



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CARLISLE LOCAL SCHOOL DISTRICT  
WARREN COUNTY  
JUNE 30, 2023**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) General Fund.....	24
Notes to the Basic Financial Statements .....	25
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability.....	66
Schedule of the School District's Proportionate Share of the Net OPEB Liability.....	68
Schedule of the School District's Contributions (School Employees Retirement Systems of Ohio).....	70
Schedule of the School District's Contributions (State Teachers Retirement System of Ohio) .....	72

**CARLISLE LOCAL SCHOOL DISTRICT  
WARREN COUNTY  
JUNE 30, 2023**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Notes to Required Supplementary Information .....	74
Schedule of Expenditures of Federal Awards .....	79
Notes to the Schedule of Expenditures of Federal Awards .....	80
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	81
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	83
Schedule of Findings .....	87

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Carlisle Local School District  
Warren County  
230 Jamaica Rd  
Carlisle, Ohio 45005

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carlisle Local School District, Warren County, Ohio (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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, each major fund, and the aggregate remaining fund information of the Carlisle Local School District, Warren County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund 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 District, 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 District'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 District'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 District'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.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 18, 2024

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**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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The discussion and analysis of the Carlisle Local School District's (the District) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

**Financial Highlights**

- < The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at June 30, 2023 by \$24,275,995. Of this amount, \$33,139,094 represents net investments in capital assets and net position amounts restricted for specific purposes and the deficit balance of \$8,863,099 represents unrestricted net position.
- < In total, net position of governmental activities increased by \$449,031, which represents a 1.88 percent increase from 2022.
- < General revenues accounted for \$19,840,565 or 80.24 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,886,255 or 19.76 percent of total revenues of \$24,726,820.
- < The District had \$24,277,789 in expenses related to governmental activities; only \$4,886,255 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$19,840,565 were used to provide for the remainder of these programs.
- < The District recognizes two major governmental funds: the General Fund and Bond Retirement Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$20,573,899 in revenues and \$20,137,788 in expenditures in fiscal year 2023.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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**Reporting the District as a Whole**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The Statement of Activities presents information showing how the District's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

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

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 District, 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 District are governmental funds.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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**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 current 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 requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

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, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**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.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
(Unaudited)

**Government-Wide Financial Analysis**

Recall that the Statement of Net Position provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net position). Table 1 provides a summary of the District's net position for fiscal year 2023 compared to fiscal year 2022:

Table 1  
**Net Position at Year End**

	Governmental Activities		
	2023	2022	Change
<b><i>Assets:</i></b>			
Current and Other Assets	\$ 21,593,881	\$ 21,032,948	\$ 560,933
Net OPEB Asset	1,663,385	1,407,765	255,620
Capital Assets, Net	51,090,179	50,801,248	288,931
<i>Total Assets</i>	<u>74,347,445</u>	<u>73,241,961</u>	<u>1,105,484</u>
<b><i>Deferred Outflows of Resources:</i></b>			
Pension	4,497,814	4,988,968	(491,154)
OPEB	625,059	796,888	(171,829)
<i>Total Deferred Outflows of Resources</i>	<u>5,122,873</u>	<u>5,785,856</u>	<u>(662,983)</u>
<b><i>Liabilities:</i></b>			
Current and Other Liabilities	3,461,473	3,163,823	297,650
<b><i>Long-Term Liabilities:</i></b>			
Due Within One Year	361,071	338,015	23,056
Due in More than One Year:			
Net Pension Liability	18,378,126	11,568,918	6,809,208
Net OPEB Liability	1,090,475	1,598,725	(508,250)
Other Amounts	21,572,866	21,715,822	(142,956)
<i>Total Liabilities</i>	<u>44,864,011</u>	<u>38,385,303</u>	<u>6,478,708</u>
<b><i>Deferred Inflows of Resources:</i></b>			
Property Taxes	5,482,387	5,226,759	255,628
Pension	2,104,349	9,050,925	(6,946,576)
OPEB	2,743,576	2,537,866	205,710
<i>Total Deferred Inflows of Resources</i>	<u>10,330,312</u>	<u>16,815,550</u>	<u>(6,485,238)</u>
<b><i>Net Position:</i></b>			
Net Investment in Capital Assets	30,428,780	29,907,462	521,318
Restricted	2,710,314	3,248,813	(538,499)
Unrestricted	(8,863,099)	(9,329,311)	466,212
<i>Total Net Position</i>	<u>\$24,275,995</u>	<u>\$23,826,964</u>	<u>\$449,031</u>

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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The net pension liability (NPL) and net other postemployment benefits liability (OPEB) are the largest single liabilities reported by the District at June 30, 2023 and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and 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 District'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.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statements No. 68 and No. 75 takes an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

GASB notes that pension 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 District 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.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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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 District'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 and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased \$560,933 in fiscal year 2023, due primarily to an increase in cash and cash equivalents.

Current (other) liabilities increased \$297,650 or 9.41 percent. This increase is primarily due to the increase in accrued wages and benefits payable and intergovernmental payable.

Long-term liabilities increased \$6,181,058 or 17.55 percent due to an increase in net pension/OPEB liability (See Notes 11 and 12).

The District's net investment in capital assets is \$30,428,780. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$8,863,099. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$2,710,314 is restricted assets. The restricted net position is subject to external restrictions on how they may be used.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

Table 2 shows the changes in net position for fiscal year 2023 and provides a comparison to fiscal year 2022.

Table 2  
**Changes in Net Position**

	<b>Governmental Activities</b>		
	2023	2022	Change
<b><u>Revenues:</u></b>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$1,203,999	\$1,176,721	\$27,278
Operating Grants and Contributions	3,581,956	3,902,906	(320,950)
Capital Grants and Contributions	100,300	0	100,300
<i>General Revenues:</i>			
Property Taxes	6,589,352	6,847,589	(258,237)
Income Taxes	3,509,573	3,289,364	220,209
Unrestricted Grants and Entitlements	8,557,418	8,637,707	(80,289)
Payment in Lieu of Taxes	1,078,666	903,535	175,131
Unrestricted Gifts and Donations	0	0	0
Investment Earnings	37,959	22,607	15,352
Miscellaneous	67,597	46,831	20,766
<b><i>Total Revenues</i></b>	<b>24,726,820</b>	<b>24,827,260</b>	<b>(100,440)</b>

(Continued)

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
(Unaudited)

Table 2  
**Changes in Net Position (Continued)**

	<b>Governmental Activities</b>		
<b><i>Expenses:</i></b>			
<i>Instruction:</i>			
Regular	\$9,802,431	\$9,393,767	\$408,664
Special	3,788,750	3,231,319	557,431
Vocational	133,437	178,114	(44,677)
Student Intervention Services	83,891	99,251	(15,360)
Other	46,517	54,267	(7,750)
<i>Support Services:</i>			
Pupils	1,409,408	1,217,100	192,308
Instructional Staff	735,389	539,699	195,690
Board of Education	42,279	36,962	5,317
Administration	1,377,020	1,195,038	181,982
Fiscal	1,056,162	809,100	247,062
Business	29,387	18,861	10,526
Operation and Maintenance of Plant	1,383,786	1,542,976	(159,190)
Pupil Transportation	1,578,348	1,191,955	386,393
Central	102,804	59,593	43,211
<i>Operation of Non-Instructional Services:</i>			
Food Services	858,936	803,308	55,628
Extracurricular Activities	1,043,116	778,672	264,444
Interest and Fiscal Charges	806,128	813,426	(7,298)
<i>Total Expenses</i>	<u>24,277,789</u>	<u>21,963,408</u>	<u>2,314,381</u>
<i>Change in Net Position</i>	449,031	2,863,852	(2,414,821)
Net Position at Beginning of Year	<u>23,826,964</u>	<u>20,963,112</u>	<u>2,863,852</u>
Net Position at End of Year	<u>\$24,275,995</u>	<u>\$23,826,964</u>	<u>\$449,031</u>

The most significant program expenses for the District are Regular Instruction, Special Instruction, Pupil Transportation, Pupils, Operation and Maintenance of Plant, and Administration. These programs account for 79.66 percent of the total governmental activities. Regular Instruction, which accounts for 40.38 percent of the total, represents costs associated with providing general educational services. Special Instruction, which represents 15.61 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Pupil Transportation, which represents 6.50 percent of the total, represents costs associated with providing transportation services for students between home and school and to school activities. Pupils, which represents 5.81 percent of the total cost, represents costs associated with activities designed to assess and improve the well-being of pupils and supplement the teaching process. Operation and Maintenance of Plant, which represents 5.70 percent of the total, represents costs associated with operating and maintaining the District's facilities. Administration, which represents 5.67 percent of the total, represents costs associated with the overall administrative responsibility for each building and the School District as a whole.



