

Village of Carrollton
Audited Financial Statements

December 31, 2008 and 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Village of Carrollton
80 Second Street SW
Carrollton, OH 44615

We have reviewed the *Independent Auditor's Report* of the Village of Carrollton, Carroll County, prepared by Rea & Associates, Inc., for the audit period January 1, 2007 to December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 4, 2009

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CARROLL COUNTY

DECEMBER 31, 2008 AND 2007

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 22, 2009

Village Council
Village of Carrollton
Carrollton, OH 44615

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carrollton (the "Village") as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. 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 audits provide a reasonable basis for our opinion.

As described in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carrollton, Carroll County, as of December 31, 2008 and 2007 and the respective changes in cash financial position and the respective budgetary comparison for the General, Street Maintenance, Storm Sewers, Fire Department, Income Tax, and Landfill Escrow Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we also have issued our report dated June 22, 2009 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Hea & Associates, Inc.

Village of Carrollton
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

This discussion and analysis of the Village of Carrollton's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2008 and 2007, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2008 and 2007 are as follows:

Net assets of governmental activities increased \$126,131, or 17.66 percent during 2008 and decreased \$28,475 or 3.83 percent during 2007. The funds most affected by an increase in cash and cash equivalents in 2008 were as follows; the general fund in the amount of \$69,249, the Storm Sewer Fund in the amount of \$16,330, the Fire Department in the amount of \$2,050, and the Landfill Fund in the amount of \$25,000. Minor funds were also affected by an increase in cash and cash equivalents by \$63,506. Decreases were reflected in the Street Maintenance fund of \$7,415, and additional funds were transferred from the Income Tax Fund to the General Fund in the amount of \$800,000. However, cost increases affected most funds. Bank interest rates were on the decline in 2008 to decrease interest income over the prior years by \$8,010. In 2007, the fund most affected by an increase in cash and cash equivalents was the Storm Sewer Fund; however, cost increases affected most funds. Bank interest rates were on the rise in 2007 to increase interest income over the prior year.

The Village's general receipts are primarily property and income taxes. Property and income tax receipts for 2008 and 2007 changed very little compared to prior years. Income tax revenues increased in 2008 and 2007 by \$17,824 and \$5,028, respectively. Property tax receipts decreased in 2008 and 2007 by \$3,381 and \$6,382, respectively.

The water and sewer operation, the Village's business-type activities, each had increased carryovers for 2008 and 2007 due to water/sewer rate increases and closely monitoring spending to preserve funds for specific projects. The Water and Sewer department's expenses for 2008 were increased over 2007 due engineering services for several projects (i.e. wastewater treatment plant, Commerce Park waterline study, water tank replacements, etc.)

The sewer plant is very old and in need of extensive repairs or replacement. Water/sewer rates will be increased over the next few years to help cover costs of repairs and/or replacement. Grants and loans have been applied for to secure funding for a new wastewater treatment plant.

A grant in the amount of \$50,000 was received for paving which was carried over to 2009. Also a grant of \$25,000 was received to be used for two police department cruisers and equipment along with the sale of bonds in the amount of \$35,000.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Village of Carrollton
Management's Discussion and Analysis
For the Years Ended December 31, 2008 and 2007
Unaudited

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2008 and 2007, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non-financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

Village of Carrollton
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In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here, including police, streets, storm sewers, fire, and income tax. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activities: The Village has two business-type activities, the provision of water and sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column entitled "Other government funds". The Village's reported major governmental funds are the General Fund, Street Maintenance Fund, Storm Sewer Fund, Fire Department Fund, Income Tax Fund and the Landfill Escrow Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has two enterprise funds, the water fund and the sewer fund. When the services are provided to other departments of the Village, it is reported as an internal service fund. The Village has no internal service funds at this time.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs. The Village has no fiduciary funds.

Village of Carrollton
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The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2008 and 2007 compared to 2006 on a cash basis:

(Table 1)
Net Assets

	Governmental Activities			Business-Type Activities			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Assets									
Cash and Cash Equivalents	\$840,494	\$714,363	\$742,838	\$603,942	\$237,701	\$107,593	\$1,444,436	\$952,064	\$850,431
Total Assets	\$840,494	\$714,363	\$742,838	\$603,942	\$237,701	\$107,593	\$1,444,436	\$952,064	\$850,431
Net Assets									
Restricted for:									
Capital Projects	\$ 600	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600	\$ 600	\$ 0
Other Purposes	627,387	568,403	0	0	0	0	627,387	568,403	0
Unrestricted	212,507	145,360	742,838	603,942	237,701	107,593	816,449	383,061	850,431
Total Net Assets	\$840,494	\$714,363	\$742,838	\$603,942	\$237,701	\$107,593	\$1,444,436	\$952,064	\$ 850,431

As mentioned previously, net assets of governmental activities increased \$126,131 or 17.656 percent during 2008. The primary reasons contributing to the increases in cash balances are as follows:

Income tax collections were slightly up in 2008 and 2007. Collections in 2006 were \$760,923 and in 2007 the collections amounted to \$765,952 for an increase of \$5,029. Collections in 2008 amounted to \$783,446 for an increase of \$17,494.

In 2008 employee wages were increased at various amount and percentages. A new base wage and longevity ordinance was passed. In 2007 increases were granted at 3%. However, in 2007 an employee left the street department in October of 2007 and was not replaced nor was a police officer that retired in August of 2006 replaced. The position of Recreation Director was also eliminated.

In 2008 street paving funds expended were of \$129,435 compared to \$125,000 expended in 2007 and \$100,187 expended in 2006.

In 2007 the Village chose a Health Savings Account form of insurance with a high deductible for the employees resulting in a savings in health care premiums. The HSA accounts were continued in 2008.

In 2008 the business type activities net assets increased by \$366,241 or approximately 154 percent due to increases in the water and sewer rates effective January 2008. In 2007 the business type activities increased by \$130,108 or by approximately 121 percent due to numerous rate increases for various services as listed below:

- a) Rate increase for permit/inspection fees for sewers
- b) Establishing connection fees for water/sewer services
- c) Increase of water/sewer rates effective for May 2007
- d) Increase of outside water/sewer rates effective for May 2007

Table 2 reflects the changes in net assets on a cash basis in 2008 and 2007 for governmental activities, business-type activities and total primary government.

Village of Carrollton
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(Table 2)
Changes in Net Assets

	Governmental Activities			Business-Type Activities			Total		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Receipts:									
Program Receipts:									
Charges for Services and Sales	\$136,887	\$140,213	\$32,163	\$1,004,074	\$711,184	\$285,849	\$1,140,961	\$851,397	\$318,012
Operating Grants and Contributions	224,154	172,621	0	0	0	0	224,154	172,621	0
Capital Grants and Contributions	66,129	41,327	0	4,689	4,689	0	70,818	46,016	0
Total Program Receipts	427,170	354,161	32,163	1,008,763	715,873	285,849	1,435,933	1,070,034	318,012
General Receipts:									
Property and Other Local Taxes	274,950	278,331	284,713	0	0	0	274,950	278,331	284,713
Income Taxes	783,446	765,951	760,293	0	0	0	783,446	765,951	760,293
Grants and Entitlements Not Restricted to Specific Programs	123,837	99,529	380,564	0	0	0	123,837	99,529	380,564
Charges for Services	0	0	0	0	0	309,350	0	0	309,350
Fines, Licenses, and Permits	0	0	106,671	0	0	0	0	0	106,671
Sale of Capital Assets	7,500	120	0	66,242	0	0	73,742	120	0
Bonds Issued	35,000	0	0	145,959	0	0	180,959	0	0
Interest	20,613	28,586	27,188	0	0	0	20,613	28,586	27,188
Miscellaneous	35,296	9,088	44,528	1,513	1,026	1,903	36,809	10,114	46,431
Total General Receipts	1,280,642	1,181,605	1,603,957	213,714	1,026	311,253	1,494,356	1,182,631	1,915,210
Total Receipts	1,707,812	1,535,766	1,636,120	1,222,477	716,899	597,102	2,930,289	2,252,665	2,233,222
Program Disbursements:									
General Government	326,179	316,742	259,684	0	0	0	326,179	316,742	259,684
Security of Persons and Property:	635,693	563,709	591,010	0	0	0	635,693	563,709	591,010
Public Health Services	19,982	19,982	18,345	0	0	0	19,982	19,982	18,345
Leisure Time Activities	4,667	34,425	34,041	0	0	0	4,667	34,425	34,041
Economic Development	5,738	5,226	20,061	0	0	0	5,738	5,226	20,061
Transportation	276,387	301,791	282,304	0	0	0	276,387	301,791	282,304
Capital Outlay	215,827	225,359	353,066	0	0	0	215,827	225,359	353,066
Debt Service	97,720	100,960	98,840	0	0	0	97,720	100,960	98,840
Enterprise Operations:									
Water	0	0	0	441,920	332,843	308,909	441,920	332,843	308,909
Sewer	0	0	0	427,526	249,995	228,168	427,526	249,995	228,168
Total Disbursements	1,582,193	1,568,194	1,657,351	869,446	582,838	537,077	2,451,639	2,151,032	2,194,428
Other Financing Sources/(Uses)	512	0	283	13,210	0	2,522	13,722	0	2,805
Excess (Deficiency) Before Transfers	126,131	(32,428)	(20,948)	366,241	134,061	62,547	492,372	101,633	41,599
Transfers	0	3,953	50,022	0	(3,953)	(50,022)	0	0	0
Increase (Decrease) in Net Assets	126,131	(28,475)	29,074	366,241	130,108	12,525	492,370	492,370	492,370
Net Assets, January 1, 2008	714,363	742,838	713,764	237,701	107,593	95,068	952,064	850,431	808,832
Net Assets, December 31, 2008	\$840,494	\$714,363	\$742,838	\$603,942	\$237,701	\$107,593	\$1,444,436	\$952,064	\$850,431

Program receipts represent only 25.01 percent of total receipts in the governmental activities in 2008 and 23.06 percent in 2007. Program receipts are primarily comprised of fire service contracts, fines, licenses and permits and franchise fees in the governmental activities. Program receipts in the business-type activities consisted of 82.52 percent of the total receipts in 2008 and 99.86 percent in 2008. Program receipts consist of water/sewer charges for services or sales of bulk water and meter taps in the business type activities.

