

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF CARLISLE
SULLIVAN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/17/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Suzan Ridgway	01-01-04 to 12-31-11
President of the Town Council	Bill Orr	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CARLISLE, SULLIVAN COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Carlisle (Town), for the period of January 1, 2006 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 4, 2008

TOWN OF CARLISLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 63,151	\$ 113,413	\$ 108,032	\$ 68,532
Motor Vehicle Highway	30,661	29,543	25,454	34,750
Local Road and Street	31,235	2,759	-	33,994
Animal Control	706	125	-	831
Park and Recreation	4,536	-	-	4,536
Law Enforcement Continuing Education	1,532	80	1,086	526
Riverboat	10,409	4,374	-	14,783
Ordinance Violations	1,075	-	-	1,075
Community Foundation	-	262	-	262
Cumulative Capital Improvement	22,222	2,483	-	24,705
Cumulative Fire Fund	2,269	2,753	-	5,022
Proprietary Funds:				
Water Utility - Operating	96,741	390,309	387,605	99,445
Water Utility - Bond and Interest	60,381	83,098	80,826	62,653
Water Utility - Depreciation	288,117	34,800	-	322,917
Water Utility - Customer Deposit	16,967	775	255	17,487
Water Utility - Truck	74,328	24,838	-	99,166
Water Utility - Cash Reserve	91,095	12,653	-	103,748
Water Utility - Reserve	88,114	-	-	88,114
Wastewater Utility - Operating	232,962	778,919	863,945	147,936
Wastewater Utility - Bond and Interest	198,938	349,422	347,968	200,392
Wastewater Utility - Depreciation	666,838	84,000	253,467	497,371
Wastewater Utility - Truck	122,027	68,547	-	190,574
Wastewater Utility - Cash Reserve	230,326	43,895	-	274,221
Wastewater Utility - Reserve	406,170	-	-	406,170
Fiduciary Funds:				
Sherwood Trust	7,875	1,397	810	8,462
Payroll	1,029	225,086	225,338	777
Totals	\$ 2,749,704	\$ 2,253,531	\$ 2,294,786	\$ 2,708,449

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 68,532	\$ 117,274	\$ 116,495	\$ 69,311
Motor Vehicle Highway	34,750	29,328	26,436	37,642
Local Road and Street	33,994	2,811	10,000	26,805
Animal Control	831	25	-	856
Park and Recreation	4,536	-	-	4,536
Law Enforcement Continuing Education	526	90	-	616
Riverboat	14,783	4,383	2,000	17,166
Ordinance Violations	1,075	50	-	1,125
CDBG Grant: Homeowner Repair & Improvement	-	225,000	225,000	-
Community Foundation	262	-	-	262
Cumulative Capital Improvement	24,705	2,441	-	27,146
Cumulative Fire Fund	5,022	2,161	276	6,907
Proprietary Funds:				
Water Utility - Operating	99,445	354,227	360,729	92,943
Water Utility - Bond and Interest	62,653	82,255	84,235	60,673
Water Utility - Depreciation	322,917	34,800	-	357,717
Water Utility - Customer Deposit	17,487	900	635	17,752
Water Utility - Truck	99,166	9,134	-	108,300
Water Utility - Cash Reserve	103,748	-	-	103,748
Water Utility - Reserve	88,114	2,892	20,250	70,756
Wastewater Utility - Operating	147,936	834,691	730,877	251,750
Wastewater Utility - Bond and Interest	200,392	329,230	354,532	175,090
Wastewater Utility - Depreciation	497,371	84,000	58,828	522,543
Wastewater Utility - Truck	190,574	21,480	-	212,054
Wastewater Utility - Cash Reserve	274,221	-	-	274,221
Wastewater Utility - Reserve	406,170	3,261	20,250	389,181
Fiduciary Funds:				
Sherwood Trust	8,462	1,709	1,250	8,921
Payroll	777	233,759	233,698	838
Totals	\$ 2,708,449	\$ 2,375,901	\$ 2,245,491	\$ 2,838,859

The accompanying notes are an integral part of the financial information.

TOWN OF CARLISLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF CARLISLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into debt such as bonds for water utility improvements and wastewater improvements. The outstanding principal at December 31, 2007, was \$554,540 and \$2,782,000, respectively.

TOWN OF CARLISLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 7,500
Buildings	8,842
Improvements other than buildings	967,125
Machinery and equipment	<u>279,568</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,263,035</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 43,147
Buildings	26,484
Transportation equipment	43,371
Machinery and equipment	68,096
Improvements other than buildings	<u>3,153,127</u>
 Total Water Utility capital assets	 <u>3,334,225</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	21,873
Buildings	20,108
Transportation equipment	132,357
Machinery and equipment	345,013
Sewer lines and plant	<u>7,331,636</u>
 Total Wastewater Utility capital assets	 <u>7,850,987</u>
 Total business-type activities capital assets	 <u>\$ 11,185,212</u>

TOWN OF CARLISLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
1986 Water Improvement Revenue Bonds and 2001 Waterworks Refunding Subordinate Revenue Bonds	\$ 554,540	\$ 81,265
Wastewater Utility		
Revenue bonds:		
1986 Wastewater Refunding Revenue Bonds, 1998 Wastewater Revenue Bonds and 2001 Wastewater Refunding Subordinate Revenue Bonds	2,782,000	355,241
Total business-type activities debt:	<u>\$ 3,336,540</u>	<u>\$ 436,506</u>

TOWN OF CARLISLE
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2008, with Suzan Ridgway, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.