**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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The majority of the funding for the most significant programs indicated above is from property taxes, income taxes, grants and entitlements not restricted for specific programs. Property taxes, income taxes, operating grants and contributions and grants and entitlements not restricted for specific programs accounts for 89.94 percent of total revenues.

As noted previously, the net position for governmental activities increased \$449,031, or 1.88 percent. This is a change from last year when net position increased \$2,863,852 or 13.66 percent. Total revenues decreased \$100,440 or 0.40 percent over the last year and expenses increased \$2,314,381 or 10.54 percent over last year.

The District had program revenue decreases of \$193,372 and an increase in general revenues of \$92,932. The decrease in program revenues is due to less operating grants and contributions and the increase in general revenues is due to an increase in income taxes.

The total expenses for governmental activities increased in several program expense categories. The most significant increases were in Regular Instruction and Special Instruction. The \$2.3 million increase in expenditures, is mainly the result of the effect on expenses of the increase in net pension/OPEB liabilities.

**Governmental Activities**

Over the past fiscal year, the District has experienced an increase in financial condition. The District is heavily dependent on property and income taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of General Fund revenue growth. Property and income taxes made up 40.84 percent and intergovernmental revenue made up 49.09 percent of the total revenue for the governmental activities in fiscal year 2023.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

The District's 2.0 mill Permanent Improvement Levy is an important piece of the financial picture. It funds not only facility maintenance and upkeep issues but also provides the bulk of the District's technology needs and a large percentage of the State's set-aside requirements for capital improvements.

The District's 5.9 mill Emergency Operation Levy passed in May 2013 and began collection in January 2014. This levy has provided operating funds for the District to maintain its current level of services and to forecast solvency into the future.

The District's 6.2 mill School Improvement Levy passed in May 2018 and began collection in January 2019. This levy provides the District's local share of the school construction costs and the cost of other improvements to school facilities.

The District's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2023, the District received \$9,280,949 through the State's foundation program, which represents 37.53 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current levels of service.

Instruction accounts for 57.07 percent of governmental activities program expenses. Support services expenses make up 31.78 percent of governmental activities expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2023 compared with fiscal year 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
**Net Cost of Governmental Activities**

	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
<i>Program Expenses:</i>				
Instruction	\$13,855,026	\$11,424,829	\$12,956,718	\$10,422,958
Support Services	7,714,583	6,516,039	6,611,284	5,473,731
Operation of Non-Instructional Services	858,936	(46,311)	803,308	(422,408)
Extracurricular Activities	1,043,116	690,849	778,672	596,074
Interest and Fiscal Charges	<u>806,128</u>	<u>806,128</u>	<u>813,426</u>	<u>813,426</u>
Total Expenses	<u>\$24,277,789</u>	<u>\$19,391,534</u>	<u>\$21,963,408</u>	<u>\$16,883,781</u>

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues of \$24,742,371 and expenditures of \$24,719,806.

Total governmental funds fund balance increased \$22,565 or 0.18 percent. The increase in fund balance for the year was most significant in the General Fund, which is mainly the result of an increase in income tax revenues for the fiscal year.

**Budget Highlights - General Fund**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a cash basis for receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2023, the District amended its General Fund budget one time. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$20,384,202 representing no change from the original budget estimate of revenue. For the General Fund, the final budget basis expenditures were \$21,213,924 representing an increase of \$526,435 from the original budget estimate of expenditures of \$20,687,489.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2023, the District had \$62,614,155 invested in capital assets, of which all was in governmental activities. That total carries an accumulated depreciation of \$11,523,976. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
(Unaudited)

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	<b>Governmental Activities</b>	
	2023	2022
<i>Nondepreciable Capital Assets:</i>		
Land	\$325,000	\$325,000
Construction in Progress	0	48,849,269
<i>Depreciable Capital Assets:</i>		
Land Improvements	1,755,947	869,591
Buildings and Improvements	55,205,282	6,277,672
Furniture, Fixtures and Equipment	2,974,048	2,859,439
Vehicles	2,353,878	1,946,268
<i>Total Capital Assets</i>	62,614,155	61,127,239
<i>Less Accumulated Depreciation:</i>		
Land Improvements	158,840	137,179
Buildings and Improvements	6,887,988	5,880,547
Furniture, Fixtures and Equipment	2,702,225	2,622,709
Vehicles	1,774,923	1,685,556
<i>Total Accumulated Depreciation</i>	11,523,976	10,325,991
<i>Capital Assets, Net</i>	\$51,090,179	\$50,801,248

More detailed information pertaining to the District's capital asset activity can be found in Note 9 of the notes to the basic financial statements.

**Debt Administration**

At June 30, 2023, the District had \$19.5 million in general obligation debt outstanding with \$210,000 due within one year. Table 5 summarizes the bonds outstanding for fiscal year 2023.

Table 5  
**Outstanding Debt, Governmental Activities at Year End**

Purpose	2023	2022
2019 General Obligation Bonds	\$19,465,000	\$19,660,000
Total	\$19,465,000	\$19,660,000

Detailed information pertaining to the District's long-term debt activity can be found in Note 14 to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*(Unaudited)*

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**Current Issues**

Property tax collections have increased due to the new emergency operating levy. The housing sector has picked up in Carlisle due to the passage of a bond issue to build new school facilities. Property tax revenue will be increasing with new construction. New construction in Carlisle's housing subdivisions has picked up. The valuation of the district property values will be increasing with the next triannual update by the Warren County Auditor.

The District passed the renewal of the Emergency Levy in May of 2023. The Emergency Levy will not be on the ballot again for renewal until 2028.

Management has continued to be conservative in its fiscal spending. Multiple positions have been eliminated and other changes have been made in operations to gain efficiency and reduce spending. The district is learning to manage.

The District is at the 20 mill floor. This means that when the County would perform its tri-annual reappraisal the District would usually see an increase in property tax revenue. In the most recent triennial property valuation conducted by the Warren County Auditor, the property values in the Carlisle Local School District increased on the average of 12%. Property values are up, and new construction in select subdivisions are up. Warren County will perform its triannual update in 2024.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information, contact Dan Bassler, Treasurer of Carlisle Local School Board of Education, 230 Jamaica Road, Carlisle, Ohio 45005.

