



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**CITY OF CARLISLE
WARREN COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 - 2023**



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Columbus, Ohio 43215
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City Council
City of Carlisle
760 West Central Avenue
Carlisle, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the City of Carlisle, Warren County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2024. 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 City of Carlisle is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 13, 2026

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CITY OF CARLISLE, OHIO

**BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Carlisle**, Warren County, Ohio (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of Carlisle, Warren County, Ohio as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2024, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Also, the Road Department and Fire Capital Improvement funds were adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, required budgetary comparison schedules, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the City'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

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

July 30, 2025

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The management's discussion and analysis of the City of Carlisle's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the City'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 City's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The total net position of the City increased \$2,322,802. Net position of governmental activities increased \$1,571,739 or 14.79% from 2023's restated net position and net position of business-type activities increased \$751,063 or 10.63% from 2023's restated net position.
- General revenues accounted for \$5,090,726 or 83.84% of total governmental activities revenue. Program specific revenues accounted for \$980,987 or 16.16% of total governmental activities revenue.
- The City had \$4,374,974 in expenses related to governmental activities; \$980,987 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$3,393,987 were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$5,090,726.
- The general fund had revenues of \$2,530,874 in 2024. This represents an increase of \$467,437 from 2023. The expenditures and other financing uses of the general fund, which totaled \$2,043,479 in 2024, decreased \$193,893 from 2023. The net increase in fund balance for the general fund was \$487,395 or 16.27%.
- The Eagle Ridge TIF fund had revenues of \$585,386 in 2024. The expenditures and other financing sources of the Eagle Ridge TIF fund totaled \$230,381. The net increase in fund balance for the Timber Ridge TIF fund was \$355,005 or 103.39%.
- The Timber Ridge TIF fund had revenues of \$933,605 in 2024. The expenditures of the Timber Ridge TIF fund totaled \$266,840. The net increase in fund balance for the Timber Ridge TIF fund was \$666,765 or 627.67%.
- The police services fund had revenues and other financing sources of \$1,174,216 in 2024. The expenditures of the police services fund totaled \$1,162,650. The net increase in fund balance for the police services fund was \$11,566 or 1.52%.
- The American Rescue Plan Act (ARPA) fund had revenues of \$102,036 in 2024. The expenditures of the ARPA fund totaled \$102,036. The ARPA fund had \$470,716 in unearned grant revenue. The ARPA fund will report revenue as expenditures are incurred.
- Net position for the business-type activities, which are made up of the sewer, water and refuse enterprise funds, increased in 2024 by \$751,063.
- In the general fund, the actual revenues came in \$753,482 higher than they were in the final budget and actual expenditures and other financing uses were \$23,856 more than the final budget.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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 City 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 City as a whole, presenting both an aggregate view of the City'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 City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" 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 City's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City 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 City'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 City is divided into two distinct kinds of activities:

Governmental activities - Most of the City'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 City's sewer, water and refuse operations are reported here.

Reporting the City'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 City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

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 reader 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 City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, Eagle Ridge TIF fund, Timber Ridge TIF fund, police services fund, and the ARPA 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.

Proprietary Funds

The City 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 City uses enterprise funds to account for its sewer, water, refuse and stormwater management functions. Three of the City's enterprise funds are considered major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type.

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.

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 general fund and any major special revenue funds budgetary schedules, net pension liability/asset, net OPEB liability/asset.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's net position at December 31, 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Governmental Activities		Business-Type Activities		Total	
	2024	Restated 2023	2024	Restated 2023	2024	Restated 2023
<u>Assets</u>						
Current assets	\$ 10,473,175	\$ 8,672,863	\$ 7,027,283	\$ 6,347,272	\$ 17,500,458	\$ 15,020,135
Capital assets, net	<u>5,686,235</u>	<u>5,857,618</u>	<u>1,371,567</u>	<u>1,418,087</u>	<u>7,057,802</u>	<u>7,275,705</u>
Total assets	<u>16,159,410</u>	<u>14,530,481</u>	<u>8,398,850</u>	<u>7,765,359</u>	<u>24,558,260</u>	<u>22,295,840</u>
<u>Deferred outflows of resources</u>						
Pension	789,690	943,369	192,252	324,567	981,942	1,267,936
OPEB	<u>98,214</u>	<u>145,929</u>	<u>20,822</u>	<u>49,961</u>	<u>119,036</u>	<u>195,890</u>
Total deferred outflows of resources	<u>887,904</u>	<u>1,089,298</u>	<u>213,074</u>	<u>374,528</u>	<u>1,100,978</u>	<u>1,463,826</u>
<u>Liabilities</u>						
Current liabilities	567,064	977,259	105,076	135,910	672,140	1,113,169
Long-term liabilities:						
Due within one year	58,749	26,625	29,672	6,259	88,421	32,884
Net pension liability	2,252,463	2,347,909	489,879	784,038	2,742,342	3,131,947
Net OPEB liability	125,532	135,618	-	16,502	125,532	152,120
Other amounts	<u>342,907</u>	<u>406,686</u>	<u>72,285</u>	<u>97,885</u>	<u>415,192</u>	<u>504,571</u>
Total liabilities	<u>3,346,715</u>	<u>3,894,097</u>	<u>696,912</u>	<u>1,040,594</u>	<u>4,043,627</u>	<u>4,934,691</u>
<u>Deferred inflows of resources</u>						
Property taxes and PILOTs	1,314,466	896,834	-	-	1,314,466	896,834
Pension	68,134	67,954	87,899	24,718	156,033	92,672
OPEB	<u>118,402</u>	<u>133,036</u>	<u>9,686</u>	<u>8,211</u>	<u>128,088</u>	<u>141,247</u>
Total deferred inflows of resources	<u>1,501,002</u>	<u>1,097,824</u>	<u>97,585</u>	<u>32,929</u>	<u>1,598,587</u>	<u>1,130,753</u>
<u>Net Position</u>						
Net investment in capital assets	5,425,419	5,584,218	1,371,567	1,418,087	6,796,986	7,002,305
Restricted	4,307,278	3,119,190	17,248	278	4,324,526	3,119,468
Unrestricted	<u>2,466,900</u>	<u>1,924,450</u>	<u>6,428,612</u>	<u>5,647,999</u>	<u>8,895,512</u>	<u>7,572,449</u>
Total net position	<u>\$ 12,199,597</u>	<u>\$ 10,627,858</u>	<u>\$ 7,817,427</u>	<u>\$ 7,066,364</u>	<u>\$ 20,017,024</u>	<u>\$ 17,694,222</u>

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, the net pension asset, and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 City is not responsible for certain key factors affecting the balance of these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$20,017,024. At year-end, net position was \$12,199,597 and \$7,817,427 for the governmental activities and the business-type activities, respectively.

CITY OF CARLISLE, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 28.72% of total assets. Capital assets include land, buildings and improvements, furniture and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2024, was \$5,425,419 and \$1,371,567 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 City'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.

Liabilities of the governmental activities decreased \$547,382 or 14.06% from 2023. Current liabilities of the governmental activities decreased \$410,195 due to a decrease in the City's notes payable. Long-term obligations of the governmental activities decreased \$137,187 or 4.70% due to a decrease in the City's net pension liability. The City reports its proportionate share of OP&F OPEB liability.

Liabilities of the business-type activities decreased \$343,682 or 33.03% from 2023. Long-term obligations of the business-type activities decreased primarily due to a decrease in the City's net pension liability.

A portion of the City's net position, \$4,324,526, 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 \$2,466,900.

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CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The table below shows the changes in net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Governmental Activities	Business-type Activities	Governmental Activities Restated 2023	Business-type Activities Restated 2023	2024 Total	Restated 2023 Total
	2024	2024	2023	2023		
Revenues						
Program revenues:						
Charges for services	\$ 290,285	\$ 3,005,394	\$ 284,419	\$ 2,931,812	\$ 3,295,679	\$ 3,216,231
Operating grants and contributions	667,296	-	577,451	-	667,296	577,451
Capital grants and contributions	23,406	102,036	10,138	-	125,442	10,138
Total program revenues	980,987	3,107,430	872,008	2,931,812	4,088,417	3,803,820
General revenues:						
Property taxes	240,215	-	325,261	-	240,215	325,261
Income taxes	2,240,804	-	2,022,715	-	2,240,804	2,022,715
Unrestricted grants and entitlements	380,455	-	242,701	-	380,455	242,701
Payment in lieu of taxes	1,596,484	-	1,413,084	-	1,596,484	1,413,084
Investment earnings	529,660	-	255,641	49,134	529,660	304,775
Increase (decrease) in fair value of investments	72,047	-	(1,800)	-	72,047	(1,800)
Miscellaneous	31,061	-	124,142	-	31,061	124,142
Total general revenues	5,090,726	-	4,381,744	49,134	5,090,726	4,430,878
Total revenues	6,071,713	3,107,430	5,253,752	2,980,946	9,179,143	8,234,698
Expenses:						
General government	1,706,273	-	1,976,768	-	1,706,273	1,976,768
Security of persons and property	1,405,910	-	1,325,725	-	1,405,910	1,325,725
Transportation	788,683	-	731,742	-	788,683	731,742
Community environment	386,402	-	267,405	-	386,402	267,405
Leisure time activity	23,954	-	56,124	-	23,954	56,124
Interest	63,752	-	23,172	-	63,752	23,172
Sewer	-	1,237,522	-	1,256,062	1,237,522	1,256,062
Refuse	-	590,409	-	729,090	590,409	729,090
Water	-	650,365	-	530,619	650,365	530,619
Stormwater	-	3,071	-	-	3,071	-
Total expenses	4,374,974	2,481,367	4,380,936	2,515,771	6,856,341	6,896,707
Income before transfers	1,696,739	626,063	872,816	465,175	2,322,802	1,337,991
Transfers	(125,000)	125,000	(648,000)	648,000	-	-
Change in net position	1,571,739	751,063	224,816	1,113,175	2,322,802	1,337,991
Net position at beginning of year (restated)	10,627,858	7,066,364	N/A	N/A	17,694,222	N/A
Net position at end of year	<u>\$ 12,199,597</u>	<u>\$ 7,817,427</u>	<u>\$ 10,627,858</u>	<u>\$ 7,066,364</u>	<u>\$ 20,017,024</u>	<u>\$ 17,694,222</u>

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Governmental Activities

Governmental activities net position increased \$1,571,739 in 2024.

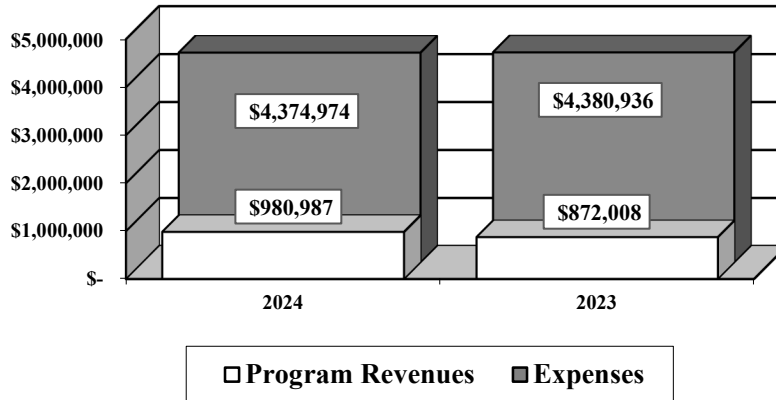
Transportation expenses totaled \$788,683 or 18.03% of the total governmental expenses of the City. Security of persons and property which primarily supports the operation of police and fire services accounted for \$1,405,910 or 32.14% of the total governmental expenses of the City. General government expenses totaled \$1,706,273. General government expenses were partially funded by \$230,902 in direct charges to users of the services, operating grants and contributions, and capital grants and contributions.

The state and federal government contributed to the City a total of \$667,296 in operating grants and contributions and capital grants and contributions of \$23,406. These revenues are restricted to a particular program or purpose.

General revenues totaled \$5,090,726 and amounted to 83.84% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,481,019. 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 \$380,455 and payments in lieu of taxes of \$1,596,484.

As can be seen in the graph below, the City 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 2024.

Governmental Activities - Program Revenues vs. Total Expenses



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.

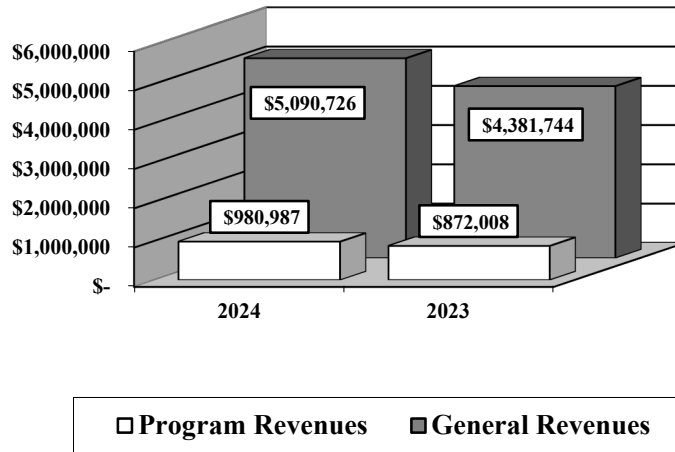
	Governmental Activities			
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
	2024	2024	2023	2023
Program expenses:				
General government	\$ 1,706,273	\$ 1,475,371	\$ 1,976,768	\$ 1,874,359
Security of persons and property	1,405,910	1,398,735	1,325,725	1,322,576
Transportation	788,683	243,506	731,742	157,440
Community environment	386,402	188,669	267,405	75,257
Leisure time activity	23,954	23,954	56,124	56,124
Interest	63,752	63,752	23,172	23,172
Total	\$ 4,374,974	\$ 3,393,987	\$ 4,380,936	\$ 3,508,928

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 77.58% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2024 and 2023.

Governmental Activities - General and Program Revenues

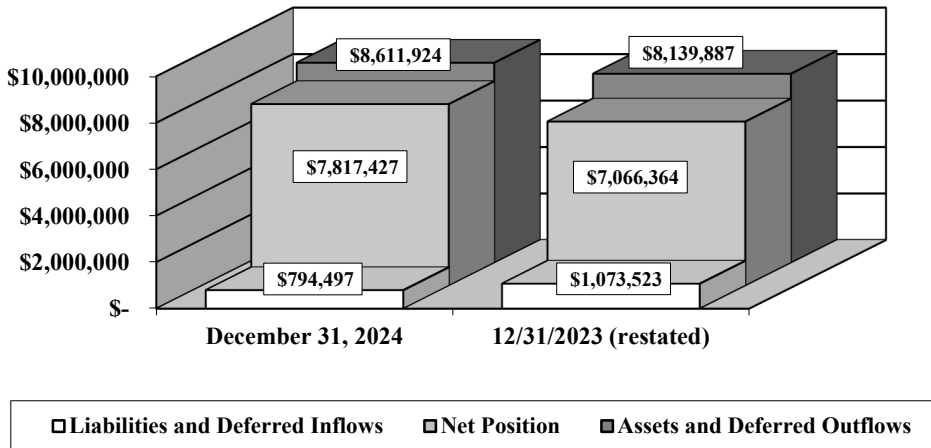


Business-Type Activities

Business-type activities include the sewer, water, refuse, and stormwater enterprise funds. These programs had program revenues of \$3,107,430 and expenses of \$2,481,367 for 2024.

The graph below shows the business-type activities assets and deferred outflows, liabilities and deferred inflows, and net position at year-end. The net position as of December 31, 2023, was restated as described in Note 3.

Net Position in Business – Type Activities



CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$7,949,019 which is \$1,677,938 higher than last year's balance of \$6,271,081.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2024 and 2023 for all major and non-major governmental funds.

	Fund Balances 12/31/24	Fund Balances 12/31/23	Change
Major funds:			
General	\$ 3,483,974	\$ 2,996,579	\$ 487,395
Eagle Ridge TIF	698,364	343,359	355,005
Timber Ridge TIF	772,993	106,228	666,765
Police Services	773,546	761,980	11,566
Other nonmajor governmental funds	<u>2,220,142</u>	<u>2,062,935</u>	<u>157,207</u>
Total	<u>\$ 7,949,019</u>	<u>\$ 6,271,081</u>	<u>\$ 1,677,938</u>

General Fund

The City's general fund balance increased \$487,395. The table that follows assists in illustrating the revenues of the general fund.

	2024 Amount	2023 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 1,554,115	\$ 1,424,338	9.11 %
Licenses and permits	174,327	182,010	(4.22) %
Fines and forfeitures	32,744	39,376	(16.84) %
Intergovernmental	85,464	84,477	1.17 %
Special assessments	73,576	56,332	30.61 %
Investment income	529,223	210,170	151.81 %
Increase (decrease) in fair value of investments	72,047	(1,800)	3,902.61 %
Other	<u>9,378</u>	<u>68,534</u>	(86.32) %
Total	<u>\$ 2,530,874</u>	<u>\$ 2,063,437</u>	22.65 %

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Tax revenue represents 61.41% of all general fund revenue. Tax revenue increased 9.11% from the prior year primarily due to an increase in income tax collections. Other revenues decreased \$59,156 due primarily to a decrease in refunds and other miscellaneous revenues received during 2024. During 2024 there was an increase in fair value of investments of \$73,847. Investment income increased \$319,053 due primarily to investment revenues only going to the general fund during 2024. Fines and forfeitures decreased \$6,632 due primarily to a decrease in court revenues during 2024. Special assessments revenues increased \$17,244 due primarily to an increase in street light assessments during 2024.

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

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 1,120,073	\$ 759,804	47.42 %
Security of persons and property	1,234	-	100.00 %
Community environment	370,854	246,080	50.70 %
Leisure time activity	<u>18,718</u>	<u>50,888</u>	(63.22) %
Total	<u>\$ 1,510,879</u>	<u>\$ 1,056,772</u>	42.97 %

The City increased total expenditures by 42.97%. General government expenditures increased \$360,269 or 47.42% mostly due to an increase in refund expenditures. Community environment expenditures increased \$124,774 primarily due to an increase in the City's salaries and benefits. Leisure time activities expenditures decreased \$32,170 due to a decrease in operating supplies expenditures.

Eagle Ridge TIF Fund

The Eagle Ridge TIF fund had revenues of \$585,386 in 2024. The expenditures and other financing uses of the Eagle Ridge TIF fund totaled \$230,381 in 2024. The net increase in fund balance for the Eagle Ridge TIF fund was \$355,005 or 103.39%.

Timber Ridge TIF Fund

The Timber Ridge TIF fund had revenues of \$933,605 in 2024. The expenditures of the Timber Ridge TIF fund totaled \$266,840 in 2024. The net increase in fund balance for the Timber Ridge TIF fund was \$666,765 or 627.67%.

Police Services Fund

The police services fund had revenues and other financing sources of \$1,174,216 in 2024. The expenditures of the police services fund totaled \$1,162,650 in 2024. The net increase in fund balance for the police services fund was \$11,566 or 1.52%.

ARPA Fund

The ARPA fund had revenues of \$102,036 in 2024. The expenditures of the ARPA fund totaled \$102,036 in 2023. The ARPA fund had \$470,716 in unearned grant revenue. The ARPA fund will report revenue as expenditures are incurred.

Other Governmental Funds

The other governmental funds had revenues and other financing sources of \$1,210,868 in 2024. The expenditures and other financing uses of the other governmental funds totaled \$1,053,661 in 2024. The net increase in fund balance for the other governmental funds was \$157,207.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Budgeting Highlights – General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City'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.

In the general fund, the original budgeted revenues were \$1,694,500 and final budgeted revenues were \$1,667,063. Actual revenues of \$2,420,545 were more than final budgeted revenues by \$753,482. Final budgeted expenditures and other financing uses were \$322,600 higher than original budgeted expenditures and other financing uses. Actual expenditures and other financing uses of \$2,178,271 were \$23,856 higher than the final budgeted amounts, primarily due to other financing uses being more than budgeted.

Proprietary Funds

The City'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 City has three major enterprise funds: the sewer fund, water fund, refuse fund and one non-major fund: stormwater.

Sewer Fund

The sewer fund had operating revenues of \$1,601,798 in 2024. The operating expenses of the sewer fund totaled \$1,237,522 in 2024. The net increase in net position for the sewer fund was \$364,276 or 8.45%.

Water Fund

The water fund had operating revenues of \$822,940 in 2024. The operating expenses of the water fund totaled \$650,365 in 2024. The net increase in net position for the water fund was \$399,611 or 17.85%.

Refuse Fund

The refuse fund had operating revenues of \$580,656 in 2024. The operating expenses of the refuse fund totaled \$590,409 in 2024. The net decrease in net position for the refuse fund was \$9,753 or 1.89%.

Capital Assets and Debt Administration

Capital Assets

At the end of 2024, the City had \$7,057,802 (net of accumulated depreciation) invested in land, buildings and improvements, furniture and equipment, vehicles, and infrastructure. Of this total, \$5,686,235 was reported in governmental activities and \$1,371,567 was reported in business-type activities.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

The following table shows December 31, 2024 balances compared to December 31, 2023:

Capital Assets at December 31, 2024 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 794,860	\$ 794,860	\$ -	\$ -	\$ 794,860	\$ 794,860
Construction in progress (CIP)	-	-	102,036	-	102,036	-
Buildings and improvements	479,635	504,554	-	-	479,635	504,554
Furniture and equipment	314,997	208,558	59,731	60,817	374,728	269,375
Vehicles	832,620	885,724	332,064	384,287	1,164,684	1,270,011
Infrastructure	<u>3,264,123</u>	<u>3,463,922</u>	<u>877,736</u>	<u>972,983</u>	<u>4,141,859</u>	<u>4,436,905</u>
Totals	<u>\$ 5,686,235</u>	<u>\$ 5,857,618</u>	<u>\$ 1,371,567</u>	<u>\$ 1,418,087</u>	<u>\$ 7,057,802</u>	<u>\$ 7,275,705</u>

The City's infrastructure is the largest capital asset category. The net book value of the City's infrastructure represents approximately 57.40% of the City's total governmental capital assets.

