

**Village of Carrollton**  
*Audited Financial Statements*

*December 31, 2011*





# Dave Yost • Auditor of State

Mayor and Members of Council  
Village of Carrollton  
80 2nd Street SW  
Carrollton, Ohio 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, 2011 through December 31, 2011. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## Finding For Recovery Repaid While Under Audit

The Village of Carrollton contracted with DiPietro Excavating Inc. on October 20, 2009 for storm sewer improvements. The original contract was in the amount of \$688,097. Change orders increased the final contract amount to \$744,150. The Ohio Public Works Commission made direct payments to DiPietro Excavating Inc. in the amount of \$692,472. The Village was to pay the remainder of the contract in the amount of \$51,678. However, the Village overpaid its portion of the contract by issuing two separate checks. Check number 026043, dated January 25, 2011, was a second check that resulted in an overpayment in the amount of \$42,177.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against DiPietro Excavating Inc. and in favor of the Village of Carrollton in the amount of \$42,177.

On March 19, 2012, DiPietro Excavating Inc. repaid \$42,177 to the Village of Carrollton.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost  
Auditor of State

July 3, 2012

VILLAGE OF CARROLLTON  
CARROLL COUNTY

DECEMBER 31, 2011

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April 17, 2012

Members of Council  
Village of Carrollton  
80 2<sup>nd</sup> St. SW  
Carrollton, OH 44615

### **Independent Auditor's Report**

We have audited the accompanying financial statements of the Village of Carrollton (the Village), Carroll County, Ohio, as of and for the year ended December 31, 2011. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2011 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011, or its changes in financial position or cash flows, where applicable, for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village, as of December 31, 2011, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

For the year ended December 31, 2011, the Village revised its financial presentation comparable to the requirements of the regulatory basis of accounting as prescribed by the State Auditor's Office.

As described in Note 2, during 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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.

We conducted our audit to opine on the Village's financial statements taken as a whole. The schedule of expenditures of federal awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Rea & Associates, Inc.*

**VILLAGE OF CARROLLTON  
CARROLL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General	Special Revenue	Capital Projects	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 175,358	\$ 67,822	\$ 0	\$ 0	\$ 243,180
Municipal Income Tax	847,066	0	0	0	847,066
Intergovernmental	151,099	171,470	0	0	322,569
Special Assessments	0	43,625	0	0	43,625
Charges for Services	9,635	25,000	0	0	34,635
Fines, Licenses and Permits	73,818	32,500	0	0	106,318
Earnings on Investments	3,085	41	0	99	3,225
Miscellaneous	1,822	19,606	0	0	21,428
<i>Total Cash Receipts</i>	<u>1,261,883</u>	<u>360,064</u>	<u>0</u>	<u>99</u>	<u>1,622,046</u>
<b>Cash Disbursements</b>					
Current:					
Security of Persons and Property	513,263	89,550	0	0	602,813
Public Health Services	21,952	0	0	0	21,952
Leisure Time Activities	1,788	0	0	0	1,788
Community Environment	17,765	0	0	600	18,365
Transportation	126,114	151,516	0	0	277,630
General Government	309,882	1,347	0	0	311,229
Capital Outlay	217,952	141,625	0	0	359,577
Debt Service:					
Principal Retirement	41,943	72,732	0	0	114,675
Interest and Fiscal Charges	3,017	6,548	0	0	9,565
<i>Total Cash Disbursements</i>	<u>1,253,676</u>	<u>463,318</u>	<u>0</u>	<u>600</u>	<u>1,717,594</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>8,207</u>	<u>(103,254)</u>	<u>0</u>	<u>(501)</u>	<u>(95,548)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Loan Proceeds	0	106,982	0	0	106,982
Sale of Capital Assets	3,056	3,401	0	0	6,457
Transfers In	0	9,200	0	0	9,200
Transfers Out	(9,200)	0	0	0	(9,200)
Other Financing Sources	12,208	2,015	0	0	14,223
<i>Total Other Financing Receipts (Disbursements)</i>	<u>6,064</u>	<u>121,598</u>	<u>0</u>	<u>0</u>	<u>127,662</u>
<i>Net Change in Fund Cash Balances</i>	<u>14,271</u>	<u>18,344</u>	<u>0</u>	<u>(501)</u>	<u>32,114</u>
<i>Fund Cash Balances, January 1 Restated (See Note 2)</i>	<u>379,885</u>	<u>435,178</u>	<u>600</u>	<u>19,816</u>	<u>835,479</u>
<b>Fund Cash Balances, December 31</b>					
Nonspendable	0	0	0	15,000	15,000
Restricted	0	399,059	600	4,315	403,974
Committed	0	54,463	0	0	54,463
Assigned	8,490	0	0	0	8,490
Unassigned (Deficit)	385,666	0	0	0	385,666
<i>Fund Cash Balances, December 31</i>	<u>\$ 394,156</u>	<u>\$ 453,522</u>	<u>\$ 600</u>	<u>\$ 19,315</u>	<u>\$ 867,593</u>