**CARLISLE LOCAL SCHOOL DISTRICT**

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$13,445,295
Property Taxes Receivable	6,814,940
Income Taxes Receivable	1,197,206
Intergovernmental Receivable	136,440
Net OPEB Asset	1,663,385
Nondepreciable Capital Assets	325,000
Depreciable Capital Assets, Net	<u>50,765,179</u>
<i>Total Assets</i>	<u>74,347,445</u>
<b><u>Deferred Outflows of Resources:</u></b>	
Pension	4,497,814
OPEB	<u>625,059</u>
<i>Total Deferred Outflows of Resources</i>	<u>5,122,873</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	52,596
Accrued Wages and Benefits	2,780,932
Intergovernmental Payable	517,110
Matured Compensated Absences Payable	46,840
Accrued Interest Payable	63,995
<i>Long-Term Liabilities:</i>	
Due within One Year	361,071
<i>Due in More Than One Year:</i>	
Net Pension Liability	18,378,126
Net OPEB Liability	1,090,475
Other Amounts Due in More Than One Year	<u>21,572,866</u>
<i>Total Liabilities</i>	<u>44,864,011</u>
<b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	5,482,387
Pension	2,104,349
OPEB	<u>2,743,576</u>
<i>Total Deferred Inflows of Resources</i>	<u>10,330,312</u>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	30,428,780
<i>Restricted for:</i>	
Capital Projects	753,285
Debt Service	1,717,164
Other Purposes	239,865
Unrestricted	<u>(8,863,099)</u>
<i>Total Net Position</i>	<u>\$24,275,995</u>

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Program Revenues				Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b><u>Governmental Activities:</u></b>					
<i>Instruction:</i>					
Regular	\$9,802,431	\$552,018	\$430,762	\$0	(8,819,651)
Special	3,788,750	0	1,436,807	0	(2,351,943)
Vocational	133,437	0	10,610	0	(122,827)
Student Intervention Services	83,891	0	0	0	(83,891)
Other	46,517	0	0	0	(46,517)
<i>Support Services:</i>					
Pupils	1,409,408	0	162,009	0	(1,247,399)
Instructional Staff	735,389	0	1,500	0	(733,889)
Board of Education	42,279	0	0	0	(42,279)
Administration	1,377,020	0	0	0	(1,377,020)
Fiscal	1,056,162	0	0	0	(1,056,162)
Business	29,387	0	0	0	(29,387)
Operation and Maintenance of Plant	1,383,786	0	27,571	0	(1,356,215)
Pupil Transportation	1,578,348	0	1,000,264	0	(578,084)
Central	102,804	0	7,200	0	(95,604)
<i>Operation of Non-Instructional Services:</i>					
Food Services	858,936	405,808	499,439	0	46,311
Extracurricular Activities	1,043,116	246,173	5,794	100,300	(690,849)
Interest and Fiscal Charges	806,128	0	0	0	(806,128)
<b>Total Governmental Activities</b>	<b>\$24,277,789</b>	<b>\$1,203,999</b>	<b>\$3,581,956</b>	<b>\$100,300</b>	<b>(19,391,534)</b>
<b><u>General Revenues:</u></b>					
<i>Property Taxes Levied for:</i>					
General Purposes					5,213,779
Debt Service					1,084,065
Capital Maintenance					31,509
Capital Outlay					259,999
<i>Income Taxes Levied for:</i>					
General Purposes					3,509,573
Grants and Entitlements not Restricted to Specific Programs					8,557,418
Payment in Lieu of Taxes					1,078,666
Investment Earnings					37,959
Miscellaneous					67,597
<b>Total General Revenues</b>					<b>19,840,565</b>
Change in Net Position					449,031
<i>Net Position at Beginning of Year</i>					23,826,964
<i>Net Position at End of Year</i>					<b>\$24,275,995</b>

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2023*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$9,935,986	\$1,583,482	\$1,925,827	\$13,445,295
Property Taxes Receivable	5,478,337	1,058,468	278,135	6,814,940
Income Taxes Receivable	1,197,206	0	0	1,197,206
Intergovernmental Receivable	5,441	0	130,999	136,440
Interfund Receivable	108,383	0	0	108,383
<i>Total Assets</i>	<u>\$16,725,353</u>	<u>\$2,641,950</u>	<u>\$2,334,961</u>	<u>\$21,702,264</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$52,547	\$0	\$49	\$52,596
Accrued Wages and Benefits	2,703,585	0	77,347	2,780,932
Intergovernmental Payable	508,205	0	8,905	517,110
Matured Compensated Absences Payable	45,732	0	1,108	46,840
Interfund Payable	0	0	108,383	108,383
<i>Total Liabilities</i>	<u>3,310,069</u>	<u>0</u>	<u>195,792</u>	<u>3,505,861</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	4,510,801	881,402	229,125	5,621,328
Unavailable Revenue	0	0	29,963	29,963
<i>Total Deferred Inflows of Resources</i>	<u>4,510,801</u>	<u>881,402</u>	<u>259,088</u>	<u>5,651,291</u>
<b><u>Fund Balances:</u></b>				
Restricted	0	0	1,914,983	1,914,983
Assigned	1,877,403	1,760,548	0	3,637,951
Unassigned	7,027,080	0	(34,902)	6,992,178
<i>Total Fund Balances</i>	<u>8,904,483</u>	<u>1,760,548</u>	<u>1,880,081</u>	<u>12,545,112</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$16,725,353</u>	<u>\$2,641,950</u>	<u>\$2,334,961</u>	<u>\$21,702,264</u>

See accompanying notes to the basic financial statements.



**CARLISLE LOCAL SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2023*

**Total Governmental Funds Balances** \$12,545,112

*Amounts reported for governmental activities in 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. 51,090,179

Some of the District's receivables will be collected after fiscal year-end, but are  
 not available soon enough to pay for the current period's expenditures and  
 therefore are deferred in the funds. These receivables consist of:

Property Taxes	138,941	
Intergovernmental Revenue	29,963	
<b>Total</b>		<b>168,904</b>

Some liabilities are not due and payable in the current period and therefore are  
 not reported in the funds. Those liabilities consist of:

General Obligation Bonds	(19,465,000)	
Premium on Bonds	(1,196,399)	
Accrued Interest on Bonds	(63,995)	
Compensated Absences	(1,272,538)	
<b>Total liabilities that are not reported in the funds</b>		<b>(21,997,932)</b>

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

Deferred Outflows - Pension	4,497,814	
Deferred Outflows - OPEB	625,059	
Deferred Inflows - Pension	(2,104,349)	
Deferred Inflows - OPEB	(2,743,576)	
Net OPEB Asset	1,663,385	
Net Pension Liability	(18,378,126)	
Net OPEB Liability	(1,090,475)	
<b>Total</b>		<b>(17,530,268)</b>

*Net Position of Governmental Activities* \$24,275,995

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$5,212,715	\$1,088,250	\$291,852	\$6,592,817
Income Taxes	3,509,573	0	0	3,509,573
Intergovernmental	10,100,129	35,767	2,008,870	12,144,766
Interest	37,337	0	622	37,959
Tuition and Fees	550,653	0	0	550,653
Extracurricular Activities	26,505	0	219,668	246,173
Rentals	1,365	0	0	1,365
Payments in Lieu of Taxes	1,078,666	0	0	1,078,666
Gifts and Donations	0	0	106,994	106,994
Customer Sales and Services	0	0	405,808	405,808
Miscellaneous	56,956	0	10,641	67,597
<i>Total Revenues</i>	<u>20,573,899</u>	<u>1,124,017</u>	<u>3,044,455</u>	<u>24,742,371</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	8,867,690	0	416,957	9,284,647
Special	2,871,992	0	622,463	3,494,455
Vocational	125,800	0	0	125,800
Student Intervention Services	83,891	0	0	83,891
Other	46,517	0	0	46,517
<i>Support Services:</i>				
Pupils	1,189,425	0	161,894	1,351,319
Instructional Staff	691,010	0	1,500	692,510
Board of Education	42,279	0	0	42,279
Administration	1,315,909	0	0	1,315,909
Fiscal	1,002,822	15,058	8,196	1,026,076
Business	29,387	0	0	29,387
Operation and Maintenance of Plant	1,586,325	0	525,706	2,112,031
Pupil Transportation	1,499,188	0	417,810	1,916,998
Central	89,814	0	7,200	97,014
Operation of Non-Instructional Services	0	0	779,697	779,697
Extracurricular Activities	695,739	0	333,047	1,028,786
Capital Outlay	0	0	253,334	253,334
<i>Debt Service:</i>				
Principal Retirement	0	195,000	0	195,000
Interest and Fiscal Charges	0	844,156	0	844,156
<i>Total Expenditures</i>	<u>20,137,788</u>	<u>1,054,214</u>	<u>3,527,804</u>	<u>24,719,806</u>
<i>Net Change in Fund Balances</i>	436,111	69,803	(483,349)	22,565
<i>Fund Balances at Beginning of Year</i>	<u>8,468,372</u>	<u>1,690,745</u>	<u>2,363,430</u>	<u>12,522,547</u>
<i>Fund Balances at End of Year</i>	<u>\$8,904,483</u>	<u>\$1,760,548</u>	<u>\$1,880,081</u>	<u>\$12,545,112</u>

