



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**CITY OF NEW CARLISLE
CLARK COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023**



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Columbus, Ohio 43215
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Members of Council
City of New Carlisle
331 South Church Street
New Carlisle, Ohio 45344

We have reviewed the *Independent Auditor's Report* of the City of New Carlisle, Clark County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

October 02, 2024

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**CITY OF NEW CARLISLE
CLARK COUNTY
DECEMBER 31, 2023**

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CLARK COUNTY
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INDEPENDENT AUDITOR'S REPORT

City of New Carlisle
Clark County
331 South Church Street
New Carlisle, Ohio 45344

To the City Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Carlisle, Clark County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Street Construction, Emergency Ambulance Operating, Fire Operating Levy, and Police Income Tax funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

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

August 30, 2024

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

This discussion and analysis of the City of New Carlisle's (the City) financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the current year by approximately \$20.6 million (net position), an increase of approximately \$894 thousand from the prior year.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of approximately \$7.4 million, an increase of \$517,468 from the prior year.
- At year-end, the City's general fund reported a fund balance of approximately \$3.2 million, an increase of \$561,155 in comparison with the prior year.
- At the end of the current year, the unassigned fund balance for the General Fund was \$2.4 million, or greater than 100% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

Reporting the City of New Carlisle as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows and outflows of resources using the accrual basis of accounting, 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.

These two statements report the City's net position and changes in this position. This change in net position is important because it tells the reader whether the financial position of the City, as a whole, has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as the condition of the City's capital assets will also need to be evaluated. In these two statements, the City is divided into the following two types of activities:

- **Governmental Activities** – Most of the City's programs and services are reported here including police, fire and rescue, street maintenance, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** – The business-type activities of the City primarily consist of water distribution, sewage collection and treatment, and swimming pool.

Reporting the City of New Carlisle's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City, our major funds are the general, street construction, emergency ambulance operating, fire operating, police income tax, water, and sewer funds.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

Governmental Funds

Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. 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. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled as part of the financial statements.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general, street construction, emergency ambulance operating, fire operating and police income tax which are considered to be the City's major funds. Data from the other 13 governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for the general, street construction, emergency ambulance operating, fire operating and police income tax funds to demonstrate compliance with this budget.

Proprietary Funds

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, the proprietary fund statements will essentially match the business-type activities statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

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.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

THE CITY OF NEW CARLISLE AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022.

**TABLE 1
Net Position (Deficit)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 9,164,522	\$ 8,921,736	\$ 1,970,393	\$ 1,915,352
Capital Assets	6,572,056	6,692,196	7,273,111	7,160,459
Total Assets	<u>15,736,578</u>	<u>15,613,932</u>	<u>9,243,504</u>	<u>9,075,811</u>
Deferred Outflows of Resources	<u>543,088</u>	<u>193,447</u>	<u>481,607</u>	<u>161,031</u>
Current Liabilities	72,274	75,400	37,055	23,443
Long-Term Liabilities	833,792	926,831	1,543,527	1,910,111
Net Pension Liability	1,148,070	344,042	1,018,101	305,095
Net OPEB Liability	22,844	-	20,258	-
Total Liabilities	<u>2,076,980</u>	<u>1,346,273</u>	<u>2,618,941</u>	<u>2,238,649</u>
Deferred Inflows of Resources	<u>719,691</u>	<u>1,267,864</u>	<u>13,066</u>	<u>509,234</u>
Net Position:				
Net Investment in Capital Assets	5,823,804	5,845,909	5,796,058	5,306,323
Restricted	3,913,441	3,911,953	-	-
Unrestricted	3,745,750	3,435,380	1,297,046	1,182,636
Total Net Position (Deficit)	<u>\$ 13,482,995</u>	<u>\$ 13,193,242</u>	<u>\$ 7,093,104</u>	<u>\$ 6,488,959</u>

The net pension liability and net OPEB asset and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior year. These fluctuations are due to changes in the actuarial liabilities and related accruals that are passed through to the City's financial statements. More detailed information can be found in Notes 10 and 11.

The largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, etc.), net of accumulated depreciation, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$3.9 million of the City's net position represents resources that are subject to external restrictions on how they may be used.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

Table 2 shows the changes in net position for the years ended December 31, 2023 and 2022.

**TABLE 2
Change in Net Position (Deficit)**

	Government Activities		Business-Type Activities	
	2023	Restated - 2022	2023	2022
Program Revenues:				
Charges for Services	\$ 685,811	\$ 770,839	\$ 2,509,914	\$ 2,452,105
Operating Grants and Contributions	-	292,791	-	-
General Revenues:				
Property Taxes	947,797	857,880	-	-
Income Taxes	2,118,048	1,919,394	-	-
Other Local Taxes	185,249	116,560	-	-
Unrestricted Grants and Entitlements	773,476	562,030	-	-
Other Unrestricted Revenues	317,749	87,109	5,005	4,440
Total Revenues	5,028,130	4,606,603	2,514,919	2,456,545
Expenses:				
General Government	1,445,268	1,167,921	-	-
Security of Persons and Property	815,364	852,003	-	-
Health	799,092	641,331	-	-
Leisure-Time Activities	137,271	49,043	-	-
Community Environment	173,246	132,917	-	-
Transportation	1,229,510	634,350	-	-
Interest on Long-Term Debt and Bond Issuance Costs	29,465	36,317	-	-
Water	-	-	919,932	760,954
Sewer	-	-	949,524	862,330
Swimming Pool	-	-	150,479	123,237
Total Expenses	4,629,216	3,513,882	2,019,935	1,746,521
Increase/(Decrease) before Transfers	398,914	1,092,721	494,984	710,024
Transfers	(109,161)	(119,418)	109,161	119,418
Increase/(Decrease) in Net Position	289,753	973,303	604,145	829,442
Net Position (Deficit) at Beginning of Year, Restated	13,193,242	12,219,939	6,488,959	5,659,517
Net Position (Deficit) at End of Year	\$ 13,482,995	\$ 13,193,242	\$ 7,093,104	\$ 6,488,959

Governmental Activities

Operating Grants and Contributions decreased significantly in comparison with the prior year. This decrease is the result of an ARPA grant received during the previous year.

Total expenses increased approximately 31%, and this was largely due to the impacts of the net pension and net OPEB liabilities.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

Total versus Net Cost of Services

The Statement of Activities shows the cost of program services and the charges for services and grants and contributions associated with those services. Table 3 below reflects the cost of program services and the net cost of those services after taking into account the program revenues. When applicable, the net cost of program services must be supported by general revenues.

TABLE 3

Functions/Programs	Total Cost		Net Cost	
	2023	2022	2023	2022
Governmental Activities:				
General Government	\$ 1,445,268	\$ 1,167,921	\$ 1,332,046	\$ 1,038,028
Security of Persons and Property	815,364	852,003	815,364	852,003
Health	799,092	641,331	226,503	(292,406)
Leisure-Time Activities	137,271	49,043	137,271	49,043
Community Environment	173,246	132,917	173,246	132,917
Transportation	1,229,510	634,350	1,229,510	634,350
Interest on Long-Term Debt and				
Bond Issuance Cost	29,465	36,317	29,465	36,317
Total Governmental Activities	\$ 4,629,216	\$ 3,513,882	\$ 3,943,405	\$ 2,450,252
Business-Type Activities:				
Water	\$ 919,932	\$ 760,954	\$ 205,611	\$ (275,249)
Sewer	949,524	862,330	339,800	(464,666)
Swimming Pool	150,479	123,237	(55,432)	34,331
Total Business-Type Activities	\$ 2,019,935	\$ 1,746,521	\$ 489,979	\$ (705,584)

The City's reliance upon general tax revenues is demonstrated by Table 2 indicating approximately 64.7% of total governmental revenues from local taxes, as well as the net cost of services column for governmental activities in Table 3 above reflecting the need for support.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

THE CITY'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current year, the City's governmental funds reported combined ending fund balances of approximately \$7.4 million, an increase over the previous year of approximately \$517 thousand.

The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2023 and 2022.

	Fund Balance 12/31/2023	Fund Balance 12/31/2022	Increase/ (Decrease)
General Fund	\$ 3,241,954	\$ 2,680,799	\$ 561,155
Street Construction Fund	493,131	515,355	(22,224)
Emergency Ambulance Operating Fund	744,893	683,483	61,410
Fire Operating Levy Fund	537,870	530,618	7,252
Police Income Tax Fund	1,099,636	882,752	216,884
Other Governmental Funds	1,263,813	1,570,822	(307,009)
Total	\$ 7,381,297	\$ 6,863,829	\$ 517,468

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$2.36 million, while total fund balance was approximately \$3.24 million. The approximately \$561 thousand increase represents the amount in which revenues exceeded expenditures and transfers out to other funds.

The Street Construction Fund accounts for the City's street repair, maintenance and improvement activities. The decrease in fund balance represents the amount by which property taxes and intergovernmental costs exceeded revenues of street maintenance and improvement.

The fund balance increase in the Emergency Ambulance Operating Fund represents the amount by which property tax revenues, customer charges, and intergovernmental revenue was greater than costs of providing services during the year.

The fund balance increase in the Fire Operating Levy Fund represents the amount by which property tax and property tax related intergovernmental revenues exceeded the costs of providing services during the year.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

The fund balance increase in the Police Income Tax Fund represents the amount by which income taxes exceeded costs for police operations during the year.

The fund balance decrease in the Other Government Funds is primarily the result of expenditures exceeding revenues and transfers from the General Fund during the year.

Proprietary Funds

At year-end, net position in the Water Fund amounted to approximately \$3.36 million. Total Water Fund net position increased approximately \$295 thousand, or 9.6%, from the previous year. The key components of this increase are an operating income of \$228 thousand and transfers in of \$94,161.

At year-end, net position in the Sewer Fund amounted to \$3.5 million. Total Sewer Fund net position increased approximately \$344 thousand, or 9.6%, from the previous year. This increase primarily represents operating income of \$350 thousand.