Village of Carrollton
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For the Years Ended December 31, 2008 and 2007
Unaudited

General receipts represented 74.99 percent of the Village's total receipts for governmental activities in 2008 and of this amount 61.41 percent are local income taxes. General receipts represented 76.94 percent of the Village's total receipts for governmental activities in 2007 and of this amount 64.82 percent are local income taxes. State and federal grants and entitlements as well as interest earned and the storm sewer charges make up the balance of the Village's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, the village administrator, clerk/treasurer, village solicitor, as well as internal services such as payroll and purchasing. Since these costs do not represent direct services to residents, we try to limit these costs to General Fund unrestricted receipts. However, the Business-type activities also share 2/3rds of the cost of the Village Administrator's salary and benefits and ½ the cost of an office employee's wages and benefits in 2008.

Security of Persons and Property are the costs of police and fire protection; Public Health Services is the health department; Leisure Time Activities are the costs of maintaining the parks; the economic development department funds the Building and Zoning Inspector and his needs; and Transportation is the cost of maintaining the street department employees and street paving. Due to some possible legal issues with the Recreation Board, the salary and benefits for the Recreation Director was eliminated in 2008.

Governmental Activities

If you look at the Statement of Activities, you will see that the first column lists the major services provided by the Village. The next column identifies the revenues received and the costs of providing these services. The major program disbursements for governmental activities are for general government, transportation and security of persons and property, which account for \$1,238,259 and over 78 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. These consist of the Fire Protection service contracts, general charges for services, traffic fines, operating grants for transportation services, and a \$50,000 Scrap Tire Grant for street paving. The net (Expense) Revenue column compares the program receipts to the cost of service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2008	2008	2007	2007	2006	2006
General Government	\$ 326,179	\$ 267,944	\$ 316,742	\$ 250,445	\$ 259,684	\$ 259,684
Security of Persons and Property	635,693	528,069	563,709	485,116	591,010	558,847
Public Health Services	19,982	19,982	19,982	19,982	18,345	18,345
Leisure Time Activities	4,667	3,776	34,425	33,539	34,041	34,041
Economic Development	5,738	(47,385)	5,226	2,390	20,061	20,061
Transportation	276,387	110,219	301,791	137,569	282,304	282,304
Capital Outlay	215,827	174,698	225,359	184,032	353,066	353,066
Debt Service	97,720	97,720	100,960	100,960	98,840	98,840
Total Expenses	\$1,582,193	\$1,155,023	\$1,568,194	\$1,214,033	\$1,657,351	\$1,625,188

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Unaudited

The dependence upon property and income tax receipts is apparent. The majority of governmental activities are supported through these general receipts.

Business-type Activities

The water and sewer operations of the Village are relatively small, but increasing and routinely reports receipts and cash disbursements that are relatively equal. The infrastructure of the wastewater treatment plant is very old and in need of major upgrades or replacement. Parts of the sewer plant are over 100 years old and replacements parts are almost impossible to obtain. The Village is in the process of obtaining grants and loans for a new wastewater treatment plant. An engineer for the project has already been selected for the design phase of the project and engineering has commenced in 2008. Sewer rates were increased in 2007 and 2008 in anticipation of additional expenses for the new wastewater treatment plant. In 2008, the Village's underground water storage tank was taken off line due to the age and deterioration of the tank. Ground surface water was leaking into the tank at various locations, making the tank unsafe for storage of the Village's drinking water. The above ground water storage tank is in need of major repairs or replacement. Water rates have been increased in 2007 and 2008 in anticipation of storage tank replacement. The Village has also applied for grants for these projects.

The Village's Funds

Total governmental funds had receipts and other financing sources totaling \$2,508,324 and disbursements and other financing uses totaling \$2,382,193 in 2008. Total governmental funds had receipts and other financing sources totaling \$2,289,721 and disbursements and other financing uses totaling \$2,318,195 in 2007. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased by \$69,249 due to cost cutting in all departments. The balance in the Income Tax fund at year end was \$102,340, which could have been transferred to the General Fund for use. Income tax collections are reported as receipts in the income tax fund as established by the Income Tax Ordinance and are transferred into the General Fund as needed and approved by council. However when those income tax revenues are needed by the General Fund they are receipted into the General Fund and expended by the Income tax Fund, thereby over inflating the expenses and revenues in each of those funds.

General Fund receipts, which include refunds, sale of fixed assets and transfers in were more than disbursements by \$69,249 indicating that the General Fund is not in a deficit spending situation. It was the recommendation of the finance committee and the administration to closely monitor spending rather than requesting additional funds from the taxpayers, considering there still remains funds in the income fund that have not been transferred to the General Fund. Some of these reductions have been implemented. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if the growth in property and income taxes remains stagnant.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2008, the Village amended its General Fund budget line items several times to reflect changing circumstances but did not impact fund totals.

Final disbursements in 2008 for the General Fund were budgeted at \$1,289,997 while actual disbursements were \$1,216,680. Final disbursements in 2007 for the General Fund were budgeted at \$1,245,019 while actual disbursements were \$1,187,222. Although receipts exceeded expectations, appropriations were adjusted in some areas. The Village kept spending very close to budgeted amounts as demonstrated by the minor reported variances.

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For the Years Ended December 31, 2008 and 2007
Unaudited

In 2008 the Village did not amend total General Fund budgeted receipts or expenditures. However, line item appropriations were reallocated as deemed necessary.

Capital Assets and Debt Administration

Capital Assets

The Village does not currently keep track of its capital assets and infrastructure. Future plans are to inventory all assets, but not report on their values in the financial statements.

Debt

At December 31, 2008, the Village's outstanding debt included \$155,000 in general obligation bonds issued for improvements to buildings and structures, \$35,000 in general obligation bonds for two police cruisers and equipment; \$182,493 for waterline replacement loans, \$7,989 for the fire truck loan including interest and \$84,097 in capital leases for the street sweeper and copier. For further information regarding the Village's debt, refer to Note 12, Note 13, and Note 14 to the Financial Statements.

Current Issues

The challenge for all Governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Our newly prepared financial forecast predicts a possible deficit for 2009. The finance committee and the administration will work together to implement some cost effective measures such as controlling spending and eliminating overtime wages. We reviewed our sources of revenue and determined that increases were unlikely except for the business type activities with a possible increase of water/sewer rates in 2009. We then reviewed the disbursement history of the Village and asked all departments to reduce their spending for overtime wages and to order any supplies in a more cost effective manner.

The administration may possibly create a new grounds/maintenance position due to the loss of an employee on the street department and the elimination of funding for the Recreation Director. The administration will also seek grant funding for street paving, water storage tanks and the construction of a new wastewater treatment plant.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Judi Noble, Clerk-Treasurer, Village of Carrollton, 80 2nd St. SW, Carrollton, Ohio 44615.

Village of Carrollton
Carroll County
Statement of Net Assets - Cash Basis
December 31, 2008

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$840,494	\$603,942	\$1,444,436
<i>Total Assets</i>	<u>\$840,494</u>	<u>\$603,942</u>	<u>\$1,444,436</u>
Net Assets			
Restricted for:			
Capital Projects	\$600	\$0	\$600
Other Purposes	627,387	0	627,387
Unrestricted	<u>212,507</u>	<u>603,942</u>	<u>816,449</u>
<i>Total Net Assets</i>	<u>\$840,494</u>	<u>\$603,942</u>	<u>\$1,444,436</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2008

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$326,179	\$58,235	\$0	\$0
Security of Persons and Property	635,693	75,529	7,095	25,000
Public Health Services	19,982	0	0	0
Leisure Time Activities	4,667	0	891	0
Community Environment	5,738	3,123	50,000	0
Transportation	276,387	0	166,168	0
Capital Outlay	215,827	0	0	41,129
Debt Service:				
Principal Retirement	79,130	0	0	0
Interest and Fiscal Charges	18,590	0	0	0
<i>Total Governmental Activities</i>	<u>1,582,193</u>	<u>136,887</u>	<u>224,154</u>	<u>66,129</u>
Business Type Activity				
Water	441,920	406,140	0	4,689
Sewer	427,526	597,934	0	0
<i>Total Business Type Activities</i>	<u>869,446</u>	<u>1,004,074</u>	<u>0</u>	<u>4,689</u>
<i>Total Primary Government</i>	<u>\$2,451,639</u>	<u>\$1,140,961</u>	<u>\$224,154</u>	<u>\$70,818</u>
General Receipts				
Property Taxes Levied for:				
General Purposes				
Other Purposes				
Other Local Taxes				
Income Taxes Levied for General Purposes				
Grants and Entitlements not Restricted to Specific Programs				
Bonds Issued				
Sale of Capital Assets				
Interest				
Miscellaneous				
<i>Total General Receipts</i>				
Other Financing Sources				
<i>Total General Receipts and Other Financing Sources</i>				
Change in Net Assets				
<i>Net Assets Beginning of Year</i>				
<i>Net Assets End of Year</i>				