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2023*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$22,565</b>
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	288,931
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:	
Property taxes	(3,465)
Intergovernmental	<u>(12,086)</u>
Total	(15,551)
Repayment of note and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	195,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	641
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Amortization of premium on bonds	37,387
Compensated absences	<u>(112,487)</u>
Total	(75,100)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	1,634,378
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	<u>(1,601,833)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$449,031</u></u>

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$5,367,719	\$5,367,719	\$5,486,915	\$119,196
Income Taxes	3,160,183	3,160,183	3,510,280	350,097
Intergovernmental	10,343,100	10,343,100	10,094,688	(248,412)
Interest	15,000	15,000	37,337	22,337
Tuition and Fees	649,500	649,500	550,653	(98,847)
Rent	5,000	5,000	1,365	(3,635)
Extracurricular Activities	28,700	28,700	26,505	(2,195)
Gifts and Donations	1,000	1,000	0	(1,000)
Payments in Lieu of Taxes	800,000	800,000	1,078,666	278,666
Miscellaneous	14,000	14,000	19,380	5,380
<i>Total Revenues</i>	<u>20,384,202</u>	<u>20,384,202</u>	<u>20,805,789</u>	<u>421,587</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	9,793,116	9,896,163	9,145,478	750,685
Special	2,922,426	3,281,426	2,956,604	324,822
Vocational	165,776	165,776	130,442	35,334
Student Intervention Services	147,000	147,099	84,191	62,908
Other	0	0	42,120	(42,120)
<i>Support Services:</i>				
Pupils	1,272,983	1,272,983	1,124,277	148,706
Instructional Staff	579,777	585,477	517,318	68,159
Board of Education	52,900	52,900	42,251	10,649
Administration	1,333,434	1,334,459	1,216,731	117,728
Fiscal	818,520	818,577	827,897	(9,320)
Business	30,250	31,947	29,667	2,280
Operation and Maintenance of Plant	1,565,160	1,604,412	1,524,254	80,158
Pupil Transportation	1,286,490	1,302,402	1,399,909	(97,507)
Central	79,000	79,000	67,598	11,402
Extracurricular Activities				
Academic Oriented Activities	90,524	90,524	92,019	(1,495)
Sport Oriented Activities	531,702	532,348	583,128	(50,780)
School and Public Service Co-Curricular Activities	18,431	18,431	25,048	(6,617)
<i>Total Expenditures</i>	<u>20,687,489</u>	<u>21,213,924</u>	<u>19,808,932</u>	<u>1,404,992</u>
<i>Net Change in Fund Balance</i>	(303,287)	(829,722)	996,857	1,826,579
<i>Fund Balance at Beginning of Year</i>	8,901,692	8,901,692	8,901,692	0
<i>Prior Year Encumbrances Appropriated</i>	61,735	61,735	61,735	0
<i>Fund Balance at End of Year</i>	<u>\$8,660,140</u>	<u>\$8,133,705</u>	<u>\$9,960,284</u>	<u>\$1,826,579</u>

See accompanying notes to the basic financial statements.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

**Description of the District**

Carlisle Local School District (the District) is a body politic and corporate organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District is a local school district as defined by Ohio Revised Code Section 3311.03. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District was established through the consolidation of existing land areas and school districts. The District serves an area of approximately 11.7 square miles. It is located in Warren and Montgomery Counties, and includes all of the City of Carlisle and portions of Miami and Franklin Townships. It is staffed by 83 non-certificated employees, 107 certificated full-time teaching personnel and 9 administrative employees who provide services to 1,564 students and other community members. The District currently operates 3 instructional/support facilities.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Carlisle Local School District, this includes general operations, food service, preschool and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District is associated with three jointly owned organizations: the Southwestern Ohio Computer Association (SWOCA), the Miami Valley Career Technology Center, and the Southwestern Ohio Educational Purchasing Council. The District is also associated with one insurance purchasing pool: EPC Worker's Compensation Group Rating Plan. These organizations are presented in Notes 19 and 20 to the basic financial statements.

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

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

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**A. Basis of Presentation**

The District's basic financial statement consists of government-wide financial 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 District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. 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. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District 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 District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. The funds of the District fall within the governmental category.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the District are financed. Governmental funds focus 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 liabilities is reported as fund balance.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

The following is the District's only major governmental fund:

**General Fund-** This fund is the operating fund of the District and is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Bond Retirement Fund** - This fund is used to account for financial resources accumulated for the payment of general long-time debt principal, interest and related costs.

The other governmental funds of the District account for grants and other resources of the District whose use is restricted to a particular purpose.

**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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District is not reporting any fiduciary funds.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District 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 and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance 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 statements for governmental funds.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**D. 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 and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows of resources, 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 fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal 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 District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District 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 the fiscal year-end: property taxes available for advance, grants and interest.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported in the government-wide Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.



**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

In addition to the liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental grants. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position (See Notes 11 and 12).

**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 the governmental funds.

**E. Cash and Cash Equivalents**

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

During the fiscal year 2023, the District's investments were limited to State Treasury Asset Reserve of Ohio (STAROhio). Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments the investment could be sold for on June 30, 2023.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$37,337 which \$6,669 is assigned from other District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents.

**F. Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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

On fund financial statements, inventories of governmental funds are stated at cost. Cost 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 an expenditure in the governmental fund types when consumed or used. As of June 30, 2023, the District reported no inventory.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. As of June 30, 2023, the District reported no prepaid items.

**H. Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. As of June 30, 2023, the District reported no restricted assets.

**I. Capital Assets**

General capital assets are associated with and generally arise from governmental activities. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

As of June 30, 2023, the District reports all reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	50 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	10 years
Books and Educational Media	10 years

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**J. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables”. These amounts are eliminated in the governmental activities column of the Statement of Net Position.

**K. Pensions**

For purposes of measuring the net pension/OPEB liability, 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.

**L. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributed to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year-end, taking into consideration any limits specified in the District’s termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 15 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees will be paid. As of June 30, 2023, the District report no Matured Compensated Absences Payable.

**M. Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities and long-term liabilities are reported in the government-wide 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, matured claims and judgments, matured compensated absences, special termination of benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements liability when matured or for pension when service is rendered. Long-term loans, notes and capital leases are recognized as a liability on the fund financial statements when due.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

**N. Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Net position restricted for other purposes are primarily from federal and state grants reported in the Special Revenue Funds. Of the District's \$2,710,314 restricted net position, none are restricted by enabling legislation.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**O. Fund Balance**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Committed** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

**Unassigned** – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

**P. Interfund Transactions**

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

**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 Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2023, the District reported no extraordinary and special items.

