	79,522	71,197	(8,325)
Intergovernmental	708,711	732,341	23,630	8,265,374	8,460,226	194,852
Special assessments						
Investment income	423,369	438,930	15,561	29,640	35,783	6,143
Rental income	37,844	39,235	1,391			
Other	350,929	375,445	24,516	194,325	186,194	(8,131)
Total revenues	<u>6,356,466</u>	<u>6,549,611</u>	<u>193,145</u>	<u>11,100,199</u>	<u>11,395,921</u>	<u>295,722</u>
Expenditures:						
Current:						
General government:						
Legislative and executive	2,050,649	2,000,112	50,537	718,087	524,593	193,494
Judicial	630,793	613,673	17,120	129,028	69,833	59,195
Public safety	1,872,754	1,853,090	19,664	515,288	439,519	75,769
Public works	257,792	239,148	18,644	4,326,478	3,835,679	490,799
Health	33,896	33,889	7	2,731,409	2,702,591	28,818
Human services	102,438	88,863	13,575	4,969,909	4,537,728	432,181
Economic development and assistance	29,000	29,000		420,881	261,011	159,870
Urban redevelopment and housing				286,691	286,665	26
Claims	1,258,664	1,243,193	15,471			
Other	458,082	408,314	49,768	205,288	201,719	3,569
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>6,694,068</u>	<u>6,509,282</u>	<u>184,786</u>	<u>14,303,059</u>	<u>12,859,338</u>	<u>1,443,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(337,602)</u>	<u>40,329</u>	<u>377,931</u>	<u>(3,202,860)</u>	<u>(1,463,417)</u>	<u>1,739,443</u>
Other financing sources (uses):						
Proceeds from sale of fixed assets	34,233	35,491	1,258			
Advances in and not repaid	173,591	173,971	380	13,935	18,269	4,334
Advances out and not repaid	(18,269)	(18,269)		(39,711)	(39,711)	
Operating transfers in				764,404	766,007	1,603
Operating transfers out	(248,270)	(248,256)	14	(644,155)	(644,155)	
Other financing sources				283,625	283,274	(351)
Other financing uses	(282,389)	(280,819)	1,570			
Total other financing sources (uses)	<u>(341,104)</u>	<u>(337,882)</u>	<u>3,222</u>	<u>378,098</u>	<u>383,684</u>	<u>5,586</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	<u>(678,706)</u>	<u>(297,553)</u>	<u>381,153</u>	<u>(2,824,762)</u>	<u>(1,079,733)</u>	<u>1,745,029</u>
Fund balances, January 1 (restated)	146,786	146,786		3,021,346	3,021,346	
Prior year encumbrances appropriated	437,664	437,664		872,002	872,002	
Fund balances, December 31	<u>(\$94,256)</u>	<u>\$286,897</u>	<u>\$381,153</u>	<u>\$1,068,586</u>	<u>\$2,813,615</u>	<u>\$1,745,029</u>

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

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)
						\$2,597,495	\$2,658,031	\$60,536
						1,590,697	1,649,165	58,468
						3,113,125	3,230,938	117,813
						3,857	3,999	142
						141,299	135,245	(6,054)
			\$661,977	\$661,977		9,636,062	9,854,544	218,482
\$18,844	\$18,844					18,844	18,844	
			11,229	18,477	7,248	464,238	493,190	28,952
28,792	34,833	6,041				66,636	74,068	7,432
57,384	57,384		4,272	7,156	2,884	606,910	626,179	19,269
105,020	111,061	6,041	677,478	687,610	10,132	18,239,163	18,744,203	505,040
						2,768,736	2,524,705	244,031
						759,821	683,506	76,315
						2,388,042	2,292,609	95,433
						4,584,270	4,074,827	509,443
						2,765,305	2,736,480	28,825
						5,072,347	4,626,591	445,756
						449,881	290,011	159,870
						286,691	286,665	26
						1,258,664	1,243,193	15,471
						663,370	610,033	53,337
			1,290,663	1,203,521	87,142	1,290,663	1,203,521	87,142
129,753	129,753					129,753	129,753	
40,071	40,021	50				40,071	40,021	50
169,824	169,774	50	1,290,663	1,203,521	87,142	22,457,614	20,741,915	1,715,699
(64,804)	(58,713)	6,091	(613,185)	(515,911)	97,274	(4,218,451)	(1,997,712)	2,220,739
						34,233	35,491	1,258
						187,526	192,240	4,714
						(57,980)	(57,980)	
						764,404	766,007	1,603
						(892,425)	(892,411)	14
51,743	51,743					335,368	335,017	(351)
						(282,389)	(280,819)	1,570
51,743	51,743					88,737	97,545	8,808
(13,061)	(6,970)	6,091	(613,185)	(515,911)	97,274	(4,129,714)	(1,900,167)	2,229,547
46,035	46,035		127,331	127,331		3,341,498	3,341,498	
			226,069	226,069		1,535,735	1,535,735	
\$32,974	\$39,065	\$6,091	(\$259,785)	(\$162,511)	\$97,274	\$747,519	\$2,977,066	\$2,229,547