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$267,944)	\$0	(\$267,944)
(528,069)	0	(528,069)
(19,982)	0	(19,982)
(3,776)	0	(3,776)
47,385	0	47,385
(110,219)	0	(110,219)
(174,698)	0	(174,698)
(79,130)	0	(79,130)
(18,590)	0	(18,590)
<u>(1,155,023)</u>	<u>0</u>	<u>(1,155,023)</u>
0	(31,091)	(31,091)
<u>0</u>	<u>170,408</u>	<u>170,408</u>
0	139,317	139,317
<u>(\$1,155,023)</u>	<u>\$139,317</u>	<u>(\$1,015,706)</u>
173,688	0	173,688
87,415	0	87,415
13,847	0	13,847
783,446	0	783,446
123,837	0	123,837
35,000	145,959	180,959
7,500	66,242	73,742
20,613	0	20,613
35,296	1,513	36,809
1,280,642	213,714	1,494,356
512	13,210	13,722
<u>1,281,154</u>	<u>226,924</u>	<u>1,508,078</u>
126,131	366,241	492,372
<u>714,363</u>	<u>237,701</u>	<u>952,064</u>
<u>\$840,494</u>	<u>\$603,942</u>	<u>\$1,444,436</u>

Village of Carrollton
Carroll County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2008

	General	Street Construction, Maintenance and Repair	Storm Sewers	Fire Department	Income Tax	Landfill Escrow	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$213,803	\$40,367	\$92,052	\$34,809	\$102,340	\$265,990	\$91,133	\$840,494
<i>Total Assets</i>	<u>\$213,803</u>	<u>\$40,367</u>	<u>\$92,052</u>	<u>\$34,809</u>	<u>\$102,340</u>	<u>\$265,990</u>	<u>\$91,133</u>	<u>\$840,494</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	\$29,376	\$3,491	\$0	\$913	\$0	\$0	\$0	\$33,780
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	184,427	0	0	0	0	0	0	184,427
Special Revenue Funds	0	36,876	92,052	33,896	102,340	265,990	70,546	601,700
Capital Projects Funds	0	0	0	0	0	0	600	600
Permanent Fund	0	0	0	0	0	0	19,987	19,987
<i>Total Fund Balances</i>	<u>\$213,803</u>	<u>\$40,367</u>	<u>\$92,052</u>	<u>\$34,809</u>	<u>\$102,340</u>	<u>\$265,990</u>	<u>\$91,133</u>	<u>\$840,494</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Street Construction, Maintenance and Repair	Storm Sewers	Fire Department	Income Tax	Landfill Escrow	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$187,535	\$0	\$0	\$87,415	\$783,446	\$0	\$0	\$1,058,396
Charges for Services	9,547	0	0	30,000	0	0	0	39,547
Fines, Licenses and Permits	72,314	0	0	0	0	25,000	26	97,340
Intergovernmental	123,837	153,707	0	7,094	0	0	87,462	372,100
Earnings on Investment	20,614	0	0	0	0	0	603	21,217
Miscellaneous	35,207	0	41,129	376	0	0	0	76,712
<i>Total Receipts</i>	<u>449,054</u>	<u>153,707</u>	<u>41,129</u>	<u>124,885</u>	<u>783,446</u>	<u>25,000</u>	<u>88,091</u>	<u>1,665,312</u>
Disbursements								
Current:								
General Government	300,144	0	0	0	26,035	0	0	326,179
Security of Persons and Property	501,542	0	0	91,351	0	0	42,800	635,693
Public Health Services	19,982	0	0	0	0	0	0	19,982
Leisure Time Activities	4,070	0	0	0	0	0	597	4,667
Community Environment	5,738	0	0	0	0	0	0	5,738
Transportation	145,834	119,880	0	0	0	0	10,673	276,387
Capital Outlay	164,585	25,307	24,799	1,136	0	0	0	215,827
Debt Service:								
Principal Retirement	35,364	12,898	0	26,368	0	0	4,500	79,130
Interest and Fiscal Charges	10,046	3,549	0	3,980	0	0	1,015	18,590
<i>Total Disbursements</i>	<u>1,187,305</u>	<u>161,634</u>	<u>24,799</u>	<u>122,835</u>	<u>26,035</u>	<u>0</u>	<u>59,585</u>	<u>1,582,193</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(738,251)</u>	<u>(7,927)</u>	<u>16,330</u>	<u>2,050</u>	<u>757,411</u>	<u>25,000</u>	<u>28,506</u>	<u>83,119</u>
Other Financing Sources (Uses)								
Bonds Issued	0	0	0	0	0	0	35,000	35,000
Sale of Capital Assets	7,500	0	0	0	0	0	0	7,500
Transfers In	800,000	0	0	0	0	0	0	800,000
Transfers Out	0	0	0	0	(800,000)	0	0	(800,000)
Other Financing Sources	0	512	0	0	0	0	0	512
<i>Total Other Financing Sources (Uses)</i>	<u>807,500</u>	<u>512</u>	<u>0</u>	<u>0</u>	<u>(800,000)</u>	<u>0</u>	<u>35,000</u>	<u>43,012</u>
<i>Net Change in Fund Balances</i>	<u>69,249</u>	<u>(7,415)</u>	<u>16,330</u>	<u>2,050</u>	<u>(42,589)</u>	<u>25,000</u>	<u>63,506</u>	<u>126,131</u>
<i>Fund Balances Beginning of Year</i>	<u>144,554</u>	<u>47,782</u>	<u>75,722</u>	<u>32,759</u>	<u>144,929</u>	<u>240,990</u>	<u>27,627</u>	<u>714,363</u>
<i>Fund Balances End of Year</i>	<u>\$213,803</u>	<u>\$40,367</u>	<u>\$92,052</u>	<u>\$34,809</u>	<u>\$102,340</u>	<u>\$265,990</u>	<u>\$91,133</u>	<u>\$840,494</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$190,300	\$190,300	\$187,535	(\$2,765)
Charges for Services	9,300	9,300	9,547	247
Fines, Licenses and Permits	73,995	73,995	72,314	(1,681)
Intergovernmental	95,510	95,510	123,837	28,327
Earnings on Investments	24,800	24,800	20,613	(4,187)
Miscellaneous	7,650	7,650	35,207	27,557
<i>Total receipts</i>	401,555	401,555	449,053	47,498
Disbursements				
Current:				
General Government	335,025	353,981	313,623	40,358
Security of Persons and Property	510,860	512,317	506,292	6,025
Public Health Services	20,985	20,985	19,982	1,003
Leisure Time Activities	5,600	5,600	4,070	1,530
Community Environment	5,821	4,864	5,738	(874)
Transportation	173,520	165,340	150,980	14,360
Capital Outlay	192,775	181,500	170,585	10,915
Debt Service:				
Principal Retirement	34,150	34,150	35,364	(1,214)
Interest and Fiscal Charges	11,260	11,260	10,046	1,214
<i>Total Disbursements</i>	1,289,996	1,289,997	1,216,680	73,317
<i>Excess of Receipts Over (Under) Disbursements</i>	(888,441)	(888,442)	(767,627)	120,815
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	7,500	7,500
Transfers In	800,000	800,000	800,000	0
Other Financing Uses	(50,000)	(50,000)	0	50,000
<i>Total Other Financing Sources (Uses)</i>	750,000	750,000	807,500	57,500
<i>Net Change in Fund Balance</i>	(138,441)	(138,442)	39,873	178,315
<i>Fund Balance Beginning of Year</i>	131,077	131,077	131,077	0
<i>Prior Year Encumbrances Appropriated</i>	13,477	13,477	13,477	0
<i>Fund Balance End of Year</i>	\$6,113	\$6,112	\$184,427	\$178,315