The accompanying notes are an integral part of these financial statements.

**VILLAGE OF CARROLLTON  
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Proprietary
	Enterprise Funds
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 1,249,760
Miscellaneous	1,485
	1,251,245
 <b>Operating Cash Disbursements</b>	
Personal Services	271,153
Employee Fringe Benefits	109,105
Contractual Services	486,799
Supplies and Materials	93,148
	960,205
 <i>Total Operating Cash Disbursements</i>	 960,205
 <i>Operating Income (Loss)</i>	 291,040
 <b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental	1,619,239
Loan Proceeds	3,714,911
Miscellaneous Receipts	4,720
Capital Outlay	(5,709,492)
Principal Retirement	(116,187)
Interest and Other Fiscal Charges	(13,565)
Other Financing Uses	(69)
	(500,443)
 <i>Total Non-Operating Receipts (Disbursements)</i>	 (500,443)
 <i>Net Change in Fund Cash Balances</i>	 (209,403)
 <i>Fund Cash Balances, January 1</i>	 906,767
 <i>Fund Cash Balances, December 31</i>	 \$ 697,364

*The accompanying notes are an integral part of these financial statements.*

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011

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**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

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

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

Landfill Closure Fund – This fund receives a monthly charge from the exclusive trash hauling contract for any possible future costs of closure for the previously owned landfill.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

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

**4. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Village’s programs. The Village had the following significant permanent fund:

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

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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**5. Enterprise Funds**

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

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

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

WWTP Project Fund - This fund receives loan/grant proceeds from the Ohio Water Development Authority, USDA, CDBG and Ohio Public Works Commission and transfers from the sewer fund for the Village's share of the project to finance a wastewater utility plant expansion until completion of the expansion. Loan payments are made from the sewer fund from user charges.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2011 budgetary activity appears in Note 4.

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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**F. Fund Balances**

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Non-spendable**

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

The Village has \$15,000 of non-spendable funds, being the principal amount of the bequest to the Village from the Albert Pretty Estate. Only the interest may be expended per the terms of the will.

**2. Restricted**

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

As of December 31, 2011, the Village has \$399,059 of restricted special revenue funds, \$600 of restricted capital project funds and \$4,315 of restricted permanent funds.

**3. Committed**

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

As of December 31, 2011, the Village has \$54,463 of committed special revenue funds.

**4. Assigned**

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

As of December 31, 2011 the Village has \$8,490 of assigned funds.

Village of Carrollton, Ohio  
 Carroll County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2011 (Continued)

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**5. Unassigned**

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

As of December 31, 2011 the Village has \$385,666 of unassigned general funds.

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

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

**2. Change in Accounting Principle and Restatement of Net Assets/Fund Equity**

In prior years, the Village reported financial statements using the modified cash basis method of accounting. For 2011, the Village has implemented the regulatory basis of accounting as prescribed by the State Auditor's Office. The financial statements now present a column for each fund type, rather than presenting each major fund in a separate column with nonmajor funds aggregated and presented in a single column.