**FINANCIAL CONDITION
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, 2000**

	<u>Proprietary Fund Types</u>		<u>Total Primary Government (Memorandum Only)</u>	<u>Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>			
Operating revenues:					
Charges for services	\$371,880		\$371,880	\$122,402	\$494,282
Other operating revenues	153,708		153,708	61,684	215,392
Total operating revenues	525,588		525,588	184,086	709,674
Operating expenses:					
Personal services	170,683		170,683	65,745	236,428
Contract services	215,252	126,657	341,909	45,845	387,754
Materials and supplies	33,984		33,984	42,070	76,054
Depreciation	134,354		134,354	34,304	168,658
Other operating expenses	28,936		28,936	25,510	54,446
Total operating expenses	583,209	126,657	709,866	213,474	923,340
Operating loss	(57,621)	(126,657)	(184,278)	(29,388)	(213,666)
Nonoperating revenues (expenses):					
Interest income	16,814		16,814	2,241	19,055
Intergovernmental	564,634		564,634	15,120	579,754
Interest and fiscal charges	(18,001)		(18,001)	(3,042)	(21,043)
Total nonoperating revenues (expenses)	563,447		563,447	14,319	577,766
Net income (loss) before operating transfers	505,826	(126,657)	379,169	(15,069)	364,100
Operating transfers in		126,404	126,404		126,404
Net income (loss)	505,826	(253)	505,573	(15,069)	490,504
Retained earnings (accumulated deficit) at January 1 (restated)	(4,798,850)	12,546	(4,786,304)	350,816	(4,435,488)
Retained earnings (accumulated deficit) at December 31	(4,293,024)	12,293	(4,280,731)	335,747	(3,944,984)
Contributed capital at December 31	4,371,724		4,371,724		4,371,724
Total fund equity at December 31	\$78,700	\$12,293	\$90,993	\$335,747	\$426,740

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

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**FINANCIAL CONDITION
CARROLL COUNTY, OHIO**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Types</u>		<u>Total Primary Government (Memorandum Only)</u>	<u>Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>			
Cash flows from operating activities:					
Cash received from sales/service charges	\$367,542		\$367,542	\$118,668	\$486,210
Cash received from other operations	158,298		158,298	61,684	219,982
Cash payments for personal services	(171,147)		(171,147)	(65,745)	(236,892)
Cash payments for contract services	(216,416)	(\$126,657)	(343,073)	(46,598)	(389,671)
Cash payments for materials and supplies	(33,887)		(33,887)	(42,070)	(75,957)
Cash payments for other expenses	(36,063)		(36,063)	(24,233)	(60,296)
Net cash provided by (used in) operating activities	<u>68,327</u>	<u>(126,657)</u>	<u>(58,330)</u>	<u>1,706</u>	<u>(56,624)</u>
Cash flows from noncapital financing activities:					
Cash received from interfund loans	180,000		180,000		180,000
Cash received from operating transfers		126,404			
Cash used in repayment of interfund loans	(314,260)		(314,260)		(314,260)
Advance to a related party				(50,000)	(50,000)
Cash received from operating grants	<u>529,634</u>		<u>529,634</u>	<u>15,120</u>	<u>544,754</u>
Net cash provided by (used in) noncapital financing activities	<u>395,374</u>	<u>126,404</u>	<u>521,778</u>	<u>(34,880)</u>	<u>360,494</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,049,798)		(2,049,798)	(10,505)	(2,060,303)
Proceeds from loan	2,051,613		2,051,613		2,051,613
Proceeds from note				50,000	50,000
Principal retirement	(36,000)		(36,000)	(26,875)	(62,875)
Interest and fiscal charges	(18,150)		(18,150)	(3,042)	(21,192)
Net cash provided by (used in) capital and related financing activities	<u>(52,335)</u>		<u>(52,335)</u>	<u>9,578</u>	<u>(42,757)</u>
Cash flows from investing activities:					
Interest received	<u>15,700</u>		<u>15,700</u>	<u>2,241</u>	<u>17,941</u>
Net cash provided by investing activities	<u>15,700</u>		<u>15,700</u>	<u>2,241</u>	<u>17,941</u>
Net increase (decrease) in cash cash equivalents					
	427,066	(253)	426,813	(21,355)	405,458
Cash and cash equivalents, January 1 (restated)	<u>202,167</u>	<u>12,546</u>	<u>214,713</u>	<u>95,534</u>	<u>310,247</u>
Cash and cash equivalents, December 31	<u>\$629,233</u>	<u>\$12,293</u>	<u>\$641,526</u>	<u>\$74,179</u>	<u>\$715,705</u>

**FINANCIAL CONDITION
CARROLL COUNTY, OHIO**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)**

	Proprietary Fund Types		Total Primary Government	Component Unit	Total Reporting Entity
	Enterprise	Internal Service	(Memorandum Only)		(Memorandum Only)
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	(\$57,621)	(\$126,657)	(\$184,278)	(\$29,388)	(\$213,666)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	134,354		134,354	34,304	168,658
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	252		252	(4,584)	(4,332)
Increase in materials and supplies inventory	(135)		(135)		(135)
Decrease in prepayments.				1,357	1,357
Decrease in accounts payable	(1,318)		(1,318)	(2,110)	(3,428)
Decrease in accrued wages and benefits	(85)		(85)		(85)
Increase in compensated absences payable.	656		656		656
Increase in deferred revenue				850	850
Increase in other accrued expenses.				1,277	1,277
Decrease in due to other funds	(6,741)		(6,741)		(6,741)
Decrease in due to other governments	(1,035)		(1,035)		(1,035)
Net cash provided by (used in) operating activities	<u>\$68,327</u>	<u>(\$126,657)</u>	<u>(\$58,330)</u>	<u>\$1,706</u>	<u>(\$56,624)</u>

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

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CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - DESCRIPTION OF THE COUNTY

Carroll County, Ohio (the "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.