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction, Maintenance & Repair
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$150,000	\$150,000	\$153,707	\$3,707
<i>Total receipts</i>	<u>150,000</u>	<u>150,000</u>	<u>153,707</u>	<u>3,707</u>
Disbursements				
Current:				
Transportation	124,922	120,390	123,372	(2,982)
Capital Outlay	32,000	38,200	25,307	12,893
Debt Service:				
Principal Retirement	11,350	11,350	12,898	(1,548)
Interest and Fiscal Charges	5,100	5,100	3,549	1,551
<i>Total Disbursements</i>	<u>173,372</u>	<u>175,040</u>	<u>165,126</u>	<u>9,914</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(23,372)</u>	<u>(25,040)</u>	<u>(11,419)</u>	<u>13,621</u>
Other Financing Sources (Uses)				
Other Financing Sources	0	0	512	512
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>512</u>	<u>512</u>
<i>Net Change in Fund Balance</i>	<u>(23,372)</u>	<u>(25,040)</u>	<u>(10,907)</u>	<u>14,133</u>
<i>Fund Balance Beginning of Year</i>	45,810	45,810	45,810	0
Prior Year Encumbrances Appropriated	1,973	1,973	1,973	0
<i>Fund Balance End of Year</i>	<u>\$24,411</u>	<u>\$22,743</u>	<u>\$36,876</u>	<u>\$14,133</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Storm Sewers
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Miscellaneous	\$41,300	\$41,300	\$41,129	(\$171)
<i>Total receipts</i>	<u>41,300</u>	<u>41,300</u>	<u>41,129</u>	<u>(171)</u>
Disbursements				
Current:				
Capital Outlay	25,800	25,800	24,799	1,001
<i>Total Disbursements</i>	<u>25,800</u>	<u>25,800</u>	<u>24,799</u>	<u>1,001</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>15,500</u>	<u>15,500</u>	<u>16,330</u>	<u>830</u>
<i>Net Change in Fund Balance</i>	15,500	15,500	16,330	830
<i>Fund Balance Beginning of Year</i>	74,922	74,922	74,922	0
Prior Year Encumbrances Appropriated	<u>800</u>	<u>800</u>	<u>800</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$91,222</u></u>	<u><u>\$91,222</u></u>	<u><u>\$92,052</u></u>	<u><u>\$830</u></u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Department
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$86,700	\$86,700	\$87,415	\$715
Charges for Services	25,000	25,000	30,000	5,000
Intergovernmental	6,000	6,000	7,095	1,095
Miscellaneous	0	0	375	375
<i>Total receipts</i>	<u>117,700</u>	<u>117,700</u>	<u>124,885</u>	<u>7,185</u>
Disbursements				
Current:				
Security of Persons and Property	102,670	99,706	92,264	7,442
Capital Outlay	5,000	8,000	1,136	6,864
Debt Service:				
Principal Retirement	26,368	26,368	26,368	0
Interest and Fiscal Charges	3,997	3,997	3,980	17
<i>Total Disbursements</i>	<u>138,035</u>	<u>138,071</u>	<u>123,748</u>	<u>14,323</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(20,335)</u>	<u>(20,371)</u>	<u>1,137</u>	<u>21,508</u>
<i>Net Change in Fund Balance</i>	(20,335)	(20,371)	1,137	21,508
<i>Fund Balance Beginning of Year</i>	29,989	29,989	29,989	0
Prior Year Encumbrances Appropriated	<u>2,770</u>	<u>2,770</u>	<u>2,770</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,424</u>	<u>\$12,388</u>	<u>\$33,896</u>	<u>\$21,508</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Income Tax
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$760,000	\$760,000	\$799,867	\$39,867
<i>Total receipts</i>	<u>760,000</u>	<u>760,000</u>	<u>799,867</u>	<u>39,867</u>
Disbursements				
Current:				
General Government	29,850	29,125	26,035	3,090
Capital Outlay	1,000	1,725	0	1,725
<i>Total Disbursements</i>	<u>30,850</u>	<u>30,850</u>	<u>26,035</u>	<u>4,815</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>729,150</u>	<u>729,150</u>	<u>773,832</u>	<u>44,682</u>
Other Financing Sources (Uses)				
Transfers Out	(800,000)	(800,000)	(800,000)	0
Other Financing Uses	(20,000)	(20,000)	(16,421)	3,579
<i>Total Other Financing Sources (Uses)</i>	<u>(820,000)</u>	<u>(820,000)</u>	<u>(816,421)</u>	<u>3,579</u>
<i>Net Change in Fund Balance</i>	(90,850)	(90,850)	(42,589)	48,261
<i>Fund Balance Beginning of Year</i>	<u>144,929</u>	<u>144,929</u>	<u>144,929</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$54,079</u></u>	<u><u>\$54,079</u></u>	<u><u>\$102,340</u></u>	<u><u>\$48,261</u></u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Landfill Escrow
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Fines, Licenses and Permits	\$27,500	\$27,500	\$25,000	(\$2,500)
<i>Total receipts</i>	<u>27,500</u>	<u>27,500</u>	<u>25,000</u>	<u>(2,500)</u>
Disbursements				
Current:				
General Government	13,950	13,950	0	13,950
<i>Total Disbursements</i>	<u>13,950</u>	<u>13,950</u>	<u>0</u>	<u>13,950</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>13,550</u>	<u>13,550</u>	<u>25,000</u>	<u>11,450</u>
<i>Net Change in Fund Balance</i>	13,550	13,550	25,000	11,450
<i>Fund Balance Beginning of Year</i>	237,040	237,040	237,040	0
Prior Year Encumbrances Appropriated	<u>3,950</u>	<u>3,950</u>	<u>3,950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$254,540</u></u>	<u><u>\$254,540</u></u>	<u><u>\$265,990</u></u>	<u><u>\$11,450</u></u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2008

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$398,120	\$205,822	\$603,942
<i>Total Assets</i>	<u>\$398,120</u>	<u>\$205,822</u>	<u>\$603,942</u>
Net Assets			
Unrestricted	<u>\$398,120</u>	<u>\$205,822</u>	<u>\$603,942</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Cash Basis
Proprietary Funds
For the Year Ended December 31, 2008

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$597,934	\$406,140	\$1,004,074
Special Assessments	0	4,689	4,689
Other Operating Receipts	1,513	0	1,513
<i>Total Operating Receipts</i>	<u>599,447</u>	<u>410,829</u>	<u>1,010,276</u>
Operating Disbursements			
Billing	28,359	31,169	59,528
Pumping	40,628	301,542	342,170
Other	233,546	69,721	303,267
<i>Total Operating Disbursements</i>	<u>302,533</u>	<u>402,432</u>	<u>704,965</u>
<i>Operating Income (Loss)</i>	296,914	8,397	305,311
Non-Operating Receipts (Disbursements)			
Bonds Issued	0	145,959	145,959
Sale of Capital Assets	66,242	0	66,242
Capital Outlay	(105,881)	(39,488)	(145,369)
Principal Payments	(19,112)	0	(19,112)
Other Financing Sources	13,210	0	13,210
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(45,541)</u>	<u>106,471</u>	<u>60,930</u>
<i>Change in Net Assets</i>	251,373	114,868	366,241
<i>Net Assets Beginning of Year</i>	<u>146,747</u>	<u>90,954</u>	<u>237,701</u>
<i>Net Assets End of Year</i>	<u>\$398,120</u>	<u>\$205,822</u>	<u>\$603,942</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Net Assets - Cash Basis
December 31, 2007

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$714,363	\$237,701	\$952,064
<i>Total Assets</i>	<u>\$714,363</u>	<u>\$237,701</u>	<u>\$952,064</u>
Net Assets			
Restricted for:			
Capital Projects	\$600	\$0	\$600
Other Purposes	568,403	0	568,403
Unrestricted	<u>\$145,360</u>	<u>\$237,701</u>	<u>\$383,061</u>
<i>Total Net Assets</i>	<u>\$714,363</u>	<u>\$237,701</u>	<u>\$952,064</u>

See accompanying notes to the basic financial statements

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Village of Carrollton
Carroll County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$316,742	\$66,297	\$0	\$0
Security of Persons and Property	563,709	71,080	7,513	0
Public Health Services	19,982	0	0	0
Leisure Time Activities	34,425	0	886	0
Community Environment	5,226	2,836	0	0
Transportation	301,791	0	164,222	0
Capital Outlay	225,359	0	0	41,327
Debt Service:				
Principal Retirement	76,491	0	0	0
Interest and Fiscal Charges	24,469	0	0	0
<i>Total Governmental Activities</i>	<u>1,568,194</u>	<u>140,213</u>	<u>172,621</u>	<u>41,327</u>
Business Type Activity				
Water	332,843	426,125	0	4,689
Sewer	249,995	285,059	0	0
<i>Total Business Type Activities</i>	<u>582,838</u>	<u>711,184</u>	<u>0</u>	<u>4,689</u>
<i>Total Primary Government</i>	<u>\$2,151,032</u>	<u>\$851,397</u>	<u>\$172,621</u>	<u>\$46,016</u>

General Receipts

Property Taxes Levied for:

 General Purposes

 Other Purposes

Other Local Taxes

Income Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Sale of Capital Assets

Interest

Miscellaneous

Total General Receipts

Transfers

Total General Receipts and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$250,445)	\$0	(\$250,445)
(485,116)	0	(485,116)
(19,982)	0	(19,982)
(33,539)	0	(33,539)
(2,390)	0	(2,390)
(137,569)	0	(137,569)
(184,032)	0	(184,032)
(76,491)	0	(76,491)
(24,469)	0	(24,469)
<u>(1,214,033)</u>	<u>0</u>	<u>(1,214,033)</u>
0	97,971	97,971
0	35,064	35,064
0	133,035	133,035
<u>(1,214,033)</u>	<u>133,035</u>	<u>(1,080,998)</u>
176,251	0	176,251
87,632	0	87,632
14,448	0	14,448
765,951	0	765,951
99,529	0	99,529
120	0	120
28,586	0	28,586
9,088	1,026	10,114
1,181,605	1,026	1,182,631
3,953	(3,953)	0
<u>1,185,558</u>	<u>(2,927)</u>	<u>1,182,631</u>
(28,475)	130,108	101,633
742,838	107,593	850,431
<u>\$714,363</u>	<u>\$237,701</u>	<u>\$952,064</u>