**R. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

**S. Budgetary Process**

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**NOTE 3 - IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2023, the School District has implemented GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 93, paragraphs 13 and 14, Replacement of Interbank Offered Rates, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Available Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 4 – ACCOUNTABILITY**

**Deficits in Fund Balance**

The following funds had deficit fund balances as of June 30, 2023:

<u>Fund</u>	<u>Amount</u>
<i>Nonmajor Special Revenue Funds:</i>	
Children's Trust	\$535
Other Local Grant	592
Miscellaneous State Grants	1,496
ESSER	23,660
Title VI-B	31,462
Title I	387
Pre-School Handicap Grant	750
Miscellaneous Federal Grants	20

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While the District is 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 and described earlier is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and modified accrual GAAP basis are that:

- 1.Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2.Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 3.Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a restricted, committed or assigned fund balance (GAAP basis).
4. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$436,111
<i>Adjustments:</i>	
Revenue Accruals	269,466
Expenditure Accruals	329,281
Encumbrances	(40,745)
Activity of Funds Reclassified For GAAP Reporting Purposes	<u>2,744</u>
Budget Basis	<u><u>\$996,857</u></u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District 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 District 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 Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys 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 accounts including passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;



**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** - (Continued)

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

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

**Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, the District may not be able to recover deposits on collateral securities that are the possession of an outside party. As of June 30, 2023, all of the District's bank balance of \$14,101,877 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

Eligible securities pledged to the District 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% of the deposits being secured;  
or

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. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 6 - DEPOSITS AND INVESTMENTS** - (Continued)

The District’s only financial institution is enrolled in the OPCS.

**Investments:** As of June 30, 2023, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 Months or Less</u>
STAR Ohio	\$11,714	\$11,714
	<u>\$11,714</u>	<u>\$11,714</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the District’s recurring fair value measurements as of June 30, 2023. All of the District’s investments are valued using quoted market prices (Level 1 inputs).

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by keeping the portfolio sufficiently liquid to enable the school to meet all operating requirements.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits their investments to obligations of Federal Government Agencies or Instrumentalities as described in Ohio Revised Code Section 135.143A (2). Standard and Poor’s has assigned STAROhio a rating of “AAAm.”

**Concentration of Credit Risk:** The District’s investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District’s investment policy does not place any limit on the amount that may be invested in any one issuer.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$11,714	100.00%
	<u>\$11,714</u>	<u>100.00%</u>

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District 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.

All of the District’s investments are either insured and registered in the name of the District or at least registered in the name of the District.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half of tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. 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 alternate payment dates to be established.

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Warren and Montgomery Counties. Each County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2023 are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the June 2023 personal property tax settlement, delinquent taxes outstanding and real property, and public utility taxes which become measurable as of June 30, 2023. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2023 was \$1,193,597 and is recognized as revenue. Of this total amount, \$967,523 was available to the General Fund, \$177,065 was available to the Bond Retirement Debt Service Fund and \$49,009 was available to the Permanent Improvement Capital Projects Fund.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$183,405,388	90.07%	\$198,386,810	89.84%
Public Utility Personal	20,216,520	9.93%	22,435,800	10.16%
Total Assessed Value	<u>\$203,621,908</u>	<u>100.00%</u>	<u>\$220,822,610</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$54.71		\$54.71

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 8 - INCOME TAX**

The District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2005, and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated funds. During fiscal year 2023, the District had \$3,509,573 of income tax revenue in the General Fund.

**NOTE 9 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2023 was as follows:

<u>Asset Category</u>	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2023</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$325,000	\$0	\$0	\$325,000
Construction in Progress	48,849,269	0	(48,849,269)	0
Total Nondepreciable Capital Assets	<u>49,174,269</u>	<u>0</u>	<u>(48,849,269)</u>	<u>325,000</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	869,591	886,356	0	1,755,947
Buildings and Improvements	6,277,672	48,927,610	0	55,205,282
Furniture, Fixtures and Equipment	2,859,439	114,609	0	2,974,048
Vehicles	1,946,268	407,610	0	2,353,878
Total Depreciable Capital Assets	<u>11,952,970</u>	<u>50,336,185</u>	<u>0</u>	<u>62,289,155</u>
Total Capital Assets	<u>61,127,239</u>	<u>50,336,185</u>	<u>(48,849,269)</u>	<u>62,614,155</u>
<i>Accumulated Depreciation:</i>				
Land Improvements	(137,179)	(21,661)	0	(158,840)
Buildings and Improvements	(5,880,547)	(1,007,441)	0	(6,887,988)
Furniture, Fixtures and Equipment	(2,622,709)	(79,516)	0	(2,702,225)
Vehicles	(1,685,556)	(89,367)	0	(1,774,923)
Total Accumulated Depreciation	<u>(10,325,991)</u>	<u>(1,197,985)</u>	<u>0</u>	<u>(11,523,976)</u>
Total Net Capital Assets	<u>\$50,801,248</u>	<u>\$49,138,200</u>	<u>(48,849,269)</u>	<u>\$51,090,179</u>

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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

Depreciation expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$473,616
Special	277,932
Vocational	5,790
<i>Support Services:</i>	
Pupils	57,902
Instructional Staff	47,394
Administration	63,693
Fiscal	24,207
Operations and Maintenance	55,077
Pupil Transportation	82,138
Central	5,790
Operation of Non-Instructional Services	88,884
Extracurricular Activities	<u>15,562</u>
Total Depreciation Expense	<u>\$1,197,985</u>

**NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2023, the District contracted with commercial carriers for property, fleet, professional and general liability insurance. Coverages provided are as follows:

<u>Description</u>	<u>Amount</u>
Building/Contents and Boiler/Machinery	\$ 56,664,170
Building/Contents - replacement cost (90% co-insurance)	
Boiler/Machinery (\$3,500 deductible)	
Automobile Liability (\$1,000 deductible for collision and \$1,000 comprehensive)	1,000,000
Uninsured Motorists (\$1,000 deductible for collision and \$1,000 comprehensive)	1,000,000
<i>General Liability:</i>	
Per Occurrence (\$1,000 deductible)	1,000,000
Aggregate Limit per Year	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year, except for building/contents and boiler/machinery coverage.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 10 - RISK MANAGEMENT** - (Continued)

For fiscal year 2023, the District participated in the EPC Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool (Note 20). The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm Gates McDonald & Co. provides administrative, cost control and actuarial services to the Plan.

Dental coverage is provided and was switched from a self-funded, self-insured internal service plan to a fully funded plan through the Educational Purchasing Cooperative (EPC). A third party administrator, CoreSource Inc. located in Westerville, Ohio reviews all claims and pays those claims in accordance with benefit guidelines. This change was effective the same date as the change in medical coverage. The District pays \$109.00 for family and \$43.08 per month for single respectively per employee, which represents the entire premium.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

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

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

**Plan Description - School Employees Retirement System (SERS)**

**Plan Description** – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018 is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. The Retirement Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries for 2021.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contributions to the Health Care Fund.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

The District's contractually required contribution to SERS was \$385,608 for fiscal year 2023. Of this amount, none is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

***Plan Description*** – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.



**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2023, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,190,752 for fiscal year 2023. Of this amount, \$208,892 is reported as intergovernmental payable.