NOTE 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:

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 operations of the Council are accounted for as a separate special revenue fund.

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 representative 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 Industries, Inc. (Industries) - The Industries is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The Industries, 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 Industries 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 Industries. Based on the significant services and resources provided by the County to the

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Industries and the Industries sole purpose of providing assistance to mentally retarded or developmentally disabled adults of the County, the Industries 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 Industries, 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.

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, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

*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 consist of County contributions based on prior year's usage and County population, and donations from organizations.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Policies are outlined by State guidelines, as well as the board of trustees of the Attention System.

The County cannot significantly influence operations, the board has sole budgetary authority, the board controls surpluses and deficits and the County is not legally or morally obligated for any debt. In 2000, the County contributed \$169,392 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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:

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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Internal Service Fund - The internal service fund is 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).

ACCOUNT GROUPS

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.

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 Industries, Inc. to be a separate discretely presented component unit of the County.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. This period is known as the available period. 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, 2000, but are intended to finance 2001 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

D. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency and trust funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Budgetary information for the Workshop is not reported because it is not included in the entity for which the "appropriated budget" is adopted and separate budgetary financials records are not maintained.

Outlined below are the normal budgetary procedures followed by the County to establish the annual operating budget and the budgetary data reported in the budgetary statements:

1. A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.
2. The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimated. The Commission certifies its actions to the County by September 1. As part of the certification, the County receive the official Certificate of Estimated Resources, which states the projected revenue of each fund.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimated, and the Budget Commission finds the revised estimated to be reasonable. The amounts set forth as revised budgeted revenues and other financing sources in the budgetary statements represent estimates from the final amended certificate issued during 2000.

3. Shortly after the beginning of the fiscal year, the County Commissioners pass a temporary Appropriation Resolution, for a period of not more than 90 days, which legally authorizes the expenditure of funds. Prior to the expiration of the temporary Appropriation Resolution the County Commissioners will approve an official Appropriation Resolution. 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 amount set forth as revised budgeted expenditures and other financing uses in the budgetary statement include the prior year appropriations carried over for payment of prior year encumbrances, and all amendments to the original Appropriation Resolution. Supplemental appropriations are made when needed, subject to approval by at least two Commissioners. Supplemental appropriations were made during 2000.
5. Unencumbered appropriations lapse at year-end. Contracts and purchase type encumbrances outstanding at year-end carry their appropriations with them into the new year.
6. Contract and purchase type encumbrances outstanding at year-end are recorded as expenditures on the budgetary statements.

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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 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 2000, 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 2000 amounted to \$449,453 which includes \$395,341 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 the 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. *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:

<u>Description</u>	<u>Estimated Life</u>
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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at 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.

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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.
2. 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."

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, 2000.

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

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 donations by developers and grants restricted for capital construction. These assets are recorded at their fair market value on the date contributed

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 GAAP. Neither is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Reclassification

In accordance with GASB Codification, Section C50, the County has elected to report the Employee Self-Insurance fund as a component of the general fund rather than as a separate internal service fund. The effect of this fund reclassification on fund balance/retained earnings as previously reported at December 31, 1999 is as follows:

	<u>General</u>	<u>Internal Service</u>
Fund balance/retained earnings as previously reported	\$1,067,543	\$(65,912)
Fund reclassification	<u>(60,558)</u>	<u>78,458</u>
Restated fund balance/retained earnings as of January 1, 2000	<u>\$1,006,985</u>	<u>\$ 12,546</u>

The portion of the Employee Self-Insurance claims liability that will be liquidated with expendable and available financial resources is presented as a liability in the general fund. The portion of the Employee Self-Insurance claims liability that will be liquidated

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

with financial resources outside of the available period will be presented as a liability in the general long-term obligations account group. The fund reclassification caused the general long-term account group balance to increase from \$1,348,838 to \$1,366,738 at December 31, 1999.

B. Fund Deficits

The following funds had a deficit fund balance/retained earnings as of December 31, 2000:

	<u>Deficit Balance</u>
<u>Special Revenue Funds</u>	
Drug Overtime Grant	\$ 42
Community Housing Improvement Program	15,168
County Transit Grant	6,666
Felony Delinquent Care and Custody	2,556
MRDD	50,320
Litter	2,189
	<u>Deficit Balance</u>
<u>Enterprise Funds</u>	
Landfill	\$3,533,649
Sewer	759,375

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

The deficit fund balances in the Drug Overtime Grant, MRDD and the Felony Delinquent Care and Custody special revenue funds 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 balances in the Community Housing Improvement Program, County Transit Grant and the Litter special revenue funds are primarily due to the recognition of short-term interfund loans as a fund liability rather than as an "other financing source". These deficit balances will be eliminated as resources become available to repay the short-term interfund loans.

The deficit retained earnings in the Landfill Fund is primarily due to the reporting of

CARROLL COUNTY, OHIO

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 measures are implemented.