For fiscal year 2011, the Village reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

	Fund Balance at December 31, 2010	GASB 54 Change in Fund Structure	Adjusted Fund Balance at December 31, 2010
General	\$122,710	\$257,175	\$379,885
Special Revenue	692,353	(257,175)	435,178
Capital Projects	600	0	600
Permanent	19,816	0	19,816

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

**3. Equity in Pooled Deposits and Investments**

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

	2011
Demand Deposits	\$ 151,081
Certificates of Deposit	213,000
Money Market Savings Account	1,200,876
Total Deposits	\$ 1,564,957

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

**4. Budgetary Activity**

Budgetary activity for the year ending 2011 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,099,228	\$ 1,277,147	\$ 177,919
Special Revenue	472,124	481,662	9,538
Capital Projects	0	0	0
Permanent	150	99	(51)
Enterprise	6,585,144	6,590,115	4,971
Total	\$ 8,156,646	\$ 8,349,023	\$ 192,377

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,356,947	\$ 1,262,876	\$ 94,071
Special Revenue	523,529	463,318	60,211
Capital Projects	600	0	600
Permanent	800	600	200
Enterprise	7,389,826	6,799,518	590,308
Total	\$ 9,271,702	\$ 8,526,312	\$ 745,390

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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**5. Property Tax**

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**6. Local Income Tax**

The Village levies a municipal income tax of 1% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

Income tax proceeds are to be used to pay the cost of administering the tax, general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities, and capital improvements as determined by Village Council. Income tax collections for 2011 were \$847,066 and proceeds were allocated to the Village's General Fund.

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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**7. Debt**

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Equipment Bond	\$ 75,000	3.85%
OPWC Loan CT74M	425,333	0.00%
OPWC Loan CN26C	84,837	0.00%
OPWC Loan CN943	30,488	0.00%
OPWC Loan CN738	2,213	0.00%
OPWC Loan CT72M	475,000	0.00%
OWDA Loan #4926	207,545	1.00%
OWDA Loan #5127	881,443	1.50%
OWDA Loan #5693	3,326,480	1.37%
OPWC Loan CT34L	500,000	0.00%
Street Sweeper Lease	20,962	4.77%
	<u>\$ 6,029,301</u>	

In 2010, the Village issued a Fire Equipment Bond for the Carrollton Fire Department in the amount of \$100,000 for a fire truck that was purchased in 2009. Bond counsel handling the transaction on behalf of the Village of Carrollton was Peck, Shaffer & Williams LLP of 65 East State Street, Suite 500, Columbus, Ohio, 43215. The bond is backed by the full faith and credit of the Village and matures January 1, 2015. A principal payment of \$25,000 and interest payment of \$3,651 was made in 2011 to Huntington Bank. The remaining principal balance of \$75,000 will be made by semi-annual payment due of \$12,500 as well as interest due until January 1, 2015 with Huntington Bank. No amortization schedule has been received. The principal and estimated interest is included in the amortization of debt listed below.

The Ohio Public Works Commission (OPWC) CT74M Loan relates to the storm sewer improvement project for replacement of storm sewer lines in various areas of the Village. The project was started in 2009 and completed in 2010 with final payment to engineers and contractor in early January of 2011. This loan was issued March 13, 2009 in the amount of \$440,000 for 30 years at 0% interest and will be re-paid in semi-annual installments of \$7,333 over 30 years, payable on January 1 and July 1 of each year with final payment due January 1, 2041. This loan is secured by special storm water user fees. The Village has agreed to set user fees sufficient to cover the OPWC debt service requirements. An Ohio Public Works Commission Grant #CT73M in the amount of \$440,000 was also used on this project.

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 for 20 years. The loan will be repaid in semi-annual installments of \$5,302, payable on January 1 and July 1 of each year 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.

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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The Ohio Public Works Commission (OPWC) Loan CN943 relates to construction of the well field transmission line from the village well sites into the water treatment plant. The loan was issued August 30, 1995 in the amount of \$152,438 at the rate of 0% interest for 20 years. The loan will be repaid in semi-annual installments of \$3,812 over 20 years, payable on January 1 and July 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 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 for 20 years. The loan will be repaid in semi-annual installments of \$443 over 20 years, payable on January 1 and July 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 CT72M relates to installation of new water tanks and meter upgrades for users of Village water. The loan was issued March 6, 2009 in the amount of \$500,000 at 0% interest for 30 years. The project was completed in 2010. The loan will be repaid in semi-annual installments of \$8,333 over 30 years, payable January 1 and July 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 Water Development Authority (OWDA) Water Pollution Control Loan Fund (WPCLF) #4926 relates to the wastewater treatment plant replacement project for the Village. The loan was issued June 26, 2008 in the amount of \$467,858 at 1% interest for 5 years. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. 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, 2011 is for the amounts forwarded to the Village as of this date. Although these payments are made when invoices are received by OWDA, no "temporary" amortization schedule has been provided. These liabilities are not reflected within the accompanying summary of the Village's future annual debt service requirements for long-term debt. A scheduled principle payment of \$46,432 was made in 2011 and at December 31, 2011, the loan balance was \$207,545.