Village of Carrollton
Carroll County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	General	Street Construction, Maintenance and Repair	Storm Sewers	Fire Department	Income Tax	Landfill Escrow	Other Governmental Funds	Total Governmental Funds
Assets								
Equity in Pooled Cash and Cash Equivalents	\$144,554	\$47,782	\$75,722	\$32,759	\$144,929	\$240,990	\$27,627	\$714,363
<i>Total Assets</i>	<u>\$144,554</u>	<u>\$47,782</u>	<u>\$75,722</u>	<u>\$32,759</u>	<u>\$144,929</u>	<u>\$240,990</u>	<u>\$27,627</u>	<u>\$714,363</u>
Fund Balances								
Reserved:								
Reserved for Encumbrances	\$13,477	\$1,972	\$800	\$2,770	\$0	\$3,950	\$100	\$23,069
Unreserved:								
Undesignated (Deficit), Reported in:								
General Fund	131,077	0	0	0	0	0	0	131,077
Special Revenue Funds	0	45,810	74,922	29,989	144,929	237,040	7,547	540,237
Capital Projects Funds	0	0	0	0	0	0	19,980	19,980
<i>Total Fund Balances</i>	<u>\$144,554</u>	<u>\$47,782</u>	<u>\$75,722</u>	<u>\$32,759</u>	<u>\$144,929</u>	<u>\$240,990</u>	<u>\$27,627</u>	<u>\$714,363</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Street Construction, Maintenance and Repair	Storm Sewers	Fire Department	Income Tax	Landfill Escrow	Other Governmental Funds	Total Governmental Funds
Receipts								
Property and Other Local Taxes	\$191,336	\$0	\$0	\$87,632	\$765,952	\$0	\$0	\$1,044,920
Charges for Services	9,368	0	0	22,500	0	0	0	31,868
Fines, Licenses and Permits	75,451	0	0	0	0	32,500	394	108,345
Intergovernmental	98,892	151,906	0	7,513	0	0	12,316	270,627
Earnings on Investment	28,586	0	0	0	0	0	641	29,227
Miscellaneous	8,775	299	41,327	260	0	0	0	50,661
Total Receipts	412,408	152,205	41,327	117,905	765,952	32,500	13,351	1,535,648
Disbursements								
Current:								
General Government	292,308	0	0	0	24,434	0	0	316,742
Security of Persons and Property	476,895	0	0	86,438	0	0	376	563,709
Public Health Services	19,982	0	0	0	0	0	0	19,982
Leisure Time Activities	34,425	0	0	0	0	0	0	34,425
Community Environment	5,226	0	0	0	0	0	0	5,226
Transportation	170,018	113,303	0	0	0	0	18,470	301,791
Capital Outlay	127,362	27,706	18,838	0	0	0	51,454	225,360
Debt Service:								
Principal Retirement	34,145	11,916	0	25,741	0	0	4,689	76,491
Interest and Fiscal Charges	13,385	4,534	0	5,727	0	0	823	24,469
Total Disbursements	1,173,746	157,459	18,838	117,906	24,434	0	75,812	1,568,195
Excess of Receipts Over (Under) Disbursements	(761,338)	(5,254)	22,489	(1)	741,518	32,500	(62,461)	(32,547)
Other Financing Sources (Uses)								
Sale of Capital Assets	100	0	0	20	0	0	0	120
Transfers In	750,000	0	0	0	0	0	3,953	753,953
Transfers Out	0	0	0	0	(750,000)	0	0	(750,000)
Total Other Financing Sources (Uses)	750,100	0	0	20	(750,000)	0	3,953	4,073
Net Change in Fund Balances	(11,238)	(5,254)	22,489	19	(8,482)	32,500	(58,508)	(28,474)
Fund Balances Beginning of Year	155,792	53,036	53,233	32,740	153,411	208,490	86,135	742,837
Fund Balances End of Year	\$144,554	\$47,782	\$75,722	\$32,759	\$144,929	\$240,990	\$27,627	\$714,363

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Receipts				
Property and Other Local Taxes	\$176,911	\$193,661	\$190,699	(\$2,962)
Charges for Services	9,500	9,500	9,368	(132)
Fines, Licenses and Permits	75,690	75,690	75,451	(239)
Intergovernmental	96,425	102,355	99,529	(2,826)
Earnings on Investments	15,000	28,600	28,586	(14)
Miscellaneous	3,500	3,500	8,776	5,276
<i>Total receipts</i>	<u>377,026</u>	<u>413,306</u>	<u>412,409</u>	<u>(897)</u>
Disbursements				
Current:				
General Government	301,825	286,230	300,183	(13,953)
Security of Persons and Property	523,426	527,620	481,555	46,065
Public Health Services	22,160	22,838	19,982	2,856
Leisure Time Activities	34,950	34,950	34,425	525
Community Environment	5,500	4,500	5,647	(1,147)
Transportation	174,425	176,850	170,538	6,312
Capital Outlay	140,000	144,500	127,362	17,138
Debt Service:				
Principal Retirement	34,145	34,145	34,145	0
Interest and Fiscal Charges	13,386	13,386	13,385	1
<i>Total Disbursements</i>	<u>1,249,817</u>	<u>1,245,019</u>	<u>1,187,222</u>	<u>57,797</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(872,791)</u>	<u>(831,713)</u>	<u>(774,813)</u>	<u>56,900</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	100	100
Transfers In	750,000	750,000	750,000	0
Other Financing Uses	(25,000)	(50,000)	0	50,000
<i>Total Other Financing Sources (Uses)</i>	<u>725,000</u>	<u>700,000</u>	<u>750,100</u>	<u>50,100</u>
<i>Net Change in Fund Balance</i>	<u>(147,791)</u>	<u>(131,713)</u>	<u>(24,713)</u>	<u>107,000</u>
<i>Fund Balance Beginning of Year</i>	144,466	144,466	144,466	0
Prior Year Encumbrances Appropriated	11,324	11,324	11,324	0
<i>Fund Balance End of Year</i>	<u>\$7,999</u>	<u>\$24,077</u>	<u>\$131,077</u>	<u>\$107,000</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction, Maintenance & Repair
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$139,000	\$150,650	\$151,906	\$1,256
Earnings on Investments	600	600	0	(600)
Miscellaneous	0	0	299	299
<i>Total receipts</i>	<u>139,600</u>	<u>151,250</u>	<u>152,205</u>	<u>955</u>
Disbursements				
Current:				
Transportation	123,130	122,709	115,275	7,434
Capital Outlay	31,000	31,421	27,706	3,715
Debt Service:				
Principal Retirement	11,350	11,350	11,916	(566)
Interest and Fiscal Charges	5,100	5,100	4,534	566
<i>Total Disbursements</i>	<u>170,580</u>	<u>170,580</u>	<u>159,431</u>	<u>11,149</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,980)</u>	<u>(19,330)</u>	<u>(7,226)</u>	<u>12,104</u>
<i>Net Change in Fund Balance</i>	<u>(30,980)</u>	<u>(19,330)</u>	<u>(7,226)</u>	<u>12,104</u>
<i>Fund Balance Beginning of Year</i>	50,731	50,731	50,731	0
Prior Year Encumbrances Appropriated	<u>2,305</u>	<u>2,305</u>	<u>2,305</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$22,056</u>	<u>\$33,706</u>	<u>\$45,810</u>	<u>\$12,104</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Storm Sewers
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Miscellaneous	\$42,000	\$41,328	\$41,327	(\$1)
<i>Total receipts</i>	<u>42,000</u>	<u>41,328</u>	<u>41,327</u>	<u>(1)</u>
Disbursements				
Current:				
Capital Outlay	25,000	25,000	19,638	5,362
<i>Total Disbursements</i>	<u>25,000</u>	<u>25,000</u>	<u>19,638</u>	<u>5,362</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>17,000</u>	<u>16,328</u>	<u>21,689</u>	<u>5,361</u>
<i>Net Change in Fund Balance</i>	17,000	16,328	21,689	5,361
<i>Fund Balance Beginning of Year</i>	<u>53,233</u>	<u>53,233</u>	<u>53,233</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,233</u></u>	<u><u>\$69,561</u></u>	<u><u>\$74,922</u></u>	<u><u>\$5,361</u></u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Fire Department
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Property and Other Local Taxes	\$76,600	\$76,600	\$87,632	\$11,032
Charges for Services	22,500	22,500	22,500	0
Intergovernmental	5,600	5,600	7,513	1,913
Miscellaneous	0	0	260	260
<i>Total receipts</i>	<u>104,700</u>	<u>104,700</u>	<u>117,905</u>	<u>13,205</u>
Disbursements				
Current:				
Security of Persons and Property	96,408	91,808	88,408	3,400
Capital Outlay	6,000	10,600	800	9,800
Debt Service:				
Principal Retirement	25,741	25,741	25,741	0
Interest and Fiscal Charges	5,728	5,728	5,727	1
<i>Total Disbursements</i>	<u>133,877</u>	<u>133,877</u>	<u>120,676</u>	<u>13,201</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,177)</u>	<u>(29,177)</u>	<u>(2,771)</u>	<u>26,406</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	20	20
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>20</u>	<u>20</u>
<i>Net Change in Fund Balance</i>	<u>(29,177)</u>	<u>(29,177)</u>	<u>(2,751)</u>	<u>26,426</u>
<i>Fund Balance Beginning of Year</i>	32,032	32,032	32,032	0
Prior Year Encumbrances Appropriated	708	708	708	0
<i>Fund Balance End of Year</i>	<u>\$3,563</u>	<u>\$3,563</u>	<u>\$29,989</u>	<u>\$26,426</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Income Tax
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$745,000	\$745,000	\$779,066	\$34,066
<i>Total receipts</i>	<u>745,000</u>	<u>745,000</u>	<u>779,066</u>	<u>34,066</u>
Disbursements				
Current:				
General Government	29,552	29,552	24,434	5,118
Capital Outlay	1,000	1,000	0	1,000
<i>Total Disbursements</i>	<u>30,552</u>	<u>30,552</u>	<u>24,434</u>	<u>6,118</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>714,448</u>	<u>714,448</u>	<u>754,632</u>	<u>40,184</u>
Other Financing Sources (Uses)				
Transfers Out	(750,000)	(750,000)	(750,000)	0
Other Financing Uses	(15,000)	(15,000)	(13,115)	1,885
<i>Total Other Financing Sources (Uses)</i>	<u>(765,000)</u>	<u>(765,000)</u>	<u>(763,115)</u>	<u>1,885</u>
<i>Net Change in Fund Balance</i>	(50,552)	(50,552)	(8,483)	42,069
<i>Fund Balance Beginning of Year</i>	153,259	153,259	153,259	0
Prior Year Encumbrances Appropriated	153	153	153	0
<i>Fund Balance End of Year</i>	<u>\$102,860</u>	<u>\$102,860</u>	<u>\$144,929</u>	<u>\$42,069</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Landfill Escrow
For the Year Ended December 31, 2007