**Net Pension Liability**

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.07575670%	0.06423991%	
Prior Measurement Date	0.08217260%	0.06676877%	
Change in Proportionate Share	<u>-0.00641590%</u>	<u>-0.00252886%</u>	
Proportionate Share of the Net Pension Liability	\$4,097,512	\$14,280,614	\$18,378,126
Pension Expense	266,936	1,663,210	1,930,146

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$165,952	\$182,811	\$348,763
Net Difference between Projected and Actual Earnings			
on Pension Plan Investments	0	496,934	496,934
Changes of Assumptions	40,431	1,708,961	1,749,392
Changes in Proportion and Differences between			
Contributions and Proportionate Share of			
Contributions	83,266	243,099	326,365
Contributions Subsequent to the Measurement Date	<u>385,608</u>	<u>1,190,752</u>	<u>1,576,360</u>
<b>Total Deferred Outflows of Resources</b>	<u><u>\$675,257</u></u>	<u><u>\$3,822,557</u></u>	<u><u>\$4,497,814</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$26,899	\$54,627	\$81,526
Net Difference between Projected and Actual Earnings			
on Pension Plan Investments	142,985	0	142,985
Changes of Assumptions	0	1,286,356	1,286,356
Changes in Proportion and Differences between			
Contributions and Proportionate Share of			
Contributions	<u>253,337</u>	<u>340,145</u>	<u>593,482</u>
<b>Total Deferred Inflows of Resources</b>	<u><u>\$423,221</u></u>	<u><u>\$1,681,128</u></u>	<u><u>\$2,104,349</u></u>

\$1,576,360 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	(\$28,384)	\$45,352	\$16,968
2025	(138,547)	(65,867)	(204,414)
2026	(204,257)	(477,094)	(681,351)
2027	<u>237,616</u>	<u>1,448,286</u>	<u>1,685,902</u>
	<u><u>(\$133,572)</u></u>	<u><u>\$950,677</u></u>	<u><u>\$817,105</u></u>

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, compared with June 30, 2021, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses	7.00 percent net of system expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2022 and 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five year period ended June 30, 2020.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The discount rate for 2021 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the 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 District'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 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$6,031,341	\$4,097,512	\$2,468,286

***Changes Between the Measurement Date and the Reporting Date*** Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2023.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation	2.50 percent	2.50 percent
Projected salary increases	8.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.00 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

Post-Retirement mortality rates for 2022 are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Post-retirement mortality rates for healthy retirees for 2021 were based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

STRS’ investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Real Rate of Return**
Domestic Equity	26.00%	6.60%
International Equity	22.00%	6.80%
Alternatives	19.00%	7.38%
Fixed Income	22.00%	1.75%
Real Estate	10.00%	5.75%
Liquidity Reserves	1.00%	1.00%
 Total	 <u>100.00%</u>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses. Over a 30 year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022, and was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -**

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$21,572,807	\$14,280,614	\$8,113,674

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

***Changes Between the Measurement Date and the Reporting Date*** – Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

***Net OPEB Liability***

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 net OPEB liability represents the District’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net 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 these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$58,018.



**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District’s contractually required contribution to SERS was \$58,018 for fiscal year 2023, which is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements was discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

***Net OPEB Liability***

The net OPEB liability(asset) was measured as of June 30, 2022, and the total OPEB liability(asset) used to calculate the net OPEB liability(asset) was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on the District’s share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.07766860%	0.06423991%	
Prior Measurement Date	0.08447320%	0.06676877%	
Change in Proportionate Share	<u>-0.00680460%</u>	<u>-0.00252886%</u>	
Proportionate Share of the Net OPEB Liability/(Asset)	\$1,090,475	(\$1,663,385)	(\$572,910)
OPEB Expense (Gain)	(\$41,868)	(\$286,445)	(\$328,313)

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$9,169	\$24,115	\$33,284
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,667	28,952	34,619
Changes of Assumptions	173,454	70,856	244,310
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	232,183	22,645	254,828
Contributions Subsequent to the Measurement Date	<u>58,018</u>	<u>0</u>	<u>58,018</u>
<b>Total Deferred Outflows of Resources</b>	<u><u>\$478,491</u></u>	<u><u>\$146,568</u></u>	<u><u>\$625,059</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$697,547	\$249,807	\$947,354
Changes of Assumptions	447,649	1,179,502	1,627,151
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	<u>168,074</u>	<u>997</u>	<u>169,071</u>
<b>Total Deferred Inflows of Resources</b>	<u><u>\$1,313,270</u></u>	<u><u>\$1,430,306</u></u>	<u><u>\$2,743,576</u></u>

\$58,018 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$169,904)	(\$371,618)	(\$541,522)
2025	(146,941)	(365,138)	(512,079)
2026	(187,016)	(178,062)	(365,078)
2027	(119,959)	(74,405)	(194,364)
2028	(91,565)	(97,339)	(188,904)
Thereafter	<u>(177,412)</u>	<u>(197,176)</u>	<u>(374,588)</u>
	<u><u>(\$892,797)</u></u>	<u><u>(\$1,283,738)</u></u>	<u><u>(\$2,176,535)</u></u>

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, 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.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, compared with June 30, 2021, are presented below:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	3.69 percent	1.92 percent
Prior Measurement Date	1.92 percent	2.45 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	4.08 percent	2.27 percent
Prior Measurement Date	2.27 percent	2.63 percent
Medical Trend Assumption		
Medicare	7.00 to 4.40 percent	5.125 to 4.40 percent
Pre-Medicare	7.00 to 4.40 percent	6.75 to 4.40 percent

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

For 2022 and 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS**– (Continued)

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by STRS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

**Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$1,354,387	\$1,090,475	\$877,427

  

	Current		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$840,952	\$1,090,475	\$1,416,393

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** – (Continued)

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	8.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-68.78 percent initial, 3.94 percent ultimate	-16.18 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial, 3.94 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	-5.47 initial, 3.94 percent ultimate	29.98 initial, 4 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022; valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 12 - POSTEMPLOYMENT BENEFITS** – (Continued)

STRS’ investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
<b>Total</b>	<b>100.00 %</b>	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022, and was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00 percent was used to measure the total OPEB liability as of June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability/Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB liability/asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB liability/asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
	District's Proportionate Share of the Net OPEB Asset	\$1,537,756	\$1,663,385
	1% Decrease	Current Trend Rate	1% Increase
	District's Proportionate Share of the Net OPEB Asset	\$1,725,335	\$1,663,385

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** – (Continued)

**Assumption Changes Since the Prior Measurement Date** – The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

**Benefit Term Changes Since the Prior Measurement Date** – Salary increase rates were undated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

**NOTE 13 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 250 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for aides and all other classified employees and 240 for certified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit.

**Health, Prescription Drug, and Life Insurance**

On April 1, 2003, the District began providing medical/surgical benefits through a fully funded PPO medical plan with Anthem. The District pays \$2,498.99 for family and \$1,256.32 for single coverage per month, which represents ninety and ninety-five percent of the premium respectively.

The District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life Insurance Company.



**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 14 - LONG-TERM LIABILITIES**

The changes in the District's long-term liabilities during fiscal year 2023 were as follows:

	Issue Date	Interest Rate	Principal Outstanding at June 30, 2022	Additions	Deductions	Principal Outstanding at June 30, 2023	Amount Due In One Year
<i>Governmental Activities:</i>							
General Obligation Bonds	2018	2-5%	\$19,660,000	\$0	\$195,000	\$19,465,000	\$210,000
Premiums on Bonds			1,233,786	0	37,387	1,196,399	37,388
<i>Net Pension Liability:</i>							
STRS			8,536,987	5,743,627	0	14,280,614	0
SERS			3,031,931	1,065,581	0	4,097,512	0
Total Net Pension Liability			11,568,918	6,809,208	0	18,378,126	0
<i>Net OPEB Liability:</i>							
STRS			0	0	0	0	0
SERS			1,598,725	0	508,250	1,090,475	0
Total Net OPEB Liability			1,598,725	0	508,250	1,090,475	0
Compensated Absences			1,160,051	435,359	322,872	1,272,538	113,683
Total Governmental Activities Long-Term Obligations			\$35,221,480	\$7,244,567	\$1,063,509	\$41,402,538	\$361,071

*General Obligation Bonds* - During fiscal year 2019, the District issued \$20,245,000 of general obligation bonds for construction of a new Pre K-12 facility. The \$1,383,336 premium on the issuance of the bonds is netted against this debt and is being amortized over the life of this debt, with a final maturity of December 1, 2054. The bonds are retired through the Bond Retirement Fund using property tax revenues.

The District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences will be paid from the fund from which the employee is paid.

