

**CITY FINANCIAL STATEMENT / MILLER, MAYER, SULLIVAN & FRANK**

MILLER, MAYER, SULLIVAN & FRANK  
GENERAL PUBLIC ACCOUNTANTS  
1000 North Third Street  
Lexington, Kentucky 40502  
City of Carlisle, Kentucky

CITY OF CARLISLE, KENTUCKY  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1980

We have examined the financial statements of the various funds of the City of Carlisle, Kentucky, for the year ended December 31, 1980, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The City has not maintained a record of its general fund assets or gas utility plant in service, and accordingly a summary of general fund assets and gas utility plant in service required by generally accepted accounting principles is not included in these financial statements.

Where the gas utility plant in service has not been capitalized, no depreciation has been provided on the gas utility plant in service and contributions in aid of construction have not been capitalized in current and prior years. The amounts by which the financial statement would change, if these items were included, would be material in amount as determined in Note 1.

The accompanying statement of revenues and expenditures of the General Fund for the year 1980 does not include a comparison with a formal budget, as required by generally accepted accounting principles.

In the course of our examination we noted conditions which caused us to believe that there was a lack of compliance with the state and state revenue bond act of January 14, 1979, as described in Note 2.

In our opinion, except for the omission and matter of non-compliance of the conditions mentioned in the preceding paragraphs, the aforementioned financial statements present fairly the financial position of the City of Carlisle, Kentucky, as of December 31, 1980, and the results of operations for the year ended December 31, 1980, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The accompanying supplemental schedules and the column on the accompanying combined balance sheet captioned "Supplemental Schedules" are not necessary for a fair presentation of the financial statements, but are presented for additional information. These schedules are subject to the same audit procedures as those applied to the financial statements mentioned above and, in our opinion, is subject to the same audit procedures as described in the preceding paragraphs.

Miller, Mayer, Sullivan & Frank  
Lexington, Kentucky  
February 27, 1981

Revenues:	1980	1979
Property taxes (Note 3)	\$ 44,482	\$ 41,859
Refuse collection	7,772	7,500
Occupational license	1,383	1,383
Police court fines	1,383	1,383
City and Veterans (Note 5)	1,383	1,383
Franchise, utility utilities	1,383	1,383
Interest	1,383	1,383
Grants	1,383	1,383
Other	1,383	1,383
<b>Total revenues</b>	<b>78,000</b>	<b>78,000</b>
Expenditures:		
General Government	40,453	40,453
Public Safety	17,148	17,148
Police Department	1,455	1,455
Fire Department	40,288	40,288
Refuse collection	21,710	21,710
Public works, streets	1,455	1,455
Planning and zoning	1,455	1,455
201 Plan	1,455	1,455
<b>Total expenditures</b>	<b>77,556</b>	<b>77,556</b>
Excess revenues over expenditures	<b>444</b>	<b>444</b>
Fund balance, beginning of year	<b>1,176,541</b>	<b>1,176,541</b>
<b>Fund balance, end of year</b>	<b>1,177,085</b>	<b>1,177,085</b>

CITY OF CARLISLE, KENTUCKY  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1980

Revenues:	1980	1979
Contributions (A)	\$ 18,150	\$ 18,150
Interest	18,150	18,150
<b>Total revenues</b>	<b>36,300</b>	<b>36,300</b>
Expenditures:		
Transfer to general fund for:		
Water	10,460	10,460
Sewer and gas utility	1,000	1,000
Fire department	1,000	1,000
Street cleaning	1,000	1,000
Total transfer to general fund	<b>13,460</b>	<b>13,460</b>
Nicholas County Senior Citizens	1,400	1,400
Nicholas County Library	500	500
County and municipalities	1,400	1,400
Other	7	7
<b>Total expenditures</b>	<b>18,150</b>	<b>18,150</b>
Excess revenues over expenditures	<b>18,150</b>	<b>18,150</b>
Fund balance, beginning of year	<b>1,176,541</b>	<b>1,176,541</b>
<b>Fund balance, end of year</b>	<b>1,194,691</b>	<b>1,194,691</b>

Revenues are budgeted on the cash basis of accounting whereas the actual revenues are reported on the accrual basis. Cash basis settlements for the year ended 1980 were \$18,150.