GENERAL FUND BUDGETARY INFORMATION

The City's final revenues estimate was \$1,541,842, or 27%, less than actual revenues due to higher-than-expected income tax revenues, investment income, and other revenues.

The City's final appropriations were \$640 thousand more than actual expenditures.

CAPITAL ASSETS

At year-end, the City's investment in capital assets for governmental and business-type activities totaled approximately \$6.6 million and \$7.3 million (net of accumulated depreciation), respectively. This investment in capital assets includes land, improvements other than buildings, buildings, machinery/equipment, furniture/fixtures, computer equipment, vehicles, infrastructure, and right-of-use assets.

Total acquisitions (capital outlay) for the current year were \$777,526 and depreciation expense was \$785,035.

Detailed information regarding capital asset activity is included in Note 8 to the basic financial statements.

**CITY OF NEW CARLISLE
CLARK COUNTY, OHIO**

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

LONG-TERM DEBT

At the end of the current year, the City had total long-term debt outstanding of approximately \$2.2 million. Of this amount, approximately \$738 thousand represents bonds and notes backed by the full faith and credit of the City and \$1.47 million represents OPWC and OWDA loans secured by specified revenue sources.

Detailed information regarding long-term debt is included in Note 9 to the basic financial statements.

ECONOMIC CONDITIONS

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, construction-related costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

CONTACTING THE CITY

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it administers. If you have any questions about this report or need additional financial information, contact Colleen Harris, Finance Director, 331 South Church Street, New Carlisle, Ohio 45344.

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City of New Carlisle
Clark County, Ohio
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 5,531,401	\$ 1,500,880	\$ 7,032,281
Investments	1,097,053	-	1,097,053
Taxes Receivable	1,889,504	-	1,889,504
Accounts Receivable	76,139	428,453	504,592
Accrued Interest Receivable	379	-	379
Due from Other Governments	240,265	-	240,265
Special Assessments Receivable	126,036	653	126,689
Leases Receivable	100,218	-	100,218
Prepaid Items	103,527	40,407	143,934
Non-Depreciable Capital Assets	448,662	84,601	533,263
Depreciable Capital Assets, net	6,123,394	7,188,510	13,311,904
<i>Total Assets</i>	<u>15,736,578</u>	<u>9,243,504</u>	<u>24,980,082</u>
Deferred Outflows of Resources			
Pension	474,925	421,160	896,085
OPEB	68,163	60,447	128,610
<i>Total Deferred Outflows of Resources</i>	<u>543,088</u>	<u>481,607</u>	<u>1,024,695</u>
Liabilities			
Accounts Payable	5,068	-	5,068
Accrued Wages and Benefits	55,051	27,600	82,651
Intergovernmental Payable	12,155	9,455	21,610
Long-Term Liabilities:			
Due Within One Year	134,393	295,532	429,925
Due In More Than One Year:			
Net Pension Liability	1,148,070	1,018,101	2,166,171
Net OPEB Liability	22,844	20,258	43,102
Other Amounts Due in More Than One Year	699,399	1,247,995	1,947,394
<i>Total Liabilities</i>	<u>2,076,980</u>	<u>2,618,941</u>	<u>4,695,921</u>
Deferred Inflows of Resources			
Property Taxes	608,590	-	608,590
Leases	96,369	-	96,369
Pension	7,162	6,352	13,514
OPEB	7,570	6,714	14,284
<i>Total Deferred Inflows of Resources</i>	<u>719,691</u>	<u>13,066</u>	<u>732,757</u>
Net Position			
Net Investment in Capital Assets	5,823,804	5,796,058	11,619,862
Restricted for:			
Debt Service	134,661	-	134,661
Highways and Streets	673,916	-	673,916
Public Safety	2,017,820	-	2,017,820
Public Health	1,087,044	-	1,087,044
Unrestricted	3,745,750	1,297,046	5,042,796
<i>Total Net Position</i>	<u>\$ 13,482,995</u>	<u>\$ 7,093,104</u>	<u>\$ 20,576,099</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 1,445,268	\$ 113,222	\$ -	\$ (1,332,046)	\$ -	\$ (1,332,046)
Security of Persons and Property	815,364	-	-	(815,364)	-	(815,364)
Health	799,092	572,589	-	(226,503)	-	(226,503)
Leisure Time Activities	137,271	-	-	(137,271)	-	(137,271)
Community Environment	173,246	-	-	(173,246)	-	(173,246)
Transportation	1,229,510	-	-	(1,229,510)	-	(1,229,510)
Interest and Fiscal Charges	29,465	-	-	(29,465)	-	(29,465)
<i>Total Governmental Activities</i>	<u>4,629,216</u>	<u>685,811</u>	<u>-</u>	<u>(3,943,405)</u>	<u>-</u>	<u>(3,943,405)</u>
Business-Type Activities						
Water	919,932	1,125,543	-	-	205,611	205,611
Sewer	949,524	1,289,324	-	-	339,800	339,800
Swimming Pool	150,479	95,047	-	-	(55,432)	(55,432)
<i>Total Business-Type Activities</i>	<u>2,019,935</u>	<u>2,509,914</u>	<u>-</u>	<u>-</u>	<u>489,979</u>	<u>489,979</u>
<i>Total</i>	<u>\$ 6,649,151</u>	<u>\$ 3,195,725</u>	<u>\$ -</u>	<u>(3,943,405)</u>	<u>489,979</u>	<u>(3,453,426)</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Activities
For the Year Ended December 31, 2023

General Revenues

Property Taxes Levied for:

General Purposes	\$ 216,768	\$ -	\$ 216,768
Debt Service	9,036	-	9,036
Police and Fire	301,115	-	301,115
Health Services	298,467	-	298,467
Street Maintenance and Repair	122,411	-	122,411

Income Taxes Levied for:

General Purposes	1,411,795	-	1,411,795
Police and Fire	706,253	-	706,253
Other Local Taxes	185,249	-	185,249
Unrestricted Grants and Entitlements	773,476	-	773,476
Investment Earnings	266,954	-	266,954
Other	50,795	5,005	55,800

Total General Revenues

4,342,319	5,005	4,347,324
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Transfers

(109,161)	109,161	-
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Total General Revenues, and Transfers

4,233,158	114,166	4,347,324
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Change in Net Position

289,753	604,145	893,898
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Net Position Beginning of Year (Restated)

13,193,242	6,488,959	19,682,201
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Net Position End of Year

\$ 13,482,995	\$ 7,093,104	\$ 20,576,099
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See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Street Construction	Emergency Ambulance Operating	Fire Operating Lewy Fund	Police Income Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$ 1,824,120	\$ 398,099	\$ 663,150	\$ 460,626	\$ 970,067	\$ 1,215,339	\$ 5,531,401
Investments	1,097,053	-	-	-	-	-	1,097,053
Accounts Receivable	718	-	68,971	-	-	6,450	76,139
Due from Other Governments	21,542	171,974	-	-	-	46,749	240,265
Taxes Receivable	856,578	134,882	232,513	266,233	224,284	175,014	1,889,504
Special Assessments Receivable	17,648	-	-	-	-	108,388	126,036
Prepaid Items	49,616	12,988	20,278	9,825	7,000	3,820	103,527
Total Assets	\$ 3,867,275	\$ 717,943	\$ 984,912	\$ 736,684	\$ 1,201,351	\$ 1,555,760	\$ 9,063,925
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Accrued Wages and Benefits	35,394	10,831	20,411	2,268	-	9,734	78,638
Due to Other Governments	7,371	1,128	1,561	174	-	1,921	12,155
Total Liabilities	42,765	11,959	21,972	2,442	-	16,655	95,793
Deferred Inflows of Resources							
Property Taxes Levied for the Next Year	131,591	79,564	137,154	157,044	-	103,237	608,590
Unavailable Revenue	450,965	133,289	80,893	39,328	101,715	172,055	978,245
Total Deferred Inflows of Resources	582,556	212,853	218,047	196,372	101,715	275,292	1,586,835
Fund Balances							
Nonspendable	49,616	12,988	20,278	9,825	7,000	175,912	275,619
Restricted	-	480,143	724,615	528,045	1,092,636	1,087,901	3,913,340
Assigned	831,609	-	-	-	-	-	831,609
Unassigned	2,360,729	-	-	-	-	-	2,360,729
Total Fund Balance	3,241,954	493,131	744,893	537,870	1,099,636	1,263,813	7,381,297
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,867,275	\$ 717,943	\$ 984,912	\$ 736,684	\$ 1,201,351	\$ 1,555,760	\$ 9,063,925

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total Governmental Fund Balances		\$ 7,381,297
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,572,056
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	\$ 152,407	
Income Tax	490,071	
EMS	46,546	
Cemetery	5,795	
Intergovernmental	157,390	
Special Assessment	126,037	978,246
Leases receivable and the related deferred inflows of resources and interest receivable are not available in the current period and, therefore, are not reported in the funds.		4,228
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred Outflows - Pension	474,925	
Deferred Outflows - OPEB	68,163	
Net Pension Liability	(1,148,070)	
Net OPEB Liability	(22,844)	
Deferred Inflows - Pension	(7,162)	
Deferred Inflows - OPEB	(7,570)	(642,558)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(660,229)	
Lease Liability and Accrued Interest	(10,268)	
Loans Payable	(77,823)	
Compensated Absences	(61,954)	(810,274)
<i>Net Position of Governmental Activities</i>		\$ 13,482,995

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Activities
For the Year Ended December 31, 2023