The District's overall legal debt margin was \$19,874,035 with an unvoted debt margin of \$220,823 at June 30, 2023.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 14 - LONG-TERM LIABILITIES** - (Continued)

The annual requirements to retire the general obligation bonds outstanding at June 30, 2023, are as follows:

Year Ending June 30	General Obligation Bonds	
	Principal	Interest
2024	\$210,000	\$836,006
2025	220,000	827,406
2026	275,000	816,132
2027	290,000	802,006
2028	310,000	787,006
2029-2033	1,950,000	3,708,481
2034-2038	2,390,000	3,265,057
2039-2043	3,025,000	2,614,407
2044-2048	3,850,000	1,759,281
2049-2053	4,780,000	837,919
2054-2055	2,165,000	79,116
Totals	<u>\$19,465,000</u>	<u>\$16,332,817</u>

**NOTE 15- FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<i>Restricted:</i>				
<i>Special Revenues:</i>				
Athletics	\$0	\$0	\$13,180	\$13,180
Food Service	0	0	944,321	944,321
Student Activities	0	0	22,726	22,726
Classroom Maintenance	0	0	185,865	185,865
Local Grants	0	0	1,311	1,311
Capital Projects	0	0	747,580	747,580
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,914,983</u>	<u>1,914,983</u>
<i>Assigned:</i>				
<i>Encumbrance:</i>				
Instruction	6,281	0	0	6,281
Support Services	34,464	0	0	34,464
Debt Service	0	1,760,548	0	1,760,548
Public School Support	36,433	0	0	36,433
Subsequent Appropriation	1,800,225	0	0	1,800,225
<i>Total Assigned</i>	<u>1,877,403</u>	<u>1,760,548</u>	<u>0</u>	<u>3,637,951</u>
<i>Unassigned (Deficit)</i>	<u>7,027,080</u>	<u>0</u>	<u>(34,902)</u>	<u>6,992,178</u>
Total Fund Balance	<u>\$8,904,483</u>	<u>\$1,760,548</u>	<u>\$1,880,081</u>	<u>\$12,545,112</u>

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

**NOTE 16- INTERFUND ACTIVITY**

As of June 30, 2023, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$108,383	\$0
<i>Nonmajor Special Revenue Funds:</i>		
District Managed Activities	0	4,546
Children's Trust	0	535
Miscellaneous State Grants	0	1,496
ESSER	0	101,036
Pre-School Handicap Grant	0	750
Miscellaneous Federal Grants	0	20
Total Non-Major Funds	<u>0</u>	<u>108,383</u>
Total	<u><u>\$108,383</u></u>	<u><u>\$108,383</u></u>

All the interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

**NOTE 17 - STATUTORY SET-ASIDES**

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2023:

	<u>Capital Improvements</u>
Set Aside Balance June 30, 2022	\$0
Current Year Set Aside Requirement	334,287
Current Year Offsets	0
Current Year Qualifying Disbursements	<u>(496,987)</u>
Total	<u>(162,700)</u>
Set Aside Reserved Balance as of June 30, 2023	<u><u>\$0</u></u>
Total Restricted Assets	<u><u>\$0</u></u>

Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is therefore not presented as being carried forward to future years.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 18 – ENCUMBRANCE COMMITMENTS**

At June 30, 2023, the District had encumbrance commitments in the governmental funds as follows:

<u>Fund</u>	
General	\$40,745
<i>Nonmajor Funds:</i>	
Building	53,617
Food Service	32,422
Classroom Maintenance	213,800
District Managed Activities	265
Local Grants	604
Permanent Improvement	46,603
Total Nonmajor Funds	<u>347,311</u>
Total Encumbrances	<u><u>\$388,056</u></u>

**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS**

**Southwestern Ohio Computer Association**

Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the 28 participating school districts. During fiscal year 2023, the District paid \$75,723 to SWOCA.

Financial information can be obtained by contacting SWOCA at 3603 Hamilton-Middletown Road, Hamilton, Ohio, 45011-2241.

**Miami Valley Career Technology Center**

The Miami Valley Career Technology Center, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school districts' elected board, which possess its own budgeting and taxing authority. Accordingly, the Miami Valley Career Technology Center is not part of the District and its operations are not included as part of the reporting entity. During fiscal year 2023, the District did not make any contributions to the Miami Valley Career Technology Center. Financial information can be obtained by contacting the Miami Valley Career Technology Center at 3800 Hoke Road, Clayton, Ohio 45315.

**CARLISLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

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**NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS** - (Continued)

**Southwestern Ohio Educational Purchasing Council**

The District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC). The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year's prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. The District made no significant payments for membership in fiscal year 2023. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, at 303 Corporate Center Dr., Suite 208, Vandalia, Ohio 45377.

**NOTE 20 - INSURANCE PURCHASING POOL**

**EPC Worker's Compensation Group Rating Plan**

The District participates in the EPC Worker's Compensation Group Rating Plan (GRP), an insurance purchasing pool established in Section 4123.39 of the Ohio Revised Code. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 21 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure 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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

**B. Litigation**

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

**C. School Foundation**

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2023 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2023 financial statements was insignificant.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net Pension Liability*  
*Last Ten Measurement Periods*

	2022	2021	2020	2019
<b><u>School Employees Retirement System of Ohio</u></b>				
District's Proportion of the Net Pension Liability	0.0757567%	0.0821726%	0.0757117%	0.0720216%
District's Proportionate Share of the Net Pension Liability	\$4,097,512	\$3,031,931	\$5,007,731	\$4,309,179
District's Covered Payroll	\$2,671,714	\$2,594,571	\$2,519,829	\$2,451,429
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	153.37%	116.86%	198.73%	175.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%
<b><u>State Teachers Retirement System of Ohio</u></b>				
District's Proportion of the Net Pension Liability	0.06423991%	0.06676877%	0.06670933%	0.06524216%
District's Proportionate Share of the Net Pension Liability	\$14,280,614	\$8,536,987	\$16,141,284	\$14,427,912
District's Covered Payroll	\$8,714,371	\$9,100,486	\$8,328,214	\$7,881,957
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	163.87%	93.81%	193.81%	183.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.88%	87.80%	75.48%	77.40%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information and accountant's report.

2018	2017	2016	2015	2014	2013
0.0727273%	0.0675345%	0.0694394%	0.0700754%	0.0720960%	0.0720960%
\$4,165,227	\$4,035,037	\$5,082,323	\$3,998,570	\$3,648,738	\$4,287,318
\$2,385,086	\$2,319,600	\$2,450,057	\$2,634,734	\$2,482,078	\$2,418,916
174.64%	173.95%	207.44%	151.76%	147.00%	177.24%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
0.06469674%	0.06304167%	0.06484673%	0.06443735%	0.06476167%	0.06476167%
\$14,225,361	\$14,975,684	\$21,706,155	\$17,808,599	\$15,752,279	\$18,764,012
\$7,444,800	\$6,916,857	\$6,854,343	\$6,982,129	\$6,509,200	\$6,929,300
191.08%	216.51%	316.68%	255.06%	242.00%	270.79%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net OPEB Liability*  
*Last Seven Fiscal Years (1)*

	2022	2021	2020	2019
<b><u>School Employees Retirement System of Ohio</u></b>				
District's Proportion of the Net OPEB Liability	0.07766860%	0.08447320%	0.07848330%	0.07353940%
District's Proportionate Share of the Net OPEB Liability	\$1,090,475	\$1,598,725	\$1,705,699	\$1,849,361
District's Covered-Employee Payroll	\$2,671,714	\$2,594,571	\$2,519,829	\$2,451,429
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	40.82%	61.62%	67.69%	75.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%
<b><u>State Teachers Retirement System of Ohio</u></b>				
District's Proportion of the Net OPEB Liability	0.06423991%	0.06676877%	0.06670933%	0.06524216%
District's Proportionate Share of the Net OPEB Asset	\$1,663,385	\$1,407,765	\$1,172,415	\$1,080,567
District's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$0	\$0
District's Covered-Employee Payroll	\$8,714,371	\$9,100,486	\$8,328,214	\$7,881,957
District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	(19.09%)	(15.47%)	(14.08%)	(13.71%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.73%	174.70%	182.13%	174.74%

(1) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.