	Budgeted Amounts			(Optional) Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Fines, Licenses and Permits	\$30,000	\$30,000	\$32,500	\$2,500
<i>Total receipts</i>	<u>30,000</u>	<u>30,000</u>	<u>32,500</u>	<u>2,500</u>
Disbursements				
Current:				
General Government	13,950	13,950	3,950	10,000
<i>Total Disbursements</i>	<u>13,950</u>	<u>13,950</u>	<u>3,950</u>	<u>10,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>16,050</u>	<u>16,050</u>	<u>28,550</u>	<u>12,500</u>
<i>Net Change in Fund Balance</i>	16,050	16,050	28,550	12,500
<i>Fund Balance Beginning of Year</i>	204,540	204,540	204,540	0
Prior Year Encumbrances Appropriated	<u>3,950</u>	<u>3,950</u>	<u>3,950</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$224,540</u></u>	<u><u>\$224,540</u></u>	<u><u>\$237,040</u></u>	<u><u>\$12,500</u></u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2007

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$146,747	\$90,954	\$237,701
<i>Total Assets</i>	<u>\$146,747</u>	<u>\$90,954</u>	<u>\$237,701</u>
Net Assets			
Unrestricted	<u>\$146,747</u>	<u>\$90,954</u>	<u>\$237,701</u>

See accompanying notes to the basic financial statements

Village of Carrollton
Carroll County
Statement of Cash Receipts,
Disbursements and Changes in Fund Net Assets - Modified Cash Basis
Proprietary Funds
For the Year Ended December 31, 2007

	Business-Type Activities		
	Water	Sewer	Total Enterprise Funds
Operating Receipts			
Charges for Services	\$426,125	\$285,059	\$711,184
Special Assessments	0	4,689	4,689
Other Operating Receipts	1,026	0	1,026
<i>Total Operating Receipts</i>	<u>427,151</u>	<u>289,748</u>	<u>716,899</u>
Operating Disbursements			
Billing	28,313	34,640	62,953
Pumping	40,141	134,624	174,765
Other	188,389	52,924	241,313
<i>Total Operating Disbursements</i>	<u>256,843</u>	<u>222,188</u>	<u>479,031</u>
<i>Operating Income (Loss)</i>	170,308	67,560	237,868
Non-Operating Receipts (Disbursements)			
Capital Outlay	(56,889)	(27,806)	(84,695)
Principal Payments	(19,112)	0	(19,112)
<i>Income (Loss) before Transfers</i>	94,307	39,754	134,061
Transfers Out	0	(3,953)	(3,953)
<i>Change in Net Assets</i>	94,307	35,801	130,108
<i>Net Assets Beginning of Year</i>	<u>52,440</u>	<u>55,153</u>	<u>107,593</u>
<i>Net Assets End of Year</i>	<u>\$146,747</u>	<u>\$90,954</u>	<u>\$237,701</u>

See accompanying notes to the basic financial statements

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 1 – Reporting Entity

The Village of Carrollton, Carroll County, Ohio (the Village), is a body politic incorporated and established on February 26, 1877 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village streets and alleys, park operations, and police services. The Village supports a volunteer fire department through fire levies voted on by the village residents.

B. Component Units

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to the organization; or the Village is obligated for the debt of the organization. The Village is also financially accountable for any organizations that are fiscally dependent on the Village in that the Village approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Village, are accessible to the Village and are significant in amount to the Village.

The Village of Carrollton does not have any component units at the present time.

C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the Village does not report assets for equity interests in joint ventures.

The Village may have a potential joint venture with the Carroll County Commissioners regarding the former village landfill that was taken over by the County in 1989 and a joint venture with the Carrollton Exempted Village School regarding the Recreation Board. (See note #18).

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

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements; however the Village does not presently have any internal service funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts, fines, fees or other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies – (Continued)

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds if any are presented in a single column on the face of the proprietary fund statements. Fiduciary funds, if any, are reported by type.

Proprietary fund statements distinguish operating transactions from non-operating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as non-operating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The following are the Village's major governmental funds:

General Fund- The general fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance & Repair – This fund receives gasoline tax and motor vehicle license tax monies for constructing, maintaining and repairing Village streets.

Storm Sewers Fund – This fund receives money from special assessments levied upon residents for improvement of the Village's storm sewers.

Fire Department Fund – The fire department fund is used to account for the property taxes levied in the Village for the operation of its fire department.

Income Tax Fund – This fund receives revenues through the collection of a one-percent tax. The tax revenue received is transferred to the general fund and is used to meet the obligations of this fund.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies – (Continued)

Landfill Escrow Fund – This fund receives fines, license, and permit revenues to cover the Village's portion of closure and postclosure costs of the Carroll County landfill.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the water and sewer funds.

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village and those outside the Village approved by council.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village and those outside the Village approved by council.

Internal Service Fund - Internal service funds account for services provided by one department of the Village to another on a cost-reimbursement basis. The Village has no internal service funds at this time.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. The Village has no fiduciary funds at this time

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village has no agency funds at this time.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies – (Continued)

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds, which includes the amount appropriated for personal services within each department.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk/Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts amended and passed by the Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the cash management pool and investments with an original maturity of less than three months at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of three months or more that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2008, the Village invested in non-negotiable certificates of deposit and a sweep account. The non-negotiable certificates of deposit are reported at cost. The Village's sweep account investment, which is fully collateralized, is recorded at the amount reported by Huntington National Bank, fna Sky Bank at December 31, 2008.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies – (Continued)

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2008 and 2007 was \$20,614 and \$28,586, respectively. Interest credited to the Village Park Fund in 2008 and 2007 totaled \$603 and \$641, respectively.

F. Restricted Assets

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent the Parks fund which is classified as a permanent fund with the interest only to be spent on greenery in the Public Square according to the bequest of the Will of Albert Pretty; the principal amount of \$15,000 can never be spent.

G. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment and/or upon retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 2 – Summary of Significant Accounting Policies – (Continued)

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for the Park Fund in the amount of \$15,000 as stated in the bequest from the will of Alfred Pretty.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. The Village has no enabling legislation at this time.

N. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

O. Interfund Transactions

Transfers and/or advances between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 3 – Accountability and Compliance

A. Accountability

There are no deficit fund balances.

B. Compliance

There are no known violations of finance-related legal or contractual provisions.

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund, Street Construction, Maintenance and Repair, Storm Sewers, Fire Department, Income Tax, and Landfill Escrow are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances that are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) for 2008 and 2007 amounted to \$29,376 and \$13,477 for the general fund, respectively, \$3,491 and \$1,972 for the Street Construction, Maintenance and Repair fund, respectively, \$0 and \$800 for the Storm Sewer fund, respectively, \$913 and \$2,770 for the Fire Department fund, respectively, and \$0 and \$3,950 for the Landfill Escrow fund, respectively.

Note 5 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 5 – Deposits and Investments – (Continued)

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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).

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by collateral pledged to the Village by the financial institution, or by a collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 Village, 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 investment to the Village or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Village of Carrollton, Ohio
 Carroll County
 Notes to the Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 5 – Deposits and Investments – (Continued)

At year end, the Village had \$250 in undeposited cash on hand. These funds consist of the \$150 for the change drawer maintained in the water/sewer billing office and \$100.00 maintained by the office as a petty cash fund which is **not** included as part of “Equity in Pooled Cash and Cash Equivalents” due to the fact that the software program does not have the capability to report those funds.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end 2008, \$944,437 of the Village’s bank balance of \$1,464,357 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institutions trust department or agent, but not in the Village’s name. At year end 2007, \$752,064 of the Village’s bank balance of \$990,886 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institutions trust department or agent, but not in the Village’s name.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

The Village’s investment policy is limited to complying with state statute. Interest rate risks are subject to current market trends. All Village investments are FDIC insured, with the exception of the sweep account which is fully collateralized.