CITY OF CARLISLE, KENTUCKY  
WATER, SEWER AND GAS UTILITY FUND  
STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 1980

Operating Income:	1980	1979
Gas	\$ 632,400	\$ 632,400
Sewer	41,900	41,900
Water	1,900	1,900
Other	1,900	1,900
<b>Total operating income</b>	<b>678,100</b>	<b>678,100</b>
Operating expense (Note 1)	(305,647)	(305,647)
<b>Operating income before depreciation</b>	<b>372,453</b>	<b>372,453</b>
Depreciation expense (Note 1)	(30,000)	(30,000)
<b>Operating income (Note 1)</b>	<b>342,453</b>	<b>342,453</b>
Net operating income	<b>73,832</b>	<b>73,832</b>
Non-operating income (expense) and transfers:		
Interest income	(19,343)	(19,343)
City account (Note 5)	19,343	19,343
Interest earned	(79,789)	(79,789)
Transfers, net	(18,807)	(18,807)
Excess of non-operating expense and transfers	<b>(108,596)</b>	<b>(108,596)</b>
Net loss	<b>(4,143)</b>	<b>(4,143)</b>

The beginning working capital amount has been restated to reflect revisions in balance sheet account classifications.

City Steiner  
The City Council directed that the revenues derived from the sale of City vehicles be accounted for in the water, sewer, and gas utility fund. These revenues had previously been accounted for in the City's General Fund.

Continued on page 11

CITY OF CARLISLE, KENTUCKY  
WATER, SEWER AND GAS UTILITY FUND  
STATEMENT OF CAPITAL CONTRIBUTIONS  
FOR THE YEAR ENDED DECEMBER 31, 1980

Source of working capital:	1980	1979
From operations:		
Net loss	(4,143)	(4,143)
Effect of working capital	36,300	36,300
<b>Total source of working capital</b>	<b>32,157</b>	<b>32,157</b>
Use of working capital:		
Addition to noncurrent portion of fund balance, cash	17,000	17,000
Addition to utility plant in service	15,157	15,157
<b>Total uses of working capital</b>	<b>32,157</b>	<b>32,157</b>
Working capital, beginning of year	<b>1,343</b>	<b>1,343</b>
<b>Working capital, end of year</b>	<b>1,343</b>	<b>1,343</b>

CITY OF CARLISLE, KENTUCKY  
NETS TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1980

1. Accounting Principles  
The City maintains its records on the cash basis; however, the financial statements have been prepared on the accrual basis of accounting from the balance sheet and other accounts. Net loss has been restated to reflect revisions in balance sheet account classifications.

2. Investments are stated at cost.  
General fund assets records have not been restated.

3. As of January 1, 1980, the City adopted the generally accepted accounting principles for capitalizing water and sewer utility property and equipment. Investments are stated at cost.

4. Water and sewer revenue bond ordinance, dated July 1, 1969, requires that certain revenues be accumulated and minimum balances be maintained as follows:

5. A fund of Revenue: Bond and Interest Redemption Fund of 1964 (Sinking Fund). Revenue shall be used to pay into this fund each month, an amount sufficient to pay at least one-half of the next interest installment due on the bonds. The balance of the amount of interest (if any) remaining over the sinking fund shall be used to pay the principal of the bonds. The City Council, on January 1, 1964, and January 1, 1965, and on any party bonds as they are outstanding until the end of the term of the bonds, to pay the amount due on the bonds into this fund. It is further provided that all interest, due each January 1st, and all principal due each January 1st, shall be paid from this fund.

6. Utility Project Reserve Fund (Sinking Fund). There shall be set aside monthly from the utility fund to accumulate within five years on the date of maturity of the bonds, an amount sufficient to pay the maximum annual principal and interest requirements on this fund of bonds, and on the utility (water, sewer and gas) Revenue Bonds issued January 1, 1964, and January 1, 1967. If additional party bonds are issued in the future, provisions shall be made for the payment of the amount to be deposited into this fund shall be sufficient to pay the principal and interest on the bonds. The required balance at December 31, 1980 is \$47,839.