2018	2017	2016
0.07339780%	0.06865330%	0.06865330%
\$2,036,253	\$1,842,474	\$1,956,873
\$2,385,086	\$2,319,600	\$2,450,057
85.37%	79.43%	79.87%
13.57%	12.46%	11.49%
0.06469674%	0.06304167%	0.06304167%
\$1,039,611	\$0	\$0
\$0	\$2,459,653	\$3,371,485
\$7,444,800	\$6,916,857	\$6,854,343
(13.96%)	35.56%	49.19%
176.00%	47.10%	37.30%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Contributions*  
*School Employees Retirement Systems of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
<b><u>Pension</u></b>				
Contractually Required Contributions	\$385,608	\$374,040	\$363,240	\$352,776
Contributions in Relation to the Contractually Required Contributions	<u>(385,608)</u>	<u>(374,040)</u>	<u>(363,240)</u>	<u>(352,776)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$2,754,343	\$2,671,714	\$2,594,571	\$2,519,829
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
<b><u>OPEB</u></b>				
Contractually Required Contributions (1)	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$2,754,343	\$2,671,714	\$2,594,571	\$2,519,829
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

(1) Excludes surcharge amount

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$330,943	\$321,987	\$324,744	\$343,008	\$347,258	\$325,152
<u>(330,943)</u>	<u>(321,987)</u>	<u>(324,744)</u>	<u>(343,008)</u>	<u>(347,258)</u>	<u>(325,152)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,451,429	\$2,385,086	\$2,319,600	\$2,450,057	\$2,634,734	\$2,482,078
13.50%	13.50%	14.00%	14.00%	13.18%	13.10%
\$12,257	\$11,925	\$0	\$0	\$21,605	\$3,475
<u>(12,257)</u>	<u>(11,925)</u>	<u>0</u>	<u>0</u>	<u>(21,605)</u>	<u>(3,475)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,451,429	\$2,385,086	\$2,319,600	\$2,450,057	\$2,634,734	\$2,482,078
0.50%	0.50%	0.00%	0.00%	0.82%	0.14%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
<b><u>Pension</u></b>				
Contractually Required Contributions	\$1,190,752	\$1,220,012	\$1,274,068	\$1,165,950
Contributions in Relation to the Contractually Required Contributions	<u>(1,190,752)</u>	<u>(1,220,012)</u>	<u>(1,274,068)</u>	<u>(1,165,950)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$8,505,371	\$8,714,371	\$9,100,486	\$8,328,214
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
<b><u>OPEB</u></b>				
Contractually Required Contributions	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$8,505,371	\$8,714,371	\$9,100,486	\$8,328,214
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$1,103,474	\$1,042,272	\$968,360	\$959,608	\$977,498	\$846,196
(1,103,474)	(1,042,272)	(968,360)	(959,608)	(977,498)	(846,196)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,881,957	\$7,444,800	\$6,916,857	\$6,854,343	\$6,982,129	\$6,509,200
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
\$0	\$0	\$0	\$0	\$0	\$65,092
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(65,092)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,881,957	\$7,444,800	\$6,916,857	\$6,854,343	\$6,982,129	\$6,509,200
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2014-2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018.
- Under HB 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar year 2018, 2019 and 2020.

2019: The following were the most significant changes in benefit terms:

- Under Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2020-2023: There were no changes in benefit terms for the period.

*Changes in assumptions:*

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 3.25%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017-2023: There were no changes in benefit terms for the period.

*Changes in assumptions:*

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
  - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent.
- Discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 1.75%

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2017-2023: There were no changes in benefit terms for the period.

*Changes in assumptions:*

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Long term expected rate of return was reduced from 7.75% to 7.45%,
- Inflation assumption was lowered from 2.75% to 2.50%,
- Payroll growth assumption was lowered to 3.00%,
- Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation.
- Healthy and disabled mortality assumptions were updated to the following:
  - RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: Long term expected rate of return was reduced from 7.45% to 7.00%.

2023: Projected salary increases beginning rate changed from 12.50% to 8.50%.

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service.



**CARLISLE LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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- Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements is extended to January 2020.

2019: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2019.
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2021.

2020: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.944% to 1.984% per year of service effective January 1, 2020.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2020.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.
- Medicare Part B monthly reimbursements elimination date was postponed to January 1, 2021.

2021: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.984% to 2.055% per year of service effective January 1, 2021.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2021.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.
- Medicare Part B monthly reimbursements elimination date was postponed indefinitely.

2022 - 2023: There were no changes in benefit terms for the period.

*Changes in assumptions:*

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Discount rate was increased from 3.26% to 4.13%
- Long term expected rate of return was reduced from 7.75% to 7.45%.
- Valuation year per capita health care costs were updated, and the salary scale was modified.
- The percentage of future retirees electing each option was updated
- The percentage of future disabled retirees and terminated vested participants electing health coverage were decreased.
- The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

**CARLISLE LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO (Continued)**

2019: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45%
- Valuation year per capita health care costs were updated

2020-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: Discount rate was reduced from 7.45% to 7.00%.

2023: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Projected salary increases beginning rate changed from 12.50% to 8.50%.
- Health care cost trend rates were modified for medical and prescription drug costs.

**CARLISLE LOCAL SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	3L60	\$ 78,631
Cash Assistance			
School Breakfast Program	10.553	3L70	61,660
National School Lunch Program	10.555	3L60	310,579
COVID-19 National School Lunch Program	10.555	3L60	47,275
Total Child Nutrition Cluster			<u>498,145</u>
COVID - 19 State Pandemic Electronic Benefit Transfer (P-EBT)	10.649	3HF0	3,135
<b>Total U.S. Department of Agriculture</b>			<b><u>501,280</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Special Education Cluster:			
IDEA-B Special Education	84.027A	3M20	341,355
IDEA Early Childhood Special Education	84.173A	3C50	9,653
Total Special Education Cluster			<u>351,008</u>
Title I-A Improving Basic Programs	84.010A	3M00	188,404
Title II-A Supporting Effective Instruction	84.367A	3Y60	40,077
Title IV-A Student Support and Academic Enrichment	84.424A	3HI0	36,589
<b>Total U.S. Department of Education</b>			<b><u>616,078</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Department of Education</i>			
ESSER II	84.425D	3HS0	152,834
ARP ESSER	84.425U	3HS0	398,379
<b>Total U.S. Department of the Treasury</b>			<b><u>551,213</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,668,571</u></b>

**CARLISLE LOCAL SCHOOL DISTRICT  
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Carlisle Local School District (the School District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

**NOTE E – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at the entitlement value. The School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE F - MATCHING REQUIREMENTS**

Certain Federal programs require the School District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

# OHIO AUDITOR OF STATE KEITH FABER



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

Carlisle Local School District  
Warren County  
230 Jamaica Rd  
Carlisle, Ohio 45005

To the Board of Education:

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of the Carlisle Local School District, Warren County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 18, 2024.

### ***Report on Internal Control Over Financial Reporting***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 18, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Carlisle Local School District  
Warren County  
230 Jamaica Rd  
Carlisle, Ohio 45005

To the Board of Education:

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Carlisle Local School District's, Warren County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Carlisle Local School District's major federal program for the year ended June 30, 2023. Carlisle Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Carlisle Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Carlisle Local School District  
Warren County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance  
Page 3

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 18, 2024

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**CARLISLE LOCAL SCHOOL DISTRICT  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	84.425D/U Education Stabilization Fund – Elementary and Secondary Education
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None noted.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None noted.



# OHIO AUDITOR OF STATE KEITH FABER



**CARLISLE LOCAL SCHOOL DISTRICT**

**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 3/28/2024**

88 East Broad 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](http://www.ohioauditor.gov)