

313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358



**VILLAGE OF CARLISLE  
WARREN COUNTY  
Regular Audit  
For the Year Ended December 31, 2015**

[www.perrycpas.com](http://www.perrycpas.com)

*...“bringing more to the table”*

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Village of Council  
Village of Carlisle  
760 Central Avenue  
Carlisle, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the Village of Carlisle, Warren County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

August 30, 2017

**This page intentionally left blank.**

**VILLAGE OF CARLISLE, OHIO**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**TABLE OF CONTENTS**

|  |         |
|--|---------|
| Independent Auditor’s Report .....   | 1       |
| Management’s Discussion and Analysis .....   | 3 - 21  |
| Basic Financial Statements:  |         |
| Government-Wide Financial Statements:  |         |
| Statement of Net Position .....  | 23      |
| Statement of Activities.....   | 24 - 25 |
| Fund Financial Statements:   |         |
| Balance Sheet - Governmental Funds .....   | 26 - 27 |
| Reconciliation of Total Governmental Fund Balances to Net Position<br>of Governmental Activities.....  | 28      |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances - Governmental Funds .....   | 30 - 31 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes<br>in Fund Balances of Governmental Funds to the Statement of Activities.....              | 32      |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balance - Budget and Actual (Non-GAAP Budgetary Basis) -<br>General Fund.....                         | 33      |
| Road Department Fund .....   | 34      |
| CVT Fund.....  | 35      |
| Fire Fund .....  | 36      |
| Eagle Ridge TIF Fund .....   | 37      |
| Timber Ridge TIF Fund .....  | 38      |
| Police Services Fund .....   | 39      |
| Statement of Net Position - Proprietary Funds.....   | 40      |
| Statement of Revenues, Expenses and Changes in<br>Net Position - Proprietary Funds.....  | 41      |
| Statement of Cash Flows - Proprietary Funds.....   | 42      |
| Statement of Fiduciary Assets and Liabilities - Fiduciary Fund .....   | 43      |
| Notes to the Basic Financial Statements.....   | 45 – 82 |
| Required Supplementary Information:  |         |
| Schedule of the Village’s Proportionate Share of the Net Pension Liability:  |         |
| Ohio Public Employees Retirement System (OPERS).....   | 84      |
| Ohio Police and Fire Pension Fund (OP&F) .....   | 85      |
| Schedule of Village Contributions:   |         |
| Ohio Public Employees Retirement System (OPERS).....   | 86 - 87 |
| Ohio Police and Fire Pension Fund (OP&F) .....   | 88 - 89 |
| Notes to Required Supplementary Information.....   | 90      |
| Independent Auditor’s Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Required by Government Auditing Standards ..... | 91 – 92 |
| Schedule of Prior Audit Findings .....   | 93      |

**This page intentionally left blank.**



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

## INDEPENDENT AUDITOR'S REPORT

June 29, 2017

Village of Carlisle  
Warren County  
760 Central Avenue  
Carlisle, Ohio 45005

To the Village Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Village of Carlisle**, Warren County, Ohio (the Village), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

[www.perrycpas.com](http://www.perrycpas.com)  
...*"bringing more to the table"*

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carlisle, Warren County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Road Department, CVT, Fire, Eagle Ridge TIF, Timber Ridge TIF and Police Services funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

The management's discussion and analysis of the Village of Carlisle's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the Village's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Village's financial performance.

#### Financial Highlights

Key financial highlights for 2015 are as follows:

- The total net position of the Village increased \$709,279. Net position of governmental activities increased \$927,991 or 19.56% from 2014 and net position of business-type activities decreased \$218,712 or 4.03% from 2014. 2014 net position has been restated as described in Note 3.
- General revenues accounted for \$1,771,039 or 63.27% of total governmental activities revenue. Program specific revenues accounted for \$1,028,038 or 36.73% of total governmental activities revenue.
- The Village had \$2,029,937 in expenses related to governmental activities; \$1,028,038 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$1,001,899 were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$1,771,039.
- The general fund had revenues and other financing sources of \$1,159,480 in 2015. This represents an increase of \$178,062 from 2014. The expenditures and other financing uses of the general fund, which totaled \$961,469 in 2015, increased \$178,062 from 2014. The net increase in fund balance for the general fund was \$198,011 or 29.07%.
- The road fund had revenues and other financing sources of \$390,009 in 2015. The expenditures of the road fund totaled \$397,957 in 2015. The net decrease in fund balance for the road fund was \$7,948 or 2.16%.
- The County Vehicle Tax (CVT) fund had revenues of \$368,657 in 2015. The expenditures of the CVT fund totaled \$462,528 in 2015. The net decrease in fund balance for the CVT fund was \$93,871 or 48.96%.
- The fire fund had revenues of \$149,681 in 2015. The expenditures of the fire fund totaled \$120,943 in 2015. The net increase in fund balance for the fire fund was \$28,738 or 16.68%.
- The Eagle Ridge TIF fund had revenues of \$194,844 in 2015. The expenditures and other financing uses of the Eagle Ridge TIF fund totaled \$202,619 in 2015. The net decrease in fund balance for the Eagle Ridge TIF fund was \$7,775 or 27.26%.
- The Timber Ridge TIF fund had revenues and other financing sources of \$1,984,724 in 2015. The expenditures of the Timber Ridge TIF fund totaled \$1,755,208. The net increase in fund balance for the Timber Ridge TIF fund was \$229,516 or 147.33%.
- The police services fund had revenues of \$344,152 in 2015. The expenditures of the police services fund totaled \$334,716. The net increase in fund balance for the police services fund was \$9,436 or 3.45%.
- Net position for the business-type activities, which are made up of the sewer, water and refuse enterprise funds, decreased in 2015 by \$218,712. This decrease in net position was due to expenses exceeding revenues.

## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

- In the general fund, the actual revenues and other financing sources came in \$200,834 higher than they were in the final budget and actual expenditures and other financing uses were \$81,025 less than the amount in the final budget.

#### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Village as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Village as a whole, presenting both an aggregate view of the Village's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Village's most significant funds with all other nonmajor funds presented in total in one column.

#### **Reporting the Village as a Whole**

##### *Statement of Net Position and the Statement of Activities*

While this document contains a large number of funds used by the Village to provide programs and activities, the view of the Village as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows, liabilities and deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Village's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Village as a whole, the financial position of the Village has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Village's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the Village is divided into two distinct kinds of activities:

**Governmental activities** - Most of the Village's programs and services are reported here including police, fire, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

**Business-type activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Village's sewer, water and refuse operations are reported here.

The Village's statement of net position and statement of activities can be found on pages 23-25 of this report

## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

#### **Reporting the Village's Most Significant Funds**

##### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the Village's major funds. The Village uses many funds to account for a multitude of financial transactions. However, these fund financial statements focuses on the Village's most significant funds. The analysis of the Village's major governmental and proprietary funds begins on page 13.

##### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains a multitude of individual governmental funds. The Village has segregated these funds into major funds and nonmajor funds. The Village's major governmental funds are the general fund, road department fund, CVT fund, fire fund, Eagle Ridge TIF fund, Timber Ridge TIF fund, and the police services fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 26-39 of this report.

##### ***Proprietary Funds***

The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its sewer, water and refuse management functions. All of the Village's enterprise funds are considered major funds. The basic proprietary fund financial statements can be found on pages 40-42 of this report.

##### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. An agency fund is the Village's only fiduciary fund type. The statement of fiduciary net position can be found on page 43.

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 45-82 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 84-90 of this report.

**THIS SPACE INTENTIONALLY LEFT BLANK**

**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Government-Wide Financial Analysis**

The table below provides a summary of the Village's net position at December 31, 2015 and 2014:

|  | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|  | 2015                    | Restated<br>2014    | 2015                     | Restated<br>2014    | 2015                 | Restated<br>2014     |
| <b><u>Assets</u></b>                         |                         |                     |                          |                     |                      |                      |
| Current assets                               | \$ 3,152,878            | \$ 2,880,384        | \$ 2,290,115             | \$ 2,278,136        | \$ 5,442,993         | \$ 5,158,520         |
| Capital assets, net                          | 7,094,411               | 5,176,030           | 3,267,455                | 3,558,539           | 10,361,866           | 8,734,569            |
| Total assets                                 | <u>10,247,289</u>       | <u>8,056,414</u>    | <u>5,557,570</u>         | <u>5,836,675</u>    | <u>15,804,859</u>    | <u>13,893,089</u>    |
| <b><u>Deferred outflows of resources</u></b> |                         |                     |                          |                     |                      |                      |
| Pension                                      | 154,243                 | 98,043              | 70,201                   | 47,550              | 224,444              | 145,593              |
| Total deferred outflows of resources         | <u>154,243</u>          | <u>98,043</u>       | <u>70,201</u>            | <u>47,550</u>       | <u>224,444</u>       | <u>145,593</u>       |
| <b><u>Liabilities</u></b>                    |                         |                     |                          |                     |                      |                      |
| Current liabilities                          | 64,407                  | 54,955              | 69,140                   | 115,846             | 133,547              | 170,801              |
| Long-term liabilities:                       |                         |                     |                          |                     |                      |                      |
| Due within one year                          | 1,868,414               | 1,700,519           | 8,887                    | 4,325               | 1,877,301            | 1,704,844            |
| Net pension liability                        | 970,435                 | 920,763             | 334,119                  | 326,571             | 1,304,554            | 1,247,334            |
| Other amounts                                | 1,396,273               | 317,880             | 43                       | 9,058               | 1,396,316            | 326,938              |
| Total liabilities                            | <u>4,299,529</u>        | <u>2,994,117</u>    | <u>412,189</u>           | <u>455,800</u>      | <u>4,711,718</u>     | <u>3,449,917</u>     |
| <b><u>Deferred inflows of resources</u></b>  |                         |                     |                          |                     |                      |                      |
| Property taxes and PILOTs                    | 424,640                 | 414,936             | -                        | -                   | 424,640              | 414,936              |
| Pension                                      | 3,968                   | -                   | 5,869                    | -                   | 9,837                | -                    |
| Total deferred inflows of resources          | <u>428,608</u>          | <u>414,936</u>      | <u>5,869</u>             | <u>-</u>            | <u>434,477</u>       | <u>414,936</u>       |
| <b><u>Net Position</u></b>                   |                         |                     |                          |                     |                      |                      |
| Net investment in capital assets             | 3,955,403               | 3,326,330           | 3,267,455                | 3,558,539           | 7,222,858            | 6,884,869            |
| Restricted                                   | 921,700                 | 1,405,453           | -                        | -                   | 921,700              | 1,405,453            |
| Unrestricted                                 | 796,292                 | 13,621              | 1,942,258                | 1,869,886           | 2,738,550            | 1,883,507            |
| Total net position                           | <u>\$ 5,673,395</u>     | <u>\$ 4,745,404</u> | <u>\$ 5,209,713</u>      | <u>\$ 5,428,425</u> | <u>\$ 10,883,108</u> | <u>\$ 10,173,829</u> |

During 2015, the Village adopted Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68" which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Village's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Village's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Village is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Village's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Village is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, for governmental activities from \$5,568,124 to \$4,745,404 and business-type activities from \$5,707,446 to \$5,428,425.

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the Village's assets and deferred outflows exceeded liabilities and deferred inflows by \$10,883,108. At year-end, net position was \$5,673,395 and \$5,209,713 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Village's assets. At year-end, capital assets represented 69.23% of total assets. Capital assets include land, construction in progress, buildings and improvements, furniture and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2015, was \$3,955,403 and \$3,267,455 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Village's net position, \$921,700, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is \$796,292.

THIS SPACE INTENTIONALLY LEFT BLANK

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

The table below shows the changes in net position for 2015 and 2014.

|  | <b>Change in Net Position</b> |                           |                           |                           |                      |                      |
|--|-------------------------------|---------------------------|---------------------------|---------------------------|----------------------|----------------------|
|  | Governmental                  | Business-type             | Governmental              | Business-type             | 2015                 | 2014                 |
|  | Activities<br><u>2015</u>     | Activities<br><u>2015</u> | Activities<br><u>2014</u> | Activities<br><u>2014</u> | <u>Total</u>         | <u>Total</u>         |
| <b>Revenues</b>                              |                               |                           |                           |                           |                      |                      |
| Program revenues:                            |                               |                           |                           |                           |                      |                      |
| Charges for services                         | \$ 281,301                    | \$ 2,738,078              | \$ 237,810                | \$ 2,665,899              | \$ 3,019,379         | \$ 2,903,709         |
| Operating grants and contributions           | 680,505                       | -                         | 733,606                   | -                         | 680,505              | 733,606              |
| Capital grants and contributions             | <u>66,232</u>                 | <u>-</u>                  | <u>125,546</u>            | <u>-</u>                  | <u>66,232</u>        | <u>125,546</u>       |
| Total program revenues                       | <u>1,028,038</u>              | <u>2,738,078</u>          | <u>1,096,962</u>          | <u>2,665,899</u>          | <u>3,766,116</u>     | <u>3,762,861</u>     |
| General revenues:                            |                               |                           |                           |                           |                      |                      |
| Property taxes                               | 188,224                       | -                         | 182,890                   | -                         | 188,224              | 182,890              |
| Income taxes                                 | 907,992                       | -                         | 949,748                   | -                         | 907,992              | 949,748              |
| Unrestricted grants and entitlements         | 110,265                       | -                         | 136,543                   | -                         | 110,265              | 136,543              |
| Payment in lieu of taxes                     | 526,497                       | -                         | 113,619                   | -                         | 526,497              | 113,619              |
| Investment earnings                          | 5,740                         | -                         | 1,196                     | -                         | 5,740                | 1,196                |
| Gain on sale of capital asset                | 5,202                         | -                         | -                         | -                         | 5,202                | -                    |
| Miscellaneous                                | <u>27,119</u>                 | <u>-</u>                  | <u>66,712</u>             | <u>-</u>                  | <u>27,119</u>        | <u>66,712</u>        |
| Total general revenues                       | <u>1,771,039</u>              | <u>-</u>                  | <u>1,450,708</u>          | <u>-</u>                  | <u>1,771,039</u>     | <u>1,450,708</u>     |
| Total revenues                               | <u>2,799,077</u>              | <u>2,738,078</u>          | <u>2,547,670</u>          | <u>2,665,899</u>          | <u>5,537,155</u>     | <u>5,213,569</u>     |
| <b>Expenses:</b>                             |                               |                           |                           |                           |                      |                      |
| General government                           | 814,487                       | -                         | 831,391                   | -                         | 814,487              | 831,391              |
| Security of persons and property             | 776,745                       | -                         | 813,881                   | -                         | 776,745              | 813,881              |
| Transportation                               | 229,128                       | -                         | 384,061                   | -                         | 229,128              | 384,061              |
| Community environment                        | 134,446                       | -                         | 117,388                   | -                         | 134,446              | 117,388              |
| Leisure time activity                        | 12,368                        | -                         | 12,829                    | -                         | 12,368               | 12,829               |
| Interest and fiscal charges                  | 62,763                        | -                         | 53,805                    | -                         | 62,763               | 53,805               |
| Sewer  | -                             | 1,904,728                 | -                         | 1,884,791                 | 1,904,728            | 1,884,791            |
| Refuse                                       | -                             | 375,650                   | -                         | 366,084                   | 375,650              | 366,084              |
| Water  | <u>-</u>                      | <u>517,561</u>            | <u>-</u>                  | <u>431,914</u>            | <u>517,561</u>       | <u>431,914</u>       |
| Total expenses                               | <u>2,029,937</u>              | <u>2,797,939</u>          | <u>2,213,355</u>          | <u>2,682,789</u>          | <u>4,827,876</u>     | <u>4,896,144</u>     |
| Increase (decrease) in net position          | <u>769,140</u>                | <u>(59,861)</u>           | <u>334,315</u>            | <u>(16,890)</u>           | <u>709,279</u>       | <u>317,425</u>       |
| Transfers                                    | 158,851                       | (158,851)                 | -                         | -                         | -                    | -                    |
| Change in net position                       | 927,991                       | (218,712)                 | 334,315                   | (16,890)                  | 709,279              | 317,425              |
| Net position at beginning of year (restated) | <u>4,745,404</u>              | <u>5,428,425</u>          | N/A                       | N/A                       | <u>10,173,829</u>    | N/A                  |
| Net position at end of year                  | <u>\$ 5,673,395</u>           | <u>\$ 5,209,713</u>       | <u>\$ 4,745,404</u>       | <u>\$ 5,428,425</u>       | <u>\$ 10,883,108</u> | <u>\$ 10,173,829</u> |



**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$145,593 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$138,292. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

|  | Governmental<br>Activities | Business-Type<br>Activities |
|--|----------------------------|-----------------------------|
| Total 2015 program expenses under GASB 68                      | \$ 2,029,937               | \$ 2,797,939                |
| Pension expense under GASB 68                                  | (99,800)                   | (38,492)                    |
| 2015 contractually required contributions                      | 102,361                    | 47,728                      |
| Adjusted 2015 program expenses                                 | 2,032,498                  | 2,807,175                   |
| Total 2014 program expenses under GASB 27                      | 2,213,355                  | 2,682,789                   |
| Increase (decrease) in program expenses not related to pension | \$ (180,857)               | \$ 124,386                  |

**Governmental Activities**

Governmental activities net position increased \$927,991 in 2015.

Security of persons and property which primarily supports the operation of police and fire services accounted for \$776,745 or 38.26% of the total expenses of the Village. General government expenses totaled \$814,487. General government expenses were partially funded by \$105,797 in direct charges to users of the services and operating grants and contributions of \$66,812.

The state and federal government contributed to the Village a total of \$680,505 in operating grants and contributions and capital grants and contributions of \$66,232. These revenues are restricted to a particular program or purpose.