The City's largest business-type capital asset category is infrastructure, which includes 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 City's infrastructure (cost less accumulated depreciation) represents approximately 64.00% of the City's total business-type capital assets.

Debt Administration

The City had no long-term obligations outstanding at December 31, 2024 and 2023.

Economic Conditions and Outlook

Situated in the northernmost corner of Warren County and extending into southern Montgomery County, the City of Carlisle is home to a steadily growing population. As of 2024, the estimated population is 5,740. Strategically located approximately 30 miles north of Cincinnati and 15 miles south of Dayton, Carlisle enjoys excellent regional accessibility. The community is served by a comprehensive transportation network, including State Route 123 through the city center, with State Routes 4 and 73 nearby, and Interstate 75 located just three miles from downtown. Carlisle's roots as a railroad community continue to influence its development, with active rail access supporting local industry. This advantageous location and transportation infrastructure make Carlisle an appealing destination for both residents and businesses. Following the 2010 Census population count of 4,915—briefly changing its classification to a village—the city's continued growth has restored and solidified its city status.

While often viewed as a quiet residential community, Carlisle has proactively invested in economic development to ensure long-term fiscal health. Two business parks have been established within city limits. The Carlisle Industrial Park provides direct access to State Route 123 and the CSX rail system, making it a prime site for manufacturing and service-based industries. The more recent Carlisle Business Park features over 88 acres of gently rolling land, suitable for manufacturing, warehousing, office, or service-sector use. The Municipality continues to collaborate with both public and private entities to promote these developments and attract new business ventures.

The City continues to rely on two primary sources of revenue: local income taxes and intergovernmental funding from the State. To address potential fluctuations in these sources, City Council remains committed to economic development, job creation, public safety, and maintaining a budget that supports long-term fiscal sustainability. The 2024 budget follows a conservative, incremental approach designed to balance operational and capital needs with available resources. Income tax revenue for 2024 is projected to remain consistent with 2023 levels.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Despite continued pressures from funding reductions and broader industry realignments, Carlisle has shown economic resilience. Residential development increased in 2024 compared to 2023, indicating sustained recovery and growth. The city's total assessed property valuation rose to \$143,578,130 in 2024, up from \$113,343,230 in the previous year. To prepare for potential lean revenue periods, the Municipality is taking steps to ensure financial stability with minimal disruption to services. Shared-services agreements and enterprise fund allocations remain vital tools in cost management. Improved cost alignment between departments will further enhance fiscal transparency and accountability. City Council and staff continue to evaluate additional economic strategies in 2024 to support Carlisle's long-term financial health.

These financial and economic considerations have shaped the City's 2024 General Fund budget, which includes projected revenues and other financing sources totaling \$1,694,500. Carlisle remains committed to conservative budgeting practices and long-term financial planning to maintain solvency and ensure consistent delivery of essential public services.

Contacting the City's Financial Management

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

CITY OF CARLISLE, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,889,060	\$ 6,857,713	\$ 14,746,773
Receivables (net of allowances for uncollectibles):			
Income taxes	731,082	-	731,082
Property and other taxes	278,400	-	278,400
Payment in lieu of taxes	1,043,674	-	1,043,674
Accounts	32,197	111,001	143,198
Accrued interest	39,235	-	39,235
Special assessments	10,421	14,363	24,784
Due from other governments	376,656	-	376,656
Materials and supplies inventory	32,193	20,202	52,395
Prepayments	19,436	6,756	26,192
Net OPEB asset	20,406	16,905	37,311
Net pension asset	415	343	758
Capital assets:			
Nondepreciable capital assets	794,860	102,036	896,896
Depreciable capital assets, net	4,891,375	1,269,531	6,160,906
Total capital assets, net	5,686,235	1,371,567	7,057,802
Total assets	16,159,410	8,398,850	24,558,260
Deferred outflows of resources:			
Pension	789,690	192,252	981,942
OPEB	98,214	20,822	119,036
Total deferred outflows of resources	887,904	213,074	1,100,978
Total assets and deferred outflows of resources	17,047,314	8,611,924	25,659,238
Liabilities:			
Accounts payable	31,379	42,439	73,818
Accrued wages and benefits payable	30,344	11,967	42,311
Due to other governments	33,519	50,670	84,189
Accrued interest payable	1,106	-	1,106
Unearned revenue	470,716	-	470,716
Long-term liabilities:			
Due within one year	58,749	29,672	88,421
Due in more than one year:			
Net pension liability	2,252,463	489,879	2,742,342
Net OPEB liability	125,532	-	125,532
Other amounts due in more than one year	342,907	72,285	415,192
Total liabilities	3,346,715	696,912	4,043,627
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	270,792	-	270,792
Payments in lieu of taxes levied for the next fiscal year	1,043,674	-	1,043,674
Pension	68,134	87,899	156,033
OPEB	118,402	9,686	128,088
Total deferred inflows of resources	1,501,002	97,585	1,598,587
Total liabilities and deferred inflows of resources	4,847,717	794,497	5,642,214
Net position:			
Net investment in capital assets	5,425,419	1,371,567	6,796,986
Restricted for:			
Capital projects	100,058	-	100,058
Transportation projects	1,081,589	-	1,081,589
Public safety	3,080,456	-	3,080,456
Pension & OPEB	20,821	17,248	38,069
Other purposes	24,354	-	24,354
Unrestricted	2,466,900	6,428,612	8,895,512
Total net position	\$ 12,199,597	\$ 7,817,427	\$ 20,017,024

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,706,273	\$ 115,531	\$ 115,371	\$ -
Security of persons and property	1,405,910	-	7,175	-
Transportation	788,683	427	544,750	-
Community environment	386,402	174,327	-	23,406
Leisure time activity	23,954	-	-	-
Interest	63,752	-	-	-
Total governmental activities	4,374,974	290,285	667,296	23,406
Business-type activities:				
Sewer	1,237,522	1,601,798	-	-
Water	650,365	822,940	-	102,036
Refuse	590,409	580,656	-	-
Stormwater	3,071	-	-	-
Total business-type activities	2,481,367	3,005,394	-	102,036
Total primary government	<u>\$ 6,856,341</u>	<u>\$ 3,295,679</u>	<u>\$ 667,296</u>	<u>\$ 125,442</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

Increase in fair value of investments

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

**Net position at beginning of year,
as previously reported**

Restatement - change in accounting principle

Net position at beginning of year, restated

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (1,475,371)	\$ -	\$ (1,475,371)
(1,398,735)	-	(1,398,735)
(243,506)	-	(243,506)
(188,669)	-	(188,669)
(23,954)	-	(23,954)
(63,752)	-	(63,752)
(3,393,987)	-	(3,393,987)
-	364,276	364,276
-	274,611	274,611
-	(9,753)	(9,753)
-	(3,071)	(3,071)
-	626,063	626,063
(3,393,987)	626,063	(2,767,924)
97,290	-	97,290
142,925	-	142,925
1,493,580	-	1,493,580
747,224	-	747,224
380,455	-	380,455
1,596,484	-	1,596,484
529,660	-	529,660
72,047	-	72,047
31,061	-	31,061
5,090,726	-	5,090,726
(125,000)	125,000	-
4,965,726	125,000	5,090,726
1,571,739	751,063	2,322,802
10,768,114	7,141,465	17,909,579
(140,256)	(75,101)	(215,357)
10,627,858	7,066,364	17,694,222
\$ 12,199,597	\$ 7,817,427	\$ 20,017,024

CITY OF CARLISLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Eagle Ridge TIF	Timber Ridge TIF	Police Services
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,824,084	\$ 698,364	\$ 772,993	\$ 660,673
Receivables:				
Income taxes	487,388	-	-	243,694
Property and other taxes	125,332	-	-	-
Payment in lieu of taxes	-	383,348	509,904	-
Accounts	18,722	-	-	-
Special assessments	10,421	-	-	-
Interfund loans	349,500	-	-	-
Accrued interest	39,235	-	-	-
Due from other governments	25,906	47,177	62,751	-
Materials and supplies inventory	4,324	-	-	-
Prepayments	7,140	-	-	8,327
Total assets	<u>\$ 3,892,052</u>	<u>\$ 1,128,889</u>	<u>\$ 1,345,648</u>	<u>\$ 912,694</u>
Liabilities:				
Accounts payable	\$ 26,447	\$ -	\$ -	\$ 3,669
Accrued wages and benefits	7,127	-	-	19,357
Due to other governments	7,795	-	-	20,203
Interfund loans payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>41,369</u>	<u>-</u>	<u>-</u>	<u>43,229</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	122,313	-	-	-
Payments in lieu of taxes levied for the next fiscal year	-	383,348	509,904	-
Delinquent property tax revenue not available	3,019	-	-	-
Miscellaneous revenue not available	-	-	-	-
Special assessments revenue not available	10,421	-	-	-
Accrued interest not available	26,047	-	-	-
Income tax revenue not available	191,837	-	-	95,919
Intergovernmental revenue not available	13,072	47,177	62,751	-
Total deferred inflows of resources	<u>366,709</u>	<u>430,525</u>	<u>572,655</u>	<u>95,919</u>
Total liabilities and deferred inflows of resources.	<u>408,078</u>	<u>430,525</u>	<u>572,655</u>	<u>139,148</u>
Fund balances:				
Nonspendable	11,464	-	-	8,327
Restricted	-	698,364	772,993	765,219
Committed	-	-	-	-
Assigned	361,595	-	-	-
Unassigned (deficit)	3,110,915	-	-	-
Total fund balances	<u>3,483,974</u>	<u>698,364</u>	<u>772,993</u>	<u>773,546</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,892,052</u>	<u>\$ 1,128,889</u>	<u>\$ 1,345,648</u>	<u>\$ 912,694</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ 470,716	\$ 2,462,230	\$ 7,889,060
-	-	731,082
-	153,068	278,400
-	150,422	1,043,674
-	13,475	32,197
-	-	10,421
-	-	349,500
-	-	39,235
-	240,822	376,656
-	27,869	32,193
-	3,969	19,436
<u>\$ 470,716</u>	<u>\$ 3,051,855</u>	<u>\$ 10,801,854</u>
\$ -	\$ 1,263	31,379
-	3,860	30,344
-	5,521	33,519
-	349,500	349,500
<u>470,716</u>	<u>-</u>	<u>470,716</u>
<u>470,716</u>	<u>360,144</u>	<u>915,458</u>
-	148,479	270,792
-	150,422	1,043,674
-	4,589	7,608
-	13,335	13,335
-	-	10,421
-	-	26,047
-	-	287,756
-	154,744	277,744
<u>-</u>	<u>471,569</u>	<u>1,937,377</u>
<u>470,716</u>	<u>831,713</u>	<u>2,852,835</u>
-	31,838	51,629
-	2,010,822	4,247,398
-	526,976	526,976
-	-	361,595
-	(349,494)	2,761,421
<u>-</u>	<u>2,220,142</u>	<u>7,949,019</u>
<u>\$ 470,716</u>	<u>\$ 3,051,855</u>	<u>\$ 10,801,854</u>

CITY OF CARLISLE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances		\$ 7,949,019
<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.		5,686,235
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 287,756	
Property taxes receivable	7,608	
Accrued interest receivable	26,047	
Miscellaneous receivable	13,335	
Special assessments receivable	10,421	
Intergovernmental receivable	<u>277,744</u>	
Total		622,911
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	(1,106)	
Finance Purchase	(260,816)	
Compensated absences	<u>(140,840)</u>	
		(402,762)
The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	415	
Deferred outflows	789,690	
Deferred inflows	(68,134)	
Net pension liability	<u>(2,252,463)</u>	
		<u>(1,530,492)</u>
The net OPEB asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB asset	20,406	
Deferred outflows of resources	98,214	
Deferred inflows of resources	(118,402)	
Net OPEB liability	<u>(125,532)</u>	
Total		<u>(125,314)</u>
Net position of governmental activities		<u><u>\$ 12,199,597</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	General	Eagle Ridge TIF	Timber Ridge TIF	Police Services
Revenues:				
Income taxes	\$ 1,456,991	\$ -	\$ -	\$ 728,495
Property and other taxes	97,124	-	-	-
Licenses and permits	174,327	-	-	-
Fines and forfeitures	32,744	-	-	-
Intergovernmental	85,464	75,628	109,885	434
Special assessments	73,576	-	-	-
Investment income	529,223	-	-	-
Contributions and donations	-	-	-	-
Payment in lieu of taxes	-	509,758	823,720	-
Increase in fair value of investments	72,047	-	-	-
Other	9,378	-	-	12,687
Total revenues	<u>2,530,874</u>	<u>585,386</u>	<u>933,605</u>	<u>741,616</u>
Expenditures:				
Current:				
General government	1,120,073	167,881	725	-
Security of persons and property	1,234	-	-	1,162,650
Transportation	-	-	-	-
Community environment	370,854	-	-	-
Leisure time activity	18,718	-	-	-
Capital outlay	-	-	266,115	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,510,879</u>	<u>167,881</u>	<u>266,840</u>	<u>1,162,650</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,019,995</u>	<u>417,505</u>	<u>666,765</u>	<u>(421,034)</u>
Other financing sources (uses):				
Transfers in	-	-	-	432,600
Transfers (out)	(532,600)	(62,500)	-	-
Total other financing sources (uses)	<u>(532,600)</u>	<u>(62,500)</u>	<u>-</u>	<u>432,600</u>
Net change in fund balances	487,395	355,005	666,765	11,566
Fund balances as previously reported	2,996,579	343,359	106,228	761,980
Adjustment - changes in major fund to nonmajor fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year, as adjusted	<u>2,996,579</u>	<u>343,359</u>	<u>106,228</u>	<u>761,980</u>
Fund balances at end of year	<u><u>\$ 3,483,974</u></u>	<u><u>\$ 698,364</u></u>	<u><u>\$ 772,993</u></u>	<u><u>\$ 773,546</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

American Rescue Plan	(Formerly Major) Road Department	(Formerly Major) Fire Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ -			\$ -	\$ 2,185,486
-			142,713	239,837
-			16,333	190,660
-			2,798	35,542
102,036			625,220	998,667
-			-	73,576
-			-	529,223
-			9,025	9,025
-			263,006	1,596,484
-			-	72,047
-			24,773	46,838
102,036			1,083,868	5,977,385
102,036			86,960	1,477,675
-			235,221	1,399,105
-			544,415	544,415
-			21,175	392,029
-			-	18,718
-			-	266,115
-			12,584	12,584
-			63,806	63,806
102,036			964,161	4,174,447
-			119,707	1,802,938
-			127,000	559,600
-			(89,500)	(684,600)
-			37,500	(125,000)
-			157,207	1,677,938
-	895,397	64,404	1,103,134	6,271,081
-	(895,397)	(64,404)	959,801	-
-			2,062,935	6,271,081
\$ -			\$ 2,220,142	\$ 7,949,019

CITY 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, 2024

Net change in fund balances - total governmental funds	\$	1,677,938
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*Amounts reported for governmental activities in the
statement of activities are different because:*

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 depreciation expense exceeded capital outlay
in the current period.

Capital asset additions	\$	266,388	
Current year depreciation		(437,771)	
Total			(171,383)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in the funds.

Income taxes	54,884	
Property taxes	378	
Accounts	13,335	
Special assessments	6,413	
Investment income	437	
Intergovernmental revenues	18,881	
Total		94,328

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.

12,584

In the statement of activities, interest is accrued on outstanding bonds,
whereas in governmental funds, an interest expenditure is reported
when due.

54

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.

19,071

Contractually required pension/OPEB contributions are reported as expenditures in
governmental funds; however, the statement of net position reports these amounts
as deferred outflows.

Pension	232,311	
OPEB	5,217	
Total		237,528

Except for amounts reported as deferred inflows/outflows, changes in the net
pension asset/liability and net OPEB /assetliability are reported as pension/OPEB
expense in the statement of activities.

Pension	(290,575)	
OPEB	(7,806)	
Total		(298,381)

Change in net position of governmental activities	\$	1,571,739
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Refuse	Nonmajor Enterprise Funds	Total
Assets:					
Current assets:					
Equity in pooled cash and cash equivalents	\$ 4,063,819	\$ 2,188,297	\$ 605,597	\$ -	\$ 6,857,713
Receivables (net of allowance for uncollectibles):					
Accounts	75,886	35,115	-	-	111,001
Special assessments	12,343	-	2,020	-	14,363
Materials and supplies inventory	944	19,200	58	-	20,202
Prepayments	4,508	1,267	981	-	6,756
Net pension asset	220	67	56	-	343
Net OPEB asset	10,835	3,304	2,766	-	16,905
Total current assets	4,168,555	2,247,250	611,478	-	7,027,283
Noncurrent assets:					
Capital assets:					
Nondepreciable capital assets	-	102,036	-	-	102,036
Depreciable capital assets, net	830,882	421,274	17,375	-	1,269,531
Total capital assets, net	830,882	523,310	17,375	-	1,371,567
Total assets	4,999,437	2,770,560	628,853	-	8,398,850
Deferred outflows of resources:					
Pension	123,409	37,473	31,370	-	192,252
OPEB	13,648	3,782	3,392	-	20,822
Total deferred outflows of resources	137,057	41,255	34,762	-	213,074
Liabilities:					
Current liabilities:					
Accounts payable	-	126	42,313	-	42,439
Accrued wages and benefits	6,631	2,536	1,052	1,748	11,967
Compensated absences	19,503	5,317	4,852	-	29,672
Due to other governments	6,566	41,794	987	1,323	50,670
Total current liabilities	32,700	49,773	49,204	3,071	134,748
Long-term liabilities:					
Compensated absences	47,512	12,959	11,814	-	72,285
Net pension liability	313,998	95,736	80,145	-	489,879
Total long-term liabilities	361,510	108,695	91,959	-	562,164
Total liabilities	394,210	158,468	141,163	3,071	696,912
Deferred inflows of resources:					
Pension	59,942	12,757	15,200	-	87,899
OPEB	6,199	1,897	1,590	-	9,686
Total deferred inflows of resources	66,141	14,654	16,790	-	97,585
Net position:					
Net investment in capital assets	830,882	523,310	17,375	-	1,371,567
Restricted for Pension and OPEB	11,055	3,371	2,822	-	17,248
Unrestricted	3,834,206	2,112,012	485,465	(3,071)	6,428,612
Total net position	\$ 4,676,143	\$ 2,638,693	\$ 505,662	\$ (3,071)	\$ 7,817,427

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Refuse	Nonmajor Enterprise Funds	Total
Operating revenues:					
Charges for services	\$ 1,508,179	\$ 797,280	\$ 579,499	\$ -	\$ 2,884,958
Tap-in fees	82,531	15,913	-	-	98,444
Other	11,088	9,747	1,157	-	21,992
Total operating revenues	<u>1,601,798</u>	<u>822,940</u>	<u>580,656</u>	<u>-</u>	<u>3,005,394</u>
Operating expenses:					
Personal services	320,766	101,949	76,963	3,071	502,749
Contract services	808,529	483,928	508,057	-	1,800,514
Materials and supplies	176	11,409	50	-	11,635
Transportation	1,038	-	-	-	1,038
Depreciation	106,831	51,853	5,313	-	163,997
Other	182	1,226	26	-	1,434
Total operating expenses	<u>1,237,522</u>	<u>650,365</u>	<u>590,409</u>	<u>3,071</u>	<u>2,481,367</u>
Operating income (loss)	<u>364,276</u>	<u>172,575</u>	<u>(9,753)</u>	<u>(3,071)</u>	<u>524,027</u>
Transfer in	-	125,000	-	-	125,000
Capital contributions	-	102,036	-	-	102,036
Change in net position	364,276	399,611	(9,753)	(3,071)	751,063
Net position at beginning of year as previously reported	4,361,513	2,252,495	527,457	-	7,141,465
Restatement - change in accounting principle	<u>(49,646)</u>	<u>(13,413)</u>	<u>(12,042)</u>	<u>-</u>	<u>(75,101)</u>
Net position at beginning of year, restated	<u>4,311,867</u>	<u>2,239,082</u>	<u>515,415</u>	<u>-</u>	<u>7,066,364</u>
Net position at end of year	<u>\$ 4,676,143</u>	<u>\$ 2,638,693</u>	<u>\$ 505,662</u>	<u>\$ (3,071)</u>	<u>\$ 7,817,427</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds				
	Sewer	Water	Refuse	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:					
Cash received from customers	\$ 1,616,355	\$ 822,938	\$ 580,001	\$ -	\$ 3,019,294
Cash received from other operations	11,088	9,747	1,157	-	21,992
Cash payments for personal services	(378,126)	(116,980)	(96,571)	-	(591,677)
Cash payments for contractual services	(846,276)	(496,521)	(502,762)	-	(1,845,559)
Cash payments for materials and supplies	(69)	(29,829)	(13)	-	(29,911)
Cash payments for transportation	(1,038)	-	-	-	(1,038)
Cash payments for other expenses	(182)	(1,226)	(26)	-	(1,434)
Net cash provided by (used in) operating activities	401,752	188,129	(18,214)	-	571,667
Cash flows from noncapital financing activities:					
Cash received from transfers in	-	125,000	-	-	125,000
Net cash provided by noncapital financing activities	-	125,000	-	-	125,000
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(15,441)	-	-	-	(15,441)
Net cash used in capital and related financing activities	(15,441)	-	-	-	(15,441)
Net increase (decrease) in cash and cash equivalents	386,311	313,129	(18,214)	-	681,226
Cash and cash equivalents at beginning of year	3,677,508	1,875,168	623,811	-	6,176,487
Cash and cash equivalents at end of year	<u>\$ 4,063,819</u>	<u>\$ 2,188,297</u>	<u>\$ 605,597</u>	<u>\$ -</u>	<u>\$ 6,857,713</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 364,276	\$ 172,575	\$ (9,753)	\$ (3,071)	\$ 524,027
Adjustments:					
Depreciation	106,831	51,853	5,313	-	163,997
Changes in assets, deferred outflows, liabilities, and deferred inflows:					
Decrease in accounts receivable	20,058	9,745	-	-	29,803
Decrease in special assessments receivable	5,587	-	502	-	6,089
(Increase) decrease in materials and supplies inventory	107	(16,320)	37	-	(16,176)
(Increase) decrease in prepayments	(1,611)	(109)	189	-	(1,531)
(Increase) in net pension asset	(37)	(17)	(11)	-	(65)
(Increase) in net OPEB asset	(10,835)	(3,304)	(2,766)	-	(16,905)
Decrease in deferred outflows of resources - pension	91,031	20,054	21,230	-	132,315
Decrease in deferred outflows of resources - OPEB	19,293	5,108	4,738	-	29,139
Increase (decrease) in accounts payable	(36,136)	(51,880)	5,106	-	(82,910)
Increase (decrease) in accrued wages and benefits	1,799	1,231	(139)	1,748	4,639
Increase in due to other governments	5,819	39,492	803	1,323	47,437
(Decrease) in compensated absences payable	(1,684)	(225)	(278)	-	(2,187)
(Decrease) in net pension liability	(202,725)	(43,900)	(47,534)	-	(294,159)
(Decrease) in net OPEB liability	(10,876)	(2,939)	(2,687)	-	(16,502)
Increase in deferred inflows of resources - pension	50,030	6,198	6,953	-	63,181
Increase in deferred inflows of resources - OPEB	825	567	83	-	1,475
Net cash provided by (used in) operating activities	<u>\$ 401,752</u>	<u>\$ 188,129</u>	<u>\$ (18,214)</u>	<u>\$ -</u>	<u>\$ 571,667</u>

Noncash Transactions:

During 2024, the water fund received \$102,036 in capital contributions from governmental activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

**STATEMENT OF FIUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2024**

	<u>Custodial</u>
Assets:	
Cash in segregated accounts	<u>\$ 3,738</u>
Liabilities:	
Due to other governments	<u>3,738</u>
Net position:	
Restricted for individuals, organizations and other governments	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Custodial</u>
Additions:	
Fines and forfeitures for other governments	<u>\$ 9,944</u>
Deductions:	
Fines and forfeitures distributions to other governments	<u>9,944</u>
Net change in fiduciary net position	-
Net position beginning of year	<u>-</u>
Net position end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE CITY

The City of Carlisle, Warren County, Ohio (the “City”), 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 City is directed by a publicly elected Mayor and six-member Council. The City provides water and sewer utilities, park operations, police services and a planning and zoning department. The City provides fire services through its volunteer fire department.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City 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 City’s significant accounting policies are described below.