The Ohio Water Development Authority (OWDA) Loan #5127 relates to the water system improvements for replacement of water tanks and water meters. The loan was issued June 25, 2009 in the amount of \$1,105,384 at the rate of 1.5% interest for 30 years with a maturity date of January 1, 2040. The loan is secured by sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements. The loan will be re-paid in semi-annual installments in an amount invoiced by OWDA, payable January 1 and July 1 of each year. Principal payments made in 2011 were \$29,864 and interest payments paid in 2011 were \$16,028. Although these payments are made when invoices are received by OWDA, no "temporary" amortization schedule has been provided. These liabilities are not reflected within the accompanying summary of annual debt service requirements for long-term debt.

Village of Carrollton, Ohio  
 Carroll County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2011 (Continued)

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The Ohio Water Development Authority (OWDA) Loan #5693 relates to the wastewater treatment plant rehab and expansion project for the Village. The project is still under construction and funds received thus far are for reimbursement of expenses incurred. The original loan was issued August 26, 2010 in the amount of \$3,310,037 at a rate of 1.37% interest for three years with a final maturity date of August 26, 2013. One balloon payment is due August 26, 2013. The project is still under construction and funds received thus far are for reimbursement of expenses incurred, therefore, no amortization schedule has been provided. These liabilities are not reflected within the accompanying summary of the Village's future annual debt service requirements for long-term debt.

The Ohio Pubic Works Commission Loan #CT34L relates to the construction of the wastewater treatment plant project for the Village. The project is still under construction and the projected completion date is in late 2012. The loan was issued on August 15, 2008 in the amount of \$500,000 at 0% interest and OPWC Grant #CT33L in the amount of \$500,000. The project is still under construction and funds received thus far are for reimbursement of expenses incurred, therefore, no amortization schedule has been provided. These liabilities are not reflected within the accompanying summary of the Village's future annual debt service requirements for long-term debt.

The Village has been approved for an Ohio Public Works Commission (OPWC) Loan Assistance agreement for the wastewater treatment plant in the amount of \$208,025 to be used to assist in the interest on the OWDA interim loan #5693 for the treatment plant. No monies have been drawn down as of December 31, 2011.

The Village leases a street sweeper under a non-cancelable lease. In 2011, the Village disbursed \$21,692 to pay lease costs on the Elgin Street Sweeper of which \$20,008 was applied to principal, and \$1,954 was applied to interest. The lease expires on May 25, 2012.

Future lease payments are as follows:

	<u>Amount</u>
2012	<u>\$21,962</u>
Total Minimum Lease Payments	21,962
Less: Amount Representing Interest	<u>(1,000)</u>
Present Value of Minimum Lease Payments	<u>\$20,962</u>

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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Amortization of the above principal debt, including interest is scheduled as follows:

Year ending December 31:	Fire Equipment Bond	OPWC Loans
2012	\$ 28,000	\$ 50,445
2013	27,000	50,445
2014	26,000	50,003
2015	0	49,560
2016	0	41,938
2017-2021	0	188,480
2022-2026	0	156,668
2022-2031	0	156,668
2032-2036	0	156,668
2037-2041	0	116,995
Total	\$ 81,000	\$ 1,017,870

Debt principal outstanding at December 31, 2011 was \$6,029,301.

## 8. Retirement Systems

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011, OP&F participants contributed 10% of their wages. For 2011, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2011, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

## 9. Risk Management

### Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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

Village of Carrollton, Ohio  
Carroll County  
Notes to the Financial Statements  
For the Year Ended December 31, 2011 (Continued)

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

### **Health Insurance**

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

### **Life Insurance**

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

## **10. Joint Ventures**

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

The Village has taken steps to generate and stockpile funds for any portion of the Village's expenses including legal fees by establishing a special revenue account entitled "Landfill Closure Fund". Revenue is generated by the Village's exclusive trash contract, which was negotiated and renewed at the rate of \$2,500 per month from the trash hauler. Of this monthly amount \$2,000 is allocated to the Landfill Closure Fund and the other \$500 is allocated to the Street Maintenance fund for maintenance of streets. The Landfill Closure Fund has a balance of \$337,864 as of December 31, 2011.