	General	Street Construction	Emergency Ambulance Operating	Fire Operating Levy Fund	Police Income Tax	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$ 219,831	\$ 128,098	\$ 218,768	\$ 250,495	\$ -	\$ 166,217	\$ 983,409
Income Taxes	1,453,044	-	-	-	726,878	-	2,179,922
Other Local Taxes	47,936	-	-	-	-	-	47,936
Special Assessments	17,553	-	-	-	-	112,557	130,110
Charges for Services	33,770	-	587,782	-	-	73,584	695,136
Licenses and Permits	4,091	-	-	-	-	-	4,091
Fines and Forfeitures	41,965	-	-	-	-	2,837	44,802
Intergovernmental	89,220	358,881	99,217	103,198	-	119,322	769,838
Investment Income	250,732	-	-	-	-	11,462	262,194
Miscellaneous	5,493	182	117	-	-	201	5,993
Total Revenues	2,163,635	487,161	905,884	353,693	726,878	486,180	5,123,431
Expenditures							
Current:							
General Government	1,182,413	-	-	-	-	152,675	1,335,088
Security of Persons and Property	-	-	-	217,815	509,994	1,141	728,950
Public Health	-	-	732,713	-	-	66,432	799,145
Leisure Time Activities	140,868	-	-	-	-	-	140,868
Community Environment	145,710	-	-	-	-	-	145,710
Transportation	-	509,385	-	-	-	405,895	915,280
Capital Outlay	33,600	-	111,761	128,626	-	16,663	290,650
Debt Service:							
Principal Retirement	11,367	-	-	-	-	100,347	111,714
Interest and Fiscal Charges	3,522	-	-	-	-	25,875	29,397
Total Expenditures	1,517,480	509,385	844,474	346,441	509,994	769,028	4,496,802
Excess of Revenues Over (Under) Expenditures	646,155	(22,224)	61,410	7,252	216,884	(282,848)	626,629
Other Financing Sources (Uses)							
Transfers In	-	-	-	-	-	282,500	282,500
Transfers Out	(85,000)	-	-	-	-	(306,661)	(391,661)
Total Other Financing Sources (Uses)	(85,000)	-	-	-	-	(24,161)	(109,161)
Net Change in Fund Balances	561,155	(22,224)	61,410	7,252	216,884	(307,009)	517,468
Fund Balances Beginning of Year	2,680,799	515,355	683,483	530,618	882,752	1,570,822	6,863,829
Fund Balances End of Year	\$ 3,241,954	\$ 493,131	\$ 744,893	\$ 537,870	\$ 1,099,636	\$ 1,263,813	\$ 7,381,297

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023*

Net Change in Fund Balances - Total Governmental Funds \$ 517,468

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	\$ 273,890	
Current Year Depreciation	<u>(404,199)</u>	(130,309)

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

Delinquent Property Taxes	(35,612)	
Income Tax	(61,874)	
Cemetery	(10,503)	
Intergovernmental	3,638	
Leases	1,847	
Special Assessment	<u>7,203</u>	(95,301)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bonds	100,348	
Lease Liabilities	1,031	
Lease amortization	(1,130)	
Loans Payable	<u>10,268</u>	110,517

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

Pension	(124,210)	
OPEB	<u>18,639</u>	(105,571)

Some expenses 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.

Compensated Absences		<u>(7,051)</u>
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Change in Net Position of Governmental Activities **\$ 289,753**

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Total Governmental Funds
Revenues				
Property Taxes	\$ 163,072	\$ 163,072	\$ 198,661	\$ 35,589
Income Taxes	1,200,000	1,200,000	1,443,089	243,089
Other Local Taxes	50,000	50,000	48,109	(1,891)
Special Assessments	6,500	6,500	17,553	11,053
Charges for Services	33,000	33,000	33,770	770
Licenses and Permits	4,000	4,000	4,091	91
Fines and Forfeitures	25,000	25,000	41,965	16,965
Intergovernmental	55,039	55,039	90,185	35,146
Investment Income	3,000	3,000	235,686	232,686
Miscellaneous	2,231	2,231	5,493	3,262
<i>Total Revenues</i>	<u>1,541,842</u>	<u>1,541,842</u>	<u>2,118,602</u>	<u>576,760</u>
Expenditures				
Current:				
General Government	1,421,069	1,421,069	1,189,417	231,652
Leisure Time Activities	156,734	156,734	137,980	18,754
Community Environment	283,269	283,269	178,541	104,728
Capital Outlay	318,000	318,000	33,600	284,400
Debt Service:				
Principal Retirement	15,000	15,000	10,268	4,732
Interest and Fiscal Charges	-	-	3,377	(3,377)
<i>Total Expenditures</i>	<u>2,194,072</u>	<u>2,194,072</u>	<u>1,553,183</u>	<u>640,889</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(652,230)</u>	<u>(652,230)</u>	<u>565,419</u>	<u>(64,129)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	(85,000)	(85,000)	(85,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>(737,230)</u>	<u>(737,230)</u>	<u>480,419</u>	<u>1,217,649</u>
<i>Fund Balances Beginning of Year</i>	<u>2,364,245</u>	<u>2,364,245</u>	<u>2,364,245</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,627,015</u>	<u>\$ 1,627,015</u>	<u>\$ 2,844,664</u>	<u>\$ 1,217,649</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Total Governmental Funds
Revenues				
Property Taxes	\$ 114,957	\$ 114,957	\$ 119,278	\$ 4,321
Intergovernmental	340,475	340,475	356,150	15,675
Miscellaneous	500	500	182	(318)
<i>Total Revenues</i>	<u>455,932</u>	<u>455,932</u>	<u>475,610</u>	<u>19,678</u>
Expenditures				
Transportation	654,619	654,619	495,626	158,993
Capital Outlay	33,000	33,000	-	33,000
<i>Total Expenditures</i>	<u>687,619</u>	<u>687,619</u>	<u>495,626</u>	<u>191,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(231,687)</u>	<u>(231,687)</u>	<u>(20,016)</u>	<u>(172,315)</u>
<i>Net Change in Fund Balances</i>	(231,687)	(231,687)	(20,016)	211,671
<i>Fund Balances Beginning of Year</i>	<u>256,706</u>	<u>256,706</u>	<u>256,706</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 25,019</u>	<u>\$ 25,019</u>	<u>\$ 236,690</u>	<u>\$ 211,671</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency Ambulance Operating Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Total Governmental Funds
Revenues				
Property Taxes	\$ 197,916	\$ 198,166	\$ 232,418	\$ 34,252
Charges for Services	590,000	590,000	629,787	39,787
Intergovernmental	90,737	104,006	103,198	(808)
Miscellaneous	-	-	117	117
<i>Total Revenues</i>	<u>878,653</u>	<u>892,172</u>	<u>965,520</u>	<u>73,348</u>
Expenditures				
Current:				
Public Health	824,927	824,927	695,325	129,602
Capital Outlay	50,000	50,000	111,761	(61,761)
<i>Total Expenditures</i>	<u>874,927</u>	<u>874,927</u>	<u>807,086</u>	<u>67,841</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,726</u>	<u>17,245</u>	<u>158,434</u>	<u>5,507</u>
<i>Net Change in Fund Balances</i>	3,726	17,245	158,434	141,189
<i>Fund Balances Beginning of Year</i>	<u>610,794</u>	<u>610,794</u>	<u>610,794</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 614,520</u>	<u>\$ 628,039</u>	<u>\$ 769,228</u>	<u>\$ 141,189</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Operating Levy Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Total Governmental Funds
Revenues				
Property Taxes	\$ 227,052	\$ 226,905	\$ 232,418	\$ 5,513
Intergovernmental	25,240	109,125	103,198	(5,927)
<i>Total Revenues</i>	<u>252,292</u>	<u>336,030</u>	<u>335,616</u>	<u>(414)</u>
Expenditures				
Current:				
Security of Persons and Property	225,815	225,815	205,640	20,175
Capital Outlay	96,000	96,000	128,626	(32,626)
<i>Total Expenditures</i>	<u>321,815</u>	<u>321,815</u>	<u>334,266</u>	<u>(12,451)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(69,523)</u>	<u>14,215</u>	<u>1,350</u>	<u>12,037</u>
<i>Net Change in Fund Balances</i>	(69,523)	14,215	1,350	(12,865)
<i>Fund Balances Beginning of Year</i>	<u>456,201</u>	<u>456,201</u>	<u>456,201</u>	<u>-</u>
<i>Fund Balances End of Year</i>	<u>\$ 386,678</u>	<u>\$ 470,416</u>	<u>\$ 457,551</u>	<u>\$ (12,865)</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Income Tax Fund
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Total Governmental Funds
Revenues				
Income Taxes	\$ 630,000	\$ 630,000	\$ 721,901	\$ 91,901
<i>Total Revenues</i>	630,000	630,000	721,901	91,901
Expenditures				
Current:				
Security of Persons and Property	750,500	750,500	542,064	208,436
Capital Outlay	18,000	18,000	-	18,000
<i>Total Expenditures</i>	768,500	768,500	542,064	226,436
<i>Excess of Revenues Over (Under) Expenditures</i>	(138,500)	(138,500)	179,837	(134,535)
<i>Net Change in Fund Balances</i>	(138,500)	(138,500)	179,837	318,337
<i>Fund Balances Beginning of Year</i>	789,230	789,230	789,230	-
<i>Fund Balances End of Year</i>	<u>\$ 650,730</u>	<u>\$ 650,730</u>	<u>\$ 969,067</u>	<u>\$ 318,337</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Other Enterprise Fund	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 564,471	\$ 819,055	\$ 111,664	\$ 1,495,190
Accounts Receivable	213,803	215,303	-	429,106
Prepaid Items	20,846	17,696	1,865	40,407
<i>Total Current Assets</i>	<u>799,120</u>	<u>1,052,054</u>	<u>113,529</u>	<u>1,964,703</u>
<i>Non-Current Assets:</i>				
Non-Depreciable Capital Assets	-	-	84,601	84,601
Depreciable Capital Assets, Net	3,500,519	3,612,101	75,890	7,188,510
<i>Total Non-Current Assets</i>	<u>3,500,519</u>	<u>3,612,101</u>	<u>160,491</u>	<u>7,273,111</u>
<i>Total Assets</i>	<u>4,299,639</u>	<u>4,664,155</u>	<u>274,020</u>	<u>9,237,814</u>
Deferred Outflows of Resources				
Pension	161,295	232,982	26,883	421,160
OPEB	23,150	33,439	3,858	60,447
<i>Total Deferred Outflows of Resources</i>	<u>184,445</u>	<u>266,421</u>	<u>30,741</u>	<u>481,607</u>
Liabilities				
<i>Current Liabilities:</i>				
Accrued Wages and Benefits	10,282	11,628	-	21,910
Due to Other Governments	3,913	5,542	-	9,455
Compensated Absences Payable	11,161	10,514	-	21,675
Loans Payable	222,673	51,184	-	273,857
<i>Total Current Liabilities</i>	<u>248,029</u>	<u>78,868</u>	<u>-</u>	<u>326,897</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable - Net of Current Portion	19,528	25,271	-	44,799
Loans Payable - Net of Current Portion	455,697	747,499	-	1,203,196
Net Pension Liability	389,911	563,205	64,985	1,018,101
Net OPEB Liability	7,758	11,207	1,293	20,258
<i>Total Long-Term Liabilities</i>	<u>872,894</u>	<u>1,347,182</u>	<u>66,278</u>	<u>2,286,354</u>
<i>Total Liabilities</i>	<u>1,120,923</u>	<u>1,426,050</u>	<u>66,278</u>	<u>2,613,251</u>
Deferred Inflows of Resources				
Pension	2,433	3,514	405	6,352
OPEB	2,571	3,714	429	6,714
<i>Total Deferred Inflows of Resources</i>	<u>5,004</u>	<u>7,228</u>	<u>834</u>	<u>13,066</u>
Net Position				
Net Investment in Capital Assets	2,822,149	2,813,418	160,491	5,796,058
Unrestricted	536,008	683,880	77,158	1,297,046
<i>Total Net Position</i>	<u>\$ 3,358,157</u>	<u>\$ 3,497,298</u>	<u>\$ 237,649</u>	<u>\$ 7,093,104</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise			Total
	Water Fund	Sewer Fund	Other Enterprise Fund	
Operating Revenues				
Charges for Services	\$ 1,125,543	\$ 1,289,324	\$ 95,047	\$ 2,509,914
Other	-	3,796	1,209	5,005
<i>Total Operating Revenues</i>	<u>1,125,543</u>	<u>1,293,120</u>	<u>96,256</u>	<u>2,514,919</u>
Operating Expenses				
Personal Services	319,917	485,714	61,810	867,441
Contractual Services	341,259	214,117	28,654	584,030
Materials and Supplies	95,441	35,709	28,080	159,230
Depreciation	140,093	207,678	31,935	379,706
<i>Total Operating Expenses</i>	<u>896,710</u>	<u>943,218</u>	<u>150,479</u>	<u>1,990,407</u>
<i>Operating Income (Loss)</i>	<u>228,833</u>	<u>349,902</u>	<u>(54,223)</u>	<u>524,512</u>
Non-Operating Revenues (Expenses)				
Interest and Fiscal Charges	(23,222)	(6,306)	-	(29,528)
<i>Income (Loss) Before Transfer</i>	205,611	343,596	(54,223)	494,984
Transfers In	94,161	-	20,000	114,161
Transfers Out	(5,000)	-	-	(5,000)
<i>Change in Net Position</i>	294,772	343,596	(34,223)	604,145
<i>Net Position Beginning of Year</i>	<u>3,063,385</u>	<u>3,153,702</u>	<u>271,872</u>	<u>6,488,959</u>
<i>Net Position End of Year</i>	<u>\$ 3,358,157</u>	<u>\$ 3,497,298</u>	<u>\$ 237,649</u>	<u>\$ 7,093,104</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Other Enterprise Fund	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 1,042,487	\$ 1,259,350	\$ 95,047	\$ 2,396,884
Cash Received from Other Operating Receipts	-	3,796	1,209	5,005
Cash Payments to Suppliers for Goods and Services	(425,196)	(231,605)	(54,991)	(711,792)
Cash Payments to Employees for Services and Benefits	(314,318)	(458,989)	(59,059)	(832,366)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>302,973</u>	<u>572,552</u>	<u>(17,794)</u>	<u>857,731</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	94,161	-	20,000	114,161
Transfers Out	(5,000)	-	-	(5,000)
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>89,161</u>	<u>-</u>	<u>20,000</u>	<u>109,161</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	-	(490,890)	-	(490,890)
Principal Payments on Debt	(216,678)	(160,406)	-	(377,084)
Interest Payments on Debt	(23,221)	(7,774)	-	(30,995)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(239,899)</u>	<u>(659,070)</u>	<u>-</u>	<u>(898,969)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	152,235	(86,518)	2,206	67,923
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>412,236</u>	<u>905,573</u>	<u>109,458</u>	<u>1,427,267</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u>\$ 564,471</u>	<u>\$ 819,055</u>	<u>\$ 111,664</u>	<u>\$ 1,495,190</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$ 228,833	\$ 349,902	\$ (54,223)	\$ 524,512
Adjustments:				
Depreciation	140,093	207,678	31,935	379,706
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	(83,056)	(29,974)	-	(113,030)
Prepaid Items	10,714	16,922	1,743	29,379
Net OPEB Asset	39,150	56,549	6,524	102,223
Deferred Outflows - Pension/OPEB	(122,911)	(178,116)	(19,549)	(320,576)
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	-	-	-	-
Accrued Wages	3,866	1,967	-	5,833
Intergovernmental Payable	790	1,299	-	2,089
Compensated Absences Payable	8,052	2,447	-	10,499
Deferred Inflows - Pension/OPEB	(203,382)	(261,758)	(31,028)	(496,168)
Net Pension Liability	273,066	394,429	45,511	713,006
Net OPEB Liability	7,758	11,207	1,293	20,258
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>\$ 302,973</u>	<u>\$ 572,552</u>	<u>\$ (17,794)</u>	<u>\$ 857,731</u>