A. Reporting Entity

The City’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 City’s BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City 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 City. The City 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 City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s basic financial statements to be misleading or incomplete.

The City 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.

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

B. Basis of Presentation - Fund Accounting

The City’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 City 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 City that are governmental and those that are considered business-type activities.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. 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 City, 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 City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City 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 City 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 City'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.

C. Fund Accounting

The City 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 City'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.

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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

American Rescue Plan Fund - This fund is used to account for federal grants received to help offset the financial effects of the COVID-19 pandemic.

Other governmental funds of the City are used to account for:

Nonmajor special revenue funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 City 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 City's major enterprise funds:

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

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

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

Nonmajor enterprise fund - This fund accounts for the operations of providing storm water removal to its residential and commercial users located within the City.

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. The City's custodial fund accounts for revenues and expenses for other entities from the Mayor's Court.

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 City are included on the statement of net position.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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 City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. Fiduciary funds are accounted for on a flow of economic resources measurement focus.

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 City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2024, but which were levied to finance 2025 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. 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 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 City 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 City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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 City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to January 1, the City 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 2024.

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 schedules 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 City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

The City has segregated bank accounts for monies held separate from the City'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 City treasury. There was no outstanding balance at December 31, 2024.

During 2024, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bureau (FFCB) securities, Federal Home Loan Bank (FHLB) securities, U.S. Treasury Notes, negotiable CDs, commercial papers, STAR Ohio and U.S. Government Money Market Mutual Funds. Except for STAR Ohio, investments are reported at fair value which is based on quoted market prices.

During 2024, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2024 amounted to \$529,223 which includes \$313,593 assigned from other City 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.

An analysis of the City'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 acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of storm sewers, streets, and water and sewer lines. The City 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. In addition, assets having an estimated useful life of more than one year that are below the \$5,000 threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

All reported capital assets are depreciated except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City'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 Activities Estimated Lives</u>	<u>Business-type Activities 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

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

J. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences - vacation, sick leave, comp time, and PTO. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The City's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Comp Time

The City's policy permits employees to accumulate earned but unused comp time, which are eligible for payment at the employee's current pay rate upon separation from employment.

PTO

The City's policy permits employees to accumulate earned but unused PTO time, which are eligible for payment at the employee's current pay rate upon separation from employment.

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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Interfund Activity

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

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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

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.

M. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2024, 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 City 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 City Council (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless City 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 City 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 City 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 City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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 City 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 City Council and that are either unusual in nature or infrequent in occurrence. During 2024, the City 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/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the City has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*", Implementation Guide No. 2023-1 and GASB Statement No. 101, "*Compensated Absences*".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the City.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the City.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

B. Deficit Fund Balances

Fund balances at December 31, 2024 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
SR 123/Reconstruction Phase IV	\$ 57,192
SR 123/Reconstruction Phase V	110,910
SR 123/Reconstruction Phase VI	85,737
SR 123/Reconstruction Phase VII	25,661
SR 123/Reconstruction Phase X	69,994
	<u>\$ 349,494</u>

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.

C. Change within the Financial Reporting Entity

For 2024, the City's road department fund and fire capital improvement fund presentation was adjusted from major to nonmajor due to no longer meeting the qualitative threshold for a major fund. This change is separately displayed in the financial statements.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

D. Restatement of Net Position

During 2024, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is shown in the table below.

	12/31/2023 As Previously Reported	Change in Accounting Principle	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 10,768,114	\$ (140,256)	\$ 10,627,858
Business-Type Activities	7,141,465	(75,101)	7,066,364
Total Net Position	<u>\$ 17,909,579</u>	<u>\$ (215,357)</u>	<u>\$ 17,694,222</u>
Proprietary Funds			
Major Funds:			
Sewer	\$ 4,361,513	\$ (49,646)	\$ 4,311,867
Water	2,252,495	(13,413)	2,239,082
Refuse	527,457	(12,042)	515,415
Total Proprietary Funds	<u>\$ 7,141,465</u>	<u>\$ (75,101)</u>	<u>\$ 7,066,364</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City 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 City 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 City 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

The City 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; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, City, 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 City.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City 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 deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

A. Deposits with Financial Institutions

At December 31, 2024, the carrying amount of all City deposits was \$1,495,077 and the bank balance of all City deposits was \$1,538,045. Of the bank balance, \$250,000 was covered by the FDIC and \$1,288,045 was covered by the Ohio Pooled Collateral System.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the City's deposits were fully collateralized through participation in the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2024, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FFCB	\$ 569,020	\$ -	\$ -	\$ 148,451	\$ 270,059	\$ 150,510
FHLMC	365,876	-	241,224	-	-	124,652
FNMA	121,561	-	121,561	-	-	-
FHLB	573,501	274,473	199,453	-	99,575	-
Negotiable CD's	2,941,234	744,596	312,784	570,996	200,952	1,111,906
U.S. Government money market	13,320	13,320	-	-	-	-
Commercial paper	639,936	639,936	-	-	-	-
U.S Treasury Notes	1,402,302	309,889	-	-	-	1,092,413
<i>Amortized Costs:</i>						
Star Ohio	6,628,684	6,628,684	-	-	-	-
Total	\$ 13,255,434	\$ 8,610,898	\$ 875,022	\$ 719,447	\$ 570,586	\$ 2,479,481

The weighted average of maturity of investments is 0.97 years.

The City's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FHLMC, FNMA, FHLB, and FFCB), U.S. Treasury notes, commercial paper, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The City's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Government Money Market Mutual Funds were rated AAAm by Standard & Poor's. Negotiable CDs are not rated but are fully insured by the FDIC. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The City's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The City's investment policy does not place specific limits on the percentage of the City's portfolio that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2024:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FFCB	\$ 569,020	4.29%
FHLMC	365,876	2.76%
FNMA	121,561	0.92%
FHLB	573,501	4.33%
Negotiable CD's	2,941,234	22.19%
U.S. Government money market	13,320	0.10%
Commercial Paper	639,936	4.83%
U.S Treasury Notes	1,402,302	10.58%
<i>Amortized Costs:</i>		
Star Ohio	<u>6,628,684</u>	<u>50.01%</u>
Total	<u>\$ 13,255,434</u>	<u>100.00%</u>

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, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,491,339
Investments	13,255,434
Cash in segregated accounts	<u>3,738</u>
Total	<u>\$ 14,750,511</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 7,889,060
Business type activities	6,857,713
Custodial funds	<u>3,738</u>
Total	<u>\$ 14,750,511</u>

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2024, consisted of the following, as reported on the fund financial statements:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Police services	\$ 432,600
General fund	Nonmajor governmental funds	100,000
Eagle Ridge TIF	Nonmajor governmental funds	27,000
Eagle Ridge TIF	Water Fund	35,500
Nonmajor governmental funds	Water Fund	89,500
Total		<u>\$ 684,600</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, (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, and (5) to move part of the money received from payments in lieu of taxes in the Eagle Ridge TIF fund (a major governmental fund) to capital project funds (nonmajor governmental funds). All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

- B. Interfund loans consisted of the following at December 31, 2024, as reported on the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental fund	<u>\$ 349,500</u>

The interfund loan balance is the result of 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 City. 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. 2024 public utility property taxes became a lien December 31, 2023, are levied after October 1, 2023, and are collected in 2025 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 - PROPERTY TAXES - (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Carlisle. The County Auditor periodically remits to the City 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, 2024 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 2024 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.

The full tax rate for all City operations for the year ended December 31, 2024 was \$2.92 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2024 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 119,864,180
Commercial/industrial/mineral	13,857,590

Public utility

Personal	<u>9,856,360</u>
Total assessed value	<u>\$ 143,578,130</u>

NOTE 7 - RECEIVABLES

Receivables at December 31, 2024, consisted of taxes, payments in lieu 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, 2024.

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

Governmental activities:

Income taxes	\$ 731,082
Property and other taxes	278,400
Payment in lieu of taxes	1,043,674
Accounts	32,197
Accrued interest	39,235
Special assessments	10,421
Interfund loans	279,500
Due from other governments	376,656

Business-type activities:

Accounts	111,001
Special assessments	14,363

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within the subsequent year with the exception of the opioid settlement receivable which will be collected over the course of the settlement agreements. Receivables in the amount of \$13,335 will not be received within one year.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 8 - MUNICIPAL INCOME TAXES

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

The City'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 2024 was \$2,185,486 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, 2024, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/23</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/24</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 794,860	\$ -	\$ -	\$ 794,860
Total capital assets, not being depreciated	<u>794,860</u>	<u>-</u>	<u>-</u>	<u>794,860</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	1,331,225	-	-	1,331,225
Furniture and equipment	584,630	169,690	-	754,320
Vehicles	1,543,859	39,808	(180,235)	1,403,432
Infrastructure	6,347,260	56,890	-	6,404,150
Total capital assets, being depreciated	<u>9,806,974</u>	<u>266,388</u>	<u>(180,235)</u>	<u>9,893,127</u>
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(826,671)	(24,919)	-	(851,590)
Furniture and equipment	(376,072)	(63,251)	-	(439,323)
Vehicles	(658,135)	(92,912)	180,235	(570,812)
Infrastructure	<u>(2,883,338)</u>	<u>(256,689)</u>	<u>-</u>	<u>(3,140,027)</u>
Total accumulated depreciation	<u>(4,744,216)</u>	<u>(437,771)</u>	<u>180,235</u>	<u>(5,001,752)</u>
Total capital assets, being depreciated, net	<u>5,062,758</u>	<u>(171,383)</u>	<u>-</u>	<u>4,891,375</u>
Governmental activities capital assets, net	<u>\$ 5,857,618</u>	<u>\$ (171,383)</u>	<u>\$ -</u>	<u>\$ 5,686,235</u>

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 39,727
Security of persons and property	84,362
Community environment	2,124
Transportation	306,322
Leisure time activity	<u>5,236</u>
Total depreciation expense - governmental activities	<u>\$ 437,771</u>

B. Business-type activities

Capital asset activity for the business-type activities for the year ended December 31, 2024, was as follows:

	Balance <u>12/31/23</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/24</u>
<u>Business-type activities:</u>				
<i>Capital assets, not being depreciated</i>				
Construction in progress	\$ -	\$ 102,036	\$ -	\$ 102,036
Total capital assets, not being depreciated	<u>-</u>	<u>102,036</u>	<u>-</u>	<u>102,036</u>
<i>Capital assets, being depreciated</i>				
Furniture and equipment	\$ 256,307	\$ 15,441	\$ -	\$ 271,748
Vehicles	496,077	-	-	496,077
Infrastructure	<u>12,912,124</u>	<u>-</u>	<u>-</u>	<u>12,912,124</u>
Total capital assets, being depreciated	<u>13,664,508</u>	<u>15,441</u>	<u>-</u>	<u>13,679,949</u>
<i>Less: accumulated depreciation:</i>				
Furniture and equipment	(195,490)	(16,527)	-	(212,017)
Vehicles	(111,790)	(52,223)	-	(164,013)
Infrastructure	<u>(11,939,141)</u>	<u>(95,247)</u>	<u>-</u>	<u>(12,034,388)</u>
Total accumulated depreciation	<u>(12,246,421)</u>	<u>(163,997)</u>	<u>-</u>	<u>(12,410,418)</u>
Business-type activities capital assets, net	<u>\$ 1,418,087</u>	<u>\$ (46,520)</u>	<u>\$ -</u>	<u>\$ 1,371,567</u>

Depreciation was charged to departments of the City as follows:

Business-type activities:

Sewer	\$ 106,832
Water	51,853
Refuse	<u>5,312</u>
Total depreciation expense - business-type activities	<u>\$ 163,997</u>

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024, the liability for unpaid compensated absences was \$242,797 for the entire City.

NOTE 11 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the City has restated compensated absences as of December 31, 2023 which is reflected in the schedule below. During 2024, the following changes occurred in the City's long-term obligations.

	Restated Balance <u>12/31/23</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/24</u>	Amounts Due in <u>One Year</u>
Governmental activities					
<u>Other long-term obligations:</u>					
Net pension liability	2,347,909	61,977	(157,423)	2,252,463	-
Net OPEB liability	135,618	5,675	(15,761)	125,532	-
Financed purchase	273,400	-	(12,584)	260,816	13,225
Compensated absences*	<u>159,911</u>	<u>-</u>	<u>(19,071)</u>	<u>140,840</u>	<u>45,524</u>
Total other long-term obligations	<u>2,916,838</u>	<u>67,652</u>	<u>(204,839)</u>	<u>2,779,651</u>	<u>58,749</u>
Total governmental activities long-term obligations	<u>\$ 2,916,838</u>	<u>\$ 67,652</u>	<u>\$ (204,839)</u>	<u>\$ 2,779,651</u>	<u>\$ 58,749</u>
Business-type activities					
<u>Other long-term obligations:</u>					
Net pension liability	\$ 784,038	\$ -	\$ (294,159)	\$ 489,879	\$ -
Net OPEB liability	16,502	-	(16,502)	-	-
Compensated absences*	<u>104,144</u>	<u>-</u>	<u>(2,187)</u>	<u>101,957</u>	<u>29,672</u>
Total business-type activities long-term obligations	<u>\$ 904,684</u>	<u>\$ -</u>	<u>\$ (312,848)</u>	<u>\$ 591,836</u>	<u>\$ 29,672</u>

*The change in compensated absences liability is presented as a net change.

Financed Purchase Note Payable

In 2023, the City entered into financed purchase agreement with Pinnacle Public Finance to finance the purchase of a new fire truck. Payments made under the financed purchase note payable agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the financed purchase note payable is \$273,400. The financed purchase note payable agreement bears an interest rate of 5.09%

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The amounts below represent the future debt service payments:

Financed Purchase Note Payable

Year Ending December 31	Governmental Activities	
	Principal	Interest
2025	\$ 13,225	\$ 13,275
2026	13,898	12,602
2027	14,606	11,894
2028	15,349	11,151
2029	16,130	10,370
2030-2034	93,835	38,665
2035-2038	93,773	12,227
Total	<u>\$ 260,816</u>	<u>\$ 110,184</u>

Net Pension Liability and Net OPEB Liability

See Note 13 and Note 14 for more information on net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefitting from their services.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid.

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 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, 2024, the City's total debt margin was \$15,075,704 and the unvoted debt margin was \$7,896,797.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 12 - RISK MANAGEMENT

The City 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 2024, the City contracted with The Ohio Plan for various types of insurance. The risk of loss transfers to the insurance carrier upon payment of the premium. The following is a summary of the City's insurance coverage:

Company	Type	Deductible	Coverage
The Ohio Plan Blanket	Building & Personal Prop	\$1,000	\$5,607,089
The Ohio Plan	Auto Comprehensive & Collision	\$500	ACV
The Ohio Plan	Emergency Auto Comprehensive & Collision	\$500	RC
The Ohio Plan	Auto Liability	-	\$5,000,000
The Ohio Plan	General Liability	-	\$5,000,000 per occurrence \$7,000,000 aggregate
The Ohio Plan	Public Officials Liability	\$5,000	\$5,000,000 per occurrence \$7,000,000 aggregate
The Ohio Plan	Employee Bonding		
	- Public Employee	\$2,500	\$250,000
The Ohio Plan	Law Enforcement Operations	\$5,000	\$5,000,000 per occurrence \$7,000,000 aggregate
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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset) and Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB 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 net pension/OPEB liability (asset) represents the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability 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.

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

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Traditional plan state and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local	
	Traditional	Combined
2024 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2024 Actual Contribution Rates		
Employer:		
Pension ****	14.0 %	12.0 %
Post-employment Health Care Benefits ****	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$185,537 for 2024. Of this amount, \$17,565 is reported as intergovernmental payable.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - City 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 OP&F website at 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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F 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, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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>
2024 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2024 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>
Employee	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$130,835 for 2024. Of this amount, \$15,615 is reported as due to other governments.

Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (asset) was based on the City'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 - Traditional</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.00518900%	0.00695900%	0.01683450%	
Proportion of the net pension liability/asset current measurement date	<u>0.00413000%</u>	<u>0.00679600%</u>	<u>0.01719310%</u>	
Change in proportionate share	<u>-0.00105900%</u>	<u>-0.00016300%</u>	<u>0.00035860%</u>	
Proportionate share of the net pension liability	\$ 1,081,251	\$ -	\$ 1,661,091	\$ 2,742,342
Proportionate share of the net pension asset	-	(758)	-	(758)
Pension expense	61,076	(72)	214,903	275,907

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 17,669	\$ 1,622	\$ 53,325	\$ 72,616
Net difference between projected and actual earnings on pension plan investments	218,239	135	188,237	406,611
Changes of assumptions	-	22	104,979	105,001
Changes in employer's proportionate percentage/ difference between employer contributions	10,508	-	70,834	81,342
Contributions subsequent to the measurement date	177,430	8,107	130,835	316,372
Total deferred outflows of resources	<u>\$ 423,846</u>	<u>\$ 9,886</u>	<u>\$ 548,210</u>	<u>\$ 981,942</u>
	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 18,578	\$ 18,578
Changes of assumptions	-	-	25,225	25,225
Changes in employer's proportionate percentage/ difference between employer contributions	112,230	-	-	112,230
Total deferred inflows of resources	<u>\$ 112,230</u>	<u>\$ -</u>	<u>\$ 43,803</u>	<u>\$ 156,033</u>

\$316,372 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2025.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Year Ending December 31:	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
2025	\$ (14,080)	\$ 276	\$ 114,312	\$ 100,508
2026	40,077	286	106,298	146,661
2027	139,268	320	140,006	279,594
2028	(31,079)	185	272	(30,622)
2029	-	178	12,455	12,633
Thereafter	-	534	229	763
Total	<u>\$ 134,186</u>	<u>\$ 1,779</u>	<u>\$ 373,572</u>	<u>\$ 509,537</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.

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 was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2023, compared to the December 31, 2022 actuarial valuation, are presented below.

Wage inflation

Current measurement date	2.75%
Prior measurement date	2.75%

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation

COLA or ad hoc COLA

Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 2.30%, simple through 2024, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.20% for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	24.00 %	2.85 %
Domestic equities	21.00	4.27
Real estate	13.00	4.46
Private equity	15.00	7.52
International equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00 %</u>	

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.90% for the Traditional Pension Plan, Combined Plan and Member-Directed 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 1,702,180	\$ 1,081,251	\$ 564,819
Member-Directed Plan	(544)	(758)	(951)

Actuarial Assumptions - OP&F

OP&F's 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 retirement plan involve estimates of the value 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. A comprehensive experience study was performed during 2022 by OP&F's actuary and completed as of December 31, 2021. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, compared to December 31, 2022, are presented below.

Valuation date	1/1/23 with actuarial liabilities rolled forward to 12/31/23
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Healthy Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - Total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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 City'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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 2,200,238	\$ 1,661,091	\$ 1,212,737

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 14 - POSTEMPLOYMENT BENEFITS

Net OPEB Liability (Asset)

See Note 13 for a description of the net OPEB liability (asset).