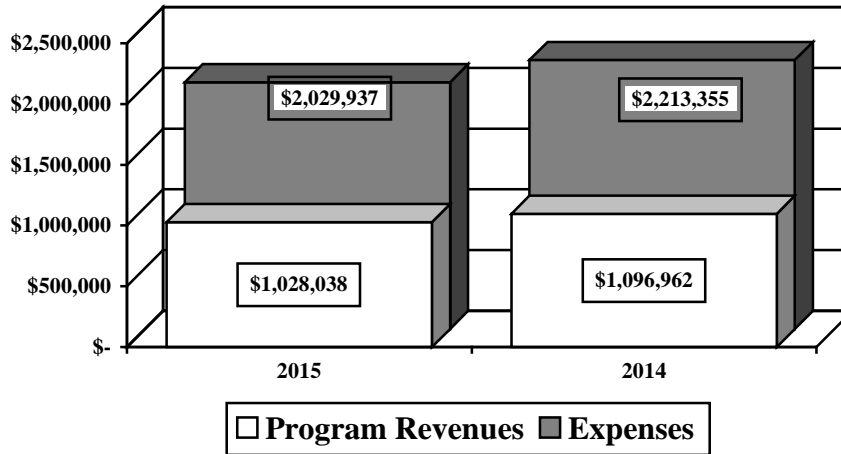
General revenues totaled \$1,771,039, and amounted to 63.27% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$1,096,216. The other primary sources of general revenues are grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$110,265 and payment in lieu of taxes of \$526,497.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the Village is highly dependent upon general revenues (primarily property and income taxes as well as unrestricted grants and entitlements) to support its governmental activities as program revenues are not sufficient to cover total governmental expenses for 2015.

**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Governmental Activities - Program Revenues vs. Total Expenses**



**Governmental Activities**

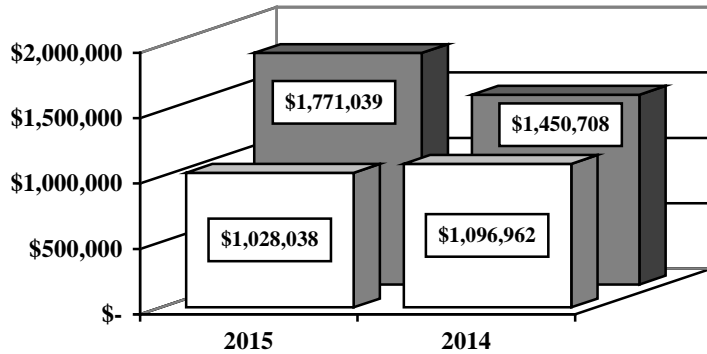
|                                  | Total Cost of<br>Services<br>2015 | Net Cost of<br>Services<br>2015 | Total Cost of<br>Services<br>2014 | Net Cost of<br>Services<br>2014 |
|----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| <b>Program expenses:</b>         |                                   |                                 |                                   |                                 |
| General government               | \$ 814,487                        | \$ 641,878                      | \$ 831,391                        | \$ 361,033                      |
| Security of persons and property | 776,745                           | 775,636                         | 813,881                           | 806,346                         |
| Transportation                   | 229,128                           | (383,456)                       | 384,061                           | (30,183)                        |
| Community environment            | 134,446                           | (47,654)                        | 117,388                           | (30,436)                        |
| Leisure time activity            | 12,368                            | 4,719                           | 12,829                            | 12,829                          |
| Interest and fiscal charges      | 62,763                            | 10,776                          | 53,805                            | (3,196)                         |
| <b>Total</b>                     | <u>\$ 2,029,937</u>               | <u>\$ 1,001,899</u>             | <u>\$ 2,213,355</u>               | <u>\$ 1,116,393</u>             |

The dependence upon general revenues for governmental activities is apparent, with 49.36% of expenses supported through taxes and other general revenues. The net cost of transportation activities changed largely due to a decrease in intergovernmental revenue received for the State Route 123 reconstruction project. The chart below illustrates the Village's program revenues versus general revenues for 2015 and 2014.

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

**Governmental Activities - General and Program Revenues**

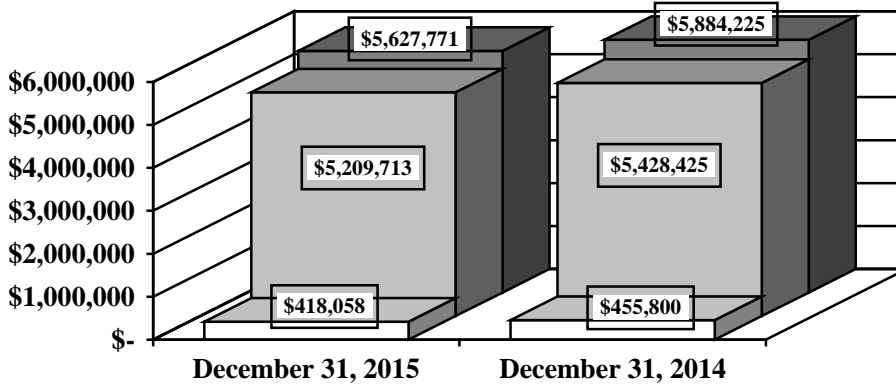


□ Program Revenues ■ General Revenues

**Business-type Activities**

Business-type activities include the sewer, water and refuse enterprise funds. These programs had program revenues of \$2,738,078 and expenses of \$2,797,939 for 2015. The graph below shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end.

**Net Position in Business – Type Activities**



□ Liabilities and Deferred Inflows ■ Net Position ■ Assets and Deferred Outflows

**Financial Analysis of the Government's Funds**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Governmental Funds**

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at year-end.

The Village's governmental funds (as presented on the balance sheet on pages 26-27) reported a combined fund balance of \$2,460,608 which is \$351,299 higher than last year's balance of \$2,109,309.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2015 and 2014 for all major and non-major governmental funds.

|                                   | <u>Fund Balances</u><br><u>12/31/15</u> | <u>Fund Balances</u><br><u>12/31/14</u> | <u>Change</u>     |
|-----------------------------------|---|---|-------------------|
| <b>Major funds:</b>               |   |   |                   |
| General                           | \$ 879,271                              | \$ 681,260                              | \$ 198,011        |
| Road                              | 360,610                                 | 368,558                                 | (7,948)           |
| CVT                               | 97,850                                  | 191,721                                 | (93,871)          |
| Fire                              | 201,067                                 | 172,329                                 | 28,738            |
| Eagle Ridge TIF                   | 20,745                                  | 28,520                                  | (7,775)           |
| Timber Ridge TIF                  | 385,303                                 | 155,787                                 | 229,516           |
| Police                            | 283,277                                 | 273,841                                 | 9,436             |
| Other nonmajor governmental funds | <u>232,485</u>                          | <u>237,293</u>                          | <u>(4,808)</u>    |
| Total                             | <u>\$ 2,460,608</u>                     | <u>\$ 2,109,309</u>                     | <u>\$ 351,299</u> |

**General Fund**

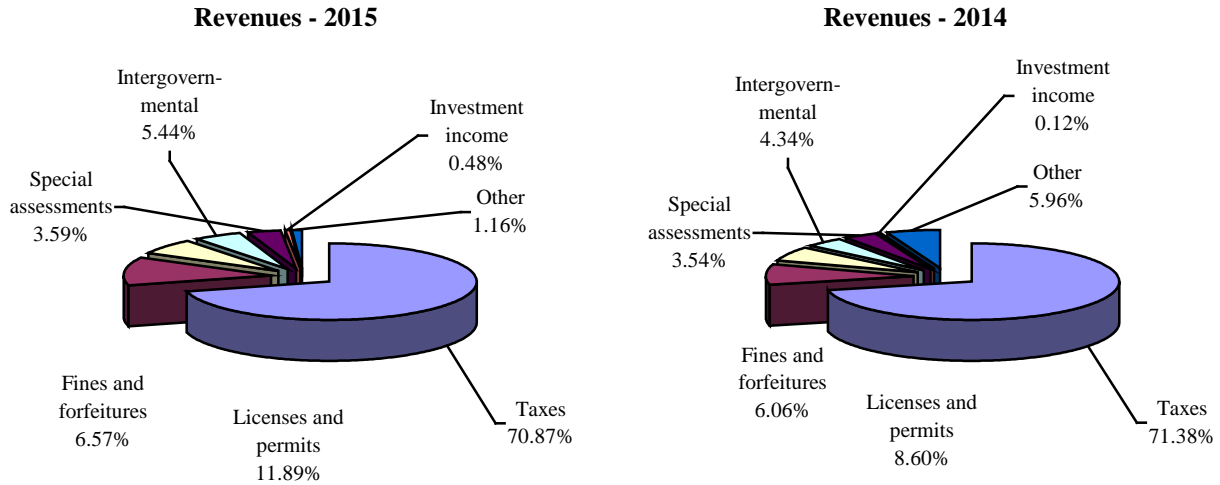
The Village's general fund balance increased \$198,011. The table that follows assists in illustrating the revenues of the general fund.

|                       | <u>2015</u><br><u>Amount</u> | <u>2014</u><br><u>Amount</u> | <u>Percentage</u><br><u>Change</u> |
|-----------------------|------------------------------|------------------------------|------------------------------------|
| <b>Revenues</b>       |                              |                              |                                    |
| Taxes                 | \$ 736,134                   | \$ 700,491                   | 5.09 %                             |
| Licenses and permits  | 123,517                      | 84,374                       | 46.39 %                            |
| Fines and forfeitures | 68,226                       | 59,486                       | 14.69 %                            |
| Intergovernmental     | 56,648                       | 42,627                       | 32.89 %                            |
| Special assessments   | 37,267                       | 34,732                       | 7.30 %                             |
| Investment income     | 4,970                        | 1,196                        | 315.55 %                           |
| Other                 | <u>12,019</u>                | <u>58,512</u>                | (79.46) %                          |
| Total                 | <u>\$ 1,038,781</u>          | <u>\$ 981,418</u>            | 5.84 %                             |

Tax revenue represents 70.87% of all general fund revenue. Tax revenue increased 5.09% from prior year. This is due in particular to an increase in income tax revenues. Licenses and permits increased 46.39% mainly due to an increase in building permits. Other revenues decreased 79.46% due to a decrease in refunds. All other revenues remained comparable to 2014.

**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)



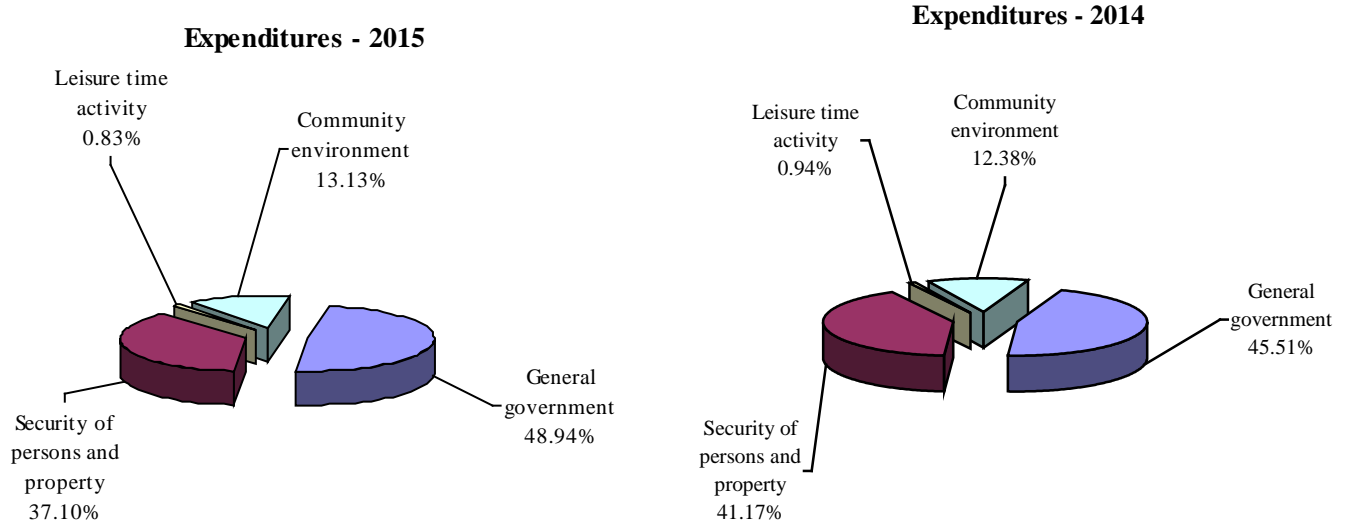
The table that follows assists in illustrating the expenditures of the general fund.

|                                  | <u>2015</u><br><u>Amount</u> | <u>2014</u><br><u>Amount</u> | <u>Percentage</u><br><u>Change</u> |
|----------------------------------|------------------------------|------------------------------|------------------------------------|
| <b><u>Expenditures</u></b>       |                              |                              |                                    |
| General government               | \$ 421,580                   | \$ 381,175                   | 10.60 %                            |
| Security of persons and property | 319,631                      | 344,850                      | (7.31) %                           |
| Community environment            | 113,126                      | 103,655                      | 9.14 %                             |
| Leisure time activity            | <u>7,132</u>                 | <u>7,887</u>                 | (9.57) %                           |
| <br>Total                        | <br><u>\$ 861,469</u>        | <br><u>\$ 837,567</u>        | <br>2.85 %                         |

The Village increased total expenditures by 2.85%. The only significant change is in general government expenditures. This is due to a variety of general government operations. Other expenditures remained comparable from 2014 to 2015.

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**



***Road Department Fund***

The road department fund had revenues and other financing sources of \$390,009 in 2015. The expenditures of the road department fund totaled \$397,957 in 2015. The net decrease in fund balance for the road department fund was \$7,948 or 2.16%.

***CVT Fund***

The CVT fund had revenues of \$368,657 in 2015. The expenditures of the CVT fund totaled \$462,528 in 2015. The net decrease in fund balance for the CVT fund was \$93,871 or 48.96%.

***Fire Fund***

The fire fund had revenues of \$149,681 in 2015. The expenditures of the fire fund totaled \$120,943 in 2015. The net increase in fund balance for the fire fund was \$28,738 or 16.68%.

***Eagle Ridge TIF Fund***

The Eagle Ridge TIF fund had revenues of \$194,844 in 2015. The expenditures and other financing uses of the Eagle Ridge TIF fund totaled \$202,619. The net decrease in fund balance for the Eagle Ridge TIF fund was \$7,775 or 27.26%.

***Timber Ridge TIF Fund***

The Timber Ridge TIF fund had revenues and other financing sources of \$1,984,724 in 2015. The expenditures of the Timber Ridge TIF fund totaled \$1,755,208 in 2015. The net increase in fund balance for the Timber Ridge TIF fund was \$229,513 or 147.33%.

## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

#### ***Police Services Fund***

The police services fund had revenues and other financing sources of \$344,152 in 2015. The expenditures of the police services fund totaled \$334,716 in 2015. The net increase in fund balance for the police services fund was \$9,436 or 3.45%.

#### ***Budgeting Highlights***

The Village's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the Village's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the Village's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, road department fund, CVT fund, fire fund, Eagle Ridge TIF, Timber Ridge TIF fund, and police services fund. In the general fund, the actual revenues and other financing sources came in \$200,834 higher than they were in the final budget and actual expenditures and other financing uses were \$81,025 less than the amount in the final budget.

#### ***Proprietary Funds***

The Village's enterprise funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The Village has three major enterprise funds, the sewer fund, water fund, and refuse fund.

#### ***Sewer Fund***

The sewer fund had operating revenues of \$1,786,644 in 2015. The operating expenses and transfers of the sewer fund, totaled \$2,011,324 in 2015. The net decrease in net position for the sewer fund was \$224,680 or 5.95%.

#### ***Water Fund***

The water fund had operating revenues of \$516,798 in 2015. The operating expenses and transfers of the water fund, totaled \$569,816 in 2015. The net decrease in net position for the water fund was \$53,018 or 3.86%.

#### ***Refuse Fund***

The refuse fund had operating revenues of \$434,636 in 2015. The operating expenses of the refuse fund totaled \$374,650 in 2015. The net increase in net position for the refuse fund was \$58,986 or 21.05%.

**VILLAGE OF CARLISLE, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of 2015, the Village had \$10,361,866 (net of accumulated depreciation) invested in land, construction in progress, buildings and improvements, furniture and equipment, vehicles, and infrastructure. Of this total, \$7,094,411 was reported in governmental activities and \$3,267,455 was reported in business-type activities. See Note 9 for further description of capital assets.

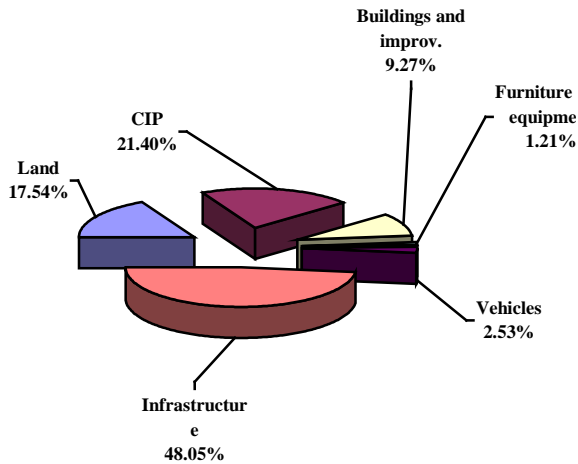
The following table shows December 31, 2015 balances compared to December 31, 2014:

**Capital Assets at December 31, 2015  
(Net of Depreciation)**

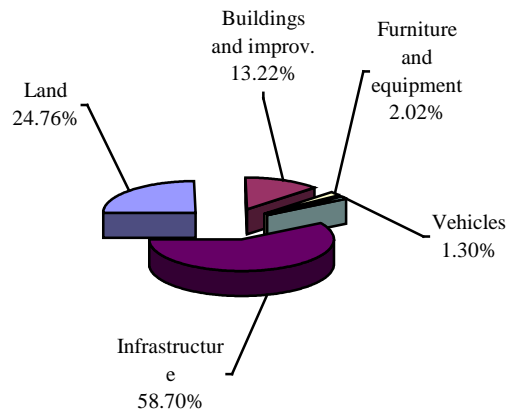
|                            | Governmental Activities |                     | Business-Type Activities |                     | Total                |                     |
|----------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|---------------------|
|                            | 2015                    | 2014                | 2015                     | 2014                | 2015                 | 2014                |
| Land                       | \$ 1,244,234            | \$ 1,281,332        | \$ -                     | \$ -                | \$ 1,244,234         | \$ 1,281,332        |
| Construction in progress   | 1,518,029               | -                   | -                        | -                   | 1,518,029            | -                   |
| Buildings and improvements | 657,831                 | 684,173             | -                        | -                   | 657,831              | 684,173             |
| Furniture and equipment    | 90,585                  | 104,738             | 37,585                   | 49,078              | 128,170              | 153,816             |
| Vehicles                   | 179,334                 | 67,422              | 43,215                   | 2                   | 222,549              | 67,424              |
| Infrastructure             | 3,404,398               | 3,038,365           | 3,186,655                | 3,509,459           | 6,591,053            | 6,547,824           |
| <b>Totals</b>              | <b>\$ 7,094,411</b>     | <b>\$ 5,176,030</b> | <b>\$ 3,267,455</b>      | <b>\$ 3,558,539</b> | <b>\$ 10,361,866</b> | <b>\$ 8,734,569</b> |

The following graphs show the breakdown of governmental capital assets by category for 2015 and 2014

**Capital Assets - Governmental Activities  
2015**



**Capital Assets - Governmental Activities - 2014**



The Village's infrastructure is the largest capital asset category. The net book value of the Village's infrastructure represents approximately 48.05% of the Village's total governmental capital assets.

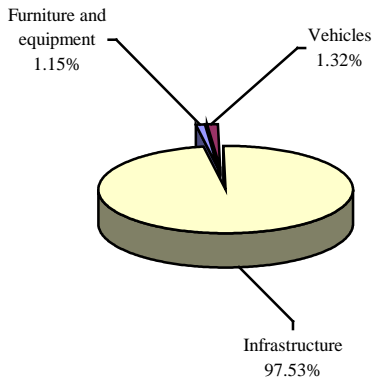


**VILLAGE OF CARLISLE, OHIO**

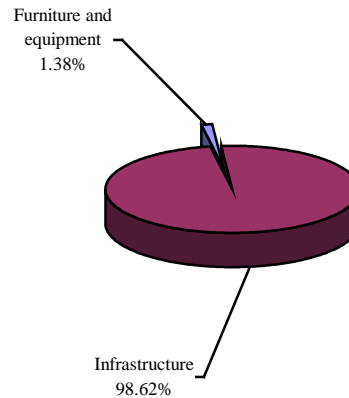
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

The following graphs show the breakdown of business-type capital assets by category for 2015 and 2014.

**Capital Assets - Business-Type Activities 2015**



**Capital Assets - Business-Type Activities 2014**



The Village's largest business-type capital asset category is infrastructure, which include water and sewer lines. These items play a vital role in the income producing ability of the business-type activities. The net book value of the Village's infrastructure (cost less accumulated depreciation) represents approximately 97.53% of the Village's total business-type capital assets.

***Debt Administration***

The Village had the following long-term obligations outstanding at December 31, 2015 and 2014:

|                                    | Governmental Activities |                     |
|------------------------------------|-------------------------|---------------------|
|                                    | <u>2015</u>             | <u>2014</u>         |
| General obligation bonds and notes | \$ 3,134,000            | \$ 1,849,700        |
| Special assessment bonds           | <u>111,545</u>          | <u>155,377</u>      |
| Total long-term obligations        | <u>\$ 3,245,545</u>     | <u>\$ 2,005,077</u> |

Further detail on the Village's long-term obligations can be found in Note 11 to the financial statements.

## VILLAGE OF CARLISLE, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2015 (UNAUDITED)

#### **Economic Conditions and Outlook**

Located in the northernmost corner of Warren County and spreading into southern Montgomery, Carlisle is a community with over 5,000 residents. It is conveniently located within driving distance of two major cities – Cincinnati (approx. 30 mi. south) and Dayton (approx. 15 mi. north). The area is served by both state and U.S. highways. State Route 123 travels through the heart of Carlisle with State Routes 4 and 73 being located just outside its borders and Interstate Route 75 is just three miles from the downtown area. Carlisle's early growth stemmed from the still active railroad community. This combination of geographical location and transportation convenience makes Carlisle an attractive site for both families and business alike. The 2010 census indicated that Carlisle had a population of 4,915 thus reverting back to "village" status. However, 2013 estimated figures from the US Census Bureau indicate that the community has grown to 5,107.

Although Carlisle is often thought of as a quiet bedroom community, the Village has taken active steps to secure its financial future by the development of two business parks within the city limits. The Carlisle Industrial Park has been an established industrial base providing an excellent location for numerous manufacturing and service industries. This park offers direct access to SR-123 as well as connection to the CSX railroad system. The Carlisle Business Park is a newer development that offers over 88 acres of gently rolling land which is an excellent site for manufacturing, warehousing, service business or office needs. Given the current economic climate, development of this shovel-ready business park has been slow. Interest in land sales and business growth within the park has increased considerably in the past few years. 1.52 acres was sold to an existing business in the Park for future expansion plans. The Village has been in discussion with a business for the potential sale of 10 to 20 acres in the park. The Village is hopeful that the discuss will progress to an actual sale by early 2017.

Despite the uncertainty surrounding the economy, the Village continues to carefully monitor two primary sources of revenue—local income taxes and shared intergovernmental (state) revenue. In order to stabilize the impact of the fluctuations in these revenue sources, Council continues to pursue economic development and job creation; maintain the community's reputation for high public safety standards; and adoption of a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2015 budget, the Village utilizes a basic philosophy to submit a budget to Council that balances the needs of the operation with the available revenue sources.

Local income tax collections for 2015 were up as compared to 2014 with an increase of 2.76% from the previous year. The Village's largest employer – the Carlisle Local School system – continues to show financial improvement after the passage of an operational levy in November 2012 financial stability after the passage an operating levy that appears to have helped stabilize their payroll and share of local income tax.

The Village continues to struggles to find ways to offset the previous funding reductions at both the State and Federal level as well as general downsizing in overall industry. However, the number of new residential housing has continued to increase in 2015 as compared to 2014 and 2013 indicating the continuing economic recovery for the area. The Village continues to prepare itself financially for future lean revenue years with minimal disruption in local services. Management and staff worked with Village Council to stabilize the village's enterprise funds by passing along sewer treatment and water acquisition increases from vendors to the public in late FY2013. In FY2015, the Village was unsuccessful at an attempt to raise the local income tax rate from 1.5% to 2% to help offset increased costs. Council and staff will continue to discuss other economic options in FY2016 to determine options to help insure the long-term financial stability of the village.

These economic factors were considered in preparing the Village's budget for fiscal year 2016. Budgeted revenues and other financing sources in the general fund for fiscal year 2016 budget are \$972,735. The Village will continue conservative budgeting practices and will continue to look at long-term budget forecasts to make adequate plans to maintain solvency.

**VILLAGE OF CARLISLE, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)**

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information please contact: Julie Duffy, Finance Director, 760 West Central Avenue, Carlisle, Ohio 45005.

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

VILLAGE OF CARLISLE, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2015

|  | Governmental<br>Activities | Business-type<br>Activities | Total                |
|--|----------------------------|-----------------------------|----------------------|
| <b>Assets:</b>   |                            |                             |                      |
| Equity in pooled cash and cash equivalents . . .                   | \$ 2,284,322               | \$ 2,178,497                | \$ 4,462,819         |
| Receivables (net of allowances for uncollectibles):                |                            |                             |                      |
| Income taxes . . . . .   | 176,199                    | -                           | 176,199              |
| Property and other taxes . . . . .                                 | 191,111                    | -                           | 191,111              |
| Payment in lieu of taxes . . . . .                                 | 243,514                    | -                           | 243,514              |
| Accounts . . . . .   | 19,186                     | 79,338                      | 98,524               |
| Special assessments . . . . .                                      | 1,468                      | 21,869                      | 23,337               |
| Due from other governments . . . . .                               | 197,912                    | -                           | 197,912              |
| Materials and supplies inventory . . . . .                         | 21,162                     | 883                         | 22,045               |
| Prepayments . . . . .  | 18,004                     | 9,528                       | 27,532               |
| Capital assets:  |                            |                             |                      |
| Nondepreciable capital assets . . . . .                            | 2,762,263                  | -                           | 2,762,263            |
| Depreciable capital assets, net . . . . .                          | 4,332,148                  | 3,267,455                   | 7,599,603            |
| Total capital assets, net . . . . .                                | 7,094,411                  | 3,267,455                   | 10,361,866           |
| Total assets . . . . .   | <u>10,247,289</u>          | <u>5,557,570</u>            | <u>15,804,859</u>    |
| <b>Deferred outflows of resources:</b>                             |                            |                             |                      |
| Pension Ohio police and fire . . . . .                             | 106,783                    | -                           | 106,783              |
| Pension OPERS . . . . .  | 47,460                     | 70,201                      | 117,661              |
| Total deferred outflows of resources . . . . .                     | <u>154,243</u>             | <u>70,201</u>               | <u>224,444</u>       |
| <b>Liabilities:</b>  |                            |                             |                      |
| Accounts payable . . . . .   | 1,153                      | 25,613                      | 26,766               |
| Retainage payable . . . . .  | 5,008                      | -                           | 5,008                |
| Accrued wages and benefits payable . . . . .                       | 16,959                     | 12,750                      | 29,709               |
| Due to other governments . . . . .                                 | 12,424                     | 30,777                      | 43,201               |
| Accrued interest payable . . . . .                                 | 28,863                     | -                           | 28,863               |
| Long-term liabilities:   |                            |                             |                      |
| Due within one year . . . . .                                      | 1,868,414                  | 8,887                       | 1,877,301            |
| Due in more than one year:   |                            |                             |                      |
| Net pension liability . . . . .                                    | 970,435                    | 334,119                     | 1,304,554            |
| Other amounts due in more than one year . . . . .                  | 1,396,273                  | 43                          | 1,396,316            |
| Total liabilities . . . . .  | <u>4,299,529</u>           | <u>412,189</u>              | <u>4,711,718</u>     |
| <b>Deferred inflows of resources:</b>                              |                            |                             |                      |
| Property taxes levied for the next fiscal year . . . . .           | 181,126                    | -                           | 181,126              |
| Payment in lieu of taxes levied for the next fiscal year . . . . . | 243,514                    | -                           | 243,514              |
| Pension OPERS . . . . .  | 3,968                      | 5,869                       | 9,837                |
| Total deferred inflows of resources . . . . .                      | <u>428,608</u>             | <u>5,869</u>                | <u>434,477</u>       |
| <b>Net position:</b>   |                            |                             |                      |
| Net investment in capital assets . . . . .                         | 3,955,403                  | 3,267,455                   | 7,222,858            |
| Restricted for:  |                            |                             |                      |
| Debt service . . . . .   | -                          | -                           | -                    |
| Capital projects . . . . .   | 49,461                     | -                           | 49,461               |
| Transportation projects . . . . .                                  | 456,481                    | -                           | 456,481              |
| Public safety . . . . .  | 390,665                    | -                           | 390,665              |
| Other purposes . . . . .   | 25,093                     | -                           | 25,093               |
| Unrestricted . . . . .   | 796,292                    | 1,942,258                   | 2,738,550            |
| Total net position . . . . .                                       | <u>\$ 5,673,395</u>        | <u>\$ 5,209,713</u>         | <u>\$ 10,883,108</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

|  | <b>Program Revenues</b> |                                 |   |   |
|--|-------------------------|---------------------------------|---|---|
|  | <b>Expenses</b>         | <b>Charges for<br/>Services</b> | <b>Operating<br/>Grants and<br/>Contributions</b> | <b>Capital Grants<br/>and<br/>Contributions</b> |
| <b>Governmental activities:</b>            |                         |                                 |   |   |
| General government. . . . .                | \$ 814,487              | \$ 105,797                      | \$ 66,812   | \$ -  |
| Security of persons and property . . . . . | 776,745                 | -                               | 1,109   | -   |
| Transportation. . . . .                    | 229,128                 | -                               | 612,584   | -   |
| Community environment . . . . .            | 134,446                 | 123,517                         | -   | 58,583  |
| Leisure time activity. . . . .             | 12,368                  | -                               | -   | 7,649   |
| Interest and fiscal charges. . . . .       | 62,763                  | 51,987                          | -   | -   |
| Total governmental activities . . . . .    | <u>2,029,937</u>        | <u>281,301</u>                  | <u>680,505</u>                                    | <u>66,232</u>                                   |
| <b>Business-type activities:</b>           |                         |                                 |   |   |
| Sewer . . . . .                            | 1,904,728               | 1,786,644                       | -   | -   |
| Water . . . . .                            | 517,561                 | 516,798                         | -   | -   |
| Refuse . . . . .                           | 375,650                 | 434,636                         | -   | -   |
| Total business-type activities . . . . .   | <u>2,797,939</u>        | <u>2,738,078</u>                | <u>-</u>  | <u>-</u>  |
| Total primary government . . . . .         | <u>\$ 4,827,876</u>     | <u>\$ 3,019,379</u>             | <u>\$ 680,505</u>                                 | <u>\$ 66,232</u>                                |

**General revenues:**

|   |  |
|---|--|
| Property taxes levied for:                                  |  |
| General purposes . . . . .                                  |  |
| Fire . . . . .  |  |
| Income taxes levied for:                                    |  |
| General purposes . . . . .                                  |  |
| Police services . . . . .                                   |  |
| Grants and entitlements not restricted to specific programs |  |
| Payments in lieu of taxes . . . . .                         |  |
| Investment earnings . . . . .                               |  |
| Gain on sale of capital assets. . . . .                     |  |
| Miscellaneous . . . . .                                     |  |

Total general revenues . . . . .

Transfers . . . . .

Total general revenues and transfers . . . . .

Change in net position . . . . .

**Net position at beginning of year (restated) . . . . .**

**Net position at end of year. . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

-Continued

**Net (Expense) Revenue  
and Changes in Net Position**

| <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
|------------------------------------|-------------------------------------|----------------------|
| \$ (641,878)                       | \$ -                                | \$ (641,878)         |
| (775,636)                          | -                                   | (775,636)            |
| 383,456                            | -                                   | 383,456              |
| 47,654                             | -                                   | 47,654               |
| (4,719)                            | -                                   | (4,719)              |
| (10,776)                           | -                                   | (10,776)             |
| <u>(1,001,899)</u>                 | <u>-</u>                            | <u>(1,001,899)</u>   |
| -                                  | (118,084)                           | (118,084)            |
| -                                  | (763)                               | (763)                |
| -                                  | 58,986                              | 58,986               |
| <u>-</u>                           | <u>(59,861)</u>                     | <u>(59,861)</u>      |
| <u>(1,001,899)</u>                 | <u>(59,861)</u>                     | <u>(1,061,760)</u>   |
| 61,554                             | -                                   | 61,554               |
| 126,670                            | -                                   | 126,670              |
| 605,326                            | -                                   | 605,326              |
| 302,666                            | -                                   | 302,666              |
| 110,265                            | -                                   | 110,265              |
| 526,497                            | -                                   | 526,497              |
| 5,740                              | -                                   | 5,740                |
| 5,202                              | -                                   | 5,202                |
| 27,119                             | -                                   | 27,119               |
| <u>1,771,039</u>                   | <u>-</u>                            | <u>1,771,039</u>     |
| <u>158,851</u>                     | <u>(158,851)</u>                    | <u>-</u>             |
| <u>1,929,890</u>                   | <u>(158,851)</u>                    | <u>1,771,039</u>     |
| 927,991                            | (218,712)                           | 709,279              |
| 4,745,404                          | 5,428,425                           | 10,173,829           |
| <u>\$ 5,673,395</u>                | <u>\$ 5,209,713</u>                 | <u>\$ 10,883,108</u> |

VILLAGE OF CARLISLE, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

|   | <u>General</u>      | <u>Road<br/>Department</u> | <u>CVT</u>       | <u>Fire</u>       | <u>Eagle Ridge<br/>TIF</u> |
|---|---------------------|----------------------------|------------------|-------------------|----------------------------|
| <b>Assets:</b>  |                     |                            |                  |                   |                            |
| Equity in pooled cash and cash equivalents. . . . .                             | \$ 712,845          | \$ 317,329                 | \$ 92,666        | \$ 201,641        | \$ 20,745                  |
| Receivables:  |                     |                            |                  |                   |                            |
| Income taxes. . . . .   | 117,466             | -                          | -                | -                 | -                          |
| Property and other taxes. . . . .   | 62,249              | -                          | -                | 128,862           | -                          |
| Payment in lieu of taxes . . . . .  | -                   | -                          | -                | -                 | 77,152                     |
| Accounts. . . . .   | 19,010              | -                          | -                | -                 | -                          |
| Special assessments . . . . .   | 1,468               | -                          | -                | -                 | -                          |
| Interfund loans. . . . .  | 70,000              | -                          | -                | -                 | -                          |
| Due from other governments . . . . .  | 19,012              | 107,687                    | 5,184            | 10,954            | 14,682                     |
| Materials and supplies inventory . . . . .                                      | 3,528               | 14,680                     | -                | 304               | -                          |
| Prepayments. . . . .  | 10,338              | 1,348                      | -                | 1,714             | -                          |
| Total assets . . . . .  | <u>\$ 1,015,916</u> | <u>\$ 441,044</u>          | <u>\$ 97,850</u> | <u>\$ 343,475</u> | <u>\$ 112,579</u>          |
| <b>Liabilities:</b>   |                     |                            |                  |                   |                            |
| Accounts payable. . . . .   | \$ 1,150            | \$ 1                       | \$ -             | \$ -              | \$ -                       |
| Retainage payable . . . . .   | -                   | -                          | -                | -                 | -                          |
| Accrued wages and benefits . . . . .  | 7,252               | 1,655                      | -                | -                 | -                          |
| Compensated absences payable . . . . .  | 3,809               | 2,176                      | -                | -                 | -                          |
| Due to other governments . . . . .  | 5,734               | 1,039                      | -                | 2,592             | -                          |
| Interfund loans payable. . . . .  | -                   | -                          | -                | -                 | -                          |
| Total liabilities. . . . .  | <u>17,945</u>       | <u>4,871</u>               | <u>-</u>         | <u>2,592</u>      | <u>-</u>                   |
| <b>Deferred inflows of resources:</b>   |                     |                            |                  |                   |                            |
| Property taxes levied for the next fiscal year. . . . .                         | 59,033              | -                          | -                | 122,093           | -                          |
| Delinquent property tax revenue not available. . . . .                          | 3,216               | -                          | -                | 6,769             | -                          |
| Special assessments revenue not available. . . . .                              | 1,468               | -                          | -                | -                 | -                          |
| Income tax revenue not available. . . . .                                       | 41,356              | -                          | -                | -                 | -                          |
| Other nonexchange transactions not available . . . . .                          | 13,627              | 75,563                     | -                | 10,954            | 14,682                     |
| Payment in lieu of taxes . . . . .  | -                   | -                          | -                | -                 | 77,152                     |
| Total deferred inflows of resources . . . . .                                   | <u>118,700</u>      | <u>75,563</u>              | <u>-</u>         | <u>139,816</u>    | <u>91,834</u>              |
| <b>Fund balances:</b>   |                     |                            |                  |                   |                            |
| Nonspendable. . . . .   | 13,866              | 16,028                     | -                | 2,018             | -                          |
| Restricted. . . . .   | -                   | 344,582                    | -                | 199,049           | 20,745                     |
| Committed. . . . .  | -                   | -                          | 97,850           | -                 | -                          |
| Assigned. . . . .   | 8,065               | -                          | -                | -                 | -                          |
| Unassigned (deficit) . . . . .  | 857,340             | -                          | -                | -                 | -                          |
| Total fund balances. . . . .  | <u>879,271</u>      | <u>360,610</u>             | <u>97,850</u>    | <u>201,067</u>    | <u>20,745</u>              |
| Total liabilities, deferred inflows<br>of resources and fund balances . . . . . | <u>\$ 1,015,916</u> | <u>\$ 441,044</u>          | <u>\$ 97,850</u> | <u>\$ 343,475</u> | <u>\$ 112,579</u>          |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



| <b>Timber Ridge<br/>TIF</b> | <b>Police Services</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|------------------------|---|---|
| \$ 390,311                  | \$ 251,731             | \$ 297,054                              | \$ 2,284,322                            |
| -                           | 58,733                 | -                                       | 176,199                                 |
| -                           | -                      | -                                       | 191,111                                 |
| 156,258                     | -                      | 10,104                                  | 243,514                                 |
| -                           | -                      | 176                                     | 19,186                                  |
| -                           | -                      | -                                       | 1,468                                   |
| -                           | -                      | -                                       | 70,000                                  |
| 29,739                      | -                      | 10,654                                  | 197,912                                 |
| -                           | -                      | 2,650                                   | 21,162                                  |
| -                           | 4,604                  | -                                       | 18,004                                  |
| <u>\$ 576,308</u>           | <u>\$ 315,068</u>      | <u>\$ 320,638</u>                       | <u>\$ 3,222,878</u>                     |
| \$ -                        | \$ 2                   | \$ -                                    | \$ 1,153                                |
| 5,008                       | -                      | -                                       | 5,008                                   |
| -                           | 8,052                  | -                                       | 16,959                                  |
| -                           | -                      | -                                       | 5,985                                   |
| -                           | 3,059                  | -                                       | 12,424                                  |
| -                           | -                      | 70,000                                  | 70,000                                  |
| <u>5,008</u>                | <u>11,113</u>          | <u>70,000</u>                           | <u>111,529</u>                          |
| -                           | -                      | -                                       | 181,126                                 |
| -                           | -                      | -                                       | 9,985                                   |
| -                           | -                      | -                                       | 1,468                                   |
| -                           | 20,678                 | -                                       | 62,034                                  |
| 29,739                      | -                      | 8,049                                   | 152,614                                 |
| <u>156,258</u>              | <u>-</u>               | <u>10,104</u>                           | <u>243,514</u>                          |
| <u>185,997</u>              | <u>20,678</u>          | <u>18,153</u>                           | <u>650,741</u>                          |
| -                           | 4,604                  | 2,650                                   | 39,166                                  |
| 385,303                     | 278,673                | 224,735                                 | 1,453,087                               |
| -                           | -                      | 75,094                                  | 172,944                                 |
| -                           | -                      | -                                       | 8,065                                   |
| -                           | -                      | (69,994)                                | 787,346                                 |
| <u>385,303</u>              | <u>283,277</u>         | <u>232,485</u>                          | <u>2,460,608</u>                        |
| <u>\$ 576,308</u>           | <u>\$ 315,068</u>      | <u>\$ 320,638</u>                       | <u>\$ 3,222,878</u>                     |

**VILLAGE OF CARLISLE, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2015

|   |             |                  |
|---|-------------|------------------|
| <b>Total governmental fund balances</b>   | \$          | 2,460,608        |
| <br><i>Amounts reported for governmental activities on the statement of net position are different because:</i>   |             |                  |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.   |             | 7,094,411        |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.                                  |             |                  |
| Income taxes receivable   | \$ 62,034   |                  |
| Property taxes receivable   | 9,985       |                  |
| Special assessments receivable  | 1,468       |                  |
| Intergovernmental receivable  | 152,614     |                  |
| Total   |             | 226,101          |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. The long-term liabilities are as follows:        |             |                  |
| Accrued interest payable  | (28,863)    |                  |
| Special assessment bonds  | (111,545)   |                  |
| General obligation bonds  | (205,000)   |                  |
| General obligation notes  | (2,929,000) |                  |
| Compensated absences  | (13,157)    |                  |
|   |             | (3,287,565)      |
| The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds. |             |                  |
| Deferred outflows   | 154,243     |                  |
| Deferred inflows  | (3,968)     |                  |
| Net pension liability   | (970,435)   |                  |
|   |             | (820,160)        |
| <b>Net position of governmental activities</b>  | <b>\$</b>   | <b>5,673,395</b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

VILLAGE OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

|  | General           | Road<br>Department | CVT              | Fire              | Eagle Ridge<br>TIF |
|--|-------------------|--------------------|------------------|-------------------|--------------------|
| <b>Revenues:</b>   |                   |                    |                  |                   |                    |
| Income taxes . . . . .   | \$ 674,518        | \$ -               | \$ -             | \$ -              | \$ -               |
| Property and other taxes . . . . .                                     | 61,616            | -                  | -                | 126,652           | -                  |
| Licenses and permits . . . . .   | 123,517           | -                  | -                | -                 | -                  |
| Fines and forfeitures . . . . .  | 68,226            | -                  | -                | -                 | -                  |
| Intergovernmental . . . . .  | 56,648            | 217,283            | 368,523          | 21,920            | 29,008             |
| Special assessments . . . . .  | 37,267            | -                  | -                | -                 | -                  |
| Investment income . . . . .  | 4,970             | 565                | 134              | -                 | -                  |
| Payment in lieu of taxes . . . . .                                     | -                 | -                  | -                | -                 | 165,836            |
| Other . . . . .  | 12,019            | 13,310             | -                | 1,109             | -                  |
| Total revenues . . . . .   | <u>1,038,781</u>  | <u>231,158</u>     | <u>368,657</u>   | <u>149,681</u>    | <u>194,844</u>     |
| <b>Expenditures:</b>   |                   |                    |                  |                   |                    |
| Current:   |                   |                    |                  |                   |                    |
| General government . . . . .   | 421,580           | -                  | -                | -                 | 120,119            |
| Security of persons and property . . . . .                             | 319,631           | -                  | -                | 120,943           | -                  |
| Transportation . . . . .   | -                 | 206,063            | 462,528          | -                 | -                  |
| Community environment . . . . .  | 113,126           | -                  | -                | -                 | -                  |
| Leisure time activity . . . . .  | 7,132             | -                  | -                | -                 | -                  |
| Capital outlay . . . . .   | -                 | -                  | -                | -                 | -                  |
| Debt service:  |                   |                    |                  |                   |                    |
| Principal retirement . . . . .   | -                 | 177,200            | -                | -                 | -                  |
| Interest and fiscal charges . . . . .                                  | -                 | 14,694             | -                | -                 | -                  |
| Total expenditures . . . . .   | <u>861,469</u>    | <u>397,957</u>     | <u>462,528</u>   | <u>120,943</u>    | <u>120,119</u>     |
| Excess (deficiency) of revenues<br>over (under) expenditures . . . . . | <u>177,312</u>    | <u>(166,799)</u>   | <u>(93,871)</u>  | <u>28,738</u>     | <u>74,725</u>      |
| <b>Other financing sources (uses):</b>                                 |                   |                    |                  |                   |                    |
| Note issuance . . . . .  | -                 | -                  | -                | -                 | -                  |
| Sale of capital assets . . . . .                                       | -                 | -                  | -                | -                 | -                  |
| Transfers in . . . . .   | 120,699           | 158,851            | -                | -                 | -                  |
| Transfers (out) . . . . .  | (100,000)         | -                  | -                | -                 | (82,500)           |
| Total other financing sources (uses) . . . . .                         | <u>20,699</u>     | <u>158,851</u>     | <u>-</u>         | <u>-</u>          | <u>(82,500)</u>    |
| Net change in fund balances . . . . .                                  | 198,011           | (7,948)            | (93,871)         | 28,738            | (7,775)            |
| <b>Fund balances at beginning of year . . . . .</b>                    | <u>681,260</u>    | <u>368,558</u>     | <u>191,721</u>   | <u>172,329</u>    | <u>28,520</u>      |
| <b>Fund balances at end of year . . . . .</b>                          | <u>\$ 879,271</u> | <u>\$ 360,610</u>  | <u>\$ 97,850</u> | <u>\$ 201,067</u> | <u>\$ 20,745</u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

| <b>Timber Ridge<br/>TIF</b> | <b>Police Services</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|------------------------|---|---|
| \$ -                        | \$ 337,262             | \$ -                                    | \$ 1,011,780                            |
| -                           | -                      | -                                       | 188,268                                 |
| -                           | -                      | -                                       | 123,517                                 |
| -                           | -                      | 1,944                                   | 70,170                                  |
| 57,242                      | -                      | 80,313                                  | 830,937                                 |
| -                           | -                      | -                                       | 37,267                                  |
| -                           | -                      | 71                                      | 5,740                                   |
| 327,482                     | -                      | 33,179                                  | 526,497                                 |
| -                           | 6,890                  | 59,636                                  | 92,964                                  |
| <u>384,724</u>              | <u>344,152</u>         | <u>175,143</u>                          | <u>2,887,140</u>                        |
| 243,322                     | -                      | 19,158                                  | 804,179                                 |
| -                           | 334,716                | -                                       | 775,290                                 |
| -                           | -                      | 23,379                                  | 691,970                                 |
| -                           | -                      | 20,938                                  | 134,064                                 |
| -                           | -                      | -                                       | 7,132                                   |
| 1,511,886                   | -                      | 857                                     | 1,512,743                               |
| -                           | -                      | 1,511,332                               | 1,688,532                               |
| -                           | -                      | 37,388                                  | 52,082                                  |
| <u>1,755,208</u>            | <u>334,716</u>         | <u>1,613,052</u>                        | <u>5,665,992</u>                        |
| <u>(1,370,484)</u>          | <u>9,436</u>           | <u>(1,437,909)</u>                      | <u>(2,778,852)</u>                      |
| 1,600,000                   | -                      | 1,329,000                               | 2,929,000                               |
| -                           | -                      | 42,300                                  | 42,300                                  |
| -                           | -                      | 182,500                                 | 462,050                                 |
| -                           | -                      | (120,699)                               | (303,199)                               |
| <u>1,600,000</u>            | <u>-</u>               | <u>1,433,101</u>                        | <u>3,130,151</u>                        |
| 229,516                     | 9,436                  | (4,808)                                 | 351,299                                 |
| 155,787                     | 273,841                | 237,293                                 | 2,109,309                               |
| <u>\$ 385,303</u>           | <u>\$ 283,277</u>      | <u>\$ 232,485</u>                       | <u>\$ 2,460,608</u>                     |

**VILLAGE OF CARLISLE, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

|  |              |                |
|--|--------------|----------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$           | 351,299        |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i>  |              |                |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. |              |                |
| Capital asset additions  | \$ 2,205,717 |                |
| Current year depreciation  | (250,238)    |                |
| Total  |              | 1,955,479      |
| The effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.  |              | (37,098)       |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |              |                |
| Income taxes   | (103,788)    |                |
| Property taxes   | (44)         |                |
| Special assessments  | (1,640)      |                |
| Intergovernmental revenues   | 12,207       |                |
| Total  |              | (93,265)       |
| The issuance of notes provides current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net position.   |              | (2,929,000)    |
| Repayment of bond and note proceeds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.   |              | 1,688,532      |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.   |              | (10,681)       |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.   |              | 165            |
| Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.  |              | 102,361        |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.   |              | (99,801)       |
| <b>Change in net position of governmental activities</b>   | <b>\$</b>    | <b>927,991</b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF CARLISLE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|  | <u>Budgeted Amounts</u> |                   |                   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-------------------|-------------------|---|
|  | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Revenues:</b>   |                         |                   |                   |   |
| Income taxes . . . . .   | \$ 635,000              | \$ 635,000        | \$ 658,151        | \$ 23,151   |
| Property and other taxes. . . . .                                      | 61,000                  | 61,000            | 61,616            | 616   |
| Licenses and permits . . . . .   | 94,000                  | 94,000            | 109,071           | 15,071  |
| Fines and forfeitures . . . . .  | 55,150                  | 55,150            | 66,497            | 11,347  |
| Intergovernmental. . . . .   | 38,870                  | 38,870            | 57,064            | 18,194  |
| Special assessments . . . . .  | 36,500                  | 36,500            | 37,267            | 767   |
| Investment income. . . . .   | 1,000                   | 1,000             | 4,970             | 3,970   |
| Other. . . . .   | 5,000                   | 5,000             | 12,019            | 7,019   |
| <b>Total revenues . . . . .</b>  | <u>926,520</u>          | <u>926,520</u>    | <u>1,006,655</u>  | <u>80,135</u>   |
| <b>Expenditures:</b>   |                         |                   |                   |   |
| Current:   |                         |                   |                   |   |
| General government . . . . .   | 445,155                 | 463,302           | 427,796           | 35,506  |
| Security of persons and property . . . . .                             | 388,610                 | 361,312           | 323,878           | 37,434  |
| Community environment . . . . .  | 106,200                 | 116,851           | 111,740           | 5,111   |
| Leisure time activity . . . . .  | 10,780                  | 9,280             | 6,306             | 2,974   |
| <b>Total expenditures . . . . .</b>                                    | <u>950,745</u>          | <u>950,745</u>    | <u>869,720</u>    | <u>81,025</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures . . . . . | <u>(24,225)</u>         | <u>(24,225)</u>   | <u>136,935</u>    | <u>161,160</u>  |
| <b>Other financing sources (uses):</b>                                 |                         |                   |                   |   |
| Transfers in . . . . .   | -                       | -                 | 120,699           | 120,699   |
| Transfers (out) . . . . .  | (100,000)               | (100,000)         | (100,000)         | -   |
| <b>Total other financing (uses) . . . . .</b>                          | <u>(100,000)</u>        | <u>(100,000)</u>  | <u>20,699</u>     | <u>120,699</u>  |
| Net change in fund balances . . . . .                                  | (124,225)               | (124,225)         | 157,634           | 281,859   |
| <b>Fund balances at beginning of year. . . . .</b>                     | 541,307                 | 541,307           | 541,307           | -   |
| <b>Prior year encumbrances appropriated. . . . .</b>                   | <u>5,350</u>            | <u>5,350</u>      | <u>5,350</u>      | <u>-</u>  |
| <b>Fund balance at end of year . . . . .</b>                           | <u>\$ 422,432</u>       | <u>\$ 422,432</u> | <u>\$ 704,291</u> | <u>\$ 281,859</u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF CARLISLE, OHIO  
WARREN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ROAD DEPARTMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <u>Budgeted Amounts</u> |                   |                   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Revenues:</b>                                      |                         |                   |                   |   |
| Intergovernmental . . . . .                           | \$ 207,517              | \$ 207,517        | \$ 218,793        | \$ 11,276   |
| Investment income . . . . .                           | 536                     | 536               | 565               | 29  |
| Other . . . . .                                       | 4,837                   | 4,837             | 5,100             | 263   |
| <b>Total revenues . . . . .</b>                       | <u>212,890</u>          | <u>212,890</u>    | <u>224,458</u>    | <u>11,568</u>   |
| <b>Expenditures:</b>                                  |                         |                   |                   |   |
| Current:  |                         |                   |                   |   |
| Transportation . . . . .                              | 285,110                 | 289,959           | 257,071           | 32,888  |
| Debt service:   |                         |                   |                   |   |
| Principal retirement . . . . .                        | 23,349                  | 23,349            | 23,349            | -   |
| Interest and fiscal charges . . . . .                 | 9,694                   | 9,694             | 9,694             | -   |
| <b>Total expenditures . . . . .</b>                   | <u>318,153</u>          | <u>323,002</u>    | <u>290,114</u>    | <u>32,888</u>   |
| Excess expenditures<br>over revenues . . . . .        | <u>(105,263)</u>        | <u>(110,112)</u>  | <u>(65,656)</u>   | <u>44,456</u>   |
| <b>Other financing sources:</b>                       |                         |                   |                   |   |
| Sale of capital assets . . . . .                      | 8,210                   | 8,210             | 8,210             | -   |
| <b>Total other financing sources . . . . .</b>        | <u>8,210</u>            | <u>8,210</u>      | <u>8,210</u>      | <u>-</u>  |
| Net change in fund balances . . . . .                 | (97,053)                | (101,902)         | (57,446)          | 44,456  |
| <b>Fund balances at beginning of year . . . . .</b>   | 225,062                 | 225,062           | 225,062           | -   |
| <b>Prior year encumbrances appropriated . . . . .</b> | 103,274                 | 103,274           | 103,274           | -   |
| <b>Fund balance at end of year . . . . .</b>          | <u>\$ 231,283</u>       | <u>\$ 226,434</u> | <u>\$ 270,890</u> | <u>\$ 44,456</u>  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**VILLAGE OF CARLISLE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COUNTY VEHICLE TAX FUND (CVT)  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|--------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                  |   |
| <b>Revenues:</b>  |                         |                    |                  |   |
| Intergovernmental. . . . .                                | 589,802                 | 589,802            | 368,055          | (221,747)   |
| Investment income. . . . .                                | 215                     | 215                | 134              | (81)  |
| <b>Total revenues</b> . . . . .                           | <u>590,017</u>          | <u>590,017</u>     | <u>368,189</u>   | <u>(221,828)</u>  |
| <b>Expenditures:</b>                                      |                         |                    |                  |   |
| Current:  |                         |                    |                  |   |
| Transportation . . . . .                                  | 618,091                 | 870,590            | 526,372          | 344,218   |
| <b>Total expenditures</b> . . . . .                       | <u>618,091</u>          | <u>870,590</u>     | <u>526,372</u>   | <u>344,218</u>  |
| Net change in fund balances . . . . .                     | (28,074)                | (280,573)          | (158,183)        | 122,390   |
| <b>Fund balances (deficit) at beginning of year</b> . . . | (178,571)               | (178,571)          | (178,571)        | -   |
| <b>Prior year encumbrances appropriated</b> . . . . .     | <u>365,576</u>          | <u>365,576</u>     | <u>365,576</u>   | <u>-</u>  |
| <b>Fund balance (deficit) at end of year</b> . . . . .    | <u>\$ 158,931</u>       | <u>\$ (93,568)</u> | <u>\$ 28,822</u> | <u>\$ 122,390</u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF CARLISLE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FIRE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <u>Budgeted Amounts</u> |                   |                   | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>     |   |
| <b>Revenues:</b>                                      |                         |                   |                   |   |
| Property and other taxes. . . . .                     | \$ 124,731              | \$ 124,731        | \$ 126,652        | \$ 1,921  |
| Intergovernmental. . . . .                            | 21,588                  | 21,588            | 21,920            | 332   |
| Other . . . . .                                       | 1,092                   | 1,092             | 1,109             | 17  |
| <b>Total revenues . . . . .</b>                       | <u>147,411</u>          | <u>147,411</u>    | <u>149,681</u>    | <u>2,270</u>  |
| <b>Expenditures:</b>                                  |                         |                   |                   |   |
| Current:  |                         |                   |                   |   |
| Security of persons and property . . . . .            | 165,558                 | 171,558           | 134,412           | 37,146  |
| <b>Total expenditures . . . . .</b>                   | <u>165,558</u>          | <u>171,558</u>    | <u>134,412</u>    | <u>37,146</u>   |
| <b>Net change in fund balances . . . . .</b>          | (18,147)                | (24,147)          | 15,269            | 39,416  |
| <b>Fund balances at beginning of year . . . . .</b>   | 168,950                 | 168,950           | 168,950           | -   |
| <b>Prior year encumbrances appropriated . . . . .</b> | <u>7,678</u>            | <u>7,678</u>      | <u>7,678</u>      | <u>-</u>  |
| <b>Fund balance at end of year . . . . .</b>          | <u>\$ 158,481</u>       | <u>\$ 152,481</u> | <u>\$ 191,897</u> | <u>\$ 39,416</u>  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VILLAGE OF CARLISLE, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EAGLE RIDGE TIF FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                  |   |
| <b>Revenues:</b>                                    |                         |                  |                  |   |
| Intergovernmental . . . . .                         | \$ 27,766               | \$ 27,766        | \$ 29,008        | \$ 1,242  |
| Payment in lieu of taxes . . . . .                  | 158,734                 | 158,734          | 165,836          | 7,102   |
| Total revenues . . . . .                            | <u>186,500</u>          | <u>186,500</u>   | <u>194,844</u>   | <u>8,344</u>  |
| <b>Expenditures:</b>                                |                         |                  |                  |   |
| Current:  |                         |                  |                  |   |
| General government . . . . .                        | 115,630                 | 120,130          | 120,119          | 11  |
| Total expenditures . . . . .                        | <u>115,630</u>          | <u>120,130</u>   | <u>120,119</u>   | <u>11</u>   |
| Excess of revenues<br>over expenditures. . . . .    | <u>70,870</u>           | <u>66,370</u>    | <u>74,725</u>    | <u>8,355</u>  |
| <b>Other financing uses:</b>                        |                         |                  |                  |   |
| Transfers (out). . . . .                            | (82,500)                | (82,500)         | (82,500)         | -   |
| Total other financing uses . . . . .                | <u>(82,500)</u>         | <u>(82,500)</u>  | <u>(82,500)</u>  | <u>-</u>  |
| Net change in fund balances . . . . .               | (11,630)                | (16,130)         | (7,775)          | 8,355   |
| <b>Fund balances at beginning of year . . . . .</b> | <u>28,520</u>           | <u>28,520</u>    | <u>28,520</u>    | <u>-</u>  |
| <b>Fund balance at end of year . . . . .</b>        | <u>\$ 16,890</u>        | <u>\$ 12,390</u> | <u>\$ 20,745</u> | <u>\$ 8,355</u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 TIMBER RIDGE TIF FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|  | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original           | Final              |                    |   |
| <b>Revenues:</b>                                       |                    |                    |                    |   |
| Payment in lieu of taxes . . . . .                     | \$ 232,053         | \$ 558,710         | \$ 327,482         | \$ (231,228)  |
| Intergovernmental . . . . .                            | 40,561             | 97,659             | 57,242             | (40,417)  |
| Total revenues . . . . .                               | <u>272,614</u>     | <u>656,369</u>     | <u>384,724</u>     | <u>(271,645)</u>  |
| <b>Expenditures:</b>                                   |                    |                    |                    |   |
| Current:   |                    |                    |                    |   |
| General government . . . . .                           | 201,500            | 237,500            | 243,322            | (5,822)   |
| Capital outlay . . . . .                               | 1,347,234          | 1,667,234          | 1,625,309          | 41,925  |
| Total expenditures . . . . .                           | <u>1,548,734</u>   | <u>1,904,734</u>   | <u>1,868,631</u>   | <u>36,103</u>   |
| Deficiency of revenues<br>under expenditures . . . . . | <u>(1,276,120)</u> | <u>(1,248,365)</u> | <u>(1,483,907)</u> | <u>(235,542)</u>  |
| <b>Other financing sources:</b>                        |                    |                    |                    |   |
| Note issuance . . . . .                                | 1,133,755          | 1,600,000          | 1,600,000          | -   |
| Total other financing sources . . . . .                | <u>1,133,755</u>   | <u>1,600,000</u>   | <u>1,600,000</u>   | <u>-</u>  |
| Net change in fund balances . . . . .                  | (142,365)          | 351,635            | 116,093            | (235,542)   |
| <b>Fund balances at beginning of year . . . . .</b>    | 82,497             | 82,497             | 82,497             | -   |
| <b>Prior year encumbrances appropriated . . .</b>      | 73,290             | 73,290             | 73,290             | -   |
| <b>Fund balance at end of year . . . . .</b>           | <u>\$ 13,422</u>   | <u>\$ 507,422</u>  | <u>\$ 271,880</u>  | <u>\$ (235,542)</u>                                     |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 POLICE SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>Revenues:</b>                                      |                         |                   |                   |   |
| Income taxes . . . . .                                | \$ 311,871              | \$ 311,871        | \$ 329,079        | \$ 17,208   |
| Other . . . . .                                       | 4,729                   | 4,729             | 4,990             | 261   |
| Total revenues . . . . .                              | <u>316,600</u>          | <u>316,600</u>    | <u>334,069</u>    | <u>17,469</u>   |
| <b>Expenditures:</b>                                  |                         |                   |                   |   |
| Current:  |                         |                   |                   |   |
| Security of persons and property. . . . .             | <u>356,409</u>          | <u>356,409</u>    | <u>337,211</u>    | <u>19,198</u>   |
| Total expenditures . . . . .                          | <u>356,409</u>          | <u>356,409</u>    | <u>337,211</u>    | <u>19,198</u>   |
| Deficiency of revenues<br>under expenditures. . . . . | <u>(39,809)</u>         | <u>(39,809)</u>   | <u>(3,142)</u>    | <u>36,667</u>   |
| <b>Other financing sources:</b>                       |                         |                   |                   |   |
| Sale of capital assets. . . . .                       | <u>1,900</u>            | <u>1,900</u>      | <u>1,900</u>      | <u>-</u>  |
| Total other financing sources . . . . .               | <u>1,900</u>            | <u>1,900</u>      | <u>1,900</u>      | <u>-</u>  |
| Net change in fund balances . . . . .                 | (37,909)                | (37,909)          | (1,242)           | 36,667  |
| <b>Fund balances at beginning of year . . . . .</b>   | 250,689                 | 250,689           | 250,689           | -   |
| <b>Prior year encumbrances appropriated . . . . .</b> | <u>1,559</u>            | <u>1,559</u>      | <u>1,559</u>      | <u>-</u>  |
| <b>Fund balance at end of year . . . . .</b>          | <u>\$ 214,339</u>       | <u>\$ 214,339</u> | <u>\$ 251,006</u> | <u>\$ 36,667</u>  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2015

|  | <b>Business-type Activities - Enterprise Funds</b> |                     |                   |                     |
|--|--|---------------------|-------------------|---------------------|
|  | <b>Sewer</b>                                       | <b>Water</b>        | <b>Refuse</b>     | <b>Total</b>        |
| <b>Assets:</b>                                     |  |                     |                   |                     |
| Current assets:                                    |  |                     |                   |                     |
| Equity in pooled cash and cash equivalents . . .   | \$ 1,309,594                                       | \$ 513,112          | \$ 355,791        | \$ 2,178,497        |
| Receivables (net of allowance for uncollectibles): |  |                     |                   |                     |
| Accounts . . . . .                                 | 42,488   | 15,762              | 21,088            | 79,338              |
| Special assessments . . . . .                      | 20,388   | -                   | 1,481             | 21,869              |
| Materials and supplies inventory . . . . .         | 789  | -                   | 94                | 883                 |
| Prepayments . . . . .                              | 6,063  | 2,074               | 1,391             | 9,528               |
| Total current assets . . . . .                     | <u>1,379,322</u>                                   | <u>530,948</u>      | <u>379,845</u>    | <u>2,290,115</u>    |
| Noncurrent assets:                                 |  |                     |                   |                     |
| Capital assets:                                    |  |                     |                   |                     |
| Total depreciable capital assets, net . . . . .    | 2,386,556  | 866,495             | 14,404            | 3,267,455           |
| Total capital assets, net . . . . .                | <u>2,386,556</u>                                   | <u>866,495</u>      | <u>14,404</u>     | <u>3,267,455</u>    |
| Total assets . . . . .                             | <u>3,765,878</u>                                   | <u>1,397,443</u>    | <u>394,249</u>    | <u>5,557,570</u>    |
| <b>Deferred outflows of resources:</b>             |  |                     |                   |                     |
| Pension - OPERS . . . . .                          | 44,602   | 12,945              | 12,654            | 70,201              |
| <b>Liabilities:</b>                                |  |                     |                   |                     |
| Current liabilities:                               |  |                     |                   |                     |
| Accounts payable . . . . .                         | 25,611   | -                   | 2                 | 25,613              |
| Accrued wages and benefits . . . . .               | 8,093  | 2,336               | 2,321             | 12,750              |
| Compensated absences . . . . .                     | 5,173  | 1,423               | 2,291             | 8,887               |
| Due to other governments . . . . .                 | 5,903  | 23,112              | 1,762             | 30,777              |
| Total current liabilities . . . . .                | <u>44,780</u>                                      | <u>26,871</u>       | <u>6,376</u>      | <u>78,027</u>       |
| Long-term liabilities:                             |  |                     |                   |                     |
| Compensated absences . . . . .                     | 43   | -                   | -                 | 43                  |
| Net pension liability . . . . .                    | 212,282  | 61,610              | 60,227            | 334,119             |
| Total long-term liabilities . . . . .              | <u>212,325</u>                                     | <u>61,610</u>       | <u>60,227</u>     | <u>334,162</u>      |
| Total liabilities . . . . .                        | <u>257,105</u>                                     | <u>88,481</u>       | <u>66,603</u>     | <u>412,189</u>      |
| <b>Deferred inflows of resources:</b>              |  |                     |                   |                     |
| Pension - OPERS . . . . .                          | 3,729  | 1,082               | 1,058             | 5,869               |
| <b>Net position:</b>                               |  |                     |                   |                     |
| Net investment in capital assets . . . . .         | 2,386,556  | 866,495             | 14,404            | 3,267,455           |
| Unrestricted . . . . .                             | 1,163,090  | 454,330             | 324,838           | 1,942,258           |
| Total net position . . . . .                       | <u>\$ 3,549,646</u>                                | <u>\$ 1,320,825</u> | <u>\$ 339,242</u> | <u>\$ 5,209,713</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

|   | <b>Business-type Activities - Enterprise Funds</b> |                     |                   |                     |
|---|--|---------------------|-------------------|---------------------|
|   | <b>Sewer</b>                                       | <b>Water</b>        | <b>Refuse</b>     | <b>Total</b>        |
| <b>Operating revenues:</b>                            |  |                     |                   |                     |
| Charges for services . . . . .                        | \$ 1,731,012                                       | \$ 481,928          | \$ 434,576        | \$ 2,647,516        |
| Tap-in fees. . . . .                                  | 43,082   | 25,935              | -                 | 69,017              |
| Other . . . . .                                       | 12,550   | 8,935               | 60                | 21,545              |
| Total operating revenues. . . . .                     | <u>1,786,644</u>                                   | <u>516,798</u>      | <u>434,636</u>    | <u>2,738,078</u>    |
| <b>Operating expenses:</b>                            |  |                     |                   |                     |
| Personal services . . . . .                           | 356,169  | 118,134             | 95,962            | 570,265             |
| Contract services. . . . .                            | 1,255,906  | 340,055             | 277,934           | 1,873,895           |
| Materials and supplies. . . . .                       | 7,718  | 4,873               | -                 | 12,591              |
| Transportation . . . . .                              | 1,048  | 375                 | 135               | 1,558               |
| Depreciation. . . . .                                 | 283,582  | 53,916              | 1,601             | 339,099             |
| Other . . . . .                                       | 305  | 208                 | 18                | 531                 |
| Total operating expenses. . . . .                     | <u>1,904,728</u>                                   | <u>517,561</u>      | <u>375,650</u>    | <u>2,797,939</u>    |
| Operating income (loss) . . . . .                     | <u>(118,084)</u>                                   | <u>(763)</u>        | <u>58,986</u>     | <u>(59,861)</u>     |
| Transfer out . . . . .                                | <u>(106,596)</u>                                   | <u>(52,255)</u>     | <u>-</u>          | <u>(158,851)</u>    |
| Change in net position . . . . .                      | (224,680)  | (53,018)            | 58,986            | (218,712)           |
| <b>Net position at beginning of year (restated) .</b> | <u>3,774,326</u>                                   | <u>1,373,843</u>    | <u>280,256</u>    | <u>5,428,425</u>    |
| <b>Net position at end of year . . . . .</b>          | <u>\$ 3,549,646</u>                                | <u>\$ 1,320,825</u> | <u>\$ 339,242</u> | <u>\$ 5,209,713</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

VILLAGE OF CARLISLE, OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

|  | <b>Business-type Activities - Enterprise Funds</b> |                          |                          |                            |
|--|--|--------------------------|--------------------------|----------------------------|
|  | <b>Sewer</b>                                       | <b>Water</b>             | <b>Refuse</b>            | <b>Total</b>               |
| <b>Cash flows from operating activities:</b>   |  |                          |                          |                            |
| Cash received from customers . . . . .   | \$ 1,806,619                                       | \$ 505,822               | \$ 441,136               | \$ 2,753,577               |
| Cash received from other operations. . . . .   | 12,550   | 8,935                    | 60                       | 21,545                     |
| Cash payments for personal services. . . . .   | (337,907)  | (100,766)                | (98,735)                 | (537,408)                  |
| Cash payments for contractual services . . . . .   | (1,349,538)  | (339,929)                | (277,818)                | (1,967,285)                |
| Cash payments for materials and supplies . . . . .   | (7,685)  | (4,873)                  | (554)                    | (13,112)                   |
| Cash payments for transportation . . . . .   | (1,048)  | (375)                    | (135)                    | (1,558)                    |
| Cash payments for other expenses . . . . .   | (305)  | (208)                    | (18)                     | (531)                      |
| Net cash used in operating activities. . . . .   | <u>122,686</u>                                     | <u>68,606</u>            | <u>63,936</u>            | <u>255,228</u>             |
| <b>Cash flows from noncapital financing activities:</b>  |  |                          |                          |                            |
| Cash used in transfers to other funds. . . . .   | (106,596)  | (52,255)                 | -                        | (158,851)                  |
| Net cash provided by noncapital financing activities . .   | <u>(106,596)</u>                                   | <u>(52,255)</u>          | <u>-</u>                 | <u>(158,851)</u>           |
| <b>Cash flows from capital and related financing activities:</b>   |  |                          |                          |                            |
| Acquisition of capital assets . . . . .  | (16,005)   | (16,005)                 | (16,005)                 | (48,015)                   |
| Net cash used in capital and related financing activities. . . . .                                       | <u>(16,005)</u>                                    | <u>(16,005)</u>          | <u>(16,005)</u>          | <u>(48,015)</u>            |
| Net increase in cash and cash equivalents . . . . .  | 85   | 346                      | 47,931                   | 48,362                     |
| <b>Cash and cash equivalents at beginning of year . . .</b>  | <u>1,309,509</u>                                   | <u>512,766</u>           | <u>307,860</u>           | <u>2,130,135</u>           |
| <b>Cash and cash equivalents at end of year. . . . .</b>   | <u><u>\$ 1,309,594</u></u>                         | <u><u>\$ 513,112</u></u> | <u><u>\$ 355,791</u></u> | <u><u>\$ 2,178,497</u></u> |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b> |  |                          |                          |                            |
| Operating income (loss) . . . . .  | \$ (118,084)                                       | \$ (763)                 | \$ 58,986                | \$ (59,861)                |
| Adjustments:   |  |                          |                          |                            |
| Depreciation. . . . .  | 283,582  | 53,916                   | 1,601                    | 339,099                    |
| Changes in assets, deferred outflows, liabilities, and deferred inflows:                                 |  |                          |                          |                            |
| Materials and supplies inventory . . . . .   | 33   | -                        | (22)                     | 11                         |
| Accounts receivable. . . . .   | 9,328  | (2,041)                  | 4,628                    | 11,915                     |
| Special assessments. . . . .   | 23,197   | -                        | 1,932                    | 25,129                     |
| Prepayments . . . . .  | (382)  | 126                      | (416)                    | (672)                      |
| Deferred outflows - OPERS . . . . .  | (14,391)   | (4,177)                  | (4,083)                  | (22,651)                   |
| Accounts payable. . . . .  | (67,646)   | (2)                      | -                        | (67,648)                   |
| Accrued wages and benefits . . . . .   | 1,149  | 336                      | 503                      | 1,988                      |
| Due to other governments. . . . .  | (1,617)  | 20,983                   | (412)                    | 18,954                     |
| Compensated absences payable . . . . .   | (1,007)  | (2,246)                  | (1,200)                  | (4,453)                    |
| Net pension liability . . . . .  | 4,795  | 1,392                    | 1,361                    | 7,548                      |
| Deferred inflows - OPERS . . . . .   | 3,729  | 1,082                    | 1,058                    | 5,869                      |
| Net cash provided by operating activities . . . . .  | <u><u>\$ 122,686</u></u>                           | <u><u>\$ 68,606</u></u>  | <u><u>\$ 63,936</u></u>  | <u><u>\$ 255,228</u></u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



VILLAGE OF CARLISLE, OHIO

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
DECEMBER 31, 2015

|                                       | <u>Agency</u>          |
|---------------------------------------|------------------------|
| <b>Assets:</b>                        |                        |
| Cash in segregated accounts . . . . . | <u>\$ 8,765</u>        |
| Total assets . . . . .                | <u><u>\$ 8,765</u></u> |
| <b>Liabilities:</b>                   |                        |
| Undistributed monies . . . . .        | <u>\$ 8,765</u>        |
| Total liabilities. . . . .            | <u><u>\$ 8,765</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

## VILLAGE OF CARLISLE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### NOTE 1 - DESCRIPTION OF THE VILLAGE

The Village of Carlisle, Warren County, Ohio (the "Village"), 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 Village is directed by a publicly-elected Mayor and six-member Council. The Village provides water and sewer utilities, park operations, police services and a planning and zoning department. The Village contracts with the Franklin Township Fire Department to provide fire services.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The Village's significant accounting policies are described below.

##### A. Reporting Entity

The Village's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The Village's BFS include all funds, agencies, boards, commissions, and departments for which the Village is financially accountable. Financial accountability, as defined by the GASB, exists if the Village appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the Village. The Village may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on the Village. The Village also took into consideration other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the Village's basic financial statements to be misleading or incomplete.

The Village provides various services including fire protection and prevention, water and sewer services, street maintenance and repairs, planning and zoning, building inspection, parks and recreation, refuse collection and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process. None of these services are provided by a legally separate organization; therefore, these operations are included in the primary government.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's Governing Board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; or (3) the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Village is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Village in that the Village approves the budget, the issuance of debt or the levying of taxes. Based upon the application of these criteria, the Village has no component units. The basic financial statements of the reporting entity include only those of the Village (the primary government).

**B. Basis of Presentation - Fund Accounting**

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

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Village at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Village's governmental activities and for the business-type activities of the Village. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental functions are self-financing or draw from the general revenues of the Village.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Village's proprietary funds are charges for sales and services. Operating expenses for the enterprise fund include personnel and other expenses related to sewer, water and refuse operations. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Fund Accounting**

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows and liabilities and deferred inflows is reported as fund balance. The following are the Village's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Road department fund - the road department fund receives money that is restricted to providing and improving the roads in the Village

County Vehicle Tax (CVT) fund - The CVT fund is used to account for resurfacing, repairing and maintaining the streets of the Village

Fire fund - The fire fund receives money from property taxes restricted to providing and improving fire services in the Village.

Eagle ridge TIF fund - The eagle ridge TIF fund receives payments in lieu of taxes and money from real estate taxes that is restricted.

Timber ridge TIF fund - The timber ridge TIF fund receives payments in lieu of taxes and money from real estate taxes that is restricted.

Police services fund - The police services fund receives money that is restricted from income taxes to provide and improve police services in the Village.

Other governmental funds of the Village are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Proprietary Funds** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The Village does not have any internal services funds. The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Village's major enterprise funds:

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Sewer fund - This fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the Village.

Water fund - This fund accounts for the operations of providing water treatment and distribution to the residents and commercial users located within the Village.

Refuse fund - This fund accounts for the operations of providing refuse removal to its residential and commercial users located within the Village.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Village's own programs. The Village does not have any trust funds. The Village's only agency fund accounts for monies collected and distributed for court fines and forfeitures. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Measurement Focus and Basis of Accounting**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all deferred outflows, all liabilities and all deferred inflows associated with the operation of the Village are included on the statement of net position.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows, current liabilities and current deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the financial statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Village finances and meets the cash flow needs of its proprietary activities

Agency funds do not report a measurement focus as they do not report operations.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**E. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

*Revenues - Exchange and Nonexchange Transactions* - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Village, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the Village receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 8). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Village must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), and special assessments.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Village, deferred outflows of resources have been reported for the following items related to the Village's net pension liability: (1) the net difference between projected and actual investment earnings on pension plan assets, (2) the Village's contributions to the pension systems subsequent to the measurement date and (3) differences between employer's contributions and the employer's proportional share of contributions.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Village, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Village unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The Village also reports deferred inflow of resources for the following items related to the Village's net pension liability: (1) differences between expected and actual experience and (2) differences between employer's contributions and the employer's proportional share of contributions. These deferred inflows of resources are only reported on the government-wide statement of net position.

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The legal level of budgetary control is at the object level for all funds. Budgetary modifications may only be made by resolution of the Village Council at the legal level of control.

*Tax Budget* - During the first Council meeting in July, the Mayor presents the following year's annual operating budget to Village Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.



**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources* - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to January 1, the Village must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that estimates need to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the first and final amended official certificate of estimated resources issued during 2015.

*Appropriations* - A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The appropriations for a fund may only be modified during the year by an ordinance of Council. The amounts on the budgetary statement reflect the final appropriation amounts, including all amendments and modifications legally enacted by Council.

*Lapsing of Appropriations* - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are not reappropriated as part of the subsequent year appropriations.

**G. Cash and Cash Equivalents**

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Village's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

The Village has segregated bank accounts for monies held separate from the Village's central bank account. These interest bearing depository accounts are presented as "cash and cash equivalents in segregated accounts" since they are not required to be deposited in the Village treasury.

During 2015, investments were limited to nonnegotiable certificates of deposit which are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amount to \$4,970 which includes \$3,274 assigned from other Village funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

An analysis of the Village’s investment account at year end is provided in Note 4.

**H. Inventories of Materials and Supplies**

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types and as expenses in the proprietary fund type.

**I. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The Village maintains a capitalization threshold of \$5,000. The Village’s infrastructure consists of storm sewers, streets, and water and sewer lines. The Village did not retroactively report governmental activities infrastructure, in accordance with Phase III implementation of GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Village’s historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Governmental<br/>Activities<br/>Estimated Lives</u> | <u>Business-type<br/>Activities<br/>Estimated Lives</u> |
|----------------------------|--|---|
| Buildings and improvements | 50 years   | 50 years  |
| Furniture and equipment    | 10 years   | 10 years  |
| Vehicles                   | 5 - 15 years   | 5 - 15 years  |
| Infrastructure             | 25 - 50 years  | 40 years  |

**J. Compensated Absences**

Compensated absences of the Village consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Village and the employee.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In conformity with GASB Statement No. 16, "Accounting for Compensated Absences", vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Village will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. Village employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**L. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the BFS.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

**M. Prepayments**

Payments made to vendors for services that will benefit beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**N. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of Village Council (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of Village Council, which includes giving the Finance Director the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Village applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**VILLAGE OF CARLISLE, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**O. Estimates**

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

**P. Net Position**

Net position represents the difference between assets plus deferred outflows less liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Village applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Village Council and that are either unusual in nature or infrequent in occurrence. During 2015, the Village had no extraordinary or special items.

**R. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

**S. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles/Restatement of Net Position**

For 2015, the Village implemented GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*” and GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*”.

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the Village’s pension plan disclosures, as presented in Note 13 to the financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

A net position restatement is required in order to implement GASB Statement No 68 and 71. The governmental activities and business-type activities at January 1, 2015 have been restated as follows:

|  | Governmental<br>Activities |
|--|----------------------------|
| Net position as previously reported                            | \$ 5,568,124               |
| Deferred outflows - payments<br>subsequent to measurement date | 98,043                     |
| Net pension liability  | <u>(920,763)</u>           |
| Restated net position at January 1, 2015                       | <u>\$ 4,745,404</u>        |

|  | Business-Type<br>Activities | Sewer<br>Fund       | Water<br>Fund       | Refuse<br>Fund    |
|--|-----------------------------|---------------------|---------------------|-------------------|
| Net position as previously reported                            | \$ 5,707,446                | \$ 3,951,602        | \$ 1,425,293        | \$ 330,551        |
| Deferred outflows - payments<br>subsequent to measurement date | 47,550                      | 30,211              | 8,768               | 8,571             |
| Net pension liability  | <u>(326,571)</u>            | <u>(207,487)</u>    | <u>(60,218)</u>     | <u>(58,866)</u>   |
| Restated net position at January 1, 2015                       | <u>\$ 5,428,425</u>         | <u>\$ 3,774,326</u> | <u>\$ 1,373,843</u> | <u>\$ 280,256</u> |

Other than employer contributions subsequent to the measurement date, the Village made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on governmental fund balances.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

**B. Deficit Fund Balances**

Fund balances at December 31, 2015 included the following individual fund deficits:

| <u>Nonmajor funds</u>         | <u>Deficit</u> |
|-------------------------------|----------------|
| SR 123/Reconstruction Phase X | \$ 69,994      |

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Village into three categories.

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

5. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2 above, of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

The Village may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons;
3. Obligations of the Village.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**A. Cash in Segregated Accounts**

At December 31, 2015, \$8,765 was deposited in a segregated account for the Village's Mayor's Court. This amount is excluded from the internal cash pool and is reported on the statement of fiduciary net assets and liabilities as "cash in segregated accounts".

**B. Deposits with Financial Institutions**

At December 31, 2015, the carrying amount of all Village deposits was \$4,462,819. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, \$4,681,365 of the Village's bank balance of \$4,940,700 was exposed to custodial risk as discussed below, while \$259,335 was covered by the FDIC.



**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the Village’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Village. The Village has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC.

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2015:

|   |                     |
|---|---------------------|
| <u>Cash and investments per note</u>                          |                     |
| Carrying amount of deposits                                   | \$ 4,462,819        |
| Cash in segregated accounts                                   | 8,765               |
| Total   | <u>\$ 4,471,584</u> |
| <br><u>Cash and investments per statement of net position</u> |                     |
| Governmental activities                                       | \$ 2,284,322        |
| Business type activities                                      | 2,178,497           |
| Agency funds  | 8,765               |
| Total   | <u>\$ 4,471,584</u> |

**NOTE 5 - INTERFUND TRANSACTIONS**

**A.** Interfund transfers for the year ended December 31, 2015, consisted of the following, as reported on the fund financial statements:

| <u>Transfers to</u>         | <u>Transfers from</u>      | Amount            |
|-----------------------------|----------------------------|-------------------|
| Nonmajor governmental funds | General fund               | \$ 100,000        |
| Nonmajor governmental funds | Eagle Ridge TIF fund       | 82,500            |
| General fund                | Nonmajor governmental fund | 120,699           |
| Road fund                   | Sewer fund                 | 106,596           |
| Road fund                   | Water fund                 | 52,255            |
| Total                       |                            | <u>\$ 462,050</u> |

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (4) to move principal payments made by proprietary funds to the governmental fund that made the principal payments. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund loans consisted of the following at December 31, 2015, as reported on the fund financial statements:

| <u>Receivable fund</u> | <u>Payable fund</u>        | <u>Amount</u>    |
|------------------------|----------------------------|------------------|
| General fund           | Nonmajor governmental fund | <u>\$ 70,000</u> |

The interfund loan balances result from resources provided by the receivable fund to the payable fund to provide cash flow resources until anticipated revenues are received. Interfund loans payable/receivable between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the Village. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Village of Carlisle. The County Auditor periodically remits to the Village its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2015 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows since the current taxes were not levied to finance 2015 operations and the collection of delinquent taxes has been offset by deferred inflows since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred inflows.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 6 - PROPERTY TAXES - (Continued)**

The full tax rate for all Village operations for the year ended December 31, 2015 was \$3.81 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2015 property tax receipts were based are as follows:

|                               |                      |
|-------------------------------|----------------------|
| <u>Real property</u>          |                      |
| Residential/agricultural      | \$ 60,541,690        |
| Commercial/industrial/mineral | 9,331,070            |
| <br>                          |                      |
| <u>Public utility</u>         |                      |
| Personal                      | <u>5,340,050</u>     |
| <br>                          |                      |
| Total assessed value          | <u>\$ 75,212,810</u> |

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2015, consisted of taxes, accounts (billings for user charged services), accrued interest, special assessments and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "due from other governments" on the BFS. Receivables have been recorded to the extent that they are measurable at December 31, 2015.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

|                            |            |
|----------------------------|------------|
| Income taxes               | \$ 176,199 |
| Property and other taxes   | 191,111    |
| Payment in lieu of taxes   | 243,514    |
| Accounts                   | 19,186     |
| Special assessments        | 1,468      |
| Due from other governemnts | 197,912    |

**Business-type activities:**

|                     |        |
|---------------------|--------|
| Accounts            | 79,338 |
| Special assessments | 21,869 |

Receivables have been disaggregated on the face of the financial statements. The only receivable not expected to be collected within the subsequent year is the special assessments which are collected over the life of the assessment.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 8 - MUNICIPAL INCOME TAXES**

The Village levies a 1.5 percent income tax on substantially all income earned in the Village. In addition, Village residents employed in municipalities having an income tax less than 1.5 percent must pay the difference to the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village's income tax ordinance requires a portion of the income tax receipts to be used to finance public safety forces. As a result, this portion of the receipts is allocated to the police services special revenue fund each year. The remaining income tax receipts are to be used to pay the cost of administering the tax and general fund operations, as determined by Council. Income tax revenue for 2015 was \$1,011,780 as reported in the fund financial statements.