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial
Assets	
Cash and Cash Equivalents in Segregated Accounts	\$ 4,556
<i>Total Assets</i>	4,556
Liabilities	
Due to Other Governments	4,356
<i>Total Liabilities</i>	4,356
Net Position	
Restricted for:	
Individuals, Organizations, and Other Governments	200
Total Net Position	\$ 200

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial
Additions	
Fines & Forfeitures for Other Governments	\$ 54,367
<i>Total Additions</i>	54,367
Deductions	
Fines & Forfeitures Distributions to Other Governments	54,367
<i>Total Deductions</i>	54,367
<i>Change in Net Position</i>	-
<i>Net Position Beginning of Year</i>	200
<i>Net Position End of Year</i>	\$ 200

See Notes to the Financial Statements.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 1 — REPORTING ENTITY

The City of New Carlisle (City) is a charter municipal corporation operating under the laws of the State of Ohio. The City was established as a statutory municipal corporation on February 13, 1971, and adopted its charter on November 4, 1980.

The City operates under a Council-Manager form of government. Legislative power is vested in a seven-member council. Each member is elected to a four-year term. The Mayor is elected to a two-year term from among the council's own membership. The Mayor is the ceremonial and representative head of the City but does not exercise administrative authority. The Mayor also serves as presiding officer of the council. The council appoints a City Manager for an indefinite term who acts as the chief administrative officer of the City. All department heads are appointed by the City Manager.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which comprise the City's legal entity, which provides various services including emergency ambulance service, fire protection, health services, street maintenance and repairs, parks and recreation, water and sewer services and contracted police protection with the Clark County Sheriff's Department. Council and the City Manager have direct responsibility for these activities.

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and certain special assessments are recognized as revenues in the year for which they are levied/assessed. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough after to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Street Construction Fund* accounts for street improvement and construction activities.

The *Emergency Ambulance Operating Fund* accounts for ambulance services provided by the City.

The *Fire Operating Fund* accounts for fire services provided by the City.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Police Income Tax Fund* accounts for income taxes of 0.5 percent restricted for police operations and capital related expenditures.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the water department. The water department operates the water distribution system.

The *Sewer Fund* accounts for the activities of the sewer department. The sewer department operates the sewage treatment plant, sewage pumping stations and sewage collection systems.

The City's *Swimming Pool Fund*, which accounts for the activities of the City's swimming pool, is not a major fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, including operating-type special assessments, 2) operating grants and contributions, and 3) capital grants and contributions, including capital-type special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales or services. Operating expenses for enterprise funds include the cost of sales or services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled, except as specifically stipulated by ordinance. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. The City's pooled cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

For the fiscal year 2023, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Net Position

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

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 —SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life exceeding one year. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the estimated acquisition value of the item at the date of its donation.

Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements Other Than Building	5-50
Equipment and Fixtures	5-20
Vehicles	10

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 —SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statement of Net Position and Balance Sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, special assessments, pension, OPEB, and unavailable revenue. Property taxes and special assessments represent amounts for which is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 City, unavailable revenue includes delinquent property taxes, grants, and entitlements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

I. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of 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 accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All accumulated vacation leave and vested accumulated sick leave is recorded as a liability in the government-wide and proprietary fund financial statements. In the governmental funds, accumulated vacation leave and vested accumulated sick leave that is expected to be liquidated with available financial resources are recorded as an expenditure/fund liability of the fund that will pay it.

K. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method and are reflected as an adjustment to interest expense for the period. Bonds payable are reported net of the applicable unamortized bond premium or discount. Net pension/OPEB liability is also included in the long-term obligations and recalculated on an annual basis.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond discounts or premiums are (1) shown as additions to, or deletions from, the account of the bond liability, (2) amortized using the straight-line method, and (3) reflected as an adjustment to interest expense for the period in the proprietary fund.

L. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, the City classifies its fund balance based on the purpose for which the resources were received, and the level of constraint placed on the resources. The City may use the following categories:

Nonspendable - resources that are not in a spendable form (prepaids) or have legal or contractual requirements to maintain the balance intact.

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed - resources that can be used only for specific purposes pursuant to constraints imposed by formal action (resolution) of the City's highest level of decision-making authority (City Council).

Assigned - resources that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. This includes the residual balance of all governmental funds other than the General Fund that were not classified elsewhere above.

Unassigned - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The City applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted fund balance/net position are available. The City considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Interfund Transactions

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

During the normal course of operations, the City has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are treated similarly when involving other funds of the City.