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit;

Group C 32 years of total service credit with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52;

Group C 32 years of qualified health care service credit and at least age 55.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or	Age 52 with 31 years of service credit or	Age 55 with 32 years of service credit or
Any Age with 30 years of service credit	Age 60 with 20 years of service credit or	Age 60 with 20 years of service credit
	Any Age with 32 years of service credit	

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51.00% and 90.00% of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10.00% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20.00% per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.00% of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.00%. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$3,243 for 2024. Of this amount, \$307 is reported as due to other governments.

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

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (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 employer units, 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, 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 pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$3,443 for 2024. Of this amount, \$411 is reported as due to other governments.

Net OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability			
prior measurement date	0.00511700%	0.01683450%	
Proportion of the net OPEB liability/asset			
current measurement date	<u>0.00413400%</u>	<u>0.01719310%</u>	
Change in proportionate share	<u>-0.00098300%</u>	<u>0.00035860%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 125,532	\$ 125,532
Proportionate share of the net OPEB asset	(37,311)	-	(37,311)
OPEB expense	(1,126)	7,608	6,482

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 6,038	\$ 6,038
Net difference between projected and actual earnings on OPEB plan investments	22,404	9,272	31,676
Changes of assumptions	9,606	43,196	52,802
Changes in employer's proportionate percentage/ difference between employer contributions	6,634	15,200	21,834
Contributions subsequent to the measurement date	3,243	3,443	6,686
Total deferred outflows of resources	<u>\$ 41,887</u>	<u>\$ 77,149</u>	<u>\$ 119,036</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 5,311	\$ 23,069	\$ 28,380
Changes of assumptions	16,038	80,838	96,876
Changes in employer's proportionate percentage/ difference between employer contributions	14	2,818	2,832
Total deferred inflows of resources	<u>\$ 21,363</u>	<u>\$ 106,725</u>	<u>\$ 128,088</u>

\$6,686 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2025.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2025	\$ 3,339	\$ 1,167	\$ 4,506
2026	4,067	(2,131)	1,936
2027	17,441	(434)	17,007
2028	(7,566)	(8,773)	(16,339)
2029	-	(10,679)	(10,679)
Thereafter	-	(12,169)	(12,169)
Total	<u>\$ 17,281</u>	<u>\$ (33,019)</u>	<u>\$ (15,738)</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.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.70%
Prior Measurement date	5.22%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	3.77%
Prior Measurement date	4.05%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2038
Prior Measurement date	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.00% for 2023.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.82 %
Domestic equities	25.00	4.27
Real Estate Investment Trusts (REITs)	5.00	4.68
International equities	25.00	5.16
Risk parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00 %	

Discount Rate - A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.70%, as well as what the proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70%) or one-percentage-point higher (6.70%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 20,505	\$ (37,311)	\$ (85,202)

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ (38,860)	\$ (37,311)	\$ (35,552)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing retirement plan involve estimates of the value 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Key methods and assumptions used in the December 31, 2023, compared to the December 31, 2022 actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2023, with actuarial liabilities rolled forward to December 31, 2023
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	
Current measurement date	3.50% to 10.50%
Prior measurement date	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.07%
Prior measurement date	4.27%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. 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 average 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic equity	18.60 %	4.10 %
Non-US equity	12.40	4.90
Private markets	10.00	7.30
Core fixed income *	25.00	2.40
High yield fixed income	7.00	4.10
Private credit	5.00	6.80
U.S. inflation linked bonds *	15.00	2.10
Midstream energy infrastructure	5.00	5.80
Real assets	8.00	6.00
Gold	5.00	3.50
Private real estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - Total OPEB liability was calculated using the discount rate of 4.07%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38% was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07%.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.07%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07%), or one percentage point higher (5.07%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 154,621	\$ 125,532	\$ 101,034

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 15 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City 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 cash balance	General	Eagle Ridge TIF	Timber Ridge TIF	Police Services	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Materials and supplies inventory	\$ 4,324	\$ -	\$ -	\$ -	\$ 27,869	\$ 32,193
Prepays	7,140	-	-	8,327	3,969	19,436
Total nonspendable	11,464	-	-	8,327	31,838	51,629
Restricted:						
General government	-	698,364	-	-	489,904	1,188,268
Capital improvements	-	-	772,993	-	1,742	774,735
Security of persons and property	-	-	-	765,219	344,192	1,109,411
Community environment programs	-	-	-	-	99,422	99,422
Transportation	-	-	-	-	1,053,415	1,053,415
Other purposes	-	-	-	-	22,147	22,147
Total restricted	-	698,364	772,993	765,219	2,010,822	4,247,398
Committed:						
Transportation	-	-	-	-	412,215	412,215
Capital improvements	-	-	-	-	114,761	114,761
Total committed	-	-	-	-	526,976	526,976
Assigned:						
General government	49,974	-	-	-	-	49,974
Community environment	33,025	-	-	-	-	33,025
Subsequent year appropriations	277,595	-	-	-	-	277,595
Leisure time activities	1,001	-	-	-	-	1,001
Total assigned	361,595	-	-	-	-	361,595
Unassigned (deficit)	3,110,915	-	-	-	(349,494)	2,761,421
Total fund cash balances	\$ 3,483,974	\$ 698,364	\$ 772,993	\$ 773,546	\$ 2,220,142	\$ 7,949,019

NOTE 16 - OTHER COMMITMENTS

The City 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 City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 84,000
Police services fund	5,606
Nonmajor governmental funds	222,582
Total	<u>\$ 312,188</u>

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 17 - CONTINGENCIES

A. Grants

The City 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 City at December 31, 2024.

B. Litigation

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

NOTE 18 - SHORT-TERM NOTES PAYABLE

Changes in the City's short-term note activity for the year ended December 31, 2024, was as follows:

	Balance 12/31/2023	Issued	Retired	Balance 12/31/2024
<u>Governmental fund notes</u>				
<i>Direct Placements:</i>				
SR 123 Reconstruction Note	\$ 280,000	\$ -	\$ (280,000)	\$ -
Total governmental fund notes	<u>\$ 280,000</u>	<u>\$ -</u>	<u>\$ (280,000)</u>	<u>\$ -</u>

All short-term notes were backed by the full faith and credit of the City and mature within one year.

SR 123 Reconstruction Note

On May 6, 2023, the City issued a \$280,000 general obligation note for the purpose of reconstructing and improving SR 123. The note bore an interest rate of 4.00% and matured on May 5, 2024.

NOTE 19 - TAX ABATEMENTS

As of December 31, 2024, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

During 2024, the City's property tax revenues were reduced by \$263 as a result of these agreements.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Income taxes	\$ 953,436	\$ 937,999	\$ 1,411,889	\$ 473,890
Property and other local taxes	65,587	64,525	97,124	32,599
Licenses, permits and fees	117,925	116,015	174,628	58,613
Fines and forfeitures	21,353	21,007	31,620	10,613
Intergovernmental	57,677	56,743	85,411	28,668
Special assessments	49,685	48,881	73,576	24,695
Investment income	419,580	412,786	532,589	119,803
Other	9,257	9,107	13,708	4,601
Total budgetary revenues	<u>1,694,500</u>	<u>1,667,063</u>	<u>2,420,545</u>	<u>753,482</u>
Budgetary expenditures:				
Current:				
General government	811,140	1,100,383	1,189,729	(89,346)
Community environment	542,148	575,504	432,507	142,997
Leisure time activity	45,927	45,928	23,435	22,493
Total budgetary expenditures	<u>1,399,215</u>	<u>1,721,815</u>	<u>1,645,671</u>	<u>76,144</u>
Budgetary excess (deficiency) of revenues over (under) expenditures	<u>295,285</u>	<u>(54,752)</u>	<u>774,874</u>	<u>829,626</u>
Budgetary other financing uses:				
Transfers out	<u>(432,600)</u>	<u>(432,600)</u>	<u>(532,600)</u>	<u>(100,000)</u>
Total budgetary other financing uses	<u>(432,600)</u>	<u>(432,600)</u>	<u>(532,600)</u>	<u>(100,000)</u>
Net change in fund balances	(137,315)	(487,352)	242,274	729,626
Budgetary fund balances at beginning of year	2,574,511	2,574,511	2,574,511	-
Prior year encumbrances appropriated	158,244	158,244	158,244	-
Budgetary fund balances at end of year	<u>\$ 2,595,440</u>	<u>\$ 2,245,403</u>	<u>\$ 2,975,029</u>	<u>\$ 729,626</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

SCHEDULE 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, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Intergovernmental	40,265	40,265	75,628	35,363
Payment in lieu of taxes	271,399	271,399	509,758	238,359
Total budgetary revenues	311,664	311,664	585,386	273,722
Budgetary expenditures:				
Current:				
General government	219,085	219,085	167,881	51,204
Total budgetary expenditures	219,085	219,085	167,881	51,204
Budgetary excess of revenues over expenditures	92,579	92,579	417,505	324,926
Budgetary other financing uses:				
Transfers out	(81,563)	(81,563)	(62,500)	19,063
Total budgetary other financing uses	(81,563)	(81,563)	(62,500)	19,063
Net change in fund balances	11,016	11,016	355,005	343,989
Budgetary fund balances at beginning of year	343,359	343,359	343,359	-
Budgetary fund balances at end of year	<u>\$ 354,375</u>	<u>\$ 354,375</u>	<u>\$ 698,364</u>	<u>\$ 343,989</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

SCHEDULE 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, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	Over (Under)
				Actual Amounts
Budgetary revenues:				
Intergovernmental	91,982	92,311	109,885	17,574
Payment in lieu of taxes	689,518	691,986	823,720	131,734
Total budgetary revenues	781,500	784,297	933,605	149,308
Budgetary expenditures:				
Current:				
General government	1,155	1,155	725	430
Capital outlay	423,110	423,110	266,115	156,995
Total budgetary expenditures	424,265	424,265	266,840	157,425
Net change in fund balances	357,235	360,032	666,765	306,733
Budgetary fund balances at beginning of year	106,228	106,228	106,228	-
Budgetary fund balances at end of year	<u>\$ 463,463</u>	<u>\$ 466,260</u>	<u>\$ 772,993</u>	<u>\$ 306,733</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Over (Under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Income taxes	\$ 634,615	\$ 351,471	\$ 705,945	\$ 354,474
Intergovernmental	391	215	434	219
Other	11,405	6,317	12,687	6,370
Total budgetary revenues	<u>646,411</u>	<u>358,003</u>	<u>719,066</u>	<u>361,063</u>
Budgetary expenditures:				
Current:				
Security of persons and property	<u>1,197,246</u>	<u>1,189,457</u>	<u>1,161,568</u>	<u>27,889</u>
Total budgetary expenditures	<u>1,197,246</u>	<u>1,189,457</u>	<u>1,161,568</u>	<u>27,889</u>
Budgetary excess of expenditures over revenues	<u>(550,835)</u>	<u>(831,454)</u>	<u>(442,502)</u>	<u>388,952</u>
Budgetary other financing sources:				
Transfers in	<u>388,889</u>	<u>215,380</u>	<u>432,600</u>	<u>217,220</u>
Total budgetary other financing sources	<u>388,889</u>	<u>215,380</u>	<u>432,600</u>	<u>217,220</u>
Net change in fund balances	(161,946)	(616,074)	(9,902)	606,172
Budgetary fund balances at beginning of year	616,073	616,073	616,073	-
Prior year encumbrances appropriated	<u>45,182</u>	<u>45,182</u>	<u>45,182</u>	<u>-</u>
Budgetary fund balances at end of year	<u>\$ 499,309</u>	<u>\$ 45,181</u>	<u>\$ 651,353</u>	<u>\$ 606,172</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget -</u>
			<u>Basis</u>	<u>Over (Under)</u>
				<u>Actual Amounts</u>
Budgetary expenditures:				
Current:				
General government	<u>572,752</u>	<u>572,752</u>	<u>102,036</u>	<u>470,716</u>
Total budgetary expenditures	<u>572,752</u>	<u>572,752</u>	<u>102,036</u>	<u>470,716</u>
Net change in fund balances	(572,752)	(572,752)	(102,036)	470,716
Budgetary fund balances at beginning of year	<u>572,752</u>	<u>572,752</u>	<u>572,752</u>	<u>-</u>
Budgetary fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,716</u>	<u>\$ 470,716</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - TRADITIONAL PLAN

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.004130%	\$ 1,081,251	\$ 861,579	125.50%	79.01%
2023	0.005189%	1,532,833	1,066,621	143.71%	75.74%
2022	0.005177%	450,420	944,986	47.66%	92.62%
2021	0.005462%	808,803	939,586	86.08%	86.88%
2020	0.004978%	983,935	899,686	109.36%	82.17%
2019	0.004299%	1,177,409	752,314	156.50%	74.70%
2018	0.004083%	640,544	660,162	97.03%	84.66%
2017	0.004419%	1,003,480	647,800	154.91%	77.25%
2016	0.004571%	791,755	666,625	118.77%	81.08%
2015	0.004643%	559,999	664,133	84.32%	86.45%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 177,430	\$ (177,430)	\$ -	\$ 1,267,357	14.00%
2023	120,621	(120,621)	-	861,579	14.00%
2022	149,327	(149,327)	-	1,066,621	14.00%
2021	132,298	(132,298)	-	944,986	14.00%
2020	131,542	(131,542)	-	939,586	14.00%
2019	125,956	(125,956)	-	899,686	14.00%
2018	105,324	(105,324)	-	752,314	14.00%
2017	85,821	(85,821)	-	660,162	13.00%
2016	77,736	(77,736)	-	647,800	12.00%
2015	79,995	(79,995)	-	666,625	12.00%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION ASSET AND
CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) - MEMBER DIRECTED PLAN

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.006796%	\$ 758	\$ 50,060	1.51%	134.44%
2023	0.006959%	544	47,370	1.15%	126.74%
2022	0.007093%	1,288	44,470	2.90%	171.84%
2021	0.007190%	1,312	43,180	3.04%	188.21%
2020	0.007611%	288	45,240	0.64%	118.84%
2019	0.007477%	170	42,740	0.40%	113.42%
2018	0.006693%	234	36,690	0.64%	124.46%
2017	0.008342%	35	43,308	0.08%	103.40%
2016	0.006787%	26	37,800	0.07%	103.91%
2015	n/a	n/a	n/a	n/a	n/a

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 8,107	\$ (8,107)	\$ -	\$ 81,070	10.00%
2023	5,006	(5,006)	-	50,060	10.00%
2022	4,737	(4,737)	-	47,370	10.00%
2021	4,447	(4,447)	-	44,470	10.00%
2020	4,318	(4,318)	-	43,180	10.00%
2019	4,524	(4,524)	-	45,240	10.00%
2018	4,274	(4,274)	-	42,740	10.00%
2017	3,669	(3,669)	-	36,690	10.00%
2016	5,197	(5,197)	-	43,308	12.00%
2015	4,536	(4,536)	-	37,800	12.00%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.
n/a - information not available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Calendar Year (1)	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.01719310%	\$ 1,661,091	\$ 558,626	297.35%	63.63%
2023	0.01683450%	1,599,114	562,089	284.49%	62.90%
2022	0.01686630%	1,053,709	528,426	199.41%	75.03%
2021	0.01678710%	1,144,392	476,300	240.27%	70.65%
2020	0.15364300%	1,035,021	460,505	224.76%	69.89%
2019	0.01411500%	1,152,157	356,411	323.27%	63.07%
2018	0.01382200%	848,334	454,874	186.50%	70.91%
2017	0.01436900%	910,100	339,916	267.74%	68.36%
2016	0.01486100%	955,994	368,916	259.14%	66.77%
2015	0.01437250%	744,555	346,826	214.68%	72.20%

Calendar Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 130,835	\$ (130,835)	\$ -	\$ 688,605	19.00%
2023	106,139	(106,139)	-	558,626	19.00%
2022	106,797	(106,797)	-	562,089	19.00%
2021	100,401	(100,401)	-	528,426	19.00%
2020	90,497	(90,497)	-	476,300	19.00%
2019	87,496	(87,496)	-	460,505	19.00%
2018	67,718	(67,718)	-	356,411	19.00%
2017	86,426	(86,426)	-	454,874	19.00%
2016	64,584	(64,584)	-	339,916	19.00%
2015	70,094	(70,094)	-	368,916	19.00%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability/(Asset)	City's Proportionate Share of the Net OPEB Liability/(Asset)	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.004134%	\$ (37,311)	\$ 911,639	4.09%	107.76%
2023	0.005117%	32,263	1,113,991	2.90%	94.79%
2022	0.510300%	(159,834)	989,456	16.15%	128.23%
2021	0.005372%	(95,706)	982,766	9.74%	115.57%
2020	0.004935%	681,652	944,926	72.14%	47.80%
2019	0.004298%	560,358	795,054	70.48%	46.33%
2018	0.004070%	441,972	696,852	63.42%	54.14%
2017	0.004431%	447,562	691,108	64.76%	54.05%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,243	\$ (3,243)	\$ -	\$ 1,348,427	0.24%
2023	2,003	(2,003)	-	911,639	0.22%
2022	1,895	(1,895)	-	1,113,991	0.17%
2021	1,779	(1,779)	-	989,456	0.18%
2020	1,727	(1,727)	-	982,766	0.18%
2019	1,810	(1,810)	-	944,926	0.19%
2018	1,710	(1,710)	-	795,054	0.22%
2017	8,069	(8,069)	-	696,852	1.16%
2016	13,822	(13,822)	-	691,108	2.00%
2015	7,484	(7,484)	-	704,425	1.06%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	City's Proportion of the Net OPEB Liability	City's Proportionate Share of the Net OPEB Liability	City's Covered Payroll	City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.01719310%	\$ 125,532	\$ 558,626	22.47%	51.89%
2023	0.01683450%	119,857	562,089	21.32%	52.59%
2022	0.01686630%	184,869	528,426	34.98%	46.86%
2021	0.01678710%	177,862	476,300	37.34%	45.42%
2020	0.01536430%	151,764	460,505	32.96%	47.08%
2019	0.01411500%	128,539	356,411	36.06%	46.57%
2018	0.01382200%	783,146	454,874	172.17%	14.13%
2017	0.01436900%	682,064	339,916	200.66%	15.96%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
<i>Police:</i>					
2024	\$ 3,443	\$ (3,443)	\$ -	\$ 688,605	0.50%
2023	2,793	(2,793)	-	558,626	0.50%
2022	2,810	(2,810)	-	562,089	0.50%
2021	2,642	(2,642)	-	528,426	0.50%
2020	2,382	(2,382)	-	476,300	0.50%
2019	2,303	(2,303)	-	460,505	0.50%
2018	1,782	(1,782)	-	356,411	0.50%
2017	2,274	(2,274)	-	454,874	0.50%
2016	1,700	(1,700)	-	339,916	0.50%
2015	1,894	(1,894)	-	368,916	0.50%

(1) Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BUDGETARY PROCESS

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 schedule of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and any major special revenue fund is 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);
- (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); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>	Eagle Ridge <u>TIF</u>	Timber Ridge <u>TIF</u>	<u>Police</u>	<u>ARPA</u>
Budget basis	\$ 242,274	\$ 355,005	\$ 666,765	\$ (9,902)	\$ (102,036)
Net adjustment for revenue accruals	110,329	-	-	22,550	102,036
Net adjustment for expenditure accruals	24,355	-	-	(10,402)	-
Net adjustment for other sources/uses	-	-	-	-	-
Adjustments for encumbrances	110,437	-	-	9,320	-
GAAP Basis	<u>\$ 487,395</u>	<u>\$ 355,005</u>	<u>\$ 666,765</u>	<u>\$ 11,566</u>	<u>\$ -</u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the Unclaimed monies fund.

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Change in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%, (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75% and (d) COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2018, then 2.15% simple.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- For 2020, COLA for post 1/7/2013 retirees were changed to 1.40%, simple through 2020, then 2.15% simple.
- For 2021, COLA for post 1/7/2013 retirees were changed to 0.50%, simple through 2021, then 2.15% simple.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- For 2023, COLA for post 1/7/2013 retirees were changed to 3.00%, simple through 2023, then 2.05% simple.
- For 2024, COLA for post 1/7/2013 retirees were changed to 2.30%, simple through 2024, then 2.05% simple.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

Changes in assumptions:

- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.
- There were no changes in assumptions for 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) the investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed to 5.70%, (b) the municipal bond rate was changed to 3.77% and (c) the health care cost trend rate was changed to 5.50% initial, 3.50% ultimate in 2038.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.
- There were no changes in benefit terms from the amounts reported for 2024.

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) investment rate of return was reduced from 8.25% to 8.00%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66% and (b) the municipal bond rate was increased from 3.16% to 4.13%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56% and (b) the municipal bond rate was decreased from 4.13% to 2.75%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96% and (b) the municipal bond rate was decreased from 2.75% to 2.12%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50%, (b) the discount rate was changed from 2.96% to 2.84% and (c) the municipal bond rate was decreased from 2.12% to 2.05%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the municipal bond rate was increased from 2.05% to 3.65%.
- For 2024, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed to 4.07% and (b) and the municipal bond rate was changed to 3.38%.

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 **City of Carlisle**, Warren County, (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2025, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and the Road Department and Fire Capital Improvement funds were adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Perry & Associates CPAs A.C.", enclosed within a thin black rectangular border.