7. The actual balance of the reserve at December 31, 1980 is \$47,839, which is not in compliance with ordinance provisions.

8. Operation and Maintenance Fund. Seventy percent of the remaining revenues shall be used to pay into this fund the proper cost of operating, maintaining, and repairing the utility system (water, sewer and gas). Payments in excess of current operating costs shall be made into this account after accumulation of the month's requirements, but are not available for sinking fund revenue until the following month. All required reserves are accumulated as follows:

9. Depreciation Reserve (Fid.) Four hundred dollars (\$400.00) per month of the amount of the reserve shall be set aside into this fund and shall be used to set up reserves for replacement, maintenance, and repair of the utility system (water, sewer and gas). Payments not made into this account after accumulation and maintenance of a \$300.00 balance.

10. The balance of the Depreciation Fund at December 31, 1980 was \$30,986.

11. Surplus Revenues. After all funds have been accumulated to the maximum amount allowed by ordinance, the remaining revenues shall be used to pay the principal and interest on the bonds. The City Council, on January 1, 1964, and January 1, 1967, and on any party bonds as they are outstanding until the end of the term of the bonds, to pay the amount due on the bonds into this fund. It is further provided that all interest, due each January 1st, and all principal due each January 1st, shall be paid from this fund.

12. The changes in the components of working capital consist of increases (decreases) as follows:

Amount	1980	1979
Current assets:		
Cash and savings account	\$ 20,311	\$ 20,311
Accounts receivable	(4,967)	(4,967)
Prepaid expenses	3,467	3,467
<b>Increase in current assets</b>	<b>18,811</b>	<b>18,811</b>
Current liabilities:		
Accounts payable	75,418	75,418
Utility account payable	1,344	1,344
Accounts receivable	(20,000)	(20,000)
Notes payable	(43,576)	(43,576)
<b>Increase in current liabilities</b>	<b>13,286</b>	<b>13,286</b>
<b>Increase in working capital</b>	<b>5,525</b>	<b>5,525</b>

FOR SALE  
3 bedroom home on 1 acre lot close to town. Has living room, dining room, kitchen, large family room with fireplace, wall/wall carpet, washer & dryer hook-up in utility room. Patio and 2 storage buildings.  
Ray Flora Real Estate  
111 West Main St., Carlisle, Ky. 299-5624  
Ray Flora and Danny Booth, Broker

**Larry Trussell announces for PVA post**

Larry Trussell of Route Two, Carlisle, has announced his intention to seek the office of property valuation administrator of Nicholas County subject to the May Primary. Mr. Trussell recently completed successfully an examination for that post. He is a native of Nicholas County and graduated from Nicholas County High School in 1971. He has a B.S. Degree from Eastern Kentucky University. He has worked for Nicholas County Health Department for the last five years and recently passed the test to be a registered appraiser.

Mr. Trussell is married and the father of two children, Susan, who is now a graduate of Nicholas County Elementary School and Kimberly, 14 months.

He has a B.S. Degree from Eastern Kentucky University. He has worked for Nicholas County Health Department for the last five years and recently passed the test to be a registered appraiser.

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**KET authority to hold April 21 meet at KSU**

There will be a meeting of the Kentucky Authority for Educational Television on Tuesday, April 21 at 8 p.m. Eastern Time at Kentucky State University in Frankfort, Ky. The meeting is the Thoroughbred Lounge of the KSU Athletic Complex. The meeting is open to the public and all interested parties are invited to attend.

There will be a meeting of the Kentucky Authority for Educational Television on Tuesday, April 21 at 8 p.m. Eastern Time at Kentucky State University in Frankfort, Ky. The meeting is the Thoroughbred Lounge of the KSU Athletic Complex. The meeting is open to the public and all interested parties are invited to attend.

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