As of December 31, 2008, the Village had the following investments:

	<u>Carrying Value</u>	<u>Maturity</u>
Sweep Account	\$ 1,093,892	1 day
CD #1005078047	15,000	10/15/09
CD #07580111098	99,000	2/13/09
CD #07580234881	99,000	8/28/09
CD #1005016734	<u>99,000</u>	10/22/09
Total Portfolio	<u>\$ 1,405,892</u>	

Village of Carrollton, Ohio
 Carroll County
 Notes to the Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 5 – Deposits and Investments – (Continued)

As of December 31, 2007, the Village had the following investments:

	Carrying Value	Maturity
Sweep Account	\$ 619,982	1 day
CD #07589334135	15,000	10/3/08
CD #9560326254	99,000	2/27/08
CD #46-8533743	99,000	2/9/08
CD #07589460588	99,000	10/11/08
 Total Portfolio	 \$ 931,982	

Interest Rate Risk

Interest rate risk arises because the fair value of investments changes as interest rate change. The Village's investment policy addresses interest rate risk by requiring that the Village's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk

The Village has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The Village does not have any investments in STAR Ohio or money market funds.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee." The Village presently invests in a sweep account with Huntington National Bank of Carrollton, Ohio, which is fully collateralized.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 6 – Income Taxes

The Village levies a one percent income tax whose proceeds are placed into the special revenue Income Tax Fund and transferred to the General Fund as needed by Resolution of council. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or a 100% percent of the one (1) percent tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2008, council voted to place an additional ¼% income tax on the ballot for voter approval. However, at the November general election the issued was voted down by the residents.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2008 represent the collection of 2007 taxes. Real property taxes received in 2008 were levied after October 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The Village normally receives the property tax settlements from the County Auditor in April and October of each year.

Public utility property tax receipts received in 2008 represent the collection of 2007 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2007, were levied after October 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2008 (other than public utility property) represent the collection of 2007 taxes. Tangible personal property taxes received in 2008 were levied after October 1, 2007, on the true value as of December 31, 2007. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Village of Carrollton, Ohio
 Carroll County
 Notes to the Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 7 – Property Taxes – (Continued)

The full tax rate for all Village operations for the year ended December 31, 2008, was \$6.00 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property:	
Residential	\$36,497,860
Agriculture	193,160
	16,442,620
Commercial/Industrial/Mine ral	
Public Utility Property:	
Real	1,180
Personal	1,679,800
Tangible Personal Property	3,970,000
Total Assessed Value	<u>\$58,784,620</u>

Note 8 – Capital Assets

The Village chooses not to report and depreciate capital assets resulting from cash transactions in the financial statements and elects not to report capital asset activity in the notes to the financial statements.

Note 9 – Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2008, the Village contracted with several companies for various types of insurance coverage for the following risks through McFadden Insurance Agency.

Company	Type of Coverage	Amount of coverage
Westfield Insurance Company	Commercial Property	\$2,000,000
	General Liability	\$2,000,000
	Commercial Crime	\$2,000
	Inland Marine	Various
	Vehicle	\$1,000,000 each
	Commercial Crime	Various
	Commercial Umbrella (general)	\$2,000,000
	Commercial Umbrella (auto)	\$1,000,000
Scottsdale Indemnity Co.	Public Officials	\$1,000,000 each wrongful act
Darwin Select Insurance Co.	Police Officers	\$1,000,000 each person

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 9 – Risk Management (Continued)

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

The Village provides 100% health insurance coverage for all full-time employees and their families through Aultcare, who pays covered claims to service providers. Insurance coverage is a HSA plan with \$1,100 deductible for single and \$2,200 coverage for family. In 2008, the Village contributed \$500 for each single coverage employee and \$1,000 for each family coverage employee to their HSA account.

The Village also provides life insurance to all full-time employees through Eastern Life and Health Insurance Company in the amount of \$15,000 for a monthly premium of \$4.80 per month for those under age 65 and a monthly premium of \$3.12 per month for those over age 65.

Note 10 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 10 – Defined Benefit Pension Plans – (Continued)

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10% percent of covered payroll, public safety members contributed 10.1% percent.

The Village's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the Village's contribution rate was 17.4 percent of covered payroll. The portion of employer contributions allocated to health care was 7 percent in 2008 for all employers. State statute sets a maximum contribution rate of the Village of 14 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$77,015, \$81,128, and \$74,790 respectively. The full amount has been contributed for 2008, 2007 and 2006. No contributions to the member-directed plan were made in 2008 or 2007 as the Village has no member-directed plan.

B. Ohio Police and Fire Pension Fund

The Village contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the Village is required to contribute 19.5 percent of covered payroll for police officers and 24 percent of covered payroll for firefighters. Contributions are authorized by State statute. For 2008, a portion equal to 6.75 percent of covered payroll was allocated to fund the postemployment healthcare plan. The Village's required contributions to the Ohio Police and Fire Pension Fund for the year ending December 31, 2008, 2007, and 2006 were \$47,838, \$46,675, and \$49,634. The full amount has been contributed for 2008, 2007, and 2006.

Note 11 - Postemployment Benefits

1. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 11 - Postemployment Benefits – (Continued)

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employer units contributed at 17.40%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00% of covered payroll for state and local employer units and 18.10% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions allocated to fund post-employment health-care benefits for the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$30,983, \$32,638, and \$30,088, respectively.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 11 - Postemployment Benefits – (Continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

2. Ohio Police and Fire Pension Fund

Plan Description – The Village contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The Ohio Revised Code allows, but does not mandate, the Ohio Police and Fire Pension Fund to provide OPEB benefits. Authority for the Ohio Police and Fire Pension Fund Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F's postemployment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the years ended December 31, 2008, and 2007, the employer contributions allocated to the healthcare plan were 6.75 percent of covered payroll, and 7.75 percent of covered payroll, respectively. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the OPEB Plan.

Village of Carrollton, Ohio
 Carroll County
 Notes to the Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 11 - Postemployment Benefits – (Continued)

The Village's contributions to OP&F which were allocated to fund postemployment healthcare benefits for the years ending December 31, 2008, 2007, and 2006 were \$16,552, \$16,150, and 19,705, respectively. The full amount has been contributed for 2008, 2007, and 2006.

Note 12 - Notes Payable

A summary of the note transactions for the year ended December 31, 2008, follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008
<u>Governmental Activities</u>					
<u>Bond Anticipation Note</u>					
2004 Issue	4.200	\$ 23,507	\$ -0-	\$ 15,518	\$ 7,989

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007
<u>Governmental Activities</u>					
<u>Bond Anticipation Note</u>					
2004 Issue	4.200	\$ 38,393	\$ -0-	\$ 14,886	\$ 23,507

The Village purchased a fire truck in 2004 for the cost of \$113,436 using a down payment of \$40,436 and obtained a \$73,000 note from Sky Bank, nka Huntington National Bank on 5/5/04 for the balance of the purchase price. Interest rate is 4.2% with a maturity date of 5/1/09 and the loan is repayable from a voted property tax levy consisting of a 1.0 mill levy for a 5 year period for fire protection. The loan will be repaid in semiannual installments of principal and interest at the rate of \$16,358 per year for a 5 year period. Final payment of \$7,989 is due 5/1/09.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 13 – Debt

The Village's long-term debt activity for the year ended December 31, 2008, was as follows:

	Interest Rate	Balance December 31, 2007	Additions	Reductions	Balance December 31, 2008	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
1992 Issue 3.6 to 7.2%	Variable					
(Original Amount \$650,000)	%	\$200,000	\$0	\$45,000	\$155,000	\$50,000
2008 Issue	4.38%	0	35,000	0	35,000	6,400
Total Governmental Activities		\$200,000	\$35,000	\$45,000	\$190,000	\$56,400
<u>Business-type Activities</u>						
1994 OPWC Loan (CN738)						
(Original Amount \$17,700)	0%	\$5,753	\$0	\$885	\$4,868	\$885
1995 OPWC Loan (CN943)						
(Original Amount \$152,438)	0%	60,975	0	7,622	53,353	7,622
2000 OPWC Loan (CN26C)						
(Original Amount \$212,093)	0%	127,255	0	10,605	116,650	10,605
2008 OWDA Loan - WPC/LF		0	145,959	0	145,959	48,264
Total Business-type Activities		\$193,983	\$145,959	\$19,112	\$320,830	\$67,376

	Interest Rate	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>						
General Obligation Bonds						
1992 Issue 3.6 to 7.2%	Variable					
(Original Amount \$650,000)	%	\$245,000	\$0	\$45,000	\$200,000	\$45,000
Total Governmental Activities		\$245,000	\$0	\$45,000	\$200,000	\$45,000
<u>Business-type Activities</u>						
1994 OPWC Loan (CN738)						
(Original Amount \$17,700)	0%	\$6,638	\$0	\$885	\$5,753	\$885
1995 OPWC Loan (CN943)						
(Original Amount \$152,438)	0%	68,597	0	7,622	60,975	7,622
2000 OPWC Loan (CN26C)						
(Original Amount \$212,093)	0%	137,860	0	10,605	127,255	10,605
Total Business-type Activities		\$213,095	\$0	\$19,112	\$193,983	\$19,112

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 13 – Debt (Continued)

The general obligation bonds are supported by the full faith and credit of the Village and are payable from unvoted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments. The General Fund and the Fire Department share in the payment of the principal and interest on the 1992 issued bonds. The 1992 bonds were obtained for the purpose of paying for the costs to renovate the Municipal Building and construct the new Safety Building. The bonds are originally issued through the Central Trust Company, nka PNC Bank under account #1013947 issued 12/1/92 with a maturity date of 12/01/2011. Semi-annual interest payments are due January 1 and December 1 of each year and annual principal payments are due December 1 of each year.