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

July 30, 2025

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Carlisle**, Warren County, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of Carlisle, Warren County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Road Department, Eagle Ridge TIF, Timber Ridge TIF, Police Services, and American Rescue Plan Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the City'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

July 30, 2025

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

The management's discussion and analysis of the City of Carlisle's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City'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 City's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The total net position of the City increased \$1,337,991. Net position of governmental activities increased \$224,816 or 2.13% from 2022's net position and net position of business-type activities increased \$1,113,175 or 18.47% from 2022's net position.
- General revenues accounted for \$4,381,744 or 83.40% of total governmental activities revenue. Program specific revenues accounted for \$872,008 or 16.60% of total governmental activities revenue.
- The City had \$4,380,936 in expenses related to governmental activities; \$872,008 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$3,508,928 were offset by general revenues (primarily income taxes, property taxes and unrestricted grants and entitlements) of \$4,381,744.
- The general fund had revenues of \$2,063,437 in 2023. This represents an increase of \$206,942 from 2022. The expenditures and other financing uses of the general fund, which totaled \$2,237,372 in 2023, increased \$775,576 from 2022. The net decrease in fund balance for the general fund was \$173,935 or 5.49%.
- The road department fund had revenues of \$450,667 in 2023. The expenditures of the road department fund totaled \$460,752 in 2023. The net decrease in fund balance for the road department fund was \$10,085 or 1.11%.
- The Eagle Ridge TIF fund had revenues of \$613,938 in 2023. The expenditures of the Eagle Ridge TIF fund totaled \$445,493. The net increase in fund balance for the Timber Ridge TIF fund was \$168,445 or 96.30%.
- The Timber Ridge TIF fund had revenues of \$825,166 in 2023. The expenditures and other financing sources of the Timber Ridge TIF fund totaled \$688,527. The net increase in fund balance for the Timber Ridge TIF fund was \$136,639 or 449.31%.
- The police services fund had revenues and other financing sources of \$1,164,369 in 2023. The expenditures of the police services fund totaled \$1,096,363. The net increase in fund balance for the police services fund was \$68,006 or 9.80%.
- The Fire Capital Improvement fund had other financing sources of \$598,400 in 2023. The expenditures of the Fire Capital Improvement fund totaled \$650,996. The net decrease in fund balance for the Fire Capital Improvement fund was \$52,596 or 44.95%.
- The American Rescue Plan Act (ARPA) fund had no revenues or expenditures in 2023. The ARPA fund had \$572,752 in unearned grant revenue. The ARPA fund will report revenue as expenditures are incurred.
- Net position for the business-type activities, which are made up of the sewer, water and refuse enterprise funds, increased in 2023 by \$1,113,175.
- In the general fund, the actual revenues and other financing sources came in \$636,120 higher than they were in the final budget and actual expenditures were \$230,051 less than the final budget.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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 City 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 City as a whole, presenting both an aggregate view of the City'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 City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" 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 City's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City 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 City'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 City is divided into two distinct kinds of activities:

Governmental activities - Most of the City'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 City's sewer, water and refuse operations are reported here.

Reporting the City'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 City, 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 City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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 reader 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 City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, road department fund, Eagle Ridge TIF fund, Timber Ridge TIF fund, police services fund, fire capital improvement fund, and the ARPA 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.

Proprietary Funds

The City 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 City uses enterprise funds to account for its sewer, water and refuse management functions. All of the City's enterprise funds are considered major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type.

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.

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 and net other postemployment benefit (OPEB) liability.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Government-Wide Financial Analysis

The table below provides a summary of the City's net position at December 31, 2023 and 2022.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>Assets</u>						
Current assets	\$ 8,672,863	\$ 8,551,089	\$ 6,347,272	\$ 5,531,192	\$ 15,020,135	\$ 14,082,281
Capital assets, net	5,857,618	5,598,180	1,418,087	1,203,334	7,275,705	6,801,514
Total assets	14,530,481	14,149,269	7,765,359	6,734,526	22,295,840	20,883,795
<u>Deferred outflows of resources</u>						
Pension	943,369	602,531	324,567	145,025	1,267,936	747,556
OPEB	145,929	124,826	49,961	9,742	195,890	134,568
Total deferred outflows of resources	1,089,298	727,357	374,528	154,767	1,463,826	882,124
<u>Liabilities</u>						
Current liabilities	977,259	1,099,765	135,910	78,197	1,113,169	1,177,962
Long-term liabilities:						
Due within one year	26,625	363,394	6,259	33,949	32,884	397,343
Net pension liability	2,347,909	1,257,390	784,038	246,739	3,131,947	1,504,129
Net OPEB liability	135,618	184,869	16,502	-	152,120	184,869
Other amounts	266,430	7,068	22,784	52,110	289,214	59,178
Total liabilities	3,753,841	2,912,486	965,493	410,995	4,719,334	3,323,481
<u>Deferred inflows of resources</u>						
Property taxes and PILOTs	896,834	693,927	-	-	896,834	693,927
Pension	67,954	580,109	24,718	351,616	92,672	931,725
OPEB	133,036	146,806	8,211	98,392	141,247	245,198
Total deferred inflows of resources	1,097,824	1,420,842	32,929	450,008	1,130,753	1,870,850
<u>Net Position</u>						
Net investment in capital assets	5,584,218	4,813,180	1,418,087	1,203,334	7,002,305	6,016,514
Restricted	3,119,190	2,760,024	278	-	3,119,468	2,760,024
Unrestricted	2,064,706	2,970,094	5,723,100	4,824,956	7,787,806	7,795,050
Total net position	\$10,768,114	\$ 10,543,298	\$ 7,141,465	\$ 6,028,290	\$ 17,909,579	\$ 16,571,588

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, *"Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27."* The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB, the net pension asset, and the net OPEB asset.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 City is not responsible for certain key factors affecting the balance of these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$17,909,579. At year-end, net position was \$10,768,114 and \$7,141,465 for the governmental activities and the business-type activities, respectively.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Capital assets reported on the government-wide statements represent the largest portion of the City's assets. At year-end, capital assets represented 32.63% of total assets. Capital assets include land, buildings and improvements, furniture and equipment, vehicles and infrastructure. Net investment in capital assets at December 31, 2023, was \$5,584,218 and \$1,418,087 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 City'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.

Liabilities of the governmental activities increased \$841,355 or 28.89% from 2022. Current liabilities of the governmental activities decreased \$122,506 due to a decrease in the City's notes payable. Long-term obligations of the governmental activities increased \$963,861 or 53.17% due to an increase in the City's net pension liability. The City reports its proportionate share of OP&F OPEB liability.

Liabilities of the business-type activities increased \$554,498 or 134.91% from 2022. Long-term obligations of the business-type activities increased primarily due to an increase in the City's net pension liability.

A portion of the City's net position, \$3,119,468, 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 \$2,064,706.

The net pension liability for governmental activities increased approximately \$1.1 million, deferred outflow of resources related to pension increased approximately \$300,000 and deferred inflows of resources related to pension decreased approximately \$500,000. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

The net pension liability for business-type activities increased approximately \$500,000, deferred outflow of resources related to pension increased approximately \$200,000 and deferred inflows of resources related to pension decreased approximately \$326,898. These changes were the result of changes at the pension system level for the Ohio Public Employees Retirement System (OPERS). Primarily, net investment income on investments at the pension system were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

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CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

The table below shows the changes in net position for 2023 and 2022.

	Governmental Activities 2023	Business-type Activities 2023	Governmental Activities 2022	Business-type Activities 2022	2023 Total	2022 Total
Revenues						
Program revenues:						
Charges for services	\$ 284,419	\$ 2,931,812	\$ 243,575	\$ 2,657,240	\$ 3,216,231	\$ 2,900,815
Operating grants and contributions	577,451	-	545,637	-	577,451	545,637
Capital grants and contributions	10,138	-	27,862	-	10,138	27,862
Total program revenues	<u>872,008</u>	<u>2,931,812</u>	<u>817,074</u>	<u>2,657,240</u>	<u>3,803,820</u>	<u>3,474,314</u>
General revenues:						
Property taxes	235,882	-	239,046	-	235,882	239,046
Income taxes	2,022,715	-	1,864,813	-	2,022,715	1,864,813
Unrestricted grants and entitlements	332,080	-	193,216	-	332,080	193,216
Payment in lieu of taxes	1,413,084	-	1,248,359	-	1,413,084	1,248,359
Investment earnings	255,641	49,134	73,958	-	304,775	73,958
Decrease in fair value of investments	(1,800)	-	(72,461)	-	(1,800)	(72,461)
Miscellaneous	124,142	-	236,250	-	124,142	236,250
Total general revenues	<u>4,381,744</u>	<u>49,134</u>	<u>3,783,181</u>	<u>-</u>	<u>4,430,878</u>	<u>3,783,181</u>
Total revenues	<u>5,253,752</u>	<u>2,980,946</u>	<u>4,600,255</u>	<u>2,657,240</u>	<u>8,234,698</u>	<u>7,257,495</u>
Expenses:						
General government	1,976,768	-	1,731,165	-	1,976,768	1,731,165
Security of persons and property	1,325,725	-	1,085,499	-	1,325,725	1,085,499
Public health and welfare	-	-	26,204	-	-	26,204
Transportation	731,742	-	646,285	-	731,742	646,285
Community environment	267,405	-	254,986	-	267,405	254,986
Leisure time activity	56,124	-	58,679	-	56,124	58,679
Interest and fiscal charges	23,172	-	7,254	-	23,172	7,254
Sewer	-	1,256,062	-	1,045,569	1,256,062	1,045,569
Refuse	-	729,090	-	599,951	729,090	599,951
Water	-	530,619	-	502,960	530,619	502,960
Total expenses	<u>4,380,936</u>	<u>2,515,771</u>	<u>3,810,072</u>	<u>2,148,480</u>	<u>6,896,707</u>	<u>5,958,552</u>
Income before transfers	<u>872,816</u>	<u>465,175</u>	<u>790,183</u>	<u>508,760</u>	<u>1,337,991</u>	<u>1,298,943</u>
Transfers	<u>(648,000)</u>	<u>648,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	224,816	1,113,175	790,183	508,760	1,337,991	1,298,943
Net position at beginning of year	<u>10,543,298</u>	<u>6,028,290</u>	<u>9,753,115</u>	<u>5,519,530</u>	<u>16,571,588</u>	<u>15,272,645</u>
Net position at end of year	<u>\$ 10,768,114</u>	<u>\$ 7,141,465</u>	<u>\$ 10,543,298</u>	<u>\$ 6,028,290</u>	<u>\$ 17,909,579</u>	<u>\$ 16,571,588</u>

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Governmental Activities

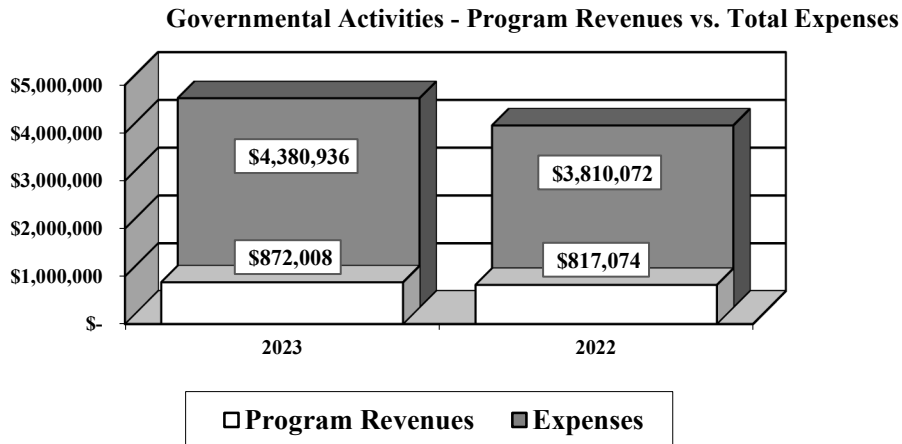
Governmental activities net position increased \$224,816 in 2023.

Transportation expenses totaled \$731,742 or 16.70% of the total governmental expenses of the City. Security of persons and property which primarily supports the operation of police and fire services accounted for \$1,325,725 or 30.26% of the total governmental expenses of the City. General government expenses totaled \$1,976,768. General government expenses were partially funded by \$102,409 in direct charges to users of the services.

The state and federal government contributed to the City a total of \$577,451 in operating grants and contributions and capital grants and contributions of \$10,138. These revenues are restricted to a particular program or purpose.

General revenues totaled \$4,381,744 and amounted to 83.40% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$2,258,597. 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 \$332,080 and payments in lieu of taxes of \$1,413,084.

As can be seen in the graph below, the City 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 2023.



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.

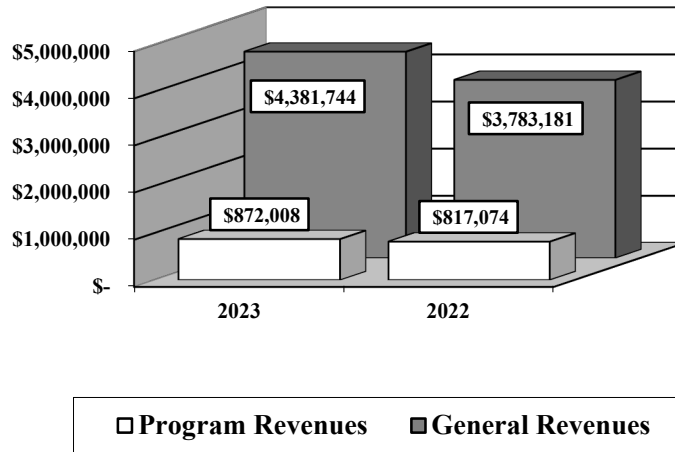
	Governmental Activities			
	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	Services	Services	Services	Services
	2023	2023	2022	2022
Program expenses:				
General government	\$ 1,976,768	\$ 1,874,359	\$ 1,731,165	\$ 1,636,033
Security of persons and property	1,325,725	1,322,576	1,085,499	1,085,267
Public health and welfare	-	-	26,204	26,204
Transportation	731,742	157,440	646,285	100,880
Community environment	267,405	75,257	254,986	78,681
Leisure time activity	56,124	56,124	58,679	58,679
Interest and fiscal charges	23,172	23,172	7,254	7,254
Total	\$ 4,380,936	\$ 3,508,928	\$ 3,810,072	\$ 2,992,998

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

The dependence upon general revenues for governmental activities is apparent, with 80.10% of expenses supported through taxes and other general revenues. The chart below illustrates the City's program revenues versus general revenues for 2023 and 2022.

Governmental Activities - General and Program Revenues

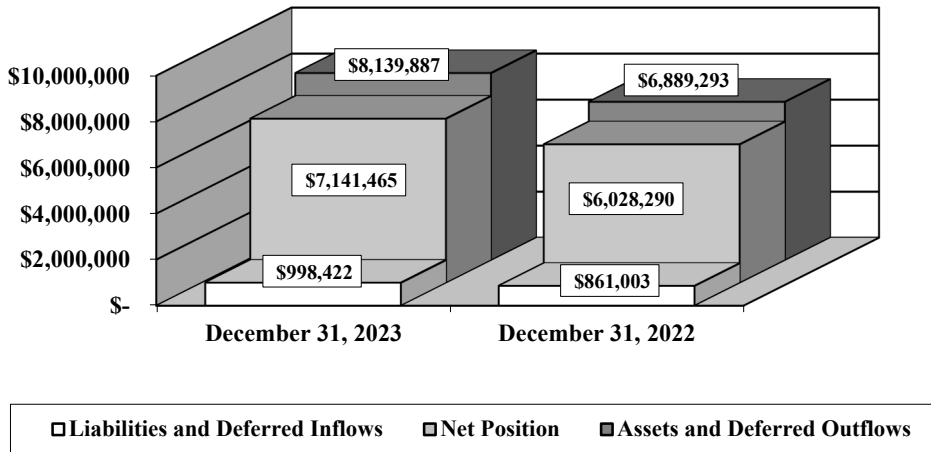


Business-Type Activities

Business-type activities include the sewer, water, and refuse enterprise funds. These programs had program revenues of \$2,931,812 and expenses of \$2,515,771 for 2023.

The graph below shows the business-type activities assets and deferred outflows, liabilities and deferred inflows, and net position at year-end.

Net Position in Business – Type Activities



CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The City's governmental funds reported a combined fund balance of \$6,271,081 which is \$65,383 higher than last year's balance of \$6,205,698.

The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 and 2022 for all major and non-major governmental funds.

	Fund Balances 12/31/23	Fund Balances 12/31/22	Change
Major funds:			
General	\$ 2,996,579	\$ 3,170,514	\$ (173,935)
Road Department	895,397	905,482	(10,085)
Eagle Ridge TIF	343,359	174,914	168,445
Timber Ridge TIF	106,228	(30,411)	136,639
Police Services	761,980	693,974	68,006
Fire Capital Improvement	64,404	117,000	(52,596)
Other nonmajor governmental funds	<u>1,103,134</u>	<u>1,174,225</u>	<u>(71,091)</u>
Total	<u>\$ 6,271,081</u>	<u>\$ 6,205,698</u>	<u>\$ 65,383</u>

General Fund

The City's general fund balance decreased \$173,935. The table that follows assists in illustrating the revenues of the general fund.

	2023 Amount	2022 Amount	Percentage Change
<u>Revenues</u>			
Taxes	\$ 1,424,338	\$ 1,337,926	6.46 %
Licenses and permits	182,010	148,443	22.61 %
Fines and forfeitures	39,376	37,240	5.74 %
Intergovernmental	84,477	86,682	(2.54) %
Special assessments	56,332	56,510	(0.31) %
Investment income	210,170	44,763	369.52 %
Decrease in fair value of investments	(1,800)	(72,461)	(97.52) %
Other	<u>68,534</u>	<u>217,318</u>	(68.46) %
Total	<u>\$ 2,063,437</u>	<u>\$ 1,856,421</u>	11.15 %

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Tax revenue represents 69.02% of all general fund revenue. Tax revenue increased 6.46% from the prior year primarily due to an increase in income tax collections. Other revenues decreased \$148,784 due primarily to a decrease in refunds and other miscellaneous revenues received during 2023. During 2023 there was a decrease in fair value of investments of \$1,800. Licenses and permits increased \$33,567 due primarily to an increase in permit revenues during 2023. Fines and forfeitures increased \$2,136 due primarily to an increase in court revenues during 2023. Intergovernmental revenues decreased \$2,205 due primarily to less grant money during 2023.

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

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 759,804	\$ 634,624	19.73 %
Community environment	246,080	244,729	0.55 %
Leisure time activity	<u>50,888</u>	<u>53,443</u>	(4.78) %
Total	<u>\$ 1,056,772</u>	<u>\$ 932,796</u>	13.29 %

The City increased total expenditures by 13.29%. General government expenditures increased \$125,180 or 19.73% mostly due to an increase in contractual service expenditures. Community environment expenditures increased \$1,351 primarily due to an increase in consulting service charges. Leisure time activities expenditures decreased \$2,555 due to a decrease in operating supplies expenditures.

Road Department Fund

The road department fund had revenues of \$450,667 in 2023. The expenditures of the road department fund totaled \$460,752 in 2023. The net decrease in fund balance for the road department fund was \$10,085 or 1.11%.

Eagle Ridge TIF Fund

The Eagle Ridge TIF fund had revenues of \$613,938 in 2023. The expenditures and other financing uses of the Eagle Ridge TIF fund totaled \$445,493 in 2023. The net increase in fund balance for the Eagle Ridge TIF fund was \$168,445 or 96.30%.

Timber Ridge TIF Fund

The Timber Ridge TIF fund had revenues of \$825,166 in 2023. The expenditures and other financing uses of the Timber Ridge TIF fund totaled \$688,527 in 2023. The net increase in fund balance for the Timber Ridge TIF fund was \$136,639 or 449.31%.

Police Services Fund

The police services fund had revenues and other financing sources of \$1,164,369 in 2023. The expenditures of the police services fund totaled \$1,096,363 in 2023. The net increase in fund balance for the police services fund was \$68,006 or 9.8%.

ARPA Fund

The ARPA fund had no revenues or expenditures in 2023. The ARPA fund had \$572,752 in unearned grant revenue. The ARPA fund will report revenue as expenditures are incurred.

Fire Capital Improvement Fund

The fire capital improvement fund had other financing sources of \$598,400 in 2023. The expenditures of the fire capital improvement fund totaled \$650,996 in 2023. The net decrease in fund balance for the fire capital improvement fund was \$52,596 or 44.95%.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Other Governmental Funds

The other governmental funds had revenues and other financing sources of \$726,462 in 2023. The expenditures and other financing uses of the other governmental funds totaled \$797,553 in 2023. The net decrease in fund balance for the other governmental funds was \$71,091.

Budgeting Highlights – General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City'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.

In the general fund, the original budgeted revenues and other financing sources were \$1,676,000 and final budgeted revenues and other financing sources were \$1,400,297. Actual revenues and other financing sources of \$2,036,417 were more than final budgeted revenues by \$636,120. Final budgeted expenditures and other financing uses were \$85,552 higher than original budgeted expenditures and other financing uses. Actual expenditures and other financing uses of \$2,343,632 were \$230,051 lower than the final budgeted amounts, primarily due to expenditures for general government and community environment being less than budgeted.

Proprietary Funds

The City'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 City has three major enterprise funds: the sewer fund, water fund, and refuse fund.

Sewer Fund

The sewer fund had operating revenues of \$1,587,281 in 2023. The operating expenses of the sewer fund totaled \$1,256,062 in 2023. The net increase in net position for the sewer fund was \$367,620 or 9.2%.

Water Fund

The water fund had operating revenues of \$783,431 in 2023. The operating expenses of the water fund totaled \$729,090 in 2023. The net increase in net position for the water fund was \$707,654 or 45.81%.

Refuse Fund

The refuse fund had operating revenues of \$561,100 in 2023. The operating expenses of the refuse fund totaled \$530,619 in 2023. The net increase in net position for the refuse fund was \$37,901 or 7.74%.