N. Estimates

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

O. Budgetary Data

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

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include unencumbered cash balances at December 31 of the preceding year. The certificate may be further amended during the year if the Finance Director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statement reflect the amounts in the original and final certificate of estimated resources issued during 2023.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbrances are carried forward and are reappropriated as part of the subsequent year appropriations.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements. There was no such activity in the proprietary fund financial statements during 2023. The City received \$0 in capital contributions in the governmental funds during 2023.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items in 2023.

NOTE 3 — BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances on the basis of United States generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – for the General Fund, and the Street Construction, Emergency Ambulance Operating, Fire Operating Levy and Police Income Tax special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 3 — BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

The major differences between the budget basis and GAAP basis are as follows:

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. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance.

The adjustments necessary to convert the results of operations for the year ended December 31, 2023, on the GAAP basis to the budget basis are as follows:

	Net Change in Fund Balance				
	General	Street	Emergency Ambulance	Fire	Police
	<u>Fund</u>	<u>Construction</u>	<u>Operating</u>	<u>Operating</u>	<u>Income Tax</u>
GAAP Basis	\$ 561,155	\$ (22,224)	\$ 61,410	\$ 7,252	\$ 216,884
Revenue Accruals	(45,033)	(11,551)	59,636	(18,077)	(4,977)
Expenditure Accruals	16,302	15,129	41,467	15,250	(31,070)
Encumbrances	<u>(52,005)</u>	<u>(1,370)</u>	<u>(4,079)</u>	<u>(3,075)</u>	<u>(1,000)</u>
Budget Basis	<u>\$ 480,419</u>	<u>\$ (20,016)</u>	<u>\$ 158,434</u>	<u>\$ 1,350</u>	<u>\$ 179,837</u>

NOTE 4 — DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 4 — DEPOSITS AND INVESTMENTS (CONTINUED)

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

1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days, and two-hundred seventy days, respectively, from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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 City and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investment to the Finance Director, or qualified trustee, unless the securities are not represented by a certificate, in which payment may be made upon receipt of confirmation of transfer from the custodian.

Deposits - At year-end, the carrying amount of the City's deposits was \$4,074,242, which includes certificates of deposit totaling \$76,378 and the bank balance was \$4,186,046. Of the bank balance, \$2,504,203 was covered by the Federal Deposit Insurance Corporation (FDIC). The City had uninsured and collateralized deposits of \$1,090,108 with the remaining amount of \$591,735 being uninsured and uncollateralized. The City's financial institution was approved for a reduced collateral rate of 60 percent through the Ohio Pooled Collateral System. Additionally, the City had cash on hand in the amount of \$500.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 4 — DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk is the risk that, in the event of bank failure, the City’s deposits may not be returned. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the 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 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments – At year-end, the City’s investments were with STAR Ohio totaling \$3,038,972. Deposits in STAR Ohio are reported as part of Cash and Cash Equivalents. Investments reflected on the financial statements represent the \$76,378 held in the certificates of deposit at December 31, 2023. This amount is reflected in the carrying amount of the City’s deposits. The City has no deposit policy for custodial risk beyond the requirements of State statute.

Investments are reported at fair value. As of December 31, 2023, the City had the following investments:

	Fair Value	Maturity
STAR Ohio	\$3,038,972	Less than one year
Money Market	594,266	Less than one year
Corporate Bonds	224,367	One to Five Years
U.S. Government Agency Bonds	202,042	One to Five Years
Total Portfolio	\$4,059,647	

The City 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 City has the following recurring fair value measurements as of December 31, 2023:

- Negotiable certificates of deposit, commercial paper, and U.S. government agency notes are measured based on Level 2 inputs, using a matrix or model pricing method.
- Investments in STAR Ohio and money market funds are valued at amortized cost, which approximates fair value.

Interest Rate Risk - The City’s investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation of debt of the City. The City’s policy also states that, to the extent possible and prudent, the City will attempt to match its investment maturities with anticipated cash flow requirements. At year-end, the City’s investments were not exposed to interest rate risk.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 4 —DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk - Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy states that credit risk will be minimized by diversifying assets and ensuring that the minimum credit quality ratings required by Ohio Law exist. The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2023, is 60 days or less and STAR Ohio carries a rating of AAA by S&P Global Ratings. The following is the City's allocation as of December 31, 2023.

	<u>Fair Value</u>
STAR Ohio	75%
Money Market	15%
Negotiable Certificates of Deposit	6%
U.S. Government Agency Bonds	5%
Total Portfolio	100%

NOTE 5 — RECEIVABLES

A. Taxes Receivable

Taxes receivable at year-end consisted of property and income taxes as listed below:

	<u>Property Taxes</u>	<u>Income Taxes</u>	<u>Total</u>
General Fund	\$ 223,083	\$ 633,495	\$ 856,578
Street Construction	134,882	-	134,882
Emergency Ambulance Operating	266,233	-	266,233
Fire Operating	266,233	-	266,233
Police Income Tax	-	224,284	224,284
Other Governmental Funds	141,294	-	141,294
Totals	\$ 1,031,725	\$ 857,779	\$ 1,889,504

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 5 —RECEIVABLES (CONTINUED)

B. Leases Receivable

The City is reporting leases receivable of \$100,218 in the general fund. For 2023, the City recognized Lease-related revenue of \$16,682, which is reported as rental income and interest revenue, as shown in the table below. The revenue is derived from a lease agreement for a cell phone tower on the City's land.

Lease-related Revenue	<u>Year Ending</u> <u>December 31, 2023</u>
Lease Revenue	
Land	\$ 11,922
Total Lease Revenue	11,922
Interest Revenue	4,760
Total	<u>\$ 16,682</u>

Maturity Analysis	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2024	\$ 10,502	\$ 4,333	\$ 14,835
2025	10,989	3,846	14,835
2026	11,498	3,337	14,835
2027	12,031	2,804	14,835
2028	12,589	2,246	14,835
2029-2033	42,609	3,132	45,741
Total Future Receipts	<u>\$ 100,218</u>	<u>\$ 19,698</u>	<u>\$ 119,916</u>

NOTE 6 — TAXES

A. Municipal Income Tax - The City levied and collected a 1.0 percent income tax on all income earned within the City as well as on incomes of residents earned outside the City. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. On May 5, 2015, the City passed a new one-half percent police levy which increased the income tax to 1.5 percent effective July 1, 2015. During the year, income tax revenue was allocated at one percent to the General Fund and one-half percent to the Police Income Tax Fund.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 6 — TAXES (CONTINUED)

B. Property Taxes - Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of the 2022 taxes.

The 2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by the State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien on December 31, 2022, are levied after October 1, 2023, and are collected in 2023 with real property taxes.

The total assessed property tax valuation for tax year 2023, upon which 2023 property tax receipts were based, was \$94,681,550.

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 earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts in the County, including the City of New Carlisle. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023 and for which there is an enforceable legal claim. In the General Fund, Street Construction Fund, Emergency Ambulance Operating Fund, Fire Operating Fund and Other Governmental Funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources – property and other local taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

NOTE 7 — TAX ABATEMENTS

Enterprise Zone

Description – Under the authority of ORC 5709, the City created an Enterprise Zone (EZ) within city limits. Legislation established that the remodeling of existing and construction of new structures within this EZ constituted a public purpose for which real property tax exemptions may be granted. The specific tax being abated is the property tax. These taxes are abated through a reduction in assessed value.

Recipient Commitment – The company is committed to purchasing, remodeling, and/or constructing properties within the EZ that will improve property value and bring jobs to the City.

Provisions for recapturing abated taxes - If the recipient materially fails to fulfill its obligations under the agreement, the agreement may be terminated or modified and may require the repayment of the amount of taxes that would have been payable had the property not been abated from taxation under the agreement. Repayment may be secured through a lien on the abated property in the amount required to be repaid and, in the manner, stated in ORC 5709.631.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 7 —TAX ABATEMENTS (CONTINUED)

The gross dollar amount for the total abated value of the EZ parcels for 2023 was as follows:

Company	Term	Percent	Amount
R.D. Holder Oil Co. Inc.	2013-2023	60	\$ 23,686
Fab Metals, Inc.	2018-2027	70	\$ 2,461

NOTE 8 —CAPITAL ASSETS

Governmental capital asset activity for the year ended December 31, 2023, was as follows:

Description	Restated Beginning Balance	Additions	Disposals	Ending Balance
Non-Depreciated Assets:				
Land	\$ 448,662	\$ -	\$ -	\$ 448,662
Total Non-Depreciable Assets	<u>448,662</u>	<u>-</u>	<u>-</u>	<u>448,662</u>
Capital Assets, Being Depreciated: Buildings				
Buildings	864,138	-	-	864,138
Improvements Other than Buildings	9,923,754	-	-	9,923,754
Equipment and Fixtures	527,200	273,890	-	801,090
Vehicles	1,897,834	-	-	1,897,834
Intangible Right to Use Assets:				
Equipment and Fixtures	-	11,299	-	11,299
Total Depreciable Capital Assets	<u>13,212,926</u>	<u>285,189</u>	<u>-</u>	<u>13,498,115</u>
Accumulated Depreciation:				
Buildings	(524,012)	(16,909)	-	(540,921)
Improvements Other than Buildings	(4,462,793)	(306,401)	-	(4,769,194)
Equipment and Fixtures	(328,097)	(35,776)	-	(363,873)
Vehicles	(1,654,490)	(45,113)	-	(1,699,603)
Intangible Right to Use Assets:				
Equipment and Fixtures	-	(1,130)	-	(1,130)
Total Accumulated Depreciation	<u>(6,969,392)</u>	<u>(405,329)</u>	<u>-</u>	<u>(7,374,721)</u>
Total Depreciable Capital Assets, Net	<u>6,243,534</u>	<u>(120,140)</u>	<u>-</u>	<u>6,123,394</u>
Total Capital Assets, Net	<u>\$ 6,692,196</u>	<u>\$ (120,140)</u>	<u>\$ -</u>	<u>\$ 6,572,056</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 2,256
Security of Persons and Property	69,795
Community Environment	17,473
Transportation	315,805
Total Depreciation Expense	<u>\$ 405,329</u>

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 8 —CAPITAL ASSETS (CONTINUED)

Business-type capital asset activity for the year ended December 31, 2023, was as follows:

Description	Beginning Balance	Additions	Disposals	Ending Balance
Non-Depreciated Assets:				
Land	\$ 84,601	\$ -	\$ -	\$ 84,601
Total Non-Depreciable Assets	<u>84,601</u>	<u>-</u>	<u>-</u>	<u>84,601</u>
Capital Assets, Being Depreciated: Buildings				
Buildings	8,912,839	385,000	-	9,297,839
Improvements Other than Buildings	9,101,865	-	-	9,101,865
Equipment and Fixtures	532,642	107,337	-	639,979
Vehicles	95,161	-	-	95,161
Total Depreciable Capital Assets	<u>18,642,507</u>	<u>492,337</u>	<u>-</u>	<u>19,134,844</u>
Accumulated Depreciation				
Buildings	(5,045,255)	(196,231)	-	(5,241,486)
Improvements Other than Buildings	(6,060,206)	(156,497)	-	(6,216,703)
Equipment and Fixtures	(417,370)	(19,811)	-	(437,181)
Vehicles	(43,797)	(7,167)	-	(50,964)
Less Accumulated Depreciation:	<u>(11,566,628)</u>	<u>(379,706)</u>	<u>-</u>	<u>(11,946,334)</u>
Total Depreciable Capital Assets, Net	<u>7,075,879</u>	<u>112,631</u>	<u>-</u>	<u>7,188,510</u>
Total Capital Assets, Net	<u>\$ 7,160,480</u>	<u>\$ 112,631</u>	<u>\$ -</u>	<u>\$ 7,273,111</u>

Depreciation expense was charged to business-type as follows:

Water	\$ 140,093
Sewer	207,678
Swimming Pool	31,935
Total Depreciation Expense	<u>\$ 379,706</u>

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 9 —LONG-TERM OBLIGATIONS

The City's long-term debt activity for the year ended December 31, 2023, including amounts outstanding, interest rates, and purpose for which the debt was issued, is as follows:

Governmental Activities	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
2017A Various Purpose Refunding Bond					
3% maturing 2026	\$ 290,177	\$ -	\$ (72,085)	\$ 218,092	\$ 69,960
2017B Various Purpose Refunding Bond					
3.65% maturing 2035	470,400	-	(28,263)	442,137	28,044
Direct Borrowings:					
City Building Loan 2020 (Variable Interest)	88,091	-	(10,268)	77,823	10,691
Compensated Absences	78,163	7,377	-	85,540	23,587
Lease Liability	11,299	-	(1,099)	10,200	2,111
Net Pension Liability	344,042	804,028	-	1,148,070	-
Net OPEB Liability	-	22,844	-	22,844	-
Total Government Activities	<u>\$ 1,282,172</u>	<u>\$ 834,249</u>	<u>\$ (111,715)</u>	<u>\$ 2,004,706</u>	<u>\$ 134,393</u>

On June 8, 2017, the City issued Series 2017A Various Purpose Refunding bonds totaling \$669,926 to refund the outstanding balance of the Twin Creeks general obligation bonds. The bonds have an interest rate of 3 percent with a final maturity of December 1, 2026. The bonds were sold at a discount of \$10,766 and bond issuance costs totaled \$19,513. The refunding resulted in present value savings of \$59,219. The general obligation bonds will be paid from the City's Bond Retirement Fund. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$68,616.

On June 8, 2017, the City issued Series 2017B Various Purpose Refunding bonds \$624,835 to refund the outstanding balance of the 2010 general obligation bonds. The bonds have an interest rate of 3.65 percent with a final maturity of December 1, 2035. The bonds were sold at a discount of \$16,346 and bond issuance costs totaled \$18,187. The refunding resulted in present value savings of \$32,145. The general obligation bonds will be paid from the City's Bond Retirement Fund. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$47,547.

Direct Borrowing:

On June 30, 2020 the City entered into a loan agreement for \$112,000 with the New Carlisle Federal Savings Bank to purchase a property from the upper Valley Medical Center located at 331 South Church Street, New Carlisle Ohio, 45344. The loan is a variable interest loan, with a payment amount of \$1,137 and a term of 120 months or 10 years, with payments made monthly. The City was previously leasing the property until 2020.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 9 —LONG-TERM OBLIGATIONS (CONTINUED)

New Carlisle Federal Savings Bank may demand payment at any time at their discretion. For example, New Carlisle Federal Savings bank may demand payment in full if any of the following events occur:

- A. Failure to make a payment in full when due.
- B. Failure to perform any condition or to keep any promise or covenant of this Agreement.
- C. Failure to satisfy or appeal any judgment.
- D. The property is used in a manner or for a purpose that threatens confiscation by a legal authority.

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Water Fund Loans:					
2004 OPWC YMCA					
0% maturing 2025	\$ 17,885	\$ -	\$ (7,153)	\$ 10,732	\$ 7,153
2005 OWDA WTP Improve					
2.85% maturing 2026	718,817	-	(198,162)	520,655	203,853
2015 OWDA Automated Meter					
Upgrade 2.66% maturing 2035	158,345	-	(11,363)	146,982	11,667
Total Water Fund Loans	<u>895,047</u>	<u>-</u>	<u>(216,678)</u>	<u>678,369</u>	<u>222,673</u>
Sewer Fund Loans:					
2005 OPWC YMCA					
0% maturing 2025	16,509	-	(6,603)	9,906	6,603
2012 OPWC YMCA					
0% maturing 2040	674,709	-	(32,913)	641,796	32,913
2015 OWDA Automated Meter					
Upgrade 2.66% maturing 2035	158,345	-	(11,363)	146,982	11,668
Total Sewer Funds Loans	<u>849,563</u>	<u>-</u>	<u>(50,879)</u>	<u>798,684</u>	<u>51,184</u>
Direct Borrowings:					
Pump Loan					
3.125% maturing 2023	65,655	-	(65,655)	-	-
Clarifier Loan					
3.5% maturing 2023	43,872	-	(43,872)	-	-
Total Sewer Direct Borrowings	<u>109,527</u>	<u>-</u>	<u>(109,527)</u>	<u>-</u>	<u>-</u>
Total Sewer Fund Loans and Direct Borrowings	<u>959,090</u>	<u>-</u>	<u>(160,406)</u>	<u>798,684</u>	<u>51,184</u>
Compensated Absences	55,974	10,499	-	66,473	21,675
Net Pension Liability	305,095	713,006	-	1,018,101	-
Net OPEB Liability	-	20,258	-	20,258	-
Total Business-Type Activities	<u>\$ 2,215,206</u>	<u>\$ 743,763</u>	<u>\$ (377,084)</u>	<u>\$ 2,581,885</u>	<u>\$ 295,532</u>

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 9 — LONG-TERM OBLIGATIONS (CONTINUED)

The Ohio Public Works Commission (OPWC) loans pertain to construction of a 16-inch water main from Smith Park to White Pine Street, the addition of a filter building at the wastewater treatment plant, and the water and sewer line extension to the Tecumseh YMCA. The OPWC loans will be paid from the operating revenues of the Sewer and Water enterprise funds.

The Ohio Water Development Authority (OWDA) loans pertain to construction improvements at the wastewater treatment plant, planning of the Sewer Line North project, the Automated Meter Upgrade, and construction of a new water treatment plant. OWDA loans will be paid from the operating revenues of the Sewer and Water enterprise funds.

In 2019, the City was approved for two loans up to a maximum of \$250,000 and \$160,000 for the wastewater treatment plant influent building upgrade project and the primary clarifier, respectively. The City finalized these two loans in 2020 in the amounts of \$190,512 and \$126,813, respectively. The loans will be paid from the City's Sewer Fund and have interest of 3.125 and 3.5 percent, respectively. The loans mature on March 19, 2023.

The City pays obligations related to employee compensation from the fund benefiting from their service. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds; the General Fund, the Street Construction Fund, the Emergency Ambulance Operating Fund, Other Governmental Funds, and the Water Fund, the Sewer Fund, and the Swimming Pool fund.

In the event of default, as defined by each OPWC loan agreement, the amount of default will be subject to 8 percent interest on all amounts due from date of default. Additionally, the Lender may declare all amounts immediately due and payable or direct Clark County to pay the amount of any default from the funds which would otherwise be appropriated to the City from the County's undivided local government fund. The lender will also be entitled to collect any cost incurred in the event of default.

In the event of default, as defined by each OWDA loan agreement, the lender may declare the full amount of the unpaid Project Participation Principal amount immediately due and payable and require the County to pay any fines or penalties incurred with interest.

Annual debt service requirements to maturity are as follows:

Governmental Activities:		
Year	Principal	Interest
2024	\$ 108,695	\$ 25,597
2025	116,716	22,039
2026	119,456	18,205
2027	44,254	14,285
2028	49,421	12,619
2029-2033	212,502	37,973
2034-2038	87,008	4,751
Total	<u>\$ 738,052</u>	<u>\$ 135,469</u>

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 9 —LONG-TERM OBLIGATIONS (CONTINUED)

Business-Type Activities:

	Principal	Interest
2024	\$ 273,857	\$ 21,062
2025	273,457	14,586
2026	164,612	7,925
2027	58,173	5,740
2028	58,849	5,064
2029-2033	305,042	14,522
2034-2038	194,956	608
2039-2043	148,107	-
Total	\$ 1,477,053	\$ 69,507

NOTE 10 —DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

The net pension liability represents the City’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 City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City 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.

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Plan Description

Plan Description - City employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

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

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Notes to the Basic Financial Statements
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NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

	State and Local
Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution for the period ended December 31, 2023 were \$172,324. 100% has been contributed for 2023. Of this amount, \$0 is reported as accrued salaries payable.

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

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Pension Plan
Proportionate Share of the Net Pension Liability	\$ 2,166,171
Proportion of the Net Pension Liability	0.007333%
Increase/(decrease) in % from prior proportion measured	-0.000128%
Pension Expense	\$ 358,086

City of New Carlisle
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For the Year Ended December 31, 2023

NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 617,427
Changes in assumptions	22,884
Differences between expected and actual experience	71,951
Changes in proportion and differences between contributions and proportionate share of contributions	11,499
Authority contributions subsequent to the measurement date	172,324
Total Deferred Outflows of Resources	\$ 896,085
Deferred Inflows of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 13,514
Total Deferred Inflows of Resources	\$ 13,514

\$172,324 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:	Traditional Pension Plan
2024	\$ 86,175
2025	139,875
2026	181,739
2027	302,458
Total	\$ 710,247

Actuarial Assumptions - OPERS

OPERS' total pension asset and 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.

**City of New Carlisle
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*Notes to the Basic Financial Statements
For the Year Ended December 31, 2023*

NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation 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 December 31, 2022 are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3% Simple through 2023, then 2.05% Simple

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

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

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return
		(Arithmetic)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	5.00%	3.27%
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9%, post experience study results, for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 10 —DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

<u>Employer's Net Pension Liability/(Asset)</u>	<u>1% Decrease 5.9%</u>	<u>Current Discount Rate 6.9%</u>	<u>1% Increase 7.9%</u>
Traditional Pension Plan	\$ 3,244,853	\$ 2,166,171	\$ 1,268,902

NOTE 11 —DEFINED BENEFIT OPEB PLAN

Net OPEB Liability/(Asset)

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/(asset) represents the City'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/(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the liability/(asset) 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/(asset). Resulting adjustments to the net OPEB liability/(asset) 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.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
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NOTE 11 —DEFINED BENEFIT OPEB PLAN (CONTINUED)

Plan Description

The City’s employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees’ Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary City over how much, if any, of the health care costs will be absorbed by OPERS. 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 14.00% of covered payroll. For the year ended December 31, 2021, in the Traditional Plan OPERS allocated 0.00% of employer contributions to post-employment health care.

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) was measured as of December 31, 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 City’s proportion of the net OPEB liability/(asset) was based on the City’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:

	OPERS
Proportionate Share of the Net OPEB Liability/(Asset)	\$ 43,102
Proportion of the Net OPEB Liability/(Asset)	0.006836%
Increase/(decrease) in % from prior proportion measured	-0.000108%
OPEB Expense/(Offset)	\$ (61,614)

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 11 —DEFINED BENEFIT OPEB PLAN (CONTINUED)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 85,603
Changes in assumptions	42,099
Changes in proportion and differences between committee contributions and proportionate share of contributions	908
Total Deferred Outflows of Resources	\$ 128,610
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 10,751
Changes in assumptions	3,464
Changes in proportion and differences between committee contributions and proportionate share of contributions	69
Total Deferred Inflows of Resources	\$ 14,284

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

Fiscal Year Ending June 30:	OPERS
2024	\$ 14,999
2025	31,279
2026	26,694
2027	41,354
Total	\$ 114,326

City of New Carlisle
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 11 —DEFINED BENEFIT OPEB PLAN (CONTINUED)

Actuarial Assumptions - OPERS

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Valuation Date	December 31, 2021
Rolled-forward measurement date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036

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

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however the single discount rate used at the beginning of the year was 6%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rates was applied to all health care costs after that date.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 11 —DEFINED BENEFIT OPEB PLAN (CONTINUED)

The following table presents the OPEB liability/(asset) calculated using the single discount rate of 6.00%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 4.22%	Current Discount Rate 5.22%	1% Increase 6.22%
City's proportionate share of the Net OPEB Liability/(Asset)	\$ 146,701	\$ 43,102	\$ (42,383)

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

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the Net OPEB Liability/(Asset)	\$ 40,401	\$ 43,102	\$ 46,143

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 11 —DEFINED BENEFIT OPEB PLAN (CONTINUED)

Asset Class	Target Allocation for 2022	Weighted Average Long- Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
Total	100.00%	

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 15.6% for 2022.

NOTE 12 —EMPLOYEE BENEFITS

A. Deferred Compensation Plan

Employees of the City may elect to participate in the ING Life Insurance and Annuity Company deferred compensation plan or the Ohio Public Employees deferred compensation plan. Under these programs, employees elect to defer a portion of their pay. The deferred pay and any income earned on it is not subject to federal and state income taxation until actually received by the employee. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

City of New Carlisle
Clark County, Ohio
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For the Year Ended December 31, 2023

NOTE 12 —EMPLOYEE BENEFITS (CONTINUED)

B. Compensated Absences

Vacation leave is earned at rates that vary depending on length of service and standard work week. Current policy credits vacation leave on the first pay of the year (or their anniversary for first-year employees) and allows the unused balance to be accumulated at levels that depend upon years of service. City employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned at the rate of one and one-fourth days per month and can be accumulated without limit for each employee. Upon termination, 25 percent of accrued sick leave will be paid at the current rate of pay. In the event that an employee dies as the result of injuries sustained on the job, his or her beneficiary will receive all accrued sick leave at 50 percent of the current rate of pay.

NOTE 13 —LEASE OBLIGATIONS

The City has entered into multiple lease agreements as a lessee for financing various equipment and vehicles. For the year ended December 31, 2023, the City reports an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund and the golf course fund.

Lease expense for governmental activities by class of underlying asset is as follows:

Lease expense	Year Ending December 31, 2023
Amortization expense by class of underlying asset	
Copy Machine	\$ 1,130
Total amortization expense	1,130
Interest on lease liabilities	213
Total	\$ 1,343

The following is a schedule of the future minimum lease payments required under governmental activities leases and the present value of the minimum lease payments at year-end:

Maturity Analysis	Principal	Interest	Total Payments
2024	\$ 2,111	\$ 378	\$ 2,489
2025	2,197	292	2,489
2026	2,286	202	2,488
2027	2,380	109	2,489
2028	1,226	19	1,245
Total Future Payments	\$ 10,200	\$ 1,000	\$ 11,200

City of New Carlisle
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NOTE 14 —RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the City was a member of the Public Entities Pool of Ohio, a risk-sharing pool. The City's contract with the pool provides that in the event a casualty claim or series of casualty claims exceeds the amount of risk-sharing protection provided by the City's risk-sharing certificate, or in the event that a series of casualty claims exhausts total net position plus any reinsurance and excess risk-sharing recoveries, then payment of such claims shall be the obligation of the City.

The Pool also provides various property coverages which are common to public entities. The pool's general and administrative expenses, reinsurance expenses due and payable in the current year, current year claims and claims expenses for property risks, plus all or any portion of any deficiencies that may occur in the property Cumulative Reserve Fund and the pool's obligation to satisfy the requirements of any regulatory authority are funded by member contributions to the pool.

The type of coverage and limit for each is as follows:

Coverage	Limit
Legal Liability	\$ 2,000,000
Automobile Liability	2,000,000
Wrongful Acts	2,000,000
Stop Gap	2,000,000
Real & Personal Property	25,044,016

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 13 —RISK MANAGEMENT (CONTINUED)

The Public Entities Pool of Ohio insurance program includes numerous other coverages related to vehicles, miscellaneous property, electronic data processing equipment, dishonesty, earthquake damage, and flood damage. These additional coverages have coverage limits ranging from \$500 to \$500,000 and some cover actual costs.

Settlements have not exceeded coverage in any of the last three years. There has been no significant reduction in coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 14 —CONTINGENT LIABILITIES

A. Litigation

The City may be a defendant in several lawsuits, the outcome of which cannot be determined. It is the opinion of the City's Law Director that any judgment against the City would not have a material adverse effect on the City's financial position.

B. Twin Creeks Subdivision

In September 2006, the City certified to the Clark County Auditor special assessments to be placed on the tax duplicate of the 50 improved lots in Phase 1 and the unimproved parcel, known as Phase 2 of the Twin Creeks Development. The assessments were levied in order to meet the City's annual debt service of the Twin Creeks Infrastructure Bonds. The special assessments were certified for a period of 20 years, the first payment being due in February of 2007.

In order to protect the City from non-payment of the assessments, Twin Creeks Subdivision, LLC (the Developer) was required to obtain an irrevocable letter of credit, in the amount of \$240,000, covering a three-year period beginning January 1, 2007, naming the City of New Carlisle as beneficiary.

Between January 1, 2006 and December 31, 2009, only the owners of the purchased lots in Phase 1 of the Twin Creeks Development paid their annual assessments, requiring the City to draw from the letter of credit twice annually for the three year period in order to meet the debt service payments of the Twin Creeks Infrastructure bonds.

During 2007, due to unforeseen circumstances, the development of Twin Creeks Subdivision ended, and unpaid assessments on the parcels owned by the developer continue to increase annually. Additionally, even though the special assessments of the Twin Creeks Subdivision LLC owned parcels were in fact paid through the periodic draws from the Developer's irrevocable letter of credit, the Clark County Auditor is unable to remove the delinquent special assessments due to the decision and recommendations of the County's legal representative, the Clark County Prosecutor.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 15 —CONTINGENT LIABILITIES (CONTINUED)

During 2013, the City acquired 30 parcels from within the Twin Creeks Development through a land reutilization program. With the acquisition of these 30 parcels, all future assessments were eliminated, and the City's special assessment receivable was decreased accordingly. In accordance with Ohio law, all proceeds generated from the sale, less associated costs, are to be remitted to the Clark County Auditor to be applied to delinquent taxes and assessments. During 2014, the City sold two of the 30 parcels. During 2016, the City sold the remaining parcels. During 2017, the City executed a settlement agreement releasing one of the Twin Creek's parcels from all future charges. This settlement agreement resulted in a significant reduction of the City's special assessment receivable balance. In exchange, the City received a cash settlement totaling \$130,000.

As of December 31, 2023, the special assessment receivable related to the Twin Creeks Subdivision amounted to \$42,750.

C. Federal and State Grants

During the fiscal year, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 16 —INTERFUND TRANSFERS AND ADVANCES

A schedule of interfund transfers during the fiscal year is as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 85,000
Other Governmental Funds:		
American Rescue Plan	-	306,661
General Bond Retirement	30,000	-
State Highway	217,500	-
Community Center	25,000	-
Cemetery	10,000	-
Water Fund	94,161	5,000
Swimming Pool Fund	20,000	-
	\$ 396,661	\$ 396,661

The City uses interfund transfers to move unrestricted general fund revenues to finance various programs and debt service payments that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 17 — FUND BALANCE

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

	General Fund	Street Construction	Emergency Ambulance Operating	Police Income Tax	Fire Operating Levy Fund	Other Governmental	Total
Nonspendable for:							
Prepaid Items	\$ 49,616	12,988	20,278	7,000	9,825	3,820	\$ 103,527
Advances	-	-	-	-	-	-	-
Perpetual Care	-	-	-	-	-	172,092	172,092
Total Nonspendable	49,616	12,988	20,278	7,000	9,825	175,912	275,619
Restricted for:							
Debt Service	-	-	-	-	-	134,661	134,661
Highways & Streets	-	480,143	-	-	-	193,686	673,829
Public Safety	-	-	-	1,092,636	528,045	397,139	2,017,820
Public Health	-	-	724,615	-	-	362,415	1,087,030
Total Restricted	-	480,143	724,615	1,092,636	528,045	1,087,901	3,913,340
Assigned:							
Subsequent Year Appropriations	831,609	-	-	-	-	-	831,609
Total Assigned	831,609	-	-	-	-	-	831,609
Unassigned	2,360,729	-	-	-	-	-	2,360,729
Total Fund Balance	\$ 3,241,954	\$ 493,131	\$ 744,893	\$ 1,099,636	\$ 537,870	\$ 1,263,813	\$ 7,381,297

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 18 —COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 19 —CHANGES IN ACCOUNTING PRINCIPLES

The City implemented the following statements during fiscal year 2023:

The Governmental Accounting Standards Board has also issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years periods beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The adoption of GASB Statement No. 94 had no effect on the City's financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 96, *Subscription-based Information Technology Arrangements*, effective for fiscal years periods beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The adoption of GASB Statement No. 96 had no effect on the City's financial statements.

The Governmental Accounting Standards Board has also issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for fiscal years beginning after June 15, 2021. The adoption of GASB Statement No. 97 had no effect on the City's financial statements.

The Governmental Accounting Standards Board has also issued GASB Statement No. 99, *Omnibus 2022*, effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The City has not yet determined the effect that the adoption of GASB Statement No. 97 may have on its financial statements. The adoption of GASB Statement No. 99 had no effect on the City's financial statements.

Management is aware of the following statements and will implement those applicable to the City in future years:

The Governmental Accounting Standards Board has also issued GASB Statement No. 100, *Accounting Changes and Error Corrections – and amendment of GASB Statement No. 62*, effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has not yet determined the effect that the adoption of GASB Statement No. 100 may have on its financial statements.

The Governmental Accounting Standards Board has also issued GASB Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City has not yet determined the effect that the adoption of GASB Statement No. 101 may have on its financial statements.

The Governmental Accounting Standards Board has also issued GASB Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The City has not yet determined the effect that the adoption of GASB Statement No. 102 may have on its financial statements.

City of New Carlisle
Clark County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 20 —SUBSEQUENT EVENTS

The City evaluated subsequent events and transactions that occurred after the date of the statement of net position up to August 30, 2024, the date that the financial statements were issued. Management is currently evaluating the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the City's net position and/or the results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 21 —RESTATEMENT OF NET POSITION

In fiscal year 2022, the City restated net position in the governmental activities for the implementation of GASB No. 87, *Leases*. The restatement had the following effect on net position as reported December 31, 2022:

	GTA
Net Position, December 31, 2022	\$ 13,190,861
Adjustments:	
Implementation of GASB 87	2,381
Restated Net Position, January 1, 2023	\$ 13,193,242

City of New Carlisle
Clark County, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share Of The Net Pension Liability
Ohio Public Employee's Retirement System
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability Traditional Plan	0.0073333%	0.007461%	0.007137%	0.006425%	0.006795%	0.007092%	0.007135%	0.007415%	0.008128%	0.008128%
City's Proportionate Share of the Net Pension Liability Traditional Plan	\$ 2,166,171	\$ 649,137	\$ 1,056,834	\$ 1,269,945	\$ 1,861,013	\$ 1,112,441	\$ 1,620,464	\$ 1,284,372	\$ 980,326	\$ 958,185
City's Covered Payroll	\$ 1,073,534	\$ 1,082,789	\$ 1,005,214	\$ 964,547	\$ 960,457	\$ 936,883	\$ 852,115	\$ 941,542	\$ 999,792	\$ 1,189,946
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	201.78%	59.95%	105.14%	131.66%	193.76%	118.74%	190.17%	136.41%	98.05%	80.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.80%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

This schedule is intended to show information for ten years.

Amounts presented as of the City's measurement date, which is the prior fiscal year-end. See accompanying notes to the required supplementary information.

City of New Carlisle
Clark County, Ohio
Required Supplementary Information
Schedule of City Pension Contributions
Ohio Public Employee's Retirement System
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 172,324	\$ 150,295	\$ 151,590	\$ 140,730	\$ 135,036	\$ 134,464	\$ 121,795	\$ 102,254	\$ 112,985	\$ 119,975
Contributions in Relation to the Contractually Required Contribution	\$ (172,324)	\$ (150,295)	\$ (151,590)	\$ (140,730)	\$ (135,036)	\$ (134,464)	\$ (121,795)	\$ (102,254)	\$ (112,985)	\$ (119,975)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,230,886	\$ 1,073,534	\$ 1,082,789	\$ 1,005,214	\$ 964,547	\$ 960,457	\$ 936,883	\$ 852,115	\$ 941,542	\$ 999,792
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

City of New Carlisle
Clark County, Ohio
Required Supplementary Information
Schedule of City's Proportionate Share of the Net OPEB Liability/(Asset)
Ohio Public Employee's Retirement System
Last Seven Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability/(Asset)	0.006836%	0.006944%	0.006787%	0.006354%	0.006515%	0.006620%	0.006674%
City's Proportionate Share of the Net OPEB Liability/(Asset)	\$ 43,102	\$ (217,497)	\$ (120,916)	\$ 877,652	\$ 849,402	\$ 718,775	\$ 674,097
City's Covered Payroll	\$ 1,073,534	\$ 1,082,789	\$ 1,005,214	\$ 964,547	\$ 960,457	\$ 936,883	\$ 852,115
City's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	4.01%	-20.09%	-12.03%	90.99%	88.44%	76.72%	79.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

This schedule is intended to show information for ten years. Information prior to 2017 is not available.

Amounts presented as of the City's measurement date, which is the prior fiscal year-end. See accompanying notes to the required supplementary information.

**City of New Carlisle
Clark County, Ohio**
*Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Public Employee's Retirement System
Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,369	\$ 17,042	\$ 18,831	\$ 19,996
Contributions in Relation to the Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,369)	\$ (17,042)	\$ (18,831)	\$ (19,996)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,230,886	\$ 1,073,534	\$ 1,082,789	\$ 1,005,214	\$ 964,547	\$ 960,457	\$ 936,883	\$ 852,115	\$ 941,542	\$ 999,792
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%

See accompanying notes to the required supplementary information.

**City of New Carlisle
Clark County, Ohio**
*Notes to Required Supplementary Information
For the Year Ended December 31, 2023*

Note 1 - Changes in Assumptions – OPERS Pension

Amounts reported for fiscal year 2017 (Measurement Period 2016) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 (Measurement Period 2015) and prior are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2016	December 31, 2015
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	8.00%
Wage Inflation	3.25%	3.75%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	4.25% to 10.05% (Includes wage inflation of 3.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3/00% Simple through 2018, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from RP-2000 mortality tables to the RP-2014 mortality tables.

There are no changes in actuarial valuation for measurement period 2017 versus measurement period 2016.

Changes for the period 2018 versus the measurement period 2017 included a reduction of the discount rate from 7.5% to 7.2%.

There were no significant changes for the measurement period 2019 versus the measurement period 2018.

There were no significant changes for the measurement period 2020 versus the measurement period 2019.

City of New Carlisle
Clark County, Ohio
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2020	December 31, 2019
Rolled-forward measurement date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal	Individual entry age normal
Actuarial Assumptions:		
Single Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	1.84%	2.00%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034	8.50% initial, 3.50% ultimate in 2035

Amounts reported for fiscal year 2019 (Measurement Period 2018) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2018 (Measurement Period 2017) are presented below:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2017	December 31, 2016
Rolled-forward measurement date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.96%	3.85%
Investment Rate of Return	6.00%	6.50%
Municipal Bond Rate	3.71%	3.31%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10% initial, 3.25% ultimate in 2029	7.5% initial, 3.25% ultimate in 2028

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a increase of the discount rate from 3.85% to 3.96%, a reduction in the investment rate of return 6.50% to 6.00%, and an increase in bond rate from 3.31% to 3.71%.

Amounts reported for fiscal year 2020 (Measurement Period 2019) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2019 (Measurement Period 2018) are presented below:

**City of New Carlisle
Clark County, Ohio**
*Notes to Required Supplementary Information
For the Year Ended December 31, 2023*

Note 2 - Changes in Assumptions – OPERS OPEB (Continued)

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2018	December 31, 2017
Rolled-forward measurement date	December 31, 2019	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	3.16%	3.96%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.75%	3.71%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.5% initial, 3.50% ultimate in 2030	10% initial, 3.25% ultimate in 2029

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.96% to 3.16% and an decrease in bond rate from 3.71% to 3.25%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2021 (Measurement Period 2020) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2020 (Measurement Period 2019) are presented below:

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.16% to 6.00% and an decrease in bond rate from 3.25% to 2.00%. There is also a change Health Care Cost Trend Rates.



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

City of New Carlisle
Clark County
331 South Church Street
New Carlisle, Ohio 45344

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Carlisle, Clark County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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

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

August 30, 2024



331 South Church Street
New Carlisle, OH 45344
937.845.9492 (Office)
937.845.2338 (Fax)

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness- Financial Reporting	Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF NEW CARLISLE

CLARK 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 10/15/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov