



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CARLISLE TOWNSHIP
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REPORT OF INDEPENDENT ACCOUNTANTS

Carlisle Township
Lorain County
11969 LaGrange Road
Elyria, Ohio 44035

To the Board of Trustees:

We have audited the accompanying financial statements of Carlisle Township, Lorain County, Ohio, (the Township) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Carlisle Township, Lorain County as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2000 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

April 25, 2000

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**CARLISLE TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$226,203	\$326,223	\$0	\$552,426
Intergovernmental	273,098	117,677	125,479	516,254
Special Assessments	0	7,680	0	7,680
Licenses, Permits, and Fees	31,942	1,143	0	33,085
Earnings on Investments	48,497	3,845	0	52,342
Other Revenue	1,610	4,812	0	6,422
Total Cash Receipts	<u>581,350</u>	<u>461,380</u>	<u>125,479</u>	<u>1,168,209</u>
Cash Disbursements:				
Current:				
General Government	151,523	0	0	151,523
Public Safety	165,543	110,756	0	276,299
Public Works	11,606	228,831	0	240,437
Health	17,105	9,788	0	26,893
Conservation - Recreation	1,754	0	0	1,754
Capital Outlay	9,949	81,613	125,479	217,041
Total Cash Disbursements	<u>357,480</u>	<u>430,988</u>	<u>125,479</u>	<u>913,947</u>
Total Receipts Over/(Under) Disbursements	<u>223,870</u>	<u>30,392</u>	<u>0</u>	<u>254,262</u>
Other Financing Receipts/(Disbursements):				
Sale of Fixed Assets	0	0	0	0
Transfers-In	0	10,000	0	10,000
Advances-In	6,333	0	0	6,333
Transfers-Out	(10,000)	0	0	(10,000)
Advances-Out	0	(6,333)	0	(6,333)
Other Uses	0	0	0	0
Total Other Financing Receipts/(Disbursements)	<u>(3,667)</u>	<u>3,667</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>220,203</u>	<u>34,059</u>	<u>0</u>	<u>254,262</u>
Fund Cash Balances, January 1	<u>746,810</u>	<u>165,907</u>	<u>0</u>	<u>912,717</u>
Fund Cash Balances, December 31	<u>\$967,013</u>	<u>\$199,966</u>	<u>\$0</u>	<u>\$1,166,979</u>
Reserve for Encumbrances, December 31	<u>\$899</u>	<u>\$3,380</u>	<u>\$0</u>	<u>\$4,279</u>

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

**CARLISLE TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGE IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Agency
Operating Receipts:	
Total Operating Receipts	0
Operating Disbursements:	
Personal Services	585
Purchased Services	9,649
Supplies and Materials	0
Other	233
Capital Outlay	0
Total Operating Disbursements	10,467
Operating Income/(Loss)	(10,467)
Non-operating Receipts and (Disbursements):	
Licenses, Permits, and Fees	5,876
Total Non-operating Receipts and (Disbursements):	5,876
Net Receipts Over/(Under) Disbursements	(4,591)
Fund Balance, January 1	8,098
Fund Balance, December 31	\$3,507
Reserve for Encumbrances, December 31	\$0

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

**CARLISLE TOWNSHIP
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Local Taxes	\$228,403	\$283,623	\$0	\$512,026
Intergovernmental	231,910	104,619	121,919	458,448
Special Assessments	0	4,541	0	4,541
Licenses, Permits, and Fees	34,257	3,475	0	37,732
Earnings on Investments	40,334	3,989	0	44,323
Other Revenue	15,756	5,769	0	21,525
Total Cash Receipts	<u>550,660</u>	<u>406,016</u>	<u>121,919</u>	<u>1,078,595</u>
Cash Disbursements:				
Current:				
General Government	151,349	0	0	151,349
Public Safety	135,765	108,473	0	244,238
Public Works	16,480	205,815	0	222,295
Health	21,018	7,380	0	28,398
Conservation - Recreation	3,456	0	0	3,456
Capital Outlay	56,035	93,223	121,919	271,177
Total Cash Disbursements	<u>384,103</u>	<u>414,891</u>	<u>121,919</u>	<u>920,913</u>
Total Receipts Over/(Under) Disbursements	<u>166,557</u>	<u>(8,875)</u>	<u>0</u>	<u>157,682</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	5,150	0	5,150
Advances-In	3,859	6,333	0	10,192
Transfers-Out	(5,150)	0	0	(5,150)
Advances-Out	(6,333)	(3,859)	0	(10,192)
Total Other Financing Receipts/(Disbursements)	<u>(7,624)</u>	<u>7,624</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	158,933	(1,251)	0	157,682
Fund Cash Balances, January 1	<u>587,877</u>	<u>167,158</u>	<u>0</u>	<u>755,035</u>
Fund Cash Balances, December 31	<u>\$746,810</u>	<u>\$165,907</u>	<u>\$0</u>	<u>\$912,717</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$8,724</u>	<u>\$0</u>	<u>\$8,724</u>

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

**CARLISLE TOWNSHIP
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGE IN FUND CASH BALANCE - FIDUCIARY FUND TYPE-
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Agency
Operating Receipts:	
Total Operating Receipts	\$0
Operating Disbursements:	
Personal Services	429
Purchased Services	7,827
Supplies and Materials	0
Other	305
Total Operating Disbursements	8,561
Operating Income/(Loss)	(8,561)
Non-operating Receipts and (Disbursements):	
Licenses, Permits, and Fees	7,592
Total Non-operating Receipts and (Disbursements):	7,592
Net Receipts Over/ (Under) Disbursements	(969)
Fund Balance, January 1	9,067
Fund Balance, December 31	\$8,098
Reserve for Encumbrances, December 31	\$0

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

**CARLISLE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Carlisle Township, Lorain County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining and repairing Township roads.

Fire Levy - This fund receives property tax revenue used to provide fire protection services.

CARLISLE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project fund:

Issue II Fund - The Township received a grant from the State of Ohio to replace a culvert on a Township Road.

4. Fiduciary Funds (Agency Funds)

These funds are used to account for resources for which the Township is acting in an agency capacity. The Township had the following significant fiduciary fund:

Commercial Building Permits - This fund is used to hold and distribute commercial zoning fees.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except Agency Funds) 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 Board of Trustees 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 Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

CARLISLE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$75,094	\$25,422
STAR Ohio	<u>1,095,392</u>	<u>895,393</u>
Total deposits and investments	<u><u>\$1,170,486</u></u>	<u><u>\$920,815</u></u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$585,810	\$581,350	(\$4,460)
Special Revenue	460,203	471,380	11,177
Capital Projects	<u>125,479</u>	<u>125,479</u>	<u>0</u>
Total	<u><u>\$1,171,492</u></u>	<u><u>\$1,178,209</u></u>	<u><u>\$6,717</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$544,981	\$368,379	\$176,602
Special Revenue	463,300	434,368	28,932
Capital Projects	<u>125,479</u>	<u>125,479</u>	<u>0</u>
Total	<u><u>\$1,133,760</u></u>	<u><u>\$928,226</u></u>	<u><u>\$205,534</u></u>

CARLISLE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$644,707	\$550,660	(\$94,047)
Special Revenue	413,908	411,166	(2,742)
Capital Projects	121,919	121,919	0
Total	\$1,180,534	\$1,083,745	(\$96,789)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$703,035	\$389,253	\$313,782
Special Revenue	479,159	423,615	55,544
Capital Projects	121,919	121,919	0
Total	\$1,304,113	\$934,787	\$369,326

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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 Township.

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 Township.

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Fund (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

CARLISLE TOWNSHIP
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). OTARMA assumes the risk of loss up to the limits of the Township's policy. OTARMA may assess supplemental premiums. The following risks are covered by OTARMA:

- General liability and casualty
- Public official's liability
- Vehicle

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. CONTINGENT LIABILITIES

The Township is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Township's financial condition.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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

Carlisle Township
Lorain County
11969 LaGrange Road
Elyria, Ohio 44035

To the Board of Trustees:

We have audited the financial statements of Carlisle Township, Lorain County, Ohio (the Township), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated April 25, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated April 25, 2000.

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

April 25, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CARLISLE TOWNSHIP

LORAIN 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
JUNE 1, 2000**