Capital Assets and Debt Administration

Capital Assets

At the end of 2023, the City had \$7,275,705 (net of accumulated depreciation) invested in land, buildings and improvements, furniture and equipment, vehicles, and infrastructure. Of this total, \$5,857,618 was reported in governmental activities and \$1,418,087 was reported in business-type activities.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

The following table shows December 31, 2023 balances compared to December 31, 2022:

Capital Assets at December 31, 2023 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 794,860	\$ 906,888	\$ -	\$ -	\$ 794,860	\$ 906,888
Buildings and improvements	504,554	529,467	-	-	504,554	529,467
Furniture and equipment	208,558	206,161	60,817	72,495	269,375	278,656
Vehicles	885,724	237,189	384,287	62,610	1,270,011	299,799
Infrastructure	<u>3,463,922</u>	<u>3,718,475</u>	<u>972,983</u>	<u>1,068,229</u>	<u>4,436,905</u>	<u>4,786,704</u>
Totals	<u>\$ 5,857,618</u>	<u>\$ 5,598,180</u>	<u>\$ 1,418,087</u>	<u>\$ 1,203,334</u>	<u>\$ 7,275,705</u>	<u>\$ 6,801,514</u>

The City's infrastructure is the largest capital asset category. The net book value of the City's infrastructure represents approximately 59.14% of the City's total governmental capital assets.

The City's largest business-type capital asset category is infrastructure, which includes 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 City's infrastructure (cost less accumulated depreciation) represents approximately 68.61% of the City's total business-type capital assets.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
General obligation bonds	\$ -	\$ 35,000
General obligation notes	<u>-</u>	<u>280,000</u>
Total long-term obligations	<u>\$ -</u>	<u>\$ 315,000</u>

The decrease in general obligation notes is primarily due to the reclassification of short-term notes from long-term obligations to short-term liabilities in 2023 (see Note 19). Further detail on the City's long-term obligations can be found in Note 11 to the financial statements.

Economic Conditions and Outlook

Located in the northernmost corner of Warren County and spreading into southern Montgomery County, 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 to "village" status. However, the 2023 Census data shows a total population of 5,501 thus moving Carlisle back to "city" status.

CITY OF CARLISLE, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

Although Carlisle is often thought of as a quiet bedroom community, the municipality has taken active steps to secure its financial future by the development of two business parks within the village 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. The Municipality continues to work with various agencies – both public and private – to market the economic development opportunities in Carlisle.

Despite the uncertainty surrounding the economy due to the COVID19 Pandemic and supply chain issues, the Municipality 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 2023 budget, the Municipality utilizes a basic incremental philosophy to submit a budget to Council that balances the operational and capital needs with the available resources. Local income tax collections for 2023 are projected to be similar to income tax collections for 2022.

The Municipality continues to struggle to find ways to offset the previous funding reductions at both the State and Federal level as well as general downsizing/rightsizing in overall industry. However, the number of new residential housing has continued to increase in 2023 as compared to 2022 indicating the continuing economic recovery for the area. The total assessed valuation of the municipality is \$113,343,230, an increase over TY2022's assessed valuation of \$109,584,080. The Municipality continues to prepare itself financially for future lean revenue years with minimal disruption in local services. The Municipality continues to rely heavily on shared-services and reliance on the enterprise funds for cost allocation. A truer cost allocation of services would better align Municipal departments. Council and staff will continue to discuss other economic options in FY2023 to determine options to help insure the long-term financial stability of the village.

These economic factors were considered in preparing the Municipality's budget for fiscal year 2023. Budgeted revenues and other financing sources in the General Fund for fiscal year 2023 budget are \$1,676,000. The Municipality will continue conservative budgeting practices and will continue to look at long-term budget forecasts to make adequate plans to maintain solvency.

Contacting the City's Financial Management

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

CITY OF CARLISLE, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,678,769	\$ 6,176,487	\$ 12,855,256
Receivables (net of allowances for uncollectibles):			
Income taxes	608,546	-	608,546
Property and other taxes	248,784	-	248,784
Payment in lieu of taxes	655,280	-	655,280
Accounts	17,955	140,804	158,759
Accrued interest	42,164	-	42,164
Special assessments	4,008	20,452	24,460
Due from other governments	357,410	-	357,410
Materials and supplies inventory	41,497	4,026	45,523
Prepayments	18,184	5,225	23,409
Net pension asset	266	278	544
Capital assets:			
Nondepreciable capital assets	794,860	-	794,860
Depreciable capital assets, net	5,062,758	1,418,087	6,480,845
Total capital assets, net	5,857,618	1,418,087	7,275,705
Total assets	14,530,481	7,765,359	22,295,840
Deferred outflows of resources:			
Pension	943,369	324,567	1,267,936
OPEB	145,929	49,961	195,890
Total deferred outflows of resources	1,089,298	374,528	1,463,826
Total assets and deferred outflows of resources	15,619,779	8,139,887	23,759,666
Liabilities:			
Accounts payable	61,631	125,349	186,980
Accrued wages and benefits payable	20,171	7,328	27,499
Due to other governments	19,295	3,233	22,528
Accrued interest payable	23,410	-	23,410
Notes payable	280,000	-	280,000
Unearned revenue	572,752	-	572,752
Long-term liabilities:			
Due within one year	26,625	6,259	32,884
Due in more than one year:			
Net pension liability	2,347,909	784,038	3,131,947
Net OPEB liability	135,618	16,502	152,120
Other amounts due in more than one year	266,430	22,784	289,214
Total liabilities	3,753,841	965,493	4,719,334
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	241,554	-	241,554
Payments in lieu of taxes levied for the next fiscal year	655,280	-	655,280
Pension	67,954	24,718	92,672
OPEB	133,036	8,211	141,247
Total deferred inflows of resources	1,097,824	32,929	1,130,753
Total liabilities and deferred inflows of resources	4,851,665	998,422	5,850,087
Net position:			
Net investment in capital assets	5,584,218	1,418,087	7,002,305
Restricted for:			
Capital projects	170,520	-	170,520
Transportation projects	1,040,459	-	1,040,459
Public safety	1,883,441	-	1,883,441
Pension	266	278	544
Other purposes	24,504	-	24,504
Unrestricted	2,064,706	5,723,100	7,787,806
Total net position	\$ 10,768,114	\$ 7,141,465	\$ 17,909,579

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,976,768	\$ 102,409	\$ -	\$ -
Security of persons and property	1,325,725	-	3,149	-
Transportation	731,742		574,302	-
Community environment	267,405	182,010	-	10,138
Leisure time activity	56,124	-	-	-
Interest and fiscal charges	23,172	-	-	-
Total governmental activities	4,380,936	284,419	577,451	10,138
Business-type activities:				
Sewer	1,256,062	1,587,281	-	-
Water	729,090	783,431	-	-
Refuse	530,619	561,100	-	-
Total business-type activities	2,515,771	2,931,812	-	-
Total primary government	<u>\$ 6,896,707</u>	<u>\$ 3,216,231</u>	<u>\$ 577,451</u>	<u>\$ 10,138</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				
Decrease in fair value of investments				
Miscellaneous				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-type Activities	Total
\$ (1,874,359)	\$ -	\$ (1,874,359)
(1,322,576)	-	(1,322,576)
(157,440)	-	(157,440)
(75,257)	-	(75,257)
(56,124)	-	(56,124)
(23,172)	-	(23,172)
<u>(3,508,928)</u>	<u>-</u>	<u>(3,508,928)</u>
-	331,219	331,219
-	54,341	54,341
-	30,481	30,481
<u>-</u>	<u>416,041</u>	<u>416,041</u>
<u>(3,508,928)</u>	<u>416,041</u>	<u>(3,092,887)</u>
92,058	-	92,058
143,824	-	143,824
1,348,476	-	1,348,476
674,239	-	674,239
332,080	-	332,080
1,413,084	-	1,413,084
255,641	49,134	304,775
(1,800)	-	(1,800)
124,142	-	124,142
<u>4,381,744</u>	<u>49,134</u>	<u>4,430,878</u>
<u>(648,000)</u>	<u>648,000</u>	<u>-</u>
<u>3,733,744</u>	<u>697,134</u>	<u>4,430,878</u>
224,816	1,113,175	1,337,991
10,543,298	6,028,290	16,571,588
<u>\$ 10,768,114</u>	<u>\$ 7,141,465</u>	<u>\$ 17,909,579</u>

CITY OF CARLISLE, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Road Department	Eagle Ridge TIF	Timber Ridge TIF
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,679,384	\$ 799,581	\$ 343,359	\$ 106,228
Receivables:				
Income taxes	405,697	-	-	-
Property and other taxes	98,812	-	-	-
Payment in lieu of taxes	-	-	213,428	340,802
Accounts	17,899	-	-	-
Special assessments	4,008	-	-	-
Interfund loans	70,000	-	-	-
Accrued interest	42,164	-	-	-
Due from other governments	30,055	181,371	34,836	55,626
Materials and supplies inventory	4,688	34,967	-	-
Prepayments	4,111	938	-	-
Total assets	<u>\$ 3,356,818</u>	<u>\$ 1,016,857</u>	<u>\$ 591,623</u>	<u>\$ 502,656</u>
Liabilities:				
Accounts payable	\$ 50,334	\$ 1,252	\$ -	\$ -
Accrued wages and benefits	5,145	1,203	-	-
Due to other governments	7,580	186	-	-
Interfund loans payable	-	-	-	-
Notes payable	-	-	-	-
Accrued interest payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>63,059</u>	<u>2,641</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	95,959	-	-	-
Payments in lieu of taxes levied for the next fiscal year	-	-	213,428	340,802
Delinquent property tax revenue not available	2,853	-	-	-
Special assessments revenue not available	4,008	-	-	-
Accrued interest not available	25,610	-	-	-
Income tax revenue not available	155,248	-	-	-
Intergovernmental revenue not available	13,502	118,819	34,836	55,626
Total deferred inflows of resources	<u>297,180</u>	<u>118,819</u>	<u>248,264</u>	<u>396,428</u>
Total liabilities and deferred inflows of resources.	<u>360,239</u>	<u>121,460</u>	<u>248,264</u>	<u>396,428</u>
Fund balances:				
Nonspendable	8,799	35,905	-	-
Restricted	-	859,492	343,359	106,228
Committed	-	-	-	-
Assigned	130,464	-	-	-
Unassigned (deficit)	2,857,316	-	-	-
Total fund balances	<u>2,996,579</u>	<u>895,397</u>	<u>343,359</u>	<u>106,228</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,356,818</u>	<u>\$ 1,016,857</u>	<u>\$ 591,623</u>	<u>\$ 502,656</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Police Services	American Rescue Plan	Fire Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 661,255	\$ 572,752	\$ 66,542	\$ 1,449,668	\$ 6,678,769
202,849	-	-	-	608,546
-	-	-	149,972	248,784
-	-	-	101,050	655,280
-	-	-	56	17,955
-	-	-	-	4,008
-	-	-	-	70,000
-	-	-	-	42,164
-	-	-	55,522	357,410
-	-	-	1,842	41,497
7,244	-	-	5,891	18,184
<u>\$ 871,348</u>	<u>\$ 572,752</u>	<u>\$ 66,542</u>	<u>\$ 1,764,001</u>	<u>\$ 8,742,597</u>
\$ 6,784	\$ -	\$ 2,138	\$ 1,123	61,631
13,823	-	-	-	20,171
11,137	-	-	392	19,295
-	-	-	70,000	70,000
-	-	-	280,000	280,000
-	-	-	22,250	22,250
-	572,752	-	-	572,752
<u>31,744</u>	<u>572,752</u>	<u>2,138</u>	<u>373,765</u>	<u>1,046,099</u>
-	-	-	145,595	241,554
-	-	-	101,050	655,280
-	-	-	4,377	7,230
-	-	-	-	4,008
-	-	-	-	25,610
77,624	-	-	-	232,872
-	-	-	36,080	258,863
<u>77,624</u>	<u>-</u>	<u>-</u>	<u>287,102</u>	<u>1,425,417</u>
<u>109,368</u>	<u>572,752</u>	<u>2,138</u>	<u>660,867</u>	<u>2,471,516</u>
7,244	-	-	7,733	59,681
754,736	-	64,404	940,983	3,069,202
-	-	-	512,908	512,908
-	-	-	-	130,464
-	-	-	(358,490)	2,498,826
<u>761,980</u>	<u>-</u>	<u>64,404</u>	<u>1,103,134</u>	<u>6,271,081</u>
<u>\$ 871,348</u>	<u>\$ 572,752</u>	<u>\$ 66,542</u>	<u>\$ 1,764,001</u>	<u>\$ 8,742,597</u>

CITY OF CARLISLE, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances	\$	6,271,081
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Amounts reported for governmental activities on the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		5,857,618
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.

Income taxes receivable	\$	232,872
Property taxes receivable		7,230
Accrued interest receivable		25,610
Special assessments receivable		4,008
Intergovernmental receivable		258,863
		258,863

Total		528,583
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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	(1,160)	
Financed purchase	(273,400)	
Compensated absences	(19,655)	
		(294,215)

The net pension asset/liability is not due and receivable/payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds.

Net pension asset	266	
Deferred outflows	943,369	
Deferred inflows	(67,954)	
Net pension liability	(2,347,909)	
		(1,472,228)

The net OPEB liability is not due and receivable/payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds.

Deferred outflows of resources	145,929	
Deferred inflows of resources	(133,036)	
Net OPEB liability	(135,618)	
		(122,725)

Net position of governmental activities	\$	10,768,114
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Road Department	Eagle Ridge TIF	Timber Ridge TIF
Revenues:				
Income taxes	\$ 1,331,975	\$ -	\$ -	\$ -
Property and other taxes	92,363	-	-	-
Licenses and permits	182,010	-	-	-
Fines and forfeitures	39,376	-	-	-
Intergovernmental	84,477	374,464	86,933	89,379
Special assessments	56,332	-	-	-
Investment income	210,170	24,953	-	-
Payment in lieu of taxes	-	-	527,005	735,787
Decrease in fair value of investments	(1,800)	-	-	-
Other	68,534	51,250	-	-
Total revenues	<u>2,063,437</u>	<u>450,667</u>	<u>613,938</u>	<u>825,166</u>
Expenditures:				
Current:				
General government	759,804	-	445,493	584,747
Security of persons and property	-	-	-	-
Transportation	-	426,670	-	-
Community environment	246,080	-	-	-
Leisure time activity	50,888	-	-	-
Capital outlay	-	-	-	3,780
Debt service:				
Principal retirement	-	32,750	-	-
Interest and fiscal charges	-	1,332	-	-
Total expenditures	<u>1,056,772</u>	<u>460,752</u>	<u>445,493</u>	<u>588,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,006,665</u>	<u>(10,085)</u>	<u>168,445</u>	<u>236,639</u>
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Financed purchase transaction	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,180,600)	-	-	(100,000)
Total other financing sources (uses)	<u>(1,180,600)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	(173,935)	(10,085)	168,445	136,639
Fund balances at beginning of year	<u>3,170,514</u>	<u>905,482</u>	<u>174,914</u>	<u>(30,411)</u>
Fund balances at end of year	<u><u>\$ 2,996,579</u></u>	<u><u>\$ 895,397</u></u>	<u><u>\$ 343,359</u></u>	<u><u>\$ 106,228</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Police Services	Fire Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 665,988	\$ -	\$ -	\$ 1,997,963
-	-	144,722	237,085
-	-	10,138	192,148
-	-	4,092	43,468
-	-	196,397	831,650
-	-	-	56,332
10,173	-	10,823	256,119
-	-	150,292	1,413,084
-	-	-	(1,800)
55,608	-	8,075	183,467
<u>731,769</u>	<u>-</u>	<u>524,539</u>	<u>5,209,516</u>
-	-	128,404	1,918,448
1,096,363	52,596	84,228	1,233,187
-	-	49,222	475,892
-	-	2,262	248,342
-	-	-	50,888
-	598,400	-	602,180
-	-	282,250	315,000
-	-	26,187	27,519
<u>1,096,363</u>	<u>650,996</u>	<u>572,553</u>	<u>4,871,456</u>
<u>(364,594)</u>	<u>(650,996)</u>	<u>(48,014)</u>	<u>338,060</u>
-	-	101,923	101,923
-	273,400	-	273,400
432,600	325,000	100,000	857,600
-	-	(225,000)	(1,505,600)
<u>432,600</u>	<u>598,400</u>	<u>(23,077)</u>	<u>(272,677)</u>
68,006	(52,596)	(71,091)	65,383
693,974	117,000	1,174,225	6,205,698
<u>\$ 761,980</u>	<u>\$ 64,404</u>	<u>\$ 1,103,134</u>	<u>\$ 6,271,081</u>

CITY 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, 2023

Net change in fund balances - total governmental funds	\$	65,383
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Amounts reported for governmental activities in the statement of activities are different because:

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 depreciation expense exceeded capital outlay in the current period.

Capital asset additions	\$ 796,721	
Current year depreciation	(415,849)	
Total		380,872

The effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(121,434)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income taxes	24,752	
Property taxes	(1,203)	
Special assessments	2,609	
Investment income	(478)	
Intergovernmental revenues	18,556	
Total		44,236

The issuance of financed purchase provides current financial resources to governmental funds, but issuing debt increases long-term liabilities on the statement of net position.	(273,400)
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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.	315,000
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,347
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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.	35,807
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Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	167,508	
OPEB	3,771	
Total		171,279

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(405,350)	
OPEB	8,076	
Total		(397,274)

Change in net position of governmental activities	\$	224,816
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 1,085,450	\$ 906,895	\$ 1,318,873	\$ 411,978
Property and other taxes	76,016	63,511	92,363	28,852
Charges for services	1	-	-	-
Licenses and permits	151,420	126,511	183,982	57,471
Fines and forfeitures	32,079	26,802	38,978	12,176
Intergovernmental	69,302	57,902	84,205	26,303
Special assessments	46,362	38,735	56,332	17,597
Investment income	162,921	136,121	197,957	61,836
Contributions and donations	1	-	-	
Other	23,643	19,753	28,727	8,974
Total revenues	<u>1,647,195</u>	<u>1,376,230</u>	<u>2,001,417</u>	<u>625,187</u>
Expenditures:				
Current:				
General government	1,550,785	1,634,836	774,522	860,314
Community environment	429,021	430,522	328,635	101,887
Leisure time activity	75,725	75,725	59,875	15,850
Total expenditures	<u>2,055,531</u>	<u>2,141,083</u>	<u>1,163,032</u>	<u>978,051</u>
Excess (deficiency) of revenues over (under) expenditures	(408,336)	(764,853)	838,385	1,603,238
Other financing uses:				
Sale of capital assets	28,805	24,067	35,000	10,933
Transfers (out)	(432,600)	(432,600)	(1,180,600)	(748,000)
Total other financing uses	<u>(403,795)</u>	<u>(408,533)</u>	<u>(1,145,600)</u>	<u>(737,067)</u>
Net change in fund balance	(812,131)	(1,173,386)	(307,215)	866,171
Fund balance at beginning of year	2,842,720	2,842,720	2,842,720	-
Prior year encumbrances appropriated	39,006	39,006	39,006	-
Fund balance at end of year	<u>\$ 2,069,595</u>	<u>\$ 1,708,340</u>	<u>\$ 2,574,511</u>	<u>\$ 866,171</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROAD DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	326,282	327,024	378,412	51,388
Investment income	21,516	21,564	24,953	3,389
Other	902	904	1,046	142
Total revenues	<u>348,700</u>	<u>349,492</u>	<u>404,411</u>	<u>54,919</u>
Expenditures:				
Current:				
Transportation	509,860	524,784	442,949	81,835
Debt service:				
Principal retirement	31,942	32,877	27,750	5,127
Interest and fiscal charges	1,533	1,578	1,332	246
Total expenditures	<u>543,335</u>	<u>559,239</u>	<u>472,031</u>	<u>87,208</u>
Excess of expenditures over revenues	(194,635)	(209,747)	(67,620)	142,127
Other financing sources:				
Sale of capital assets	<u>43,300</u>	<u>43,398</u>	<u>50,218</u>	<u>6,820</u>
Net change in fund balance	(151,335)	(166,349)	(17,402)	148,947
Fund balance at beginning of year	778,609	778,609	778,609	-
Prior year encumbrances appropriated	<u>31,605</u>	<u>31,605</u>	<u>31,605</u>	-
Fund balance at end of year	<u>\$ 658,879</u>	<u>\$ 643,865</u>	<u>\$ 792,812</u>	<u>\$ 148,947</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 73,300	\$ 62,035	\$ 86,933	\$ 24,898
Payment in lieu of taxes	444,358	376,069	527,004	150,935
Total revenues	<u>517,658</u>	<u>438,104</u>	<u>613,937</u>	<u>175,833</u>
Expenditures:				
Current:				
General government	<u>390,243</u>	<u>445,492</u>	<u>445,491</u>	<u>1</u>
Net change in fund balance	127,415	(7,388)	168,446	175,834
Fund balance at beginning of year	<u>174,913</u>	<u>174,913</u>	<u>174,913</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 302,328</u></u>	<u><u>\$ 167,525</u></u>	<u><u>\$ 343,359</u></u>	<u><u>\$ 175,834</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 84,649	\$ 121,996	\$ 89,379	\$ (32,617)
Payment in lieu of taxes	696,851	1,004,294	735,787	(268,507)
Total revenues	<u>781,500</u>	<u>1,126,290</u>	<u>825,166</u>	<u>(301,124)</u>
Expenditures:				
Current:				
General government	592,251	592,697	586,948	5,749
Capital outlay	3,814	3,817	3,780	37
Debt service:				
Principal retirement	383,432	383,723	380,000	3,723
Interest and fiscal charges	5,735	5,740	5,684	56
Total expenditures	<u>985,232</u>	<u>985,977</u>	<u>976,412</u>	<u>9,565</u>
Excess (deficiency) of revenues over (under) expenditures	(203,732)	140,313	(151,246)	(291,559)
Other financing sources (uses):				
Transfers (out)	(100,903)	(100,980)	(100,000)	980
Total other financing sources (uses)	<u>(100,903)</u>	<u>(100,980)</u>	<u>(100,000)</u>	<u>980</u>
Net change in fund balance	(304,635)	39,333	(251,246)	(290,579)
Fund balance at beginning of year	<u>357,474</u>	<u>357,474</u>	<u>357,474</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 52,839</u></u>	<u><u>\$ 396,807</u></u>	<u><u>\$ 106,228</u></u>	<u><u>\$ (290,579)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Income taxes	\$ 587,217	\$ 530,572	\$ 659,437	\$ 128,865
Investment income	9,059	8,185	10,173	1,988
Other	49,601	44,816	55,701	10,885
Total revenues	<u>645,877</u>	<u>583,573</u>	<u>725,311</u>	<u>141,738</u>
Expenditures:				
Current:				
Security of persons and property	<u>1,200,498</u>	<u>1,216,366</u>	<u>1,132,818</u>	<u>83,548</u>
Excess of expenditures over revenues	(554,621)	(632,793)	(407,507)	225,286
Other financing sources:				
Transfers in	<u>385,223</u>	<u>348,062</u>	<u>432,600</u>	<u>84,538</u>
Total other financing sources	<u>385,223</u>	<u>348,062</u>	<u>432,600</u>	<u>84,538</u>
Net change in fund balance	(169,398)	(284,731)	25,093	309,824
Fund balance at beginning of year	530,992	530,992	530,992	-
Prior year encumbrances appropriated	59,988	59,988	59,988	-
Fund balance at end of year	<u><u>\$ 421,582</u></u>	<u><u>\$ 306,249</u></u>	<u><u>\$ 616,073</u></u>	<u><u>\$ 309,824</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ 572,752	\$ -	\$ (572,752)
Total revenues	<u>-</u>	<u>572,752</u>	<u>-</u>	<u>(572,752)</u>
Expenditures:				
Current:				
General government	572,752	572,752	-	572,752
Total expenditures	<u>572,752</u>	<u>572,752</u>	<u>-</u>	<u>572,752</u>
Excess of expenditures over revenues	(572,752)	-	-	-
Net change in fund balance	(572,752)	-	-	-
Fund balance at beginning of year	572,752	572,752	572,752	-
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 572,752</u></u>	<u><u>\$ 572,752</u></u>	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Refuse	Total
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 3,677,508	\$ 1,875,168	\$ 623,811	\$ 6,176,487
Receivables (net of allowance for uncollectibles):				
Accounts	95,944	44,860	-	140,804
Special assessments	17,930	-	2,522	20,452
Materials and supplies inventory	1,051	2,880	95	4,026
Prepayments	2,897	1,158	1,170	5,225
Net pension asset	183	50	45	278
Total current assets	3,795,513	1,924,116	627,643	6,347,272
Noncurrent assets:				
Capital assets:				
Total depreciable capital assets, net	922,272	473,127	22,688	1,418,087
Total capital assets, net	922,272	473,127	22,688	1,418,087
Total assets	4,717,785	2,397,243	650,331	7,765,359
Deferred outflows of resources:				
Pension	214,440	57,527	52,600	324,567
OPEB	32,941	8,890	8,130	49,961
Total deferred outflows of resources	247,381	66,417	60,730	374,528
Liabilities:				
Current liabilities:				
Accounts payable	36,136	52,006	37,207	125,349
Accrued wages and benefits	4,832	1,305	1,191	7,328
Compensated absences	4,128	1,018	1,113	6,259
Due to other governments	747	2,302	184	3,233
Total current liabilities	45,843	56,631	39,695	142,169
Long-term liabilities:				
Compensated absences	14,925	4,070	3,789	22,784
Net pension liability	516,723	139,636	127,679	784,038
Net OPEB liability	10,876	2,939	2,687	16,502
Total long-term liabilities	542,524	146,645	134,155	823,324
Total liabilities	588,367	203,276	173,850	965,493
Deferred inflows of resources:				
Pension	9,912	6,559	8,247	24,718
OPEB	5,374	1,330	1,507	8,211
Total deferred inflows of resources	15,286	7,889	9,754	32,929
Net position:				
Net investment in capital assets	922,272	473,127	22,688	1,418,087
Restricted for Pension	183	50	45	278
Unrestricted	3,439,058	1,779,318	504,724	5,723,100
Total net position	\$ 4,361,513	\$ 2,252,495	\$ 527,457	\$ 7,141,465

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Refuse	Total
Operating revenues:				
Charges for services	\$ 1,514,361	\$ 736,111	\$ 559,890	\$ 2,810,362
Tap-in fees	71,661	29,794	-	101,455
Other	1,259	17,526	1,210	19,995
Total operating revenues	<u>1,587,281</u>	<u>783,431</u>	<u>561,100</u>	<u>2,931,812</u>
Operating expenses:				
Personal services	315,480	41,700	73,618	430,798
Contract services	816,928	617,857	450,274	1,885,059
Materials and supplies	10,736	16,805	1,056	28,597
Transportation	990	270	252	1,512
Depreciation	106,059	51,853	5,312	163,224
Other	5,869	605	107	6,581
Total operating expenses	<u>1,256,062</u>	<u>729,090</u>	<u>530,619</u>	<u>2,515,771</u>
Operating income	<u>331,219</u>	<u>54,341</u>	<u>30,481</u>	<u>416,041</u>
Nonoperating revenues:				
Interest income	36,401	5,313	7,420	49,134
Total nonoperating revenues	<u>36,401</u>	<u>5,313</u>	<u>7,420</u>	<u>49,134</u>
Income before contributions and transfers	<u>367,620</u>	<u>59,654</u>	<u>37,901</u>	<u>465,175</u>
Transfer in	<u>-</u>	<u>648,000</u>	<u>-</u>	<u>648,000</u>
Change in net position	367,620	707,654	37,901	1,113,175
Net position at beginning of year	<u>3,993,893</u>	<u>1,544,841</u>	<u>489,556</u>	<u>6,028,290</u>
Net position at end of year	<u>\$ 4,361,513</u>	<u>\$ 2,252,495</u>	<u>\$ 527,457</u>	<u>\$ 7,141,465</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Refuse	Total
Cash flows from operating activities:				
Cash received from customers	\$ 1,576,484	\$ 760,476	\$ 559,826	\$ 2,896,786
Cash received from other operations	1,259	17,526	1,210	19,995
Cash payments for personal services	(357,814)	(106,349)	(88,441)	(552,604)
Cash payments for contractual services	(781,258)	(565,240)	(413,632)	(1,760,130)
Cash payments for materials and supplies	(10,741)	(14,705)	(1,056)	(26,502)
Cash payments for transportation	(990)	(270)	(252)	(1,512)
Cash payments for other expenses	(5,818)	(588)	(93)	(6,499)
Net cash provided by operating activities	421,122	90,850	57,562	569,534
Cash flows from noncapital financing activities				
Cash received from transfers in	-	648,000	-	648,000
Net cash provided by noncapital financing activities	-	648,000	-	648,000
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(359,677)	(9,950)	(8,350)	(377,977)
Net cash used in capital and related financing activities	(359,677)	(9,950)	(8,350)	(377,977)
Cash flows from investing activities:				
Interest received	36,401	5,313	7,420	49,134
Net cash provided by investing activities	36,401	5,313	7,420	49,134
Net increase in cash and cash equivalents	97,846	734,213	56,632	888,691
Cash and cash equivalents at beginning of year	3,579,662	1,140,955	567,179	5,287,796
Cash and cash equivalents at end of year	\$ 3,677,508	\$ 1,875,168	\$ 623,811	\$ 6,176,487
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 331,219	\$ 54,341	\$ 30,481	\$ 416,041
Adjustments:				
Depreciation	106,059	51,853	5,312	163,224
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
(Increase) in accounts receivable	(11,178)	(5,429)	-	(16,607)
(Increase) decrease in special assessments receivable	1,640	-	(64)	1,576
(Increase) decrease in materials and supplies inventory	(5)	-	-	(5)
(Increase) decrease in prepayments	(466)	611	(565)	(420)
Decrease in due from other governments	51	17	14	82
Decrease in net pension asset	266	84	78	428
Decrease in net OPEB asset	55,686	16,580	15,291	87,557
(Increase) in deferred outflows of resources - pension	(126,648)	(26,352)	(26,542)	(179,542)
(Increase) in deferred outflows of resources - OPEB	(29,867)	(4,417)	(5,935)	(40,219)
Increase in accounts payable	36,133	52,005	37,206	125,344
Increase in accrued wages and benefits	91	8	7	106
(Decrease) in due to other governments	(4,309)	(62,357)	(1,071)	(67,737)
(Decrease) in compensated absences payable	(36,027)	(8,965)	(12,024)	(57,016)
Increase in net pension liability	359,798	92,912	84,589	537,299
Increase in net OPEB liability	10,876	2,939	2,687	16,502
(Decrease) in deferred inflows of resources - pension	(214,843)	(56,189)	(55,866)	(326,898)
(Decrease) in deferred inflows of resources - OPEB	(57,354)	(16,791)	(16,036)	(90,181)
Net cash provided by operating activities	\$ 421,122	\$ 90,850	\$ 57,562	\$ 569,534

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

**STATEMENT OF FIUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2023**

	<u>Custodial</u>
Assets:	
Cash in segregated accounts	<u>\$ 4,456</u>
Liabilities:	
Due to other governments	<u>4,456</u>
Net position:	
Restricted for individuals, organizations and other governments	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CARLISLE, OHIO

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial</u>
Additions:	
Fines and forfeitures for other governments	<u>\$ 11,023</u>
Deductions:	
Fines and forfeitures distributions to other governments	<u>11,023</u>
Net change in fiduciary net position	-
Net position beginning of year	<u>-</u>
Net position end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - DESCRIPTION OF THE CITY

The City of Carlisle, Warren County, Ohio (the “City”), 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 City is directed by a publicly elected Mayor and six-member Council. The City provides water and sewer utilities, park operations, police services and a planning and zoning department. The City provides fire services through its volunteer fire department.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City 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 City’s significant accounting policies are described below.

A. Reporting Entity

The City’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 City’s BFS include all funds, agencies, boards, commissions, and departments for which the City is financially accountable. Financial accountability, as defined by the GASB, exists if the City 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 City. The City 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 City. The City also took into consideration other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s basic financial statements to be misleading or incomplete.

The City 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.

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

B. Basis of Presentation - Fund Accounting

The City’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 City 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 City that are governmental and those that are considered business-type activities.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. 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 City, 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 City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City 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 City 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 City'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.

C. Fund Accounting

The City 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 City'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 City

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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

American Rescue Plan Fund - This fund is used to account for federal grants received to help offset the financial effects of the COVID-19 pandemic.

Fire Capital Improvement Fund - The fire capital improvement fund accounts for fire department capital related projects.

Other governmental funds of the City 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 City 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 City's major enterprise funds:

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

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

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

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 custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City does not have any trust funds. The City's custodial fund accounts for revenues and expenses for other entities from the Mayor's Court.

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 City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

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 City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. Fiduciary funds are accounted for on a flow of economic resources measurement focus.

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 City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City 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 City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City 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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, respectively.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability/asset and net OPEB liability, respectively. 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 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 City 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 City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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 City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to January 1, the City 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 2023.

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

The City has segregated bank accounts for monies held separate from the City'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 City treasury. There was no outstanding balance at December 31, 2023.

During 2023, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, Federal Farm Credit Bureau (FFCB) securities, Federal Home Loan Bank (FHLB) securities, U.S. Treasury Notes, negotiable CDs, STAR Ohio and U.S. Government Money Market Mutual Funds. Except for STAR Ohio, investments are reported at fair value which is based on quoted market prices.

During 2023, the City invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2023 amounted to \$210,170 which includes \$97,060 assigned from other City 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.

An analysis of the City'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 acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of storm sewers, streets, and water and sewer lines. The City 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. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City'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 Activities Estimated Lives</u>	<u>Business-type Activities 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 City 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 City and the employee.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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 City 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. City 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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.

M. Prepayments

Payments made to vendors for services that will benefit beyond December 31, 2023, 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City 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 City Council (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless City 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 City 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 City 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 City 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.

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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

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 City 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 City Council and that are either unusual in nature or infrequent in occurrence. During 2023, the City 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/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

B. Deficit Fund Balances

Fund balances at December 31, 2023 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor governmental funds</u>	
SR 123/Reconstruction Phase IV	\$ 58,991
SR 123/Reconstruction Phase V	114,508
SR 123/Reconstruction Phase VI	88,436
SR 123/Reconstruction Phase VII	26,561
SR 123/Reconstruction Phase X	69,994
	<u>\$ 358,490</u>

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 City 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 City 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 City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, and Government National Mortgage 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; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

The City 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; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, City, 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 City.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

A. Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all City deposits was \$3,025,918 and the bank balance of all City deposits was \$3,077,803. Of the bank balance, \$250,000 was covered by the FDIC and \$2,827,803 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the City's deposits were fully collateralized through participation in the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

B. Investments

As of December 31, 2023, the City had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FFCB	\$ 737,469	\$ 124,542	\$ 198,055	\$ -	\$ -	\$ 414,872
FHLMC	647,138	161,674	-	-	236,619	248,845
FNMA	116,853	-	-	-	116,853	-
FHLB	1,338,771	248,370	323,566	271,920	198,579	296,336
Negotiable CD's	2,228,782	134,521	324,084	586,374	311,231	872,572
U.S. Government money market	5,625	5,625	-	-	-	-
U.S Treasury Notes	1,225,783	745,631	285,418	-	194,734	-
Amortized Costs:						
Star Ohio	3,533,373	3,533,373	-	-	-	-
Total	\$ 9,833,794	\$ 4,953,736	\$ 1,131,123	\$ 858,294	\$ 1,058,016	\$ 1,832,625

The weighted average of maturity of investments is 1.02 years.

The City's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The City's investments in federal agency securities (FHLMC, FNMA, FHLB, and FFCB), U.S. Treasury notes, and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the City's investment policy limits investment portfolio maturities to five years or less.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The City's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The U.S. Government Money Market Mutual Funds were rated AAAM by Standard & Poor's. Negotiable CDs are not rated but are fully insured by the FDIC. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The City's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The City's investment policy does not place specific limits on the percentage of the City's portfolio that may be invested in any one issuer. The following table includes the percentage of each investment type held by the City at December 31, 2023:

Measurement/ Investment type	Measurement Value	% of Total
<i>Fair value:</i>		
FFCB	\$ 737,469	7.50%
FHLMC	647,138	6.58%
FNMA	116,853	1.19%
FHLB	1,338,771	13.61%
Negotiable CD's	2,228,782	22.66%
U.S. Government money market	5,625	0.06%
U.S Treasury Notes	1,225,783	12.47%
<i>Amortized Costs:</i>		
Star Ohio	3,533,373	35.93%
Total	<u>\$ 9,833,794</u>	<u>100.00%</u>

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, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,021,462
Investments	9,833,794
Cash in segregated accounts	<u>4,456</u>
Total	<u>\$ 12,859,712</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 6,678,769
Business type activities	6,176,487
Custodial funds	<u>4,456</u>
Total	<u>\$ 12,859,712</u>

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended December 31, 2023, consisted of the following, as reported on the fund financial statements:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General fund	Police services	\$ 432,600
General fund	Fire Capital Improvement Fund	100,000
Nonmajor governmental funds	Fire Capital Improvement Fund	225,000
General Fund	Water Fund	648,000
Timber Ridge TIF fund	Nonmajor governmental funds	100,000
Total		<u>\$ 1,505,600</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, (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, and (5) to move part of the money received from payments in lieu of taxes in the Timber Ridge TIF fund (a major governmental fund) to capital project funds (nonmajor governmental funds). All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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

- B. Interfund loans consisted of the following at December 31, 2023, 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 balance is the result of 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 City. 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. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2022, and are collected in 2024 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - PROPERTY TAXES – (Continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Carlisle. The County Auditor periodically remits to the City 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, 2023 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 2023 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.

The full tax rate for all City operations for the year ended December 31, 2023 was \$2.92 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

Real property

Residential/agricultural	\$ 92,456,050
Commercial/industrial/mineral	11,662,590

Public utility

Personal	<u>9,224,590</u>
Total assessed value	<u><u>\$ 113,343,230</u></u>

NOTE 7 - RECEIVABLES

Receivables at December 31, 2023, consisted of taxes, payments in lieu 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, 2023.

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

Governmental activities:

Income taxes	\$ 608,546
Property and other taxes	248,784
Payment in lieu of taxes	655,280
Accounts	17,955
Accrued interest	42,164
Special assessments	4,008
Due from other governments	357,410

Business-type activities:

Accounts	140,804
Special assessments	20,452

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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 - MUNICIPAL INCOME TAXES

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

The City'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 2023 was \$1,997,963 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, 2023, was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/23</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 906,888	\$ -	\$ (112,028)	\$ 794,860
Total capital assets, not being depreciated	<u>906,888</u>	<u>-</u>	<u>(112,028)</u>	<u>794,860</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	1,331,225	-	-	1,331,225
Furniture and equipment	543,148	55,953	(14,471)	584,630
Vehicles	803,091	740,768	-	1,543,859
Infrastructure	<u>6,347,260</u>	<u>-</u>	<u>-</u>	<u>6,347,260</u>
Total capital assets, being depreciated	<u>9,024,724</u>	<u>796,721</u>	<u>(14,471)</u>	<u>9,806,974</u>
<i>Less accumulated depreciation:</i>				
Buildings and improvements	(801,758)	(24,913)	-	(826,671)
Furniture and equipment	(336,987)	(44,150)	5,065	(376,072)
Vehicles	(565,902)	(92,233)	-	(658,135)
Infrastructure	<u>(2,628,785)</u>	<u>(254,553)</u>	<u>-</u>	<u>(2,883,338)</u>
Total accumulated depreciation	<u>(4,333,432)</u>	<u>(415,849)</u>	<u>5,065</u>	<u>(4,744,216)</u>
Total capital assets, being depreciated, net	<u>4,691,292</u>	<u>380,872</u>	<u>(9,406)</u>	<u>5,062,758</u>
Governmental activities capital assets, net	<u>\$ 5,598,180</u>	<u>\$ 380,872</u>	<u>\$ (121,434)</u>	<u>\$ 5,857,618</u>

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Governmental activities:

General government	\$ 38,312
Security of persons and property	62,691
Community environment	2,124
Transportation	307,486
Leisure time activity	<u>5,236</u>
Total depreciation expense - governmental activities	<u>\$ 415,849</u>

B. Business-type activities

Capital asset activity for the business-type activities for the year ended December 31, 2023, was as follows:

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/23</u>
<u>Business-type activities:</u>				
<i>Capital assets, being depreciated</i>				
Furniture and equipment	\$ 302,355	\$ 4,077	\$ (50,125)	\$ 256,307
Vehicles	122,177	373,900	-	496,077
Infrastructure	<u>12,912,124</u>	<u>-</u>	<u>-</u>	<u>12,912,124</u>
Total capital assets, being depreciated	<u>13,336,656</u>	<u>377,977</u>	<u>(50,125)</u>	<u>13,664,508</u>
<i>Less: accumulated depreciation:</i>				
Furniture and equipment	(229,860)	(15,755)	50,125	(195,490)
Vehicles	(59,567)	(52,223)	-	(111,790)
Infrastructure	<u>(11,843,895)</u>	<u>(95,246)</u>	<u>-</u>	<u>(11,939,141)</u>
Total accumulated depreciation	<u>(12,133,322)</u>	<u>(163,224)</u>	<u>50,125</u>	<u>(12,246,421)</u>
Business-type activities capital assets, net	<u>\$ 1,203,334</u>	<u>\$ 214,753</u>	<u>\$ -</u>	<u>\$ 1,418,087</u>

Depreciation was charged to departments of the City as follows:

Business-type activities:

Sewer	\$ 106,059
Water	51,853
Refuse	<u>5,312</u>
Total depreciation expense - business-type activities	<u>\$ 163,224</u>

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023, the liability for unpaid compensated absences was \$48,698 for the entire City.

NOTE 11 - LONG-TERM OBLIGATIONS

During 2023, the following changes occurred in the City's long-term obligations.

	<u>Balance</u> <u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/23</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities					
<u>General obligation bonds:</u>					
Road Improvements Bond	\$ 35,000	\$ -	\$ (35,000)	\$ -	\$ -
<u>General obligation notes:</u>					
<u>Direct Placement:</u>					
SR 123 Reconstruction Note	<u>280,000</u>	<u>-</u>	<u>(280,000)</u>	<u>-</u>	<u>-</u>
Total general obligation notes	<u>280,000</u>	<u>-</u>	<u>(280,000)</u>	<u>-</u>	<u>-</u>
<u>Other long-term obligations:</u>					
Net pension liability	1,257,390	1,090,519	-	2,347,909	-
Net OPEB liability	184,869	15,761	(65,012)	135,618	-
Financed purchase	-	273,400	-	273,400	12,584
Compensated absences	<u>55,462</u>	<u>-</u>	<u>(35,807)</u>	<u>19,655</u>	<u>14,041</u>
Total other long-term obligations	<u>1,497,721</u>	<u>1,379,680</u>	<u>(100,819)</u>	<u>2,776,582</u>	<u>26,625</u>
Total governmental activities long-term obligations	<u>\$ 1,812,721</u>	<u>\$ 1,379,680</u>	<u>\$ (415,819)</u>	<u>\$ 2,776,582</u>	<u>\$ 26,625</u>
Business-type activities					
<u>Other long-term obligations:</u>					
Net pension liability	\$ 246,739	\$ 537,299	\$ -	\$ 784,038	\$ -
Net OPEB liability	-	16,502	-	16,502	-
Compensated absences	<u>86,059</u>	<u>(57,016)</u>	<u>-</u>	<u>29,043</u>	<u>6,259</u>
Total business-type activities long-term obligations	<u>\$ 332,798</u>	<u>\$ 496,785</u>	<u>\$ -</u>	<u>\$ 829,583</u>	<u>\$ 6,259</u>

Road Improvement General Obligation Bonds

On July 1, 2003, the City issued \$400,000 in roadway improvement general obligation bonds. These bonds were issued for the purpose of making road improvements within the City. The bonds bear interest rates ranging from 3.0% to 5.1% and matured on December 1, 2023. Principal and interest payments are being made from the road department fund and the state road fund (a nonmajor governmental fund).