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities**

Capital asset activity for the governmental activities for the year ended December 31, 2015, was as follows:

| <b><u>Governmental activities:</u></b>        | <u>Balance</u><br><u>12/31/14</u> | <u>Additions</u>    | <u>Disposals</u>   | <u>Balance</u><br><u>12/31/15</u> |
|---|-----------------------------------|---------------------|--------------------|-----------------------------------|
| <i>Capital assets, not being depreciated:</i> |                                   |                     |                    |                                   |
| Land  | \$ 1,281,332                      | \$ -                | \$ (37,098)        | \$ 1,244,234                      |
| Construction in progress                      | <u>-</u>                          | <u>1,518,029</u>    | <u>-</u>           | <u>1,518,029</u>                  |
| Total capital assets, not being depreciated   | <u>1,281,332</u>                  | <u>1,518,029</u>    | <u>(37,098)</u>    | <u>2,762,263</u>                  |
| <i>Capital assets, being depreciated:</i>     |                                   |                     |                    |                                   |
| Buildings and improvements                    | 1,317,185                         | -                   | -                  | 1,317,185                         |
| Furniture and equipment                       | 308,563                           | 5,620               | -                  | 314,183                           |
| Vehicles                                      | 655,614                           | 153,737             | (41,219)           | 768,132                           |
| Infrastructure                                | <u>3,776,690</u>                  | <u>528,331</u>      | <u>-</u>           | <u>4,305,021</u>                  |
| Total capital assets, being depreciated       | <u>6,058,052</u>                  | <u>687,688</u>      | <u>(41,219)</u>    | <u>6,704,521</u>                  |
| <i>Less: accumulated depreciation:</i>        |                                   |                     |                    |                                   |
| Buildings and improvements                    | (633,012)                         | (26,342)            | -                  | (659,354)                         |
| Furniture and equipment                       | (203,825)                         | (19,773)            | -                  | (223,598)                         |
| Vehicles                                      | (588,192)                         | (41,825)            | 41,219             | (588,798)                         |
| Infrastructure                                | <u>(738,325)</u>                  | <u>(162,298)</u>    | <u>-</u>           | <u>(900,623)</u>                  |
| Total accumulated depreciation                | <u>(2,163,354)</u>                | <u>(250,238)</u>    | <u>41,219</u>      | <u>(2,372,373)</u>                |
| Total capital assets, being depreciated, net  | <u>3,894,698</u>                  | <u>437,450</u>      | <u>-</u>           | <u>4,332,148</u>                  |
| Governmental activities capital assets, net   | <u>\$ 5,176,030</u>               | <u>\$ 1,955,479</u> | <u>\$ (37,098)</u> | <u>\$ 7,094,411</u>               |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to functions/programs of the Village as follows:

**Governmental activities:**

|  |                   |
|--|-------------------|
| General government                                   | \$ 13,624         |
| Security of persons and property                     | 35,792            |
| Community environment                                | 7,794             |
| Transportation                                       | 187,792           |
| Leisure time activity                                | <u>5,236</u>      |
| Total depreciation expense - governmental activities | <u>\$ 250,238</u> |

**B. Business-type activities**

Capital asset activity for the business-type activities for the year ended December 31, 2015, was as follows:

|  | Balance<br>12/31/14 | Additions           | Disposals   | Balance<br>12/31/15 |
|--|---------------------|---------------------|-------------|---------------------|
| <b><u>Business-type activities:</u></b>      |                     |                     |             |                     |
| <i>Capital assets, being depreciated</i>     |                     |                     |             |                     |
| Furniture and equipment                      | \$ 206,457          | \$ -                | \$ -        | \$ 206,457          |
| Vehicles                                     | 183,144             | 48,015              | -           | 231,159             |
| Infrastructure                               | <u>12,912,124</u>   | <u>-</u>            | <u>-</u>    | <u>12,912,124</u>   |
| Total capital assets, being depreciated      | <u>13,301,725</u>   | <u>48,015</u>       | <u>-</u>    | <u>13,349,740</u>   |
| <i>Less: accumulated depreciation:</i>       |                     |                     |             |                     |
| Furniture and equipment                      | (157,379)           | (11,493)            | -           | (168,872)           |
| Vehicles                                     | (183,142)           | (4,802)             | -           | (187,944)           |
| Infrastructure                               | <u>(9,402,665)</u>  | <u>(322,804)</u>    | <u>-</u>    | <u>(9,725,469)</u>  |
| Total accumulated depreciation               | <u>(9,743,186)</u>  | <u>(339,099)</u>    | <u>-</u>    | <u>(10,082,285)</u> |
| Business-type activities capital assets, net | <u>\$ 3,558,539</u> | <u>\$ (291,084)</u> | <u>\$ -</u> | <u>\$ 3,267,455</u> |

Depreciation was charged to departments of the Village as follows:

**Business-type activities:**

|   |                   |
|---|-------------------|
| Sewer   | \$ 283,582        |
| Water   | 53,916            |
| Refuse  | <u>1,601</u>      |
| Total depreciation expense - business-type activities | <u>\$ 339,099</u> |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 10 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn ten to thirty days of vacation per year, depending upon length of service. Earned, unused vacation time is paid upon termination of employment. Employees earn sick leave at different rates depending upon length of service and type of employment. Sick leave accrual is continuous, without limit. Upon retirement or death, an employee can be paid a maximum of one-half of the 960 hours maximum of accumulated, unused sick leave. As of December 31, 2015, the liability for unpaid compensated absences was \$28,072 for the entire Village.

**NOTE 11 - LONG-TERM OBLIGATIONS**

During 2015, the following changes occurred in the Village's long-term obligations. Long-term obligations have been restated as described in Note 3.

| <u>Governmental activities:</u>                         | Restated<br>Balance<br>12/31/14 | <u>Additions</u>    | <u>Reductions</u>     | Balance<br>12/31/15 | Amounts<br>Due in<br>One Year |
|---|---------------------------------|---------------------|-----------------------|---------------------|-------------------------------|
| <u>General obligation bonds and notes:</u>              |                                 |                     |                       |                     |                               |
| Road Improvements - 4.26%                               | \$ 220,000                      | \$ -                | \$ (15,000)           | \$ 205,000          | \$ 25,000                     |
| Real Estate Acquisition - 1.90%                         | 46,000                          | 16,000              | (46,000)              | 16,000              | 16,000                        |
| Business Park Improvements - 1.65%                      | 563,700                         | 350,000             | (563,700)             | 350,000             | 350,000                       |
| Road Improvement Note - 1.75%                           | 1,020,000                       | 963,000             | (1,020,000)           | 963,000             | 963,000                       |
| Road Improvement  |                                 |                     |                       |                     |                               |
| Bond Anticipation Note - 1.65%                          | -                               | 1,600,000           | -                     | 1,600,000           | 460,000                       |
| Total general obligation bonds and notes                | <u>1,849,700</u>                | <u>2,929,000</u>    | <u>(1,644,700)</u>    | <u>3,134,000</u>    | <u>1,814,000</u>              |
| <u>Special assessment bonds:</u>                        |                                 |                     |                       |                     |                               |
| Jamaica Road Improvements - 6.00%                       | 15,377                          | -                   | (1,832)               | 13,545              | 1,832                         |
| Union Road Extension - 6.25%                            | 35,000                          | -                   | (17,000)              | 18,000              | 17,000                        |
| Road Improvements - 4.15%                               | 105,000                         | -                   | (25,000)              | 80,000              | 25,000                        |
| Total special assessment bonds                          | <u>155,377</u>                  | <u>-</u>            | <u>(43,832)</u>       | <u>111,545</u>      | <u>43,832</u>                 |
| <u>Other long-term obligations:</u>                     |                                 |                     |                       |                     |                               |
| Net pension liability                                   | 920,763                         | 49,672              | -                     | 970,435             | -                             |
| Compensated absences                                    | 13,322                          | 12,807              | (6,987)               | 19,142              | 10,582                        |
| Total other long-term obligations                       | <u>934,085</u>                  | <u>62,479</u>       | <u>(6,987)</u>        | <u>989,577</u>      | <u>10,582</u>                 |
| Total governmental activities<br>long-term obligations  | <u>\$ 2,939,162</u>             | <u>\$ 2,991,479</u> | <u>\$ (1,695,519)</u> | <u>\$ 4,235,122</u> | <u>\$ 1,868,414</u>           |
| <br>  |                                 |                     |                       |                     |                               |
| <u>Business-type activities:</u>                        | Restated<br>Balance<br>12/31/14 | <u>Additions</u>    | <u>Reductions</u>     | Balance<br>12/31/15 | Amounts<br>Due in<br>One Year |
| <u>Other long-term obligations:</u>                     |                                 |                     |                       |                     |                               |
| Net pension liability                                   | \$ 326,571                      | \$ 7,548            | \$ -                  | \$ 334,119          | \$ -                          |
| Compensated absences                                    | 13,383                          | -                   | (4,453)               | 8,930               | 8,887                         |
| Total business-type activities<br>long-term obligations | <u>\$ 339,954</u>               | <u>\$ 7,548</u>     | <u>\$ (4,453)</u>     | <u>\$ 343,049</u>   | <u>\$ 8,887</u>               |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

General obligation bond - On July 1, 2003, the Village issued \$400,000 in roadway improvement bonds. These bonds were issued for the purpose of making road improvements within the Village. The bonds bear interest rates ranging from 3.0% to 5.1%. The bonds mature on December 1, 2023.

Bond anticipation note – On April 29, 2015, the Village issued \$1,600,000 in bond anticipation notes. The notes were issued for the purpose of funding construction of infrastructure property. The notes bear interest rates ranging from 1.65% to 3% and will be paid from the Timber Ridge TIF fund. The notes mature on April 18, 2016.

Net pension liability – see Note 13 for more information on net pension liability

Special assessment bonds - The special assessment bonds are for road extensions and improvements. The special assessment bond issues are backed by the full faith and credit of the Village. In the event that an assessed property owner fails to make payments, the Village will be required to pay the related debt. The Union Road extension bonds were issued for \$208,000 on July 19, 1996, bear an interest rate of 6.25%, and mature on December 1, 2016. The Jamaica Road improvement bonds were issued on May 3, 2001, bear an interest rate of 6.00% and mature on May 3, 2021. The road improvement bonds were issued to improve Eagle Court. These bonds were issued on August 13, 1998 for \$360,000, bear an interest rates ranging from 4.00% to 5.35%, and mature on December 1, 2018.

Compensated absences - will be paid from the fund from which the employees’ salaries are paid which for the Village is primarily the general fund, road, fire and police services special revenue funds and the sewer fund.

Debt margin - The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the Village’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in calculating the Village’s legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2015, the Village’s total debt margin was \$4,666,743 and the unvoted debt margin was \$4,136,705.

Principal and interest requirements to retire the Village's bonds outstanding at December 31, 2015 were:

| Year Ending<br>December 31, | Jamaica Road Improvements |                 |                  | Union Road Extension |                 |                  |
|-----------------------------|---------------------------|-----------------|------------------|----------------------|-----------------|------------------|
|                             | Principal                 | Interest        | Total            | Principal            | Interest        | Total            |
| 2016                        | \$ 1,942                  | \$ 813          | \$ 2,755         | \$ 18,000            | \$ 1,125        | \$ 19,125        |
| 2017                        | 2,058                     | 696             | 2,754            | -                    | -               | -                |
| 2018                        | 2,182                     | 573             | 2,755            | -                    | -               | -                |
| 2019                        | 2,313                     | 442             | 2,755            | -                    | -               | -                |
| 2020                        | 2,452                     | 303             | 2,755            | -                    | -               | -                |
| 2021                        | 2,598                     | 156             | 2,754            | -                    | -               | -                |
| Total                       | <u>\$ 13,545</u>          | <u>\$ 2,983</u> | <u>\$ 16,528</u> | <u>\$ 18,000</u>     | <u>\$ 1,125</u> | <u>\$ 19,125</u> |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

| Year Ending<br>December 31, | Eagle Court      |                 |                  | General Obligation Bonds |                  |                   |
|-----------------------------|------------------|-----------------|------------------|--------------------------|------------------|-------------------|
|                             | Principal        | Interest        | Total            | Principal                | Interest         | Total             |
| 2016                        | \$ 25,000        | \$ 4,243        | \$ 29,243        | \$ 25,000                | \$ 9,630         | \$ 34,630         |
| 2017                        | 25,000           | 2,930           | 27,930           | 20,000                   | 8,740            | 28,740            |
| 2018                        | 30,000           | 1,605           | 31,605           | 25,000                   | 7,830            | 32,830            |
| 2019                        | -                | -               | -                | 25,000                   | 6,668            | 31,668            |
| 2020                        | -                | -               | -                | 25,000                   | 5,480            | 30,480            |
| 2021 - 2023                 | -                | -               | -                | 85,000                   | 8,828            | 93,828            |
| Total                       | <u>\$ 80,000</u> | <u>\$ 8,778</u> | <u>\$ 88,778</u> | <u>\$ 205,000</u>        | <u>\$ 47,176</u> | <u>\$ 252,176</u> |

**NOTE 12 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2015, the Village contracted with several companies for various types of insurance as follows. The risk of loss transfers to the insurance carrier upon payment of the premium. The following is a summary of the Village's insurance coverage:

| <u>Company</u> | <u>Type</u>                                    | <u>Deductible</u> | <u>Coverage</u> |
|----------------|--|-------------------|-----------------|
| The Ohio Plan  | Commercial Property                            | \$1,000           | \$3,727,461     |
| The Ohio Plan  | Scheduled & Misc.<br>Equipment                 | \$1,000           | \$688,514       |
| The Ohio Plan  | Auto Comprehensive &<br>Collision              | \$500             | ACV             |
| The Ohio Plan  | Emergency Auto<br>Comprehensive &<br>Collision | \$500             | \$919,519       |
| The Ohio Plan  | Auto Liability                                 | -                 | \$5,000,000     |
| The Ohio Plan  | General Liability                              | -                 | \$5,000,000     |
| The Ohio Plan  | Public Officials Liability                     | \$1,000           | \$5,000,000     |
| The Ohio Plan  | Employee Bonding                               |                   |                 |
|                | - Village Manager                              | -                 | \$35,000        |
|                | - Finance Director                             | -                 | \$35,000        |
|                | - Public Employee                              | -                 | \$35,000        |
| The Ohio Plan  | Law Enforcement<br>Operations                  | \$1,000           | \$5,000,000     |
| The Ohio Plan  | Wrongful Acts                                  | \$5,000           | \$5,000,000     |

There has been no material change in this coverage for the prior year. Settled claims have not exceeded this commercial coverage in any of the past three years.

Health insurance is provided to eligible employees through a commercial carrier.



VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability/Asset*

The net pension liability/asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset represents the Village's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Village's obligation for this liability to annually required payments. The Village cannot control benefit terms or the manner in which pensions are financed; however, the Village does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes any net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments/pension obligation payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - Village employees, other than full-time police participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Village employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

| <b>Group A</b><br>Eligible to retire prior to<br>January 7, 2013 or five years<br>after January 7, 2013                               | <b>Group B</b><br>20 years of service credit prior to<br>January 7, 2013 or eligible to retire<br>ten years after January 7, 2013     | <b>Group C</b><br>Members not in other Groups<br>and members hired on or after<br>January 7, 2013                                     |
|---|---|---|
| <b>State and Local</b>  | <b>State and Local</b>  | <b>State and Local</b>  |
| <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit          | <b>Age and Service Requirements:</b><br>Age 60 with 60 months of service credit<br>or Age 55 with 25 years of service credit          | <b>Age and Service Requirements:</b><br>Age 57 with 25 years of service credit<br>or Age 62 with 5 years of service credit            |
| <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 30 years and 2.5%<br>for service years in excess of 30 | <b>Formula:</b><br>2.2% of FAS multiplied by years of<br>service for the first 35 years and 2.5%<br>for service years in excess of 35 |

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

|  | State<br>and Local |
|--|--------------------|
| <b>2015 Statutory Maximum Contribution Rates</b> |                    |
| Employer   | 14.0 %             |
| Employee   | 10.0 %             |
| <br><b>2015 Actual Contribution Rates</b>        |                    |
| Employer:  |                    |
| Pension  | 12.0 %             |
| Post-employment Health Care Benefits             | 2.0 %              |
| Total Employer                                   | 14.0 %             |
| Employee   | 10.0 %             |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Village's contractually required contribution for both the Traditional Pension Plan and the Combined Plan was \$79,995 for 2015. Of this amount, \$7,484 is reported as due to other governments.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description - Village full-time police participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

|  | <u>Police</u>  | <u>Firefighters</u> |
|--|----------------|---------------------|
| <b>2015 Statutory Maximum Contribution Rates</b> |                |                     |
| Employer   | 19.50 %        | 24.00 %             |
| Employee:  |                |                     |
| January 1, 2015 through July 1, 2015             | 11.50 %        | 11.50 %             |
| July 2, 2015 through December 31, 2015           | 12.25 %        | 12.25 %             |
| <b>2015 Actual Contribution Rates</b>            |                |                     |
| Employer:  |                |                     |
| Pension  | 19.00 %        | 23.50 %             |
| Post-employment Health Care Benefits             | <u>0.50 %</u>  | <u>0.50 %</u>       |
| <b>Total Employer</b>                            | <u>19.50 %</u> | <u>24.00 %</u>      |
| Employee:  |                |                     |
| January 1, 2015 through July 1, 2015             | 11.50 %        | 11.50 %             |
| July 2, 2015 through December 31, 2015           | 12.25 %        | 12.25 %             |

Employer contribution rates are expressed as a percentage of covered payroll. The Village's contractually required contribution to OP&F was \$70,094 for 2015. Of this amount \$2,554 is reported as due to other governments.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2014, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The Village's proportion of the net pension liability or asset was based on the Village's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

|  | <u>OPERS</u> | <u>OP&amp;F</u> | <u>Total</u> |
|--|--------------|-----------------|--------------|
| Proportionate share of the net pension liability | \$ 559,999   | \$ 744,555      | \$ 1,304,554 |
| Proportion of the net pension liability          | 0.00464300%  | 0.01437250%     |              |
| Pension expense                                  | \$ 64,515    | \$ 73,777       | \$ 138,292   |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>OPERS</u>             | <u>OP&amp;F</u>          | <u>Total</u>             |
|--|--------------------------|--------------------------|--------------------------|
| <b>Deferred outflows of resources</b>  |                          |                          |                          |
| Net difference between projected and actual earnings on pension plan investments   | \$ 29,880                | \$ 32,090                | \$ 61,970                |
| Difference between employer contributions and proportionate share of contributions | 7,786                    | 4,599                    | 12,385                   |
| Village contributions subsequent to the measurement date                           | <u>79,995</u>            | <u>70,094</u>            | <u>150,089</u>           |
| Total deferred outflows of resources   | <u><u>\$ 117,661</u></u> | <u><u>\$ 106,783</u></u> | <u><u>\$ 224,444</u></u> |
| <b>Deferred inflows of resources</b>   |                          |                          |                          |
| Differences between expected and actual experience                                 | <u>\$ 9,837</u>          | <u>\$ -</u>              | <u>\$ 9,837</u>          |
| Total deferred inflows of resources  | <u><u>\$ 9,837</u></u>   | <u><u>\$ -</u></u>       | <u><u>\$ 9,837</u></u>   |

\$150,089 reported as deferred outflows of resources related to pension resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | <u>OPERS</u>            | <u>OP&amp;F</u>         | <u>Total</u>            |
|--------------------------|-------------------------|-------------------------|-------------------------|
| Year Ending December 31: |                         |                         |                         |
| 2016                     | \$ 6,524                | \$ 9,173                | \$ 15,697               |
| 2017                     | 6,524                   | 9,173                   | 15,697                  |
| 2018                     | 7,311                   | 9,173                   | 16,484                  |
| 2019                     | <u>7,470</u>            | <u>9,170</u>            | <u>16,640</u>           |
| Total                    | <u><u>\$ 27,829</u></u> | <u><u>\$ 36,689</u></u> | <u><u>\$ 64,518</u></u> |

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

VILLAGE OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability/asset in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |  |
|--|--|
| Wage inflation                               | 3.75 percent                                   |
| Future salary increases, including inflation | 4.25 to 10.05 percent including wage inflation |
| COLA or ad hoc COLA                          | 3 percent, simple                              |
| Investment rate of return                    | 8 percent                                      |
| Actuarial cost method                        | Individual entry age                           |

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

| Asset Class            | Target<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|------------------------|----------------------|---|
| Fixed income           | 23.00 %              | 2.31 %  |
| Domestic equities      | 19.90                | 5.84  |
| Real estate            | 10.00                | 4.25  |
| Private equity         | 10.00                | 9.25  |
| International equities | 19.10                | 7.40  |
| Other investments      | 18.00                | 4.59  |
| Total                  | <u>100.00 %</u>      | <u>5.28 %</u>   |

**Discount Rate** - The discount rate used to measure the total pension liability/asset was 8 percent for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the Village's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 8 percent, as well as what the Village's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

|  | 1% Decrease<br>(7.00%) | Current<br>Discount Rate<br>(8.00%) | 1% Increase<br>(9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| Village's proportionate share<br>of the net pension liability: |                        |                                     |                        |
| Traditional Pension Plan                                       | \$ 1,030,235           | \$ 559,999                          | \$ 163,944             |

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.