C. Agency Funds

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

ASSETS

Real and other taxes receivable	\$13,635,259
Special assessments receivable	57,705
Due from other governments	<u>177,522</u>
Total	<u>\$13,870,486</u>

LIABILITIES

Due to other governments	\$13,861,349
Accrued wages and benefits	7,942
Compensated absences payable	<u>1,195</u>
	<u>\$13,870,486</u>

NOTE 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.

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:

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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

2. 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 for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's total average portfolio.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

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

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.

Cash on Hand: At year-end, the County had \$13,305 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 savings accounts, and cash with fiscal and escrow agents was \$5,327,475 and the bank balance was \$5,979,287. Of the bank balance:

1. \$1,326,960 was covered by federal depository insurance; and
2. \$4,652,327 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

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

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

trust department or agent, but not in the County's name.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	<u>\$1,900,000</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>

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	\$ 7,240,780	\$ 0
Investments of the Cash Management Pool:		
Repurchase Agreement	(1,900,000)	1,900,000
Cash on Hand	(13,305)	---
GASB Statement No. 3	<u>\$ 5,327,475</u>	<u>\$1,900,000</u>

B. Component Unit

At December 31, 2000, the carrying amount of the component unit's demand deposits was \$74,179. 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, 2000. There are no statutory guidelines regarding the deposit and investment of funds by a not-for-profit corporation.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund balances, related to items other than charges for goods and services rendered, at December 31, 2000, consist of the following individual fund loans receivable and payable:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$24,269	\$ - - -
<u>Special Revenue Funds</u>		
Community Housing Improvement Program	- - -	12,128
Community Development Block Grant	- - -	269
Litter	- - -	5,872
County Transit Grant	<u>- - -</u>	<u>6,000</u>
Total	<u>\$24,269</u>	<u>\$24,269</u>

- B.** Interfund balances, related to charges for goods and services rendered, at December 31, 2000, consist of the following amounts due to and due from other funds:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$11,987	\$18,792
<u>Special Revenue Funds</u>		
Motor Vehicle & Gas Tax	2,228	- - -
Certificate of Title Administration	7,211	- - -
Court Computerization	1,694	- - -
Adult Probation	1,250	- - -
County Transit Grant	1,242	- - -
MRDD	- - -	3,994
Job and Family Services	- - -	6,042
CDBG	- - -	1,951
County Home	8,499	- - -
<u>Agency Funds</u>		
Law Library	3,430	- - -
County Court Agency	<u>- - -</u>	<u>6,762</u>
Total	<u>\$37,541</u>	<u>\$37,541</u>

- C.** The following is a summarized breakdown of the County's operating transfers for 2000.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ - - -	\$248,256
<u>Special Revenue Funds</u>		
Children Services	28,000	644,155
Job and Family Services	738,007	- - -
<u>Internal Service Fund</u>		
Self-Insurance	<u>126,404</u>	<u>- - -</u>
Total	<u>\$892,411</u>	<u>\$892,411</u>

NOTE 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 2000 taxes were collected was \$406,742,112. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 2000, was \$9.33 per \$1,000 of assessed valuation.

The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

<u>Real Property</u>	
Agricultural/Residential	\$286,855,330
Commercial/Industrial/Mineral	36,865,020
Tangible Personal Property	31,787,112
<u>Public Utility</u>	
Real	37,690
Personal	<u>51,196,960</u>
Total Assessed Value	<u>\$406,742,112</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - PROPERTY TAXES - (Continued)

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.

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 2000 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 2001 are shown as 2000 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.

NOTE 7 - PERMISSIVE SALES AND USE TAX

In 1985, the County Commissioners by resolution imposed a one 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 7 - PERMISSIVE SALES AND USE TAX (Continued)

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 2000 operations. Sales and use tax revenue for 2000 amounted to \$1,504,183.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2000, 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, 2000, as well as intended to finance fiscal 2001 operations. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds.

A summary of the principal items of receivables follows:

<u>Fund/Description</u>	<u>Amount</u>
<u>General Fund</u>	
Sales taxes	\$ 220,182
Real and other taxes	1,235,320
Accounts	23,970
Accrued interest	16,614
Interfund loans	24,269
Due from other funds	11,987
Intergovernmental	2,816
<u>Special Revenue Funds</u>	
Real and other taxes	1,534,871
Accounts	10,852
Accrued interest	2,649
Due from other funds	22,124
Intergovernmental	89,500

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 8 - RECEIVABLES (Continued)

<u>Debt Service Funds</u>		
Special Assessments		1,052
 <u>Capital Projects Funds</u>		
Accrued interest		1,212
 <u>Enterprise Funds</u>		
Accounts		27,937
Accrued interest		1,890

NOTE 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 and housing revolving loans made to low-income residents of the County. The loans bear interest at annual rates ranging between 3 and 5 percent. The loans are to be repaid over periods ranging from 5 to 10 years. A summary of the loan activity for 2000 is as follows:

	<u>Balance at</u> <u>1/1/00</u>	<u>Loans</u> <u>Issued</u>	<u>Principal</u> <u>Received</u>	<u>Balance at</u> <u>12/31/00</u>
Housing Revolving Loans	\$110,444	\$ - - -	\$(30,904)	\$ 79,540
CDBG Loans	<u>77,858</u>	<u>- - -</u>	<u>(20,815)</u>	<u>57,043</u>
Total	<u>\$188,302</u>	<u>\$ 0</u>	<u>(51,719)</u>	<u>\$136,583</u>