The general obligation bonds issued in 2008 in the amount of \$35,000 (Police Vehicle Bond, Series 2008s) were used for the purchase of two new police cruisers and equipment along with a \$25,000 grant obtained from USDA on June 16, 2008. Bonds bear interest at the rate of 4.375%. Bonds are to be paid over a five year period commencing on June 1, 2009 but the Village plans to make payment in full in 2009.

The Ohio Public Works Commission (OPWC) loan CN738 relates to a downtown water line improvement project for the replacement of waterlines in the downtown area. The loan was issued on April 15, 1994 in the amount of \$17,700 at 0% interest rate for 20 years. The loan will be repaid in semiannual installments of \$443 over 20 years, payable on July 1 and December 1 of each year. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) loan CN943 relates to construction of the well field transmission line from the village well sites into the village. The loan was issued on August 30, 1995 in the amount of \$152,438 at 0% interest rate for 20 years. The loan will be repaid in semiannual installments of \$3,811 over 20 years, payable on July 1 and January 1 of each year. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

The Ohio Public Works Commission (OPWC) loan CN26C relates to construction of waterline improvements – Phase III for waterline replacement on various streets in the Village of Carrollton. The loan was issued on January 11, 2000 in the amount of \$212,093 at 0% interest rate for 20 years. The loan will be repaid in semiannual installments of \$5,302, payable on July 1 and January 1 of each year for a period of 20 years. The loan is secured by water receipts. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

In addition to the above loans presented in the foregoing schedule, the Village has entered into an agreement with OWDA for a loan from the Water Pollution Control Loan Fund (WPCLF) for a project within the Village. The project is still under construction and funds received thus far are for reimbursement of expenses incurred. Therefore, the Village's liability for this loan, as of December 31, 2008, is for the amounts forwarded to the Village as of this date. Although these payments are made on a "temporary" amortization schedule provided by the WPCLF, these liabilities are not reflected within the accompanying summary of the Village's future annual debt service requirements for long-term debt. At December 31, 2008, the loan liability amounted to \$145,959 with a scheduled payment of \$48,264 due in 2009.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 13 – Debt (Continued)

The following is a summary of the Village's future annual debt service requirements:

Year	G.O. Bonds		OPWC Loans	
	Principal	Interest	Principal	Interest
2009	\$56,400	\$11,160	\$19,112	\$0
2010	56,700	7,560	19,112	0
2011	62,000	3,960	19,112	0
2012	7,300	0	19,112	0
2013	7,600	0	19,112	0
2014 - 2018	0	0	68,710	0
2019 - 2020	0	0	10,601	0
Totals	<u>\$190,000</u>	<u>\$22,680</u>	<u>\$174,871</u>	<u>\$0</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation.

Note 14 – Leases

The Village leases a street sweeper and a copy machine under non-cancelable leases. In 2008, the Village disbursed \$21,962 to pay lease costs on the Elgin Street Sweeper, of which \$17,398 was applied to principal, and \$1,668 to pay lease costs on the Sharp MX-M350NB copy machine, of which \$1,214 was applied to principal. In 2007, the Village disbursed \$21,962 to pay lease costs on the Elgin Street Sweeper with \$16,605 of the payment representing principal. The lease on the street sweeper expires on 5/25/2012. The lease for a Sharp MX-M350NB copier was entered into on November 16, 2007 for the total cost of equipment being \$7,017 with a 60 month lease with an expiration date of November 2012. Monthly lease payments on the Sharp copier are made to Dollar Leasing Corp. in the amount of \$139 per month. Future lease payments are as follows:

	Amount
2009	<u>\$23,630</u>
2010	23,630
2011	23,630
2012	<u>23,630</u>
Total Minimum Lease Payments	94,520
Less: Amount Representing Interest	<u>(10,423)</u>
Present Value of Minimum Lease Payments	<u>\$84,097</u>

Village of Carrollton, Ohio
 Carroll County
 Notes to the Financial Statements
 For the Year Ended December 31, 2008 and 2007

Note 15 – Interfund Transfers

Transfers are used to move revenues from funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; or to return money to the fund from which it was originally provided once a project is completed. In 2007, the Sewer Fund transferred \$3,953 to the Courtview Sewer Fund.

Due to the regulations of the Municipal Income Tax ordinance the income tax revenue is collected and deposited into the Income Tax Fund until needed by the General Fund. In 2008 Income Tax Fund transferred to the General Fund was \$800,000 and in 2007 the Income Tax Fund transferred \$750,000 to the General Fund.

Note 16 – Construction and Contractual Commitments

- 1) The Village has entered into a contract with CT Consultants for engineering services of the plan, design, bidding and oversee of construction of a wastewater treatment plant. The original contract was entered into on October 5, 2007 in the amount of \$434,500 and has been in 2008 to comply with USDA requirements. The total of the contract is \$737,500 for preliminary engineering report, engineering design, bidding negotiations and construction oversight and services of the wastewater treatment facility expansion. The village has paid the following toward this obligation.

<u>Obligation</u>	<u>Year paid</u>	<u>Amount Paid</u>	<u>Balance remaining</u>
\$737,500	2007	\$ 19,508	\$717,992
\$717,992	2008	\$169,382	\$546,611

- 2) Due to the age and deterioration of the underground water reservoir, the Ohio EPA shut down the reservoir as ground water was leaking into the reservoir in numerous places creating an unsafe situation for the Village's drinking water. The Village's elevated water tank is very old and in need of repairs. Due to the age and costs to repair the tank it was determined by the Council it should be replaced. The Village entered into a contract with Engineering Associates for engineering services to replace an existing 300,000 gallon underground water reservoir and replace it with a 400,000 gallon above ground water reservoir; remove an existing 300,000 gallon elevated water tank and replace it with a 300,000 gallon above ground water reservoir at a new site; and construct necessary water line and site work improvements for new water tanks. The Village had the north underground reservoir inspected by Engineering Associates in June of 2008 at the cost of \$1,000. The above referenced contract was entered into on July 28, 2008 for the engineering project cost of \$168,000. The village has paid \$19,992 in 2008 toward the cost of this obligation, with a balance of \$148,008 remaining at year end.

Note 17 – Contingent Liabilities

The Village had no lawsuits in 2008.

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Village of Carrollton, Ohio
Carroll County
Notes to the Financial Statements
For the Year Ended December 31, 2008 and 2007

Note 18 – Joint Ventures

The Village landfill was deeded over by Carroll County Commissioners during 1989 and was closed in 1993. State and Federal laws and regulations require that Carroll County perform certain maintenance and monitoring functions at the closed landfill site for thirty years after closure. The Village *may potentially* share in the estimated liability for closure. The Village and the County have pending negotiations regarding the Village's proposed share of the liability. The estimated liability for the landfill is \$2,495,328 for the closure costs and \$1,238,160 for post closure costs. The estimated cost of landfill closure and post closure 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 post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County and the Village have not yet agreed on the proportion of the liability for which the Village is responsible and an estimate is not currently determinable. The Village has taken steps to generate and stockpile funds for any portion of the Village's expenses including legal fees by establishing a Landfill Closure Fund. Revenue is generated by the Village's exclusive trash contract at the rate of \$2,500 per month from the trash hauler. The Landfill Closure Fund has a balance of \$265,990 as of December 31, 2008.

Note 19 – Jointly Governed Organizations

The Village and the Carrollton Exempted Village School entered into a governed organization known as the Recreation Board in 1980. The Board consists of three members appointed by Village Council and two members appointed by the School with the School Superintendent as the Chairman of the Board. The Village employed the Recreation Director with an annual salary, who was under the direction of the board to coordinate and run recreation programs in the Village with the cooperation and use of school facilities along with maintenance of the three Village parks, being the Vet's Park, Kiddie Land Park and Anne Green Park. The school is the fiduciary agent for funds received from the different programs and provides supplies to the parks as well as the use of the school owned property. A separate annual report is filed by the Recreation Board for each year. Due to possible legal issues the Village terminated any further salary and benefits for the Recreation Director effective December 31, 2007 and the school no longer furnishes supplies to the Village owned parks.

Note 20 – Subsequent Events

The Village was awarded \$5,900,000 grant/loan from USDA in April 2009 for the construction of a new Wastewater Treatment Plant.

The Village was awarded \$1,000,000 grant/loan from OPWC and a \$1,100,000 loan from OWDA for the replacement of two water tanks and all new water meters.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 22, 2009

Village Council
Village of Carrollton
Carrollton, OH 44615

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carrollton (the "Village") as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant* deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did note certain matters that we have reported to management of the Village in a separate letter dated June 22, 2009.

Village of Carrollton, Ohio
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 22, 2009.

This report is intended solely for the information and use of the Village Council and management and is not intended to be and should not be used by anyone other than those specified parties.

Kea & Associates, Inc.

**VILLAGE OF CARROLLTON
CARROLL COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 and 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2006-001	Ohio Revised Code Section 5705.41(D), the Village did not properly certify the availability of funds.	No	Partially Corrected – moved to management letter comment.
2006-002	Ohio Revised Code Section 5705.36 and 5705.39, the Village had appropriations exceeding estimated resources.	Yes	



Mary Taylor, CPA
Auditor of State

VILLAGE OF CARROLLTON

CARROLL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 18, 2009**