Village of Carrollton, Ohio  
 Carroll County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2011 (Continued)

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**11. Fund Balance**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the governmental funds are presented as follows:

	<u>General</u>	<u>Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Permanent Fund</u>
Nonspendable for:				
Endowment for Parks	\$ 0	\$ 0	\$ 0	\$ 15,000
Restricted for:				
Road Maintenance	0	47,540	0	0
Fire Operations	0	12,964	0	0
Park Greenery	0	0	0	4,315
Landfill Closure	0	337,864	0	0
Sidewalk Repairs	0	0	600	0
Other Purposes	0	691	0	0
<b>Total Restricted</b>	<u>0</u>	<u>399,059</u>	<u>600</u>	<u>4,315</u>
Committed for:				
Storm Sewer Repairs	0	54,463	0	0
Assigned to:				
General Government	8,490	0	0	0
Unassigned	385,666	0	0	0
<b>Total Fund Balance</b>	<u>\$ 394,156</u>	<u>\$ 453,522</u>	<u>\$ 600</u>	<u>\$ 19,315</u>

Village of Carrollton, Ohio  
 Carroll County  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2011 (Continued)

**12. Construction and Contractual Commitments**

As of December 31, 2011, the Village had the following contractual commitments for the following projects:

Contractor	Purchase Commitments	Amount Paid as of 12/31/11	Amount Remaining on Contract
<u>Waste Water Treatment Plant:</u>			
CT Consultants	\$ 737,500	\$ 643,690	\$ 93,810
Stanley Miller Construction	3,997,500	2,973,874	1,023,626
Abbott Electric	1,008,437	542,888	465,549
Enertech Electrical	83,000	51,690	31,310
Flickinger Piping	82,045	0	82,045
<u>4th Street Sewer Line Replacement:</u>			
Stillion Brothers Excavating	179,958	0	179,958
<u>Lincoln Avenue-Phase II Improvement Project:</u>			
Engineering Associates	86,000	8,526	77,474
Total	<u>\$ 6,174,440</u>	<u>\$ 4,220,668</u>	<u>\$ 1,953,772</u>

The Waste Water Treatment Plant project commenced in December of 2010 and it is anticipated the project will be completed in late 2012. The 4<sup>th</sup> Street Sewer Line Replacement project is set to commence in early 2012. The Lincoln Avenue-Phase II Improvement Project is set to commence in June 2012.

**13. Subsequent Events**

The Village has been approved for a 54% Grant from Ohio Public Works Commission (OPWC) for the Lincoln Avenue-Phase II improvement project. The project will include replacement of water, sanitary and storm sewer lines along with street paving and sidewalks. The total project costs are \$568,600, which will be \$307,000 in grant funds and \$261,600 in local funds. The project was in the design phase at the end of 2011, bidding is scheduled for April 2012 with construction to begin in June 2012.

The Village entered into a construction contract with Stillion Brothers Excavating for the Second Street NW Waterline Replacement Project on April 9, 2012 in the amount of \$128,257. Construction is expected to begin on this project in May 2012.

April 17, 2012

Members of Council  
Village of Carrollton  
80 2<sup>nd</sup> St. SW  
Carrollton, OH 44615

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

We have audited the financial statements of the Village of Carrollton (the Village), Carroll County, Ohio, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 17, 2012 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying *Schedule of Findings and Responses*, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying *Schedule of Findings and Responses* to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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*  
April 17, 2012  
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated April 17, 2012.

The Village's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Responses*. We did not audit the Village's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the Village Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

*Hea & Associates, Inc.*

April 17, 2012

Members of Council  
Village of Carrollton  
80 2<sup>nd</sup> St. SW  
Carrollton, OH 44615

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the Village of Carrollton (the Village), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Village's major federal programs for the year ended December 31, 2011. The *summary of auditor's results* section of the accompanying Schedule of Findings and Questioned Costs identifies the Government's major federal programs. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Government's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with these requirements.