NOTE 10 - FIXED ASSETS

A. Enterprise Fund Fixed Assets

A summary of the enterprise fund fixed assets at December 31, 2000 is as follows:

Land	\$ 7,500
Machinery and equipment	435,706
Sewer plant	435,317
Sewer lines	5,621,004
Construction in progress	<u>2,541,650</u>
Total gross assets	9,041,177
Less: accumulated depreciation	<u>(2,743,926)</u>
Total net assets	<u>\$ 6,297,251</u>

B. General Fixed Assets

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 10 - FIXED ASSETS (Continued)

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

	<u>Balance at</u> <u>1/1/00</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>12/31/00</u>
Land/improvements	\$ 1,242,645	\$ - - -	\$ - - -	\$ 1,242,645
Building/improvement	12,174,090	126,753	- - -	12,300,843
Furniture, fixtures and equipment	3,911,754	499,851	(187,665)	4,223,940
Vehicles	<u>2,063,713</u>	<u>201,710</u>	<u>(34,215)</u>	<u>2,231,208</u>
Total	<u>\$19,392,202</u>	<u>\$828,314</u>	<u>\$(221,880)</u>	<u>\$19,998,636</u>

NOTE 11 - CONTRIBUTED CAPITAL

Contributed capital for the year ended December 31, 2000 are summarized by source as follows:

	<u>Enterprise</u>
Contributed capital, December 31, 1999	\$4,371,724
Current contributions	<u>- - -</u>
Contributed Capital, December 31, 2000	<u>\$4,371,724</u>

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the County entered into capital lease agreements for the acquisition of two copiers and six vehicles. During 2000, the County entered into additional capital 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 2000 fiscal year totaled \$56,003 and \$5,529 in the general fund and special revenue funds, respectively. These amounts are reflected as debt service principal retirement in the respective funds.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

The following is an analysis of equipment leased under a capital lease as of December 31, 2000:

	<u>General Fixed Assets</u>
Equipment	\$248,526
Carrying value	\$248,526

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, 2000.

	<u>General Long-Term Obligations</u>	
<u>Year Ending December 31</u>		<u>Equipment</u>
2001		\$45,371
2002		29,147
2003		<u>7,323</u>
Total minimum lease payments		81,841
Less: amount representing interest		<u>(7,910)</u>
Present value of future minimum lease payment		<u>\$73,931</u>

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

NOTE 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, 2000 vested benefits for vacation leave for governmental fund type employees totaled \$454,988 and vested benefits for sick leave totaled \$39,837. For proprietary fund types, vested benefits for vacation leave totaled \$5,805 and there were no vested benefits for sick leave. In accordance with GASB Statement No. 16, an additional liability of \$132,279 was accrued to record termination (severance)

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 13 - COMPENSATED ABSENCES LIABILITY (Continued)

payments expected to become eligible to retire in the future for the governmental fund type employees.

NOTE 14 - LONG-TERM OBLIGATIONS

A. General Long-Term Obligations

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

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Restated Balance Outstanding 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/00</u>
<u>General Obligation Bonds</u>						
DHS Building-7.375%	12/01/89	12/01/2009	\$ 100,000	\$ ---	\$ (10,000)	\$ 90,000
DHS Jobs Building-5.5%	7/29/92	7/29/2012	160,000	---	(15,000)	145,000
Energy Debt-5.15%	5/30/96	6/01/2006	<u>301,000</u>	---	<u>(37,000)</u>	<u>264,000</u>
Total General Obligation Bonds			<u>\$ 561,000</u>	<u>\$ ---</u>	<u>\$ (62,000)</u>	<u>\$ 499,000</u>
<u>Special Assessment Bond</u>						
Magnolia Sewerlines-7.375%	12/01/89	12/01/2009	\$ 70,000	\$ ---	\$ (7,000)	\$ 63,000
Total Special Assessment Bond			<u>\$ 70,000</u>	<u>\$ ---</u>	<u>\$ (7,000)</u>	<u>\$ 63,000</u>
<u>Note Payable</u>						
Cumberland Special Assessment-5.07%	3/12/93	3/12/2003	\$ 23,480	\$ ---	\$ (5,870)	\$ 17,610
Total Note Payable			<u>\$ 23,480</u>	<u>\$ ---</u>	<u>\$ (5,870)</u>	<u>\$ 17,610</u>
<u>OPWC Loans Payable</u>						
Drake Church Road Bridge	7/01/92	3/12/2003	\$ 43,951	\$ ---	\$ (4,883)	\$ 39,068
Total OPWC Loans Payable			<u>\$ 43,951</u>	<u>\$ ---</u>	<u>\$ (4,883)</u>	<u>\$ 39,068</u>
<u>Other Long-Term Obligations:</u>						
Incurring but not Reported Claims			\$ 17,900	\$ 44,248	\$ (17,900)	\$ 44,248
Capital Leases			60,683	74,780	(61,532)	73,931
Compensated Absences			<u>589,724</u>	<u>37,380</u>	---	<u>627,104</u>
Total Other Long-Term Obligations			<u>\$ 668,307</u>	<u>\$ 156,408</u>	<u>\$ (79,432)</u>	<u>\$ 745,283</u>

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

Total General				
Long-Term Obligations	<u>\$1,366,738</u>	<u>\$156,408</u>	<u>\$(159,185)</u>	<u>\$1,363,961</u>

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.

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 Works Commission (OPWC) loan 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.

Incurred but not Reported Claims: Incurred but not reported claims represent the portion of the liability for claims that will be liquidated with financial resources outside the available period.

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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

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 Ended	General Obligation Bonds			Special Assessment Bond		
	Principal	Interest	Total	Principal	Interest	Total
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	72,000	13,669	85,669	7,000	2,581	9,581
2006 - 2010	140,000	24,702	164,702	28,000	5,103	33,103
2011 - 2012	<u>20,000</u>	<u>1,770</u>	<u>21,770</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total	<u>\$499,000</u>	<u>\$132,408</u>	<u>\$631,408</u>	<u>\$63,000</u>	<u>\$23,174</u>	<u>\$86,174</u>

Year Ended	Note Payable			OPWC Loans Payable		
	Principal	Interest	Total	Principal	Interest	Total
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	---	---	---	4,884	---	4,884
2005	---	---	---	4,884	---	4,884
2006 - 2008	<u>---</u>	<u>---</u>	<u>---</u>	<u>14,648</u>	<u>---</u>	<u>14,648</u>
Total	<u>\$17,610</u>	<u>\$1,786</u>	<u>\$19,396</u>	<u>\$39,068</u>	<u>\$ 0</u>	<u>\$39,068</u>

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 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:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance Outstanding 1/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 12/31/00</u>
<u>Special Assessment Bond</u>						
Brown Township/ Malvern Sewerlines-5.0%	12/01/80	12/01/2000	\$ 25,000	\$ ---	\$(25,000)	\$ 0
<u>Revenue Bond</u>						
Brown Township/ Malvern Sewerline Improvements-5.0%	2/07/79	2/07/2019	338,000	---	(11,000)	327,000
<u>Loan Payable</u>						
U.S. Department of Agriculture, Rural Development/ Sewer Construction Loan - 4.5%			<u>0</u>	<u>2,051,613</u>	<u>---</u>	<u>2,051,613</u>
Total			<u>\$363,000</u>	<u>\$2,051,613</u>	<u>\$(36,000)</u>	<u>\$2,378,613</u>

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.

Loan Payable: During fiscal year 1999, the County was awarded a \$2,600,000 loan from the United States Department, Rural Development to provide resources for the construction of sewer lines. The County received proceeds of \$2,051,613 during fiscal year 2000. The remaining portion of the loan will be received in fiscal year 2001. The loan is scheduled to close on July 1, 2001 and the principal and interest payments are due over 40 years beginning July 1, 2002. This loan will be retired through revenues derived from sewer operations. As of December 31, 2000, the entire proceeds of the loan were not received. Future debt service requirements will be disclosed once the loan is closed and a final amortization schedule has been established.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

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:

<u>Year Ended</u>	<u>Revenue Bond</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	14,000	13,800	27,800
2006 - 2010	82,000	57,650	139,650
2011 - 2015	105,000	35,000	140,000
2016 - 2018	<u>75,000</u>	<u>7,600</u>	<u>82,600</u>
Total	<u>\$327,000</u>	<u>\$175,800</u>	<u>\$502,800</u>

C. Component Unit Obligations

The Industries had the following note payable obligations at December 31, 2000:

<u>Notes Payable</u>	<u>Interest Rate</u>	<u>Balance Outstanding 12/31/00</u>
Sky Bank	9.5%	\$50,000
James Miller	6.0%	<u>44,276</u>
		<u>\$94,276</u>

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

<u>Year Ended</u>	<u>Amount</u>
2001	\$ 54,117
2002	4,371
2003	4,638
2004	4,926
2005	5,314
Thereafter	<u>20,910</u>
Total	<u>\$94,276</u>

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - LONG TERM OBLIGATIONS - (Continued)

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 \$8,145,618 as of December 31, 2000.

NOTE 15 - 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 Industries, Inc. as a discretely presented component unit. Financial information for the year ended December 31, 2000, is as follows:

	<u>Sewer</u>	<u>Landfill</u>	<u>Total Primary Government</u>	<u>Component Unit</u>	<u>Total Reporting Entity</u>
Operating revenue	\$ 525,588	\$ ---	\$ 525,588	\$ 184,086	\$ 709,674
Operating expenses before depreciation	448,855	---	448,855	179,170	628,025
Depreciation expense	134,354	---	134,354	34,304	168,658
Operating loss	(57,621)	---	(57,621)	(29,388)	(87,009)
Net income (loss)	505,826	---	505,826	(15,069)	490,757
Fixed asset:					
Additions	3,027,535	---	3,027,535	10,505	3,038,040
Disposals	27,000	---	27,000	---	27,000
Property, plant and equipment (net of accumulated depreciation)	6,297,251	---	6,297,251	290,118	6,587,369
Net working capital	68,543	1,851	70,394	89,905	160,299
Total assets	6,955,116	1,851	6,956,967	434,330	7,391,297
Total liabilities	3,342,767	3,535,500	6,878,267	98,583	6,976,850
Retained earnings (accumulated deficit)	(759,375)	(3,533,649)	(4,293,024)	335,747	(3,957,277)
Contributed capital	4,371,724	---	4,371,724	---	4,371,724
Total equity	3,612,349	(3,533,649)	78,700	335,747	414,447
Encumbrances outstanding (budget basis) at December 31, 2000	91,980	---	91,980	---	91,980

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - 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.

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.

There were no significant reductions in insurance coverage from the prior year in any category of risk. 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 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - RISK MANAGEMENT - (Continued)

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 \$114,427 reported in the general fund and the general long-term obligations account group at December 31, 2000, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by FASB 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:

	<u>Liability at Beginning of Year</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>Incurred But Not Reported End of Year</u>
2000	\$87,122	\$1,270,498	\$(1,243,193)	\$114,427
1999	59,692	1,138,813	(1,111,383)	87,122

NOTE 17 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All 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 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2000 was 8.5 percent for employees other than law enforcement. Law enforcement employees contribute 9.0 percent of covered salary. The PERS Retirement Board instituted a temporary employer rate rollback for calendar year 2000. The rate rollback was 20% for local government subdivisions and 6% for law enforcement divisions. The employer contribution rate for employees other than law enforcement was 10.84 percent of covered payroll; 6.54 percent was the portion used to fund pension obligations for 2000. The employer contribution rate for law enforcement employees was 15.70 percent of covered payroll; 11.40 percent was the portion used to fund pension obligations for 2000. The County's contributions for pension obligations to the PERS for the years ended December 31, 2000, 1999, and 1998 were \$868,335, \$1,036,557, and \$911,615, respectively; 75 percent has been contributed for 2000 and 100 percent for 1999 and 1998. \$138,715, representing the unpaid contribution for 2000, 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 Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio 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 Ohio issues a publicly available financial report that includes financial statements and required supplementary information for STRS Ohio. That report may be obtained by writing to the State Teachers Retirement System of Ohio, 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 Ohio Retirement Board, 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 Ohio for the years ended December 31, 2000, 1999, and 1998 were \$31,894, \$33,450, and \$31,253, respectively; 88 percent has been contributed for 2000 and 100 percent for the years 1999 and 1998. \$3,929, representing the unpaid contributions for 2000, is recorded as a liability within the respective funds.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 18 - 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. 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 employer contribution rate was rolled back for the year 2000. The 2000 employer contribution rate for local government employers was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care. The law enforcement employer rate for 2000 was 15.70% of covered payroll; 4.30% 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 post employment benefits was \$334,928.

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.

As of December 31, 1999 (the latest information available), the unaudited estimated net assets available for future OPEB payments were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively, at December 31, 1999 (the latest information available). The number of benefit recipients eligible for OPEB at December 31, 1999 (the latest information available) was 401,339.

During 2000, the PERS Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate rollback was 20% for both the state and local government divisions and 6% for law enforcement divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 18 - POSTEMPLOYMENT BENEFITS - (Continued)

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, 2000, Comprehensive Annual Financial Report.

B. State Teachers Retirement System

Comprehensive health care benefits are provided to retired teachers and their dependents through the STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by STRS Ohio 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 Health Care Reserve Fund equal to 8% of covered payroll for the fiscal year ended June 30, 2000. For the County this amount equaled \$18,225 during 2000. As of June 30, 2000, the balance in the Health Care Reserve Fund was \$3.419 billion and eligible benefit recipients statewide totaled 90,011 for STRS Ohio as a whole. Net health care costs paid by STRS Ohio statewide were \$283.137 million.

NOTE 19 - 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:

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$(297,553)	\$(1,079,733)	\$(6,970)	\$(515,911)
Net adjustment for revenue accruals	(169,808)	(172,510)	---	3,108
Net adjustment for expenditure accruals	(157,619)	9,867	51,743	(10,815)
Net adjustment for other financing sources (uses) accruals	(69,321)	55,052	(51,743)	51,743
Encumbrances (budget basis)	<u>622,920</u>	<u>1,109,230</u>	<u>---</u>	<u>441,305</u>
GAAP basis	<u>\$(71,381)</u>	<u>\$ (78,094)</u>	<u>\$(6,970)</u>	<u>\$ (30,570)</u>

NOTE 20 - COMPLIANCE

The following fund had appropriations in excess of estimated resources for the year ended December 31, 2000, in noncompliance with Ohio Revised Code Section 5705.39.

<u>Fund Type/Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Capital Projects Issue II	\$661,977	\$1,097,594	\$435,617

Contrary to Ohio Revised Code Section 5705.10, the Issue II capital projects fund had a negative cash fund balance of \$424,866.

NOTE 21 - 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, 2000.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 21 - CONTINGENCIES - (Continued)

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. In 2000, the County received \$2,051,613 of the loan proceeds and none of the grant. The remaining portion of the loan and the entire portion of the grant will be received in 2001. See Note 14.B. for further detail on the loan.

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.

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 whether 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.

CARROLL COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 22 - 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, 2000. 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, 2000. 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.

NOTE 23 - RELATED PARTY TRANSACTION

The Industries, 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, 2000, the contributions were \$15,120.

NOTE 24 - CONDUIT DEBT OBLIGATION

In fiscal year 2000, the County served as an issuer of Ohio Health Care Facilities Revenue Bonds in the amount of \$3,180,000. The proceeds will be used to acquire, construct, improve and equip hospital facilities for St. John's Villa. St. John's Villa will make the principal and interest payments on the bonds. The facilities revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the County. Neither is the full faith and credit or taxing power of the County pledged to make payment.

NOTE 25 - SUBSEQUENT EVENTS

On April 26, 2001 the Board Commissioners authorized terminating the County Self Insurance Plan effective April 30, 2001 and enter into an agreement to start a traditional plan.

On April 26, 2001 the Board of Commissioners authorized a grant agreement through USDA, Rural Development. This will award \$1,429,500 toward the Brown Township sewer expansion.

**FINANCIAL CONDITION
CARROLL COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Water Development Authority:</i>			
Water and Waste Disposal Systems for Rural Communities	-	10.760	1,706,065
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants	BN-98-010-1	14.228	\$491,586
	BC-98-010-1	14.228	294,789
	BC-99-010-1	14.228	122,056
	BC-00-010-1	14.228	<u>12,397</u>
Total U.S. Department of Housing and Urban Development			920,828
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed Through Office of Criminal Justice Services:</i>			
Crime Victim Assistance	99 VAGE	16.575	269
	2000 VAGE	16.575	9,505
	VOCA 10-87-T	16.575	39,710
	VOCA 10-87-X	16.575	10,528
	VOCA 10-87-X	16.575	2,983
Byrne Formular Grant Programs	98-DG-D02-7185	16.579	1,812
	98-LE-LEB-3130	16.579	3,767
Public Safety Partnership and Community Policing Grants	98-UM-WX-2463	16.710	<u>49,098</u>
Total U.S. Department of Justice			117,672
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed Through Ohio Bureau of Employment Services:</i>			
Employment and Training Assistance Dislocated	OCP9001	17.246	1,692
<i>Passed Through Ohio Job and Family Services</i>			
Workforce Investment Act (WIA)	WYSC-FOO-0447	17.255	<u>2,413</u>
Total U.S. Department of Labor			4,105
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Department of Transportation:</i>			
Public Transportation for Unurbanized Areas	RPT-4010-017-991	20.509	66,232
Public Transportation for Unurbanized Areas	RPT-0010-018-992	20.509	<u>66,232</u>
Total U.S. Department of Transportation			132,464

FINANCIAL CONDITION
CARROLL COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education:</i>			
Special Education_Grants to State	6B-SF-94-P	84.027	31,403
Special Educatiion_Preschool Grants	PG-S1-98-P	84.173	9,906
Special Education_Grants for Infants and Families with Low Income	-	84.181	<u>67,360</u>
Total U.S. Department of Education			108,669
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Terrorism Planning Funding	H536	83.552	2,000
Emergency Management - State and Local Assistance	DR-1164	83.544	<u>33,710</u>
Total Federal Emergency Management Agency			35,710
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Social Services Block Grant - Title XX	-	93.667	25,964
Medicaid - Title XIX	-	93.778	<u>406,485</u>
Total U.S. Department of Health and Human Services			432,449
Total			<u><u>\$3,457,962</u></u>

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

**FINANCIAL CONDITION
CARROLL COUNTY
FISCAL YEAR ENDED DECEMBER 31, 2000**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Government's federal award programs. The schedule has been prepared on the cash basis of accounting, except expenditures of assistance passed through the Ohio Bureau of Employment Services Job Training Partnership Programs are presented on an accrual basis.

NOTE B— COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County did not receive any new revolving loans during the audit period. The CDBG Revolving Loan Fund has receivables of \$136,583.

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Government Center
242 Federal Plaza West, Suite 302
Youngstown, OH 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

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

Carroll County
119 Public Square
Carrollton, OH 44615

To County Commissioners:

We have audited the financial statements of Carroll County as of and for the year ended December 31, 2000, and have issued our report thereon dated June 25, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether Carroll 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 an immaterial instance of noncompliance that we have reported to management of Carroll County in a separate letter dated June 25, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Carroll 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 financial reporting and its operation that we consider to be material weaknesses.

Financial Condition
Carroll County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, 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 specified parties.

Jim Petro
Auditor of State

June 25, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Government Center
242 Federal Plaza West, Suite 302
Youngstown, OH 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Carroll County
119 Public Square
Carrollton, OH 44615

To County 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 each of its major federal programs for the year ended December 31, 2000. Carroll County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its 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 on 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, 2000.

Internal Control Over Compliance

The management of Carroll County is responsible for establishing and maintaining effective internal control over compliance with 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.

Financial Condition
Carroll County
Report of Independent Accountants on Compliance with Requirements
Applicable to the Major Federal Program and Internal Control over
Compliance in Accordance with Omb Circular A-133
Page 2

This report is intended for the information and use of the audit committee, management, 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 specified parties.

Jim Petro
Auditor of State

June 25, 2001

**FINANCIAL CONDITION
CARROLL COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

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):	Water & Waste Disposal Systems of Rural Communities (10.760) Public Transportation for Nonurbanized Areas (20.509)
(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.
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. **Title of Finding** (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	N/A

**FINANCIAL CONDITION
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully <u>Corrected</u> ?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
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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JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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 12, 2001