**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

|                            |                               |
|----------------------------|-------------------------------|
| Valuation date             | January 1, 2014               |
| Actuarial cost method      | Entry age normal              |
| Investment rate of return  | 8.25 percent                  |
| Projected salary increases | 4.25 percent to 11 percent    |
| Payroll increases          | 3.75 percent                  |
| Inflation assumptions      | 3.25 percent                  |
| Cost of living adjustments | 2.60 percent and 3.00 percent |

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

| <u>Asset Class</u>           | <u>Target<br/>Allocation</u> | <u>Long Term Expected<br/>Real Rate of Return</u> |
|------------------------------|------------------------------|---|
| Cash and Cash Equivalents    | - %                          | (0.25) %  |
| Domestic Equity              | 16.00                        | 4.47  |
| Non-US Equity                | 16.00                        | 4.47  |
| Core Fixed Income *          | 20.00                        | 1.62  |
| Global Inflation Protected * | 20.00                        | 1.33  |
| High Yield                   | 15.00                        | 3.39  |
| Real Estate                  | 12.00                        | 3.93  |
| Private Markets              | 8.00                         | 6.98  |
| Timber                       | 5.00                         | 4.92  |
| Master Limited Partnerships  | 8.00                         | 7.03  |
| <br>                         |                              |   |
| Total                        | <u>120.00 %</u>              |   |

\* levered 2x

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

OPF’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

|   | 1% Decrease<br>(7.25%) | Current<br>Discount Rate<br>(8.25%) | 1% Increase<br>(9.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Village's proportionate share<br>of the net pension liability | \$ 1,029,833           | \$ 744,555                          | \$ 503,012             |

**NOTE 14 - POSTRETIREMENT BENEFIT PLANS**

**A. Ohio Public Employees Retirement System**

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

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer’s contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 14 - POSTRETIREMENT BENEFIT PLANS – (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2015, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2015 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$7,484, \$11,389, and \$5,526, respectively; 91.98% has been contributed for 2015 and 100% has been contributed for 2014 and 2013. The remaining 2015 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

**B. Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-employment health care coverage to any person who receives or is eligible to receive a monthly service, disability or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the OPF, 140 East Town Street, Columbus, Ohio 43215-5164 or by visiting the website at [www.op-f.org](http://www.op-f.org).

## VILLAGE OF CARLISLE, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### **NOTE 14 - POSTRETIREMENT BENEFIT PLANS - (Continued)**

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50% and 24.00% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts, one account is for health care benefits under an Internal Revenue Code Section 115 trust and the other account is for Medicare Part B reimbursements administered as an Internal Revenue Code Section 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan into the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2015, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that the pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Village's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police officers were \$1,894 for the year ended December 31, 2015, \$1,728 for the year ended December 31, 2014, and \$12,187, for the year ended December 31, 2013. 100% has been contributed for 2014 and 2013. 96.46% has been contributed for police for 2015. The remaining 2015 post-employment health care benefits liability has been reported as due to other governments on the basic financial statements.

#### **NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund, road fund, CVT fund, fire fund, Eagle Ridge TIF fund, timber ridge TIF fund, and the police services fund, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

**Net Change in Fund Balance**

|   | <u>General fund</u> | <u>Road</u>       | <u>CVT</u>         | <u>Fire</u>      | <u>Eagle<br/>Ridge<br/>TIF</u> | <u>Timber<br/>Ridge<br/>TIF</u> | <u>Police<br/>Services</u> |
|---|---------------------|-------------------|--------------------|------------------|--------------------------------|---------------------------------|----------------------------|
| Budget basis                            | \$ 157,634          | \$ (57,446)       | \$ (158,183)       | \$ 15,269        | \$ (7,775)                     | \$ 116,093                      | \$ (1,242)                 |
| Net adjustment for revenue accruals     | 32,126              | 6,700             | 468                | -                | -                              | -                               | 10,083                     |
| Net adjustment for expenditure accruals | (303)               | (154,282)         | -                  | 3,725            | -                              | (5,008)                         | 1,770                      |
| Net adjustment for other sources/uses   | -                   | 150,641           | -                  | -                | -                              | -                               | (1,900)                    |
| Adjustment for encumbrances             | <u>8,554</u>        | <u>46,439</u>     | <u>63,844</u>      | <u>9,744</u>     | <u>-</u>                       | <u>118,431</u>                  | <u>725</u>                 |
| GAAP basis                              | <u>\$ 198,011</u>   | <u>\$ (7,948)</u> | <u>\$ (93,871)</u> | <u>\$ 28,738</u> | <u>\$ (7,775)</u>              | <u>\$ 229,516</u>               | <u>\$ 9,436</u>            |

**THIS SPACE INTENTIONALLY LEFT BLANK**

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 16 - FUND BALANCE**

Fund balance is 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

| Fund balance                     | General           | Road              | CVT              | Fire              |
|----------------------------------|-------------------|-------------------|------------------|-------------------|
| Nonspendable:                    |                   |                   |                  |                   |
| Materials and supplies inventory | \$ 3,528          | \$ 14,680         | \$ -             | \$ 304            |
| Prepays                          | <u>10,338</u>     | <u>1,348</u>      | <u>-</u>         | <u>1,714</u>      |
| Total nonspendable               | <u>13,866</u>     | <u>16,028</u>     | <u>-</u>         | <u>2,018</u>      |
| Restricted:                      |                   |                   |                  |                   |
| General government               | -                 | -                 | -                | -                 |
| Capital improvements             | -                 | -                 | -                | -                 |
| Security of persons and property | -                 | -                 | -                | -                 |
| Community environment            | -                 | -                 | -                | 199,049           |
| Transportation                   | -                 | 344,582           | -                | -                 |
| Other purposes                   | <u>-</u>          | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Total restricted                 | <u>-</u>          | <u>344,582</u>    | <u>-</u>         | <u>199,049</u>    |
| Committed:                       |                   |                   |                  |                   |
| Transportation                   | -                 | -                 | 97,850           | -                 |
| Debt service                     | -                 | -                 | -                | -                 |
| Capital improvements             | <u>-</u>          | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Total committed                  | <u>-</u>          | <u>-</u>          | <u>97,850</u>    | <u>-</u>          |
| Assigned:                        |                   |                   |                  |                   |
| General government               | 5,408             | -                 | -                | -                 |
| Security of persons and property | 2,397             | -                 | -                | -                 |
| Community environment            | <u>260</u>        | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Total assigned                   | <u>8,065</u>      | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Unassigned                       | <u>857,340</u>    | <u>-</u>          | <u>-</u>         | <u>-</u>          |
| Total fund balances              | <u>\$ 879,271</u> | <u>\$ 360,610</u> | <u>\$ 97,850</u> | <u>\$ 201,067</u> |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 16 - FUND BALANCE - (Continued)**

| Fund balance                     | Eagle<br>Ridge<br>TIF | Timber<br>Ridge<br>TIF | Police<br>Services | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------|-----------------------|------------------------|--------------------|-----------------------------------|--------------------------------|
| Nonspendable:                    |                       |                        |                    |                                   |                                |
| Materials and supplies inventory | \$ -                  | \$ -                   | \$ -               | \$ 2,650                          | \$ 21,162                      |
| Prepays                          | -                     | -                      | 4,604              | -                                 | 18,004                         |
| Total nonspendable               | <u>-</u>              | <u>-</u>               | <u>4,604</u>       | <u>2,650</u>                      | <u>39,166</u>                  |
| Restricted:                      |                       |                        |                    |                                   |                                |
| General government               | -                     | -                      | -                  | 99,816                            | 99,816                         |
| Capital improvements             | 20,745                | 385,303                | -                  | 12,931                            | 418,979                        |
| Security of persons and property | -                     | -                      | 278,673            | 816                               | 479,489                        |
| Community environment            | -                     | -                      | -                  | 46,520                            | 245,569                        |
| Transportation                   | -                     | -                      | -                  | 40,099                            | 384,681                        |
| Other purposes                   | -                     | -                      | -                  | 24,553                            | 24,553                         |
| Total restricted                 | <u>20,745</u>         | <u>385,303</u>         | <u>278,673</u>     | <u>224,735</u>                    | <u>1,453,087</u>               |
| Committed:                       |                       |                        |                    |                                   |                                |
| Transportation                   | -                     | -                      | -                  | 2,400                             | 100,250                        |
| Debt service                     | -                     | -                      | -                  | 14,943                            | 14,943                         |
| Capital improvements             | -                     | -                      | -                  | 57,751                            | 57,751                         |
| Total committed                  | <u>-</u>              | <u>-</u>               | <u>-</u>           | <u>75,094</u>                     | <u>172,944</u>                 |
| Assigned:                        |                       |                        |                    |                                   |                                |
| General government               | -                     | -                      | -                  | -                                 | 5,408                          |
| Security of persons and property | -                     | -                      | -                  | -                                 | 2,397                          |
| Community environment            | -                     | -                      | -                  | -                                 | 260                            |
| Total assigned                   | <u>-</u>              | <u>-</u>               | <u>-</u>           | <u>-</u>                          | <u>8,065</u>                   |
| Unassigned                       | <u>-</u>              | <u>-</u>               | <u>-</u>           | <u>(69,994)</u>                   | <u>787,346</u>                 |
| Total fund balances              | <u>\$ 20,745</u>      | <u>\$ 385,303</u>      | <u>\$ 283,277</u>  | <u>\$ 232,485</u>                 | <u>\$ 2,460,608</u>            |

**VILLAGE OF CARLISLE, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

**NOTE 17 - OTHER COMMITMENTS**

The Village utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the Village's commitments for encumbrances in the governmental funds were as follows:

| <u>Fund</u>                 | <u>Year-End</u><br><u>Encumbrances</u> |
|-----------------------------|--|
| General fund                | \$ 8,065                               |
| Road                        | 46,439                                 |
| CVT                         | 63,844                                 |
| Fire                        | 9,744                                  |
| Timber Ridge TIF            | 118,431                                |
| Police                      | 725                                    |
| Nonmajor governmental funds | <u>12,102</u>                          |
| Total                       | <u>\$ 259,350</u>                      |

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The Village receives significant financial assistance from numerous federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Village at December 31, 2015.

**B. Litigation**

The Village is currently not involved in litigation for which the Village's legal counsel anticipates a loss.

**NOTE 19 – SUBSEQUENT EVENTS**

On May 13, 2016 the Village issued bond anticipation notes amounting to \$900,000 to provide funds to repay existing bond anticipation notes originally issued for the purpose of making road improvements in the Village. These notes carry a 1.75% interest rate and will be paid by the Eagle Ridge TIF fund.

On April 29, 2016 the Village issued bond anticipation notes amounting to \$1,475,000 to provide funds to repay existing bond anticipation notes for the purpose of making road improvements in the Village. These notes carry a 1.75% interest rate and will be paid by the Timber Ridge TIF fund.



**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF CARLISLE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TWO YEARS

|  | <b>2014</b> | <b>2013</b> |
|--|-------------|-------------|
| <i>Traditional Plan:</i>   |             |             |
| Village's proportion of the net pension liability  | 0.004643%   | 0.004643%   |
| Village's proportionate share of the net pension liability   | \$ 559,999  | \$ 547,348  |
| Village's covered-employee payroll   | \$ 664,133  | \$ 552,838  |
| Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 84.32%      | 99.01%      |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 86.45%      | 86.36%      |

Note: Information prior to 2013 was unavailable.

Amounts presented as of the Village's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF CARLISLE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TWO YEARS

|  | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|
| Village's proportion of the net pension liability  | 0.01437250% | 0.01437250% |
| Village's proportionate share of the net pension liability   | \$ 744,555  | \$ 699,986  |
| Village's covered-employee payroll   | \$ 346,826  | \$ 333,035  |
| Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 214.68%     | 210.18%     |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 72.20%      | 73.00%      |

Note: Information prior to 2013 was unavailable.

Amounts presented as of the Village's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VILLAGE OF CARLISLE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF VILLAGE CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

|  | <b>2015</b> | <b>2014</b> | <b>2013</b> | <b>2012</b> |
|--|-------------|-------------|-------------|-------------|
| <i>Traditional Plan:</i>   |             |             |             |             |
| Contractually required contribution                                  | \$ 79,995   | \$ 79,696   | \$ 71,869   | \$ 50,656   |
| Contributions in relation to the contractually required contribution | (79,995)    | (79,696)    | (71,869)    | (50,656)    |
| Contribution deficiency (excess)                                     | \$ -        | \$ -        | \$ -        | \$ -        |
| Village's covered-employee payroll                                   | \$ 666,625  | \$ 664,133  | \$ 552,838  | \$ 506,560  |
| Contributions as a percentage of covered-employee payroll            | 12.00%      | 12.00%      | 13.00%      | 10.00%      |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2011</u>     | <u>2010</u>     | <u>2009</u>     | <u>2008</u>     | <u>2007</u>     | <u>2006</u>     |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 51,687       | \$ 41,367       | \$ 52,461       | \$ 34,595       | \$ 41,544       | \$ 43,441       |
| <u>(51,687)</u> | <u>(41,367)</u> | <u>(52,461)</u> | <u>(34,595)</u> | <u>(41,544)</u> | <u>(43,441)</u> |
| <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| \$ 516,870      | \$ 463,929      | \$ 645,674      | \$ 494,214      | \$ 497,533      | \$ 472,185      |
| 10.00%          | 8.92%           | 8.13%           | 7.00%           | 8.35%           | 9.20%           |

**VILLAGE OF CARLISLE, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF VILLAGE CONTRIBUTIONS  
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

|  | <u>2015</u>     | <u>2014</u>     | <u>2013</u>     | <u>2012</u>     |
|--|-----------------|-----------------|-----------------|-----------------|
| <i>Police:</i>   |                 |                 |                 |                 |
| Contractually required contribution                                  | \$ 70,094       | \$ 65,897       | \$ 52,886       | \$ 31,387       |
| Contributions in relation to the contractually required contribution | <u>(70,094)</u> | <u>(65,897)</u> | <u>(52,886)</u> | <u>(31,387)</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| Village's covered-employee payroll                                   | \$ 368,916      | \$ 346,826      | \$ 332,965      | \$ 246,173      |
| Contributions as a percentage of covered-employee payroll            | 19.00%          | 19.00%          | 15.88%          | 12.75%          |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

| <u>2011</u>     | <u>2010</u>     | <u>2009</u>     | <u>2008</u>     | <u>2007</u>     | <u>2006</u>     |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 21,211       | \$ 33,601       | \$ 27,782       | \$ 48,545       | \$ 32,813       | \$ 27,887       |
| <u>(21,211)</u> | <u>(33,601)</u> | <u>(27,782)</u> | <u>(48,545)</u> | <u>(32,813)</u> | <u>(27,887)</u> |
| <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| \$ 166,361      | \$ 263,537      | \$ 217,898      | \$ 380,745      | \$ 257,357      | \$ 237,336      |
| 12.75%          | 12.75%          | 12.75%          | 12.75%          | 12.75%          | 11.75%          |

**VILLAGE OF CARLISLE, OHIO**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**OHIO POLICE AND FIRE (OP&F) PENSION FUND**

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.





313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

June 29, 2017

Village of Carlisle  
Warren County  
760 Central Avenue  
Carlisle, Ohio 45005

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Village of Carlisle**, Warren County, (the Village) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 29, 2017, wherein we noted the Board adopted Governmental Accounting Standard Board (GASB) Statement No. 68, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

[www.perrycpas.com](http://www.perrycpas.com)  
...*"bringing more to the table"*

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

Village of Carlisle  
Warren County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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, opining 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*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 29, 2017.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**VILLAGE OF CARLISLE  
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

| Finding Number | Finding Summary             | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;<br><b><i>Explain</i></b> |
|----------------|-----------------------------|------------------|---|
| 2014-001       | Presentation of Major Funds | Yes              | Corrected   |

**This page intentionally left blank.**



# Dave Yost • Auditor of State

VILLAGE OF CARLISLE

WARREN 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  
SEPTEMBER 12, 2017