In our opinion, the Village complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Government's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Government's internal control over compliance.

Village of Carrollton  
Independent Auditor's Report on Compliance with Requirements that  
Could Have a Direct and Material Effect on Each Major Federal  
Program and Internal Control Over Compliance Required by OMB  
Circular A-133  
April 17, 2012  
Page 2

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of management, Village Council, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

*Rea & Associates, Inc.*

**Village of Carrollton**  
*Schedule of Expenditures of Federal Awards - Cash Basis*  
*For the Year Ended December 31, 2011*

<b>Federal Grantor/Pass Through Grantor Program Title</b>	<b>Agency or Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b><u>U.S. Department of Development</u></b>			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Block Grant	C-W-09-398-1	14.228	\$ 495,000
<b><u>U.S. Department of Agriculture</u></b>			
<i>Direct Award:</i>			
Water and Waste Disposal System for Rural Communities		10.760	731,812
<b><u>Appalachian Regional Commission</u></b>			
<i>Direct Award:</i>			
Appalachian Area Development		23.002	<u>250,000</u>
<b>Total Expenditures of Federal Awards</b>			<b><u><u>\$ 1,476,812</u></u></b>

**VILLAGE OF CARROLLTON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133, SECTION .505  
DECEMBER 31, 2011**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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A-133 Ref.  
.505(d)

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any other internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other internal control deficiencies reported for major programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are any reportable findings under Section .510(a) of Circular A-133?	No
(d) (1) (vii)	Major Programs (list): Community Development Block Grant – State-Administered Small Cities Program Cluster Water and Waste Disposal System for Rural Communities	CFDA #  14.228 10.760
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Material Weakness**

<b>FINDING NUMBER</b>	<b>2011-001</b>
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**Criteria:**

The Village's management has a responsibility to design and maintain internal controls over financial reporting. Internal controls must exist over the construction project management process. Timely and thorough review should be completed by the appropriate personnel.

VILLAGE OF CARROLLTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
OMB CIRCULAR A-133, SECTION .505  
DECEMBER 31, 2011

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)**

**Material Weakness (Continued)**

<b>FINDING NUMBER</b>	<b>2011-001 (Continued)</b>
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**Condition:**

During testing of the Village's storm sewer project contracts, we noted an overpayment. This project was partially funded with an Ohio Public Works Commission (OPWC) grant and loan. In 2009, the Village entered into a contract with DiPietro Excavating, Inc. for \$688,097.00, and approved subsequent change orders of \$56,053.32, for a total contract amount of \$744,150.32. Throughout the project, invoices were submitted to the Village and OPWC. OPWC paid their portion (95%) directly to the vendor and the Village wrote a check for the remaining local share (5%). In December 2010, the final OPWC payment request was made by the Village Administrator. This final request consisted of the final payment to DiPietro Excavating, Inc. and an additional request for reimbursement for engineering costs previously paid by the Village. In January 2011, OPWC made the final payment directly to DiPietro Excavating, Inc. and also sent a check to the Village for the engineering costs. Since all other OPWC payments were paid directly to the vendors, the Village assumed this money was owed to a vendor and erroneously wrote a check to DiPietro Excavating, Inc. for this amount.

**Cause:**

A vacancy in the Village Administrator position in January 2011 contributed to the control failure. Although not approved by the Village Administrator, the check was subject to the Village's internal control system and was approved by the Clerk/Treasurer and Council. However, the voucher package lacked the appropriate supporting documentation for the disbursement.

**Effect:**

This error resulted in total payments to the vendor exceeding the approved contract plus change orders by \$42,177.62.

**Recommendation:**

When the Village receives grant or loan proceeds from OPWC, they should compare this amount to the copy of the request in the Village files. All voucher packages should be reviewed thoroughly by all parties approving them to ensure proper supporting documentation prior to disbursement.

**Management Response:**

Management has taken the appropriate measures to successfully recover the overpayment of \$42,177.62 in 2012 and will tighten internal controls in the future.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE

VILLAGE OF CARROLLTON  
CARROLL COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2010-001	There were several adjustments required to be posted to underlying accounting records in order to reconcile cash balances and audit the financial statements.	Yes	





# Dave Yost • Auditor of State

VILLAGE OF CARROLLTON

CARROLL COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 17, 2012