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

SR 123 Reconstruction Note

On May 6, 2022, the City issued a \$375,000 general obligation note for the purpose of reconstructing and improving SR 123. The note bore an interest rate of 4.00% and matured on May 5, 2023. On May 5, 2023, the city issued a \$280,000 general obligation note to refinance a portion of the 2022 note. The 2023 note bears an interest rate of 4.76% and matures on May 4, 2024. The entire amount is considered short-term (see note 19).

Financed Purchase Note Payable

In 2023, the City entered into financed purchase agreement with Pinnacle Public Finance to finance the purchase of a new fire truck. Payments made under the financed purchase note payable agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the financed purchase note payable is \$273,400. The financed purchase note payable agreement bears an interest rate of 5.09%

The amounts below represent the future debt service payments:

Financed Purchase Note Payable

Year Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 12,584	\$ 13,916
2025	13,225	13,276
2026	13,898	12,602
2027	14,606	11,895
2028	15,349	11,152
2029 - 2033	89,290	43,212
2034 - 2038	114,448	18,054
Total	<u>\$ 273,400</u>	<u>\$ 124,107</u>

Net Pension Liability and Net OPEB Liability

See Note 13 and Note 14 for more information on net pension liability and net OPEB liability, respectively. The City pays obligations related to employee compensation from the fund benefitting from their services.

Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid, which for the City 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 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, 2023, the City's total debt margin was \$11,586,039 and the unvoted debt margin was \$6,233,878.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - RISK MANAGEMENT

The City 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 2023, the City contracted with The Ohio Plan for various types of insurance. The risk of loss transfers to the insurance carrier upon payment of the premium. The following is a summary of the City's insurance coverage:

<u>Company</u>	<u>Type</u>	<u>Deductible</u>	<u>Coverage</u>
The Ohio Plan	Commercial Property	\$1,000	\$3,983,517
The Ohio Plan	Scheduled & Misc. Equipment	\$1,000	\$790,983
The Ohio Plan	Auto Comprehensive & Collision	\$500	ACV
The Ohio Plan	Emergency Auto Comprehensive & Collision	\$500	RC
The Ohio Plan	Auto Liability	-	\$5,000,000
The Ohio Plan	General Liability	-	\$5,000,000 per occurrence \$7,000,000 aggregate
The Ohio Plan	Public Officials Liability	\$5,000	\$5,000,000 per occurrence \$7,000,000 aggregate
The Ohio Plan	Employee Bonding		
	- City Manager	-	\$35,000
	- Finance Director	-	\$35,000
	- Public Employee	\$2,500	\$250,000
The Ohio Plan	Law Enforcement Operations	\$5,000	\$5,000,000 per occurrence \$7,000,000 aggregate
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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB 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 and the net OPEB liability represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB 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.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 14 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	<u>Traditional</u>	<u>Combined</u>
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension ****	14.0 %	12.0 %
Post-employment Health Care Benefits ****	<u>0.0</u>	<u>2.0</u>
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$125,626 for 2023. Of this amount, \$1,884 is reported as intergovernmental payable.

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

Plan Description - City 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 may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F 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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police
2023 Statutory Maximum Contribution Rates	
Employer	19.50 %
Employee	12.25 %
2023 Actual Contribution Rates	
Employer:	
Pension	19.00 %
Post-employment Health Care Benefits	0.50 %
Total Employer	19.50 %
Employee	12.25 %

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$106,139 for 2023. Of this amount, \$10,611 is reported as due to other governments.

Net 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 OPERS was measured as of December 31, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability or asset was based on the City'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:

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.00517700%	0.00709300%	0.01686630%	
Proportion of the net pension liability/asset current measurement date	<u>0.00518900%</u>	<u>0.00695900%</u>	<u>0.01683450%</u>	
Change in proportionate share	<u>0.00001200%</u>	<u>-0.00013400%</u>	<u>-0.00003180%</u>	
Proportionate share of the net pension liability	\$ 1,532,833	\$ -	\$ 1,599,114	\$ 3,131,947
Proportionate share of the net pension asset	-	(544)	-	(544)
Pension expense	256,406	(53)	244,541	500,894

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CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 50,913	\$ 1,566	\$ 23,986	\$ 76,465
Net difference between projected and actual earnings on pension plan investments	436,906	254	232,809	669,969
Changes of assumptions	16,193	32	144,235	160,460
Changes in employer's proportionate percentage/ difference between employer contributions	41,993	-	87,283	129,276
Contributions subsequent to the measurement date	120,621	5,006	106,139	231,766
Total deferred outflows of resources	<u>\$ 666,626</u>	<u>\$ 6,858</u>	<u>\$ 594,452</u>	<u>\$ 1,267,936</u>
	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ -	\$ -	\$ 36,434	\$ 36,434
Changes of assumptions	-	-	31,182	31,182
Changes in employer's proportionate percentage/ difference between employer contributions	24,718	-	338	25,056
Total deferred inflows of resources	<u>\$ 24,718</u>	<u>\$ -</u>	<u>\$ 67,954</u>	<u>\$ 92,672</u>

\$231,766 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	OPERS - Traditional	OPERS - Member- Directed	OP&F	Total
Year Ending December 31:				
2024	\$ 69,199	\$ 262	\$ 76,299	\$ 145,760
2025	109,461	275	109,970	219,706
2026	128,602	276	101,793	230,671
2027	214,025	317	134,576	348,918
2028	-	185	(2,280)	(2,095)
Thereafter	-	537	1	538
Total	<u>\$ 521,287</u>	<u>\$ 1,852</u>	<u>\$ 420,359</u>	<u>\$ 943,498</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.

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 was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	<u></u>

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 2,296,133	\$ 1,532,833	\$ 897,905
Member-Directed Plan	(348)	(544)	(696)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 retirement plan involve estimates of the value 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful lives of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	2.20% per year simple

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 7.50%. A discount rate of 7.50% was used in the previous measurement date. 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 earnings were calculated using the longer-term assumed investment rate of return 7.50%. 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 City'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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 2,109,540	\$ 1,599,114	\$ 1,174,797

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 13 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,002 for 2023. Of this amount, \$30 is reported due to other governments.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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 employer units, 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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, 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 pension benefits are adequately funded.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The OP&F Board of Trustees is also 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 City's contractually required contribution to OP&F was \$2,793 for 2023. Of this amount, \$279 is reported due to other governments.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.00510300%	0.01686630%	
Proportion of the net OPEB liability current measurement date	<u>0.00511700%</u>	<u>0.01683450%</u>	
Change in proportionate share	<u>0.00001400%</u>	<u>-0.00003180%</u>	
Proportionate share of the net OPEB liability	\$ 32,263	\$ 119,857	\$ 152,120
OPEB expense	(44,711)	11,318	(33,393)

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CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 7,151	\$ 7,151
Net difference between projected and actual earnings on OPEB plan investments	64,079	10,280	74,359
Changes of assumptions	31,513	59,732	91,245
Changes in employer's proportionate percentage/ difference between employer contributions	1,544	16,795	18,339
Contributions subsequent to the measurement date	2,003	2,793	4,796
Total deferred outflows of resources	<u>\$ 99,139</u>	<u>\$ 96,751</u>	<u>\$ 195,890</u>
	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 8,048	\$ 23,635	\$ 31,683
Changes of assumptions	2,592	98,030	100,622
Changes in employer's proportionate percentage/ difference between employer contributions	2,769	6,173	8,942
Total deferred inflows of resources	<u>\$ 13,409</u>	<u>\$ 127,838</u>	<u>\$ 141,247</u>

\$4,796 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Year Ending December 31:	OPERS	OP&F	Total
2024	\$ 9,268	\$ (265)	\$ 9,003
2025	23,524	1,190	24,714
2026	19,980	(2,023)	17,957
2027	30,955	(375)	30,580
2028	-	(8,564)	(8,564)
Thereafter	-	(23,843)	(23,843)
Total	<u>\$ 83,727</u>	<u>\$ (33,880)</u>	<u>\$ 49,847</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.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

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CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6% for 2022.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
City's proportionate share of the net OPEB liability/(asset)	\$ 109,811	\$ 32,263	\$ (31,725)

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 30,241	\$ 32,263	\$ 34,540

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value 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.

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

Health Mortality

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

Disabled Mortality

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

Contingent Annuitant Mortality

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

Pre-Retirement Mortality

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. 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 average 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.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation.

OP&F'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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

CITY OF CARLISLE, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 147,592	\$ 119,857	\$ 96,441

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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 and any major special revenue 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);
- (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).

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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 Department</u>	<u>Eagle Ridge TIF</u>	<u>Timber Ridge TIF</u>	<u>Police Services</u>
Budget basis	\$ (307,215)	\$ (17,402)	\$ 168,446	\$ (251,246)	\$ 25,093
Net adjustment for revenue accruals	62,019	46,257	-	-	6,458
Net adjustment for expenditure accruals	(51,983)	88	(1)	387,885	(8,727)
Net adjustment for other sources/uses	(35,000)	(50,218)	-	-	-
Adjustment for encumbrances	<u>158,244</u>	<u>11,190</u>	<u>-</u>	<u>-</u>	<u>45,182</u>
GAAP basis	<u>\$ (173,935)</u>	<u>\$ (10,085)</u>	<u>\$ 168,445</u>	<u>\$ 136,639</u>	<u>\$ 68,006</u>

NOTE 16 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City 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 cash balance	General	Road	Eagle Ridge TIF	Timber Ridge TIF	Police Services	Fire Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Materials and supplies inventory	\$ 4,688	\$ 34,967	\$ -	\$ -	\$ -	\$ -	\$ 1,842	\$ 41,497
Prepays	<u>4,111</u>	<u>938</u>	<u>-</u>	<u>-</u>	<u>7,244</u>	<u>-</u>	<u>5,891</u>	<u>18,184</u>
Total nonspendable	<u>8,799</u>	<u>35,905</u>	<u>-</u>	<u>-</u>	<u>7,244</u>	<u>-</u>	<u>7,733</u>	<u>59,681</u>
Restricted:								
General government	-	-	343,359	106,228	-	-	347,019	796,606
Capital improvements	-	-	-	-	-	64,404	23	64,427
Security of persons and property	-	-	-	-	754,736	-	319,710	1,074,446
Community environment programs	-	-	-	-	-	-	107,253	107,253
Transportation	-	859,492	-	-	-	-	144,344	1,003,836
Other purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,634</u>	<u>22,634</u>
Total restricted	<u>-</u>	<u>859,492</u>	<u>343,359</u>	<u>106,228</u>	<u>754,736</u>	<u>64,404</u>	<u>940,983</u>	<u>3,069,202</u>
Committed:								
Transportation	-	-	-	-	-	-	408,209	408,209
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,699</u>	<u>104,699</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,908</u>	<u>512,908</u>
Assigned:								
General government	27,577	-	-	-	-	-	-	27,577
Community environment	87,415	-	-	-	-	-	-	87,415
Subsequent year appropriations	6,508	-	-	-	-	-	-	6,508
Leisure time activities	<u>8,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,964</u>
Total assigned	<u>130,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,464</u>
Unassigned (deficit)	<u>2,857,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(358,490)</u>	<u>2,498,826</u>
Total fund cash balances	<u>\$ 2,996,579</u>	<u>\$ 895,397</u>	<u>\$ 343,359</u>	<u>\$ 106,228</u>	<u>\$ 761,980</u>	<u>\$ 64,404</u>	<u>\$ 1,103,134</u>	<u>\$ 6,271,081</u>

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 17 - OTHER COMMITMENTS

The City 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 City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 119,845
Road department fund	10,002
Fire fund	63,775
Police services fund	41,789
Nonmajor governmental funds	<u>115,380</u>
Total	<u><u>\$ 350,791</u></u>

NOTE 18 - CONTINGENCIES

A. Grants

The City 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 City at December 31, 2023.

B. Litigation

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

NOTE 19 - SHORT-TERM NOTES PAYABLE

Changes in the City's short-term note activity for the year ended December 31, 2023, was as follows:

	<u>Balance 12/31/2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/2023</u>
<u>Governmental fund notes</u>				
<i>Direct Placements:</i>				
SR 123 Reconstruction Note	\$ 95,000	\$ 280,000	\$ (95,000)	\$ 280,000
Timber Ridge TIF Note	<u>380,000</u>	<u>-</u>	<u>(380,000)</u>	<u>-</u>
Total governmental fund notes	<u><u>\$ 475,000</u></u>	<u><u>\$ 280,000</u></u>	<u><u>\$ (475,000)</u></u>	<u><u>\$ 280,000</u></u>

All short-term notes were backed by the full faith and credit of the City and mature within one year.

CITY OF CARLISLE, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 19 - SHORT-TERM NOTES PAYABLE- (Continued)

SR 123 Reconstruction Note

On May 6, 2022, the City issued a \$375,000 general obligation note for the purpose of reconstructing and improving SR 123. The note bore an interest rate of 4.00% and matured on May 5, 2023. On May 5, 2023, the City issued a \$280,000 general obligation note to refinance a portion of the 2022 note. The 2023 note bears an interest rate of 4.76% and matures on May 4, 2024.

Timber Ridge TIF Note

On April 23, 2022, the City reissued an \$380,000 general obligation note for the purpose road construction and improvements at Timber Ridge. The 2022 note bears an interest rate of 5.00% and matured on April 22, 2023.

NOTE 20 - TAX ABATEMENTS

As of December 31, 2023, the City provides tax abatements through Community Reinvestment Area (CRA). This program relates to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

During 2023, the City's property tax revenues were reduced by \$1,110 as a result of these agreements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.005189%	0.005177%	0.005462%	0.004978%
City's proportionate share of the net pension liability	\$ 1,532,833	\$ 450,420	\$ 808,803	\$ 983,935
City's covered payroll	\$ 1,066,621	\$ 944,986	\$ 939,586	\$ 899,686
City's proportionate share of the net pension liability as a percentage of its covered payroll	143.71%	47.66%	86.08%	109.36%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	96.62%	86.88%	82.17%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.006959%	0.007093%	0.007190%	0.007611%
City's proportionate share of the net pension asset	\$ 544	\$ 1,288	\$ 1,312	\$ 288
City's covered payroll	\$ 47,370	\$ 44,470	\$ 43,180	\$ 45,240
City's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.90%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019		2018		2017		2016		2015		2014
	0.004299%		0.004083%		0.004419%		0.004571%		0.004643%		0.004643%
\$	1,177,409	\$	640,544	\$	1,003,480	\$	791,755	\$	559,999	\$	547,348
\$	752,314	\$	660,162	\$	647,800	\$	666,625	\$	664,133	\$	552,838
	156.50%		97.03%		154.91%		118.77%		84.32%		99.01%
	74.70%		84.66%		77.25%		81.08%		86.45%		86.36%
	0.007477%		0.006693%		0.008342%		0.006787%		n/a		n/a
\$	170	\$	234	\$	35	\$	26		n/a		n/a
\$	42,740	\$	36,690	\$	43,308	\$	37,800		n/a		n/a
	0.40%		0.64%		0.08%		0.07%		n/a		n/a
	113.42%		124.45%		103.40%		103.91%		n/a		n/a

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	2023	2022	2021	2020
City's proportion of the net pension liability	0.01683450%	0.01686630%	0.01678710%	0.15364300%
City's proportionate share of the net pension liability	\$ 1,599,114	\$ 1,053,709	\$ 1,144,392	\$ 1,035,021
City's covered payroll	\$ 562,089	\$ 528,426	\$ 476,300	\$ 460,505
City's proportionate share of the net pension liability as a percentage of its covered payroll	284.49%	199.41%	240.27%	224.76%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.01411500%	0.01382200%	0.01436900%	0.01486100%	0.01437250%	0.01437250%
\$ 1,152,157	\$ 848,334	\$ 910,100	\$ 955,994	\$ 744,555	\$ 699,986
\$ 356,411	\$ 454,874	\$ 339,916	\$ 368,916	\$ 346,826	\$ 333,035
323.27%	186.50%	267.74%	259.14%	214.68%	210.18%
63.07%	70.91%	68.36%	66.77%	72.20%	73.00%

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 120,621	\$ 149,327	\$ 132,298	\$ 131,542
Contributions in relation to the contractually required contribution	<u>(120,621)</u>	<u>(149,327)</u>	<u>(132,298)</u>	<u>(131,542)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 861,579	\$ 1,066,621	\$ 944,986	\$ 939,586
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 5,006	\$ 4,737	\$ 4,447	\$ 4,318
Contributions in relation to the contractually required contribution	<u>(5,006)</u>	<u>(4,737)</u>	<u>(4,447)</u>	<u>(4,318)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 50,060	\$ 47,370	\$ 44,470	\$ 43,180
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 125,956	\$ 105,324	\$ 85,821	\$ 77,736	\$ 79,995	\$ 79,696
<u>(125,956)</u>	<u>(105,324)</u>	<u>(85,821)</u>	<u>(77,736)</u>	<u>(79,995)</u>	<u>(79,696)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 899,686	\$ 752,314	\$ 660,162	\$ 647,800	\$ 666,625	\$ 664,133
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$ 4,524	\$ 4,274	\$ 3,669	\$ 5,197	\$ 4,536	
<u>(4,524)</u>	<u>(4,274)</u>	<u>(3,669)</u>	<u>(5,197)</u>	<u>(4,536)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 45,240	\$ 42,740	\$ 36,690	\$ 43,308	\$ 37,800	
10.00%	10.00%	10.00%	12.00%	12.00%	

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 106,139	\$ 106,797	\$ 100,401	\$ 90,497
Contributions in relation to the contractually required contribution	<u>(106,139)</u>	<u>(106,797)</u>	<u>(100,401)</u>	<u>(90,497)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 558,626	\$ 562,089	\$ 528,426	\$ 476,300
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 87,496	\$ 67,718	\$ 86,426	\$ 64,584	\$ 70,094	\$ 65,897
<u>(87,496)</u>	<u>(67,718)</u>	<u>(86,426)</u>	<u>(64,584)</u>	<u>(70,094)</u>	<u>(65,897)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 460,505	\$ 356,411	\$ 454,874	\$ 339,916	\$ 368,916	\$ 346,826
19.00%	19.00%	19.00%	19.00%	19.00%	19.00%

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability/asset	0.005117%	0.510300%	0.005372%	0.004935%
City's proportionate share of the net OPEB liability/(asset)	\$ 32,263	\$ (159,834)	\$ (95,706)	\$ 681,652
City's covered payroll	\$ 1,113,991	\$ 989,456	\$ 982,766	\$ 944,926
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	2.90%	-16.15%	-9.74%	72.14%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	0.004298%	0.004070%	0.004431%
\$	560,358	\$ 441,972	\$ 447,562
\$	795,054	\$ 696,852	\$ 691,108
	70.48%	63.42%	64.76%
	46.33%	54.14%	54.05%

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN YEARS

	2023	2022	2021	2020
City's proportion of the net OPEB liability	0.01683450%	0.01686630%	0.01678710%	0.01536430%
City's proportionate share of the net OPEB liability	\$ 119,857	\$ 184,869	\$ 177,862	\$ 151,764
City's covered payroll	\$ 562,089	\$ 528,426	\$ 476,300	\$ 460,505
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.32%	34.98%	37.34%	32.96%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.01411500%	0.01382200%	0.01436900%
\$ 128,539	\$ 783,146	\$ 682,064
\$ 356,411	\$ 454,874	\$ 339,916
36.06%	172.17%	200.66%
46.57%	14.13%	15.96%

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,003	\$ 1,895	\$ 1,779	\$ 1,727
Contributions in relation to the contractually required contribution	<u>(2,003)</u>	<u>(1,895)</u>	<u>(1,779)</u>	<u>(1,727)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 911,639	\$ 1,113,991	\$ 989,456	\$ 982,766
Contributions as a percentage of covered payroll	0.22%	0.17%	0.18%	0.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,810	\$ 1,710	\$ 8,069	\$ 13,822	\$ 7,484	\$ 11,389
<u>(1,810)</u>	<u>(1,710)</u>	<u>(8,069)</u>	<u>(13,822)</u>	<u>(7,484)</u>	<u>(11,389)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 944,926	\$ 795,054	\$ 696,852	\$ 691,108	\$ 704,425	\$ 664,133
0.19%	0.22%	1.16%	2.00%	1.06%	1.71%

CITY OF CARLISLE, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Police:</i>				
Contractually required contribution	\$ 2,793	\$ 2,810	\$ 2,642	\$ 2,382
Contributions in relation to the contractually required contribution	<u>(2,793)</u>	<u>(2,810)</u>	<u>(2,642)</u>	<u>(2,382)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 558,626	\$ 562,089	\$ 528,426	\$ 476,300
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,303	\$ 1,782	\$ 2,274	\$ 1,700	\$ 1,894	\$ 1,728
<u>(2,303)</u>	<u>(1,782)</u>	<u>(2,274)</u>	<u>(1,700)</u>	<u>(1,894)</u>	<u>(1,728)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 460,505	\$ 356,411	\$ 454,874	\$ 339,916	\$ 368,916	\$ 346,826
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

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.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.25% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple.
- There were no changes in assumptions for 2019.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care Plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

**CITY OF CARLISLE, OHIO
WARREN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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 **City of Carlisle**, Warren County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive, flowing style.

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

July 30, 2025

OHIO AUDITOR OF STATE KEITH FABER



CITY OF CARLISLE

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/27/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov