

BOROUGH OF CARLISLE

PENNSYLVANIA

"Committed to Excellence In Community Service!"

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2017

PREPARED BY THE DEPARTMENT OF FINANCE



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Borough of Carlisle
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

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INTRODUCTORY SECTION



BOROUGH OF CARLISLE

"Committed To Excellence in Community Service"

June 21, 2018

To the Mayor & Council, Residents, and Taxpayers of Carlisle:

The Comprehensive Annual Financial Report (CAFR) for the Borough of Carlisle for the fiscal year ended December 31, 2017 is herewith submitted for your consideration. This report was prepared by the Borough's finance and administration departments and includes the Borough's annual audit report prepared by the accounting firm of Smith Elliott Kearns & Company, LLC, the Borough's independent auditor.

Responsibility for the accuracy, completeness, and fairness of the financial statements, including all disclosures, rests with Borough management. We believe the enclosed information as presented is accurate in all material respects; that its presentation fairly shows the financial position and the results of the Borough's operations as measured by the financial activity of its various funds; and that all necessary disclosures will provide the reader with a sound understanding of the Borough's financial activities.

The organization, form, and content of the CAFR and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). GASB 34 (Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments) requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management discussion & analysis (MD&A) section. This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

Financial Reporting Entity

The CAFR includes all funds utilized by the Borough in its operations to provide a full range of municipal services. These services include administrative and financial services, police and fire protection, sanitation services, maintenance and construction of streets, planning/zoning/code enforcement, water supply and distribution, wastewater collection and treatment, community development, recreational activities and cultural events, and the maintenance of parking facilities.

Key Report Sections

The introductory section includes information about the Borough, its local economy, future outlook, major initiatives and budget control. The financial section includes the MD&A, basic financial statements, notes to the basic financial statements, and required supplementary information. The basic financial statements include the government-wide financial statements reporting all Borough financial operations and fund financial statements that present information for all separate Borough funds. The independent auditor's report on the basic financial statements is also included. The statistical section includes up to ten years of historical financial data and miscellaneous social and economic information that conforms to GASB standards for reporting. This section may be of special interest to holders of and prospective investors in the Borough's bonds, notes, and other debt instruments.

Location and Government

Historic Carlisle is located in the beautiful and highly productive agricultural Cumberland Valley in south-central Pennsylvania. It was established in 1751, incorporated in 1782, and is the county seat of Cumberland County.

Carlisle is 5.5 square miles in area and has a population of 19,014. It sits at the crossroads of I-81 and I-76 (the Pennsylvania Turnpike) making it one of the busiest transportation hubs in the U.S. Additionally, it is 20 miles south of the Harrisburg International Airport and 80 miles northwest of the Baltimore-Washington International Airport.

In May 2015 voters decisively approved a home rule charter making Carlisle one of only 96 Pennsylvania municipalities governed under home rule. The Borough continues to operate under the council/manager form of government. The Borough Manager is the chief administrative officer charged with the management of all municipal departments and responsible to a seven-member Mayor and Borough Council.

Economy

The local economy is diversified and stable. Principal industrial products manufactured or distributed in Carlisle include premium building products, standard and custom cabinets, apparel, and food products. Non-manufacturing segments of Carlisle's economy include professional services, higher education, and government. Several prominent reasons for this stability include, but are not limited to, the location of the following institutions and businesses in or within close proximity to the Borough:

- Dickinson College - Chartered in 1783 and located in the Borough, it is one of the oldest, private, four-year liberal arts colleges in the nation.
- Penn State's Dickinson School of Law - Founded in 1834 and located in the Borough, it is one of the oldest law schools in the nation.
- The U.S. Army War College - Located in the Borough, it is considered a premier advanced training facility for the U.S. Army. It contains some of the most sophisticated computer technology simulation equipment in the armed forces.
- The U.S. Army Heritage and Education Center - Located just outside the Borough, it is the U.S. Army's preeminent museum and research complex.
- Carlisle Events - Located in and around the Borough, it is famous for its car shows put on regularly throughout the spring, summer, and fall drawing thousands of people annually to Carlisle.
- Central Pennsylvania Youth Ballet - Located in the Borough, it is an internationally-renown ballet school and performing company.
- Within a relatively short distance of Carlisle are a number of other institutions of higher learning including Shippensburg University, Messiah College, Central Penn College, Widener School of Law, Harrisburg Area Community College, Penn State University's Capitol Campus, and Penn State University's Milton S. Hershey Medical Center.

Outlook

Given the above and many other readily available examples too numerous to mention here, it must be said that the outlook for Carlisle remains stable and positive.

Long-Term Financial Planning

The Borough is committed to providing value to residents and taxpayers by maintaining quality service levels and offering new programs or services whenever opportunities present themselves and when the Borough's financial position permits. To further this commitment, the Borough periodically evaluates its revenue generating capacity and conducts long-term projections of its finances. In addition, Carlisle develops and maintains a five-year capital improvements program.

As part of sound financial planning, the Borough follows the GFOA recommendation of maintaining strong overall fund balances/net position. The Borough has targets in its more significant funds as follows: general fund (25%), water fund (25%), sewer fund (50%), solid waste fund (25%), and parking fund (50%).

Relevant Financial Policies

Borough management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Borough are protected from loss, theft, or misuse and to ensure adequate accounting information is compiled to prepare financial statements in accordance with generally accepted accounting principles. The Borough's internal control structure is designed to provide reasonable (but not absolute) assurance that these objectives are met. Reasonable assurance recognizes the cost of an internal control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by Borough management. Article V of the Home Rule Charter and Chapter 27 of the Code of the Borough of Carlisle provide for fiscal and budgetary control. That budget control requires a balanced operating budget where current operating revenues equal current operating expenditures. The Borough Manager may transfer funds within a department, but transfers between departments and funds as well as supplemental appropriations must be approved by Borough Council. Capital expenditures must be funded through designated revenues, debt proceeds, inter-governmental grants, private contributions, or cash reserves.

Accomplishments in 2017

The Borough maintains a comprehensive archive of events in a multi-volume document known as the Greenbook. Arranged by months within a given year, this public document, available to residents, taxpayers, the media, and others, contains a wealth of information including comprehensive Borough Council agendas, meeting minutes, administrative policy briefing summaries on a range of issues coming before Borough Council, a listing of events/meetings, and committee and staff reports.

Some of the issues discussed and approved by Borough Council and more fully described in the 2017 edition of the Greenbook include the following:

- Established a Human Relations Commission Chapter.
- Issued 2017 Series A (\$ 9,775,000) and 2017 Series B (\$ 14,885,000) bonds to fund projects in the capital improvement plan and refinance certain outstanding variable rate bank notes respectively.
- Adopted new financial policies for ratios relating to debt versus assessed value, debt service versus expenditures, and fixed cost burden.
- Executed a Limited Guaranty Agreement with the Cumberland County Industrial Development Authority regarding debt issued for the Carlisle Tax Increment Financing District.
- Approved a five-year \$ 69.5 million capital improvements program and a balanced \$ 42.4 million budget for 2018.

Grants:

- Awarded a \$ 200,000 grant from Pennsylvania Department of Environmental Protection to support the construction of the Carlisle Urban Stormwater Park.
- Awarded a \$ 143,400 grant from Pennsylvania Department of Environmental Protection to support the design and construction of stormwater management improvements.
- Awarded a \$ 326,121 grant from the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) for the 2017 Program Year.

Bids & Contracts:

- Approved contracts with Herbert, Rowland, and Grubic, Inc. to assist the Borough with the 2017 Sewer System Rehabilitation Program and provide program management services related to the Carlisle Connectivity Transportation Improvement Project and Carlisle Urban Stormwater Park Project.
- Approved contracts with Gannet Fleming, Inc. to perform design services for the 2018 Water Distribution System Rehabilitation Program.
- Approved contracts with Raftelis Financial Consultants, Inc. to complete a Stormwater Funding Feasibility Study and to develop a stormwater utility fee.
- Awarded the Vegetative Berm Improvement Project to MALCO Landscape Inc. in the amount of \$ 207,998.
- Awarded the Valley Meadows Phase 2 Project to Kinsley Construction Inc. in the amount of \$ 131,400.
- Awarded the 2017 Pedestrian Curb Ramp Rehabilitation Project to Doug Lamb Construction, Inc. in the amount of \$ 230,794.

- Awarded the contract for a 2018 Pierce Velocity 100' Aerial Platform Fire Apparatus to Pierce Manufacturing Inc. in the amount of \$ 1,228,361.
- Awarded the Five-Year Body Worn Camera contract to Axon in the amount of \$ 161,676.

Bond Rating

On October 30, 2017, Moody's Investors Service assigned Carlisle with a bond rating of Aa1 (just one notch below its highest rating of Aaa) recognizing Carlisle's continuing sound financial management.

Awards and Acknowledgments

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Carlisle for its 2016 CAFR. Only 27 of the more than 2,500 municipalities in Pennsylvania received this award. In order to be awarded the certificate a government must publish a CAFR that is easily readable and efficiently organized. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for one year only. We believe our 2017 CAFR continues to meet GFOA's requirements and we are submitting it to GFOA to determine its eligibility for the certificate.

GFOA also awarded Carlisle its Distinguished Budget Presentation Award for 2017. The Borough is one of only five municipalities in Pennsylvania to receive both prestigious GFOA awards.

Timely preparation of this CAFR was made possible by the dedicated service of Borough staff. Each member has our sincere appreciation for contributions made in the preparation of this report.

Achieving the goal enunciated in Carlisle's motto "Committed to Excellence in Community Service" is only possible through a total team effort. In that regard, we extend our sincerest appreciation to the Mayor and Council and all employees who strive on a daily basis to attain and maintain excellent results on behalf of the residents and taxpayers of Carlisle.

Sincerely,

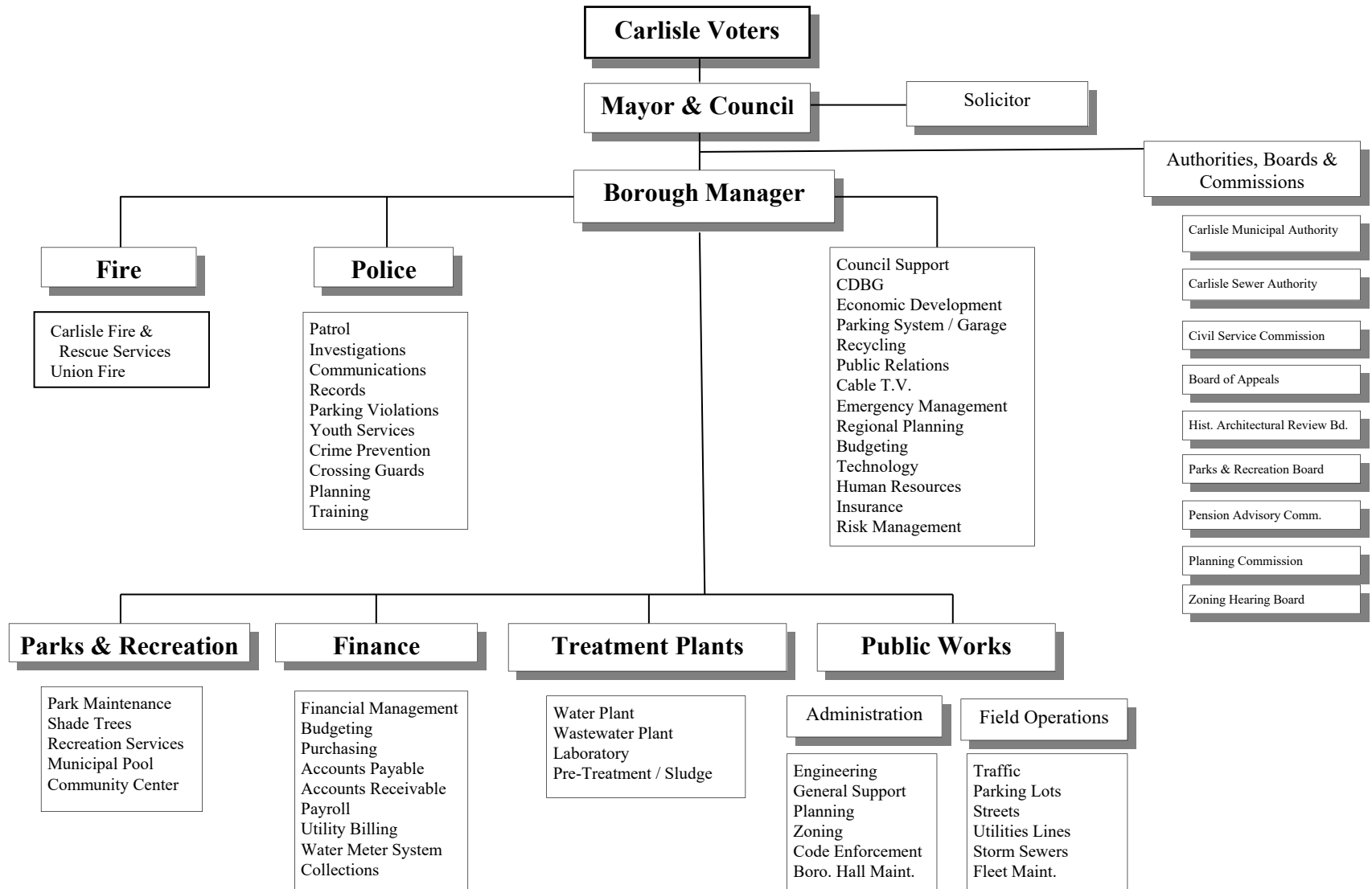


Matthew H. Candland,
Borough Manager



Richard JT Juday
Director of Finance

Borough of Carlisle



BOROUGH OF CARLISLE
List of Principal Officials
December 31, 2017

MAYOR & COUNCIL

Mayor	Timothy A. Scott
Councilor & Deputy Mayor	Sean M. Shultz
Councilor	Perry P. Heath
Councilor	Sean J. Crampsie
Councilor	Robin L. Guido
Councilor	Dawn L. Flower-Webb
Councilor	Deborah W. Fulham-Winston

ADMINISTRATIVE OFFICIALS

Borough Manager	Matthew H. Candland
Assistant Borough Manager	Susan D. Armstrong
Borough Secretary	Joyce E. Stone
Director of Finance	Richard J.T. Juday
Director of Public Works	Mark A. Malarich
Director of Treatment Plants	(Vacant)
Director of Parks & Recreation	Andrea C. Crouse
Police Chief	Taro D. Landis
Fire Chief	Jeffrey S. Snyder
Solicitor	Keith O. Brenneman

FINANCIAL SECTION



Smith Elliott Kearns & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Borough Council
Borough of Carlisle
Carlisle, Pennsylvania

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Carlisle, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Carlisle, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis on pages 4 through 13, the pension plan schedules on pages 64 through 66, the OPEB schedule of funding progress on page 67, and budgetary comparison schedule on page 68 be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Carlisle's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Carlisle, Pennsylvania
June 21, 2018

Smith & Elliott Beaman Company, LLC

BOROUGH OF CARLISLE
Management's Discussion and Analysis (Unaudited)
December 31, 2017

This discussion and analysis section provides readers of these financial statements an overview and analysis of the financial performance of the Borough of Carlisle, Pennsylvania for the fiscal year ended December 31, 2017. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal, which can be found on pages I - V of this report.

Management Discussion and Analysis is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in this section.

Financial Highlights of 2017

- Government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 57,887,380 compared to \$ 53,014,973 for the prior year. Total net position increased by \$ 4,872,407 (9.2%) which can be primarily attributed to an unbudgeted reimbursement received in the general fund along with several projects that were planned, but not undertaken.
- Total government-wide cash, cash equivalents, and investments increased by \$ 15,342,520 (72%) compared to the prior year.
- The net position of the non-uniformed employees' pension plan as a percentage of total pension liability was 101.4%; the net position of the police officers pension plan as a percentage of total pension liability was 100.2%.
- Governmental fund balances increased from the prior year and remained strong at \$ 10,795,830 (77.9% of expenditures) compared to \$ 8,386,481 (68.7% of expenditures) for the prior year.
- The unassigned fund balance for the general fund increased significantly to \$ 5,554,601 (60.2% of fund expenditures) compared to \$ 883,381 (7.7% of fund expenditures) from the prior year. This change is primarily due to a reimbursement received for prior design work performed for the tax increment financing (TIF) project and the action taken by Council to uncommit funds relating to this project.
- Assigned and committed governmental fund balances set aside by Borough Council for future capital, employee benefits, and other post-employment retirement benefits expenses were \$ 998,577 (9.2% of total governmental fund balances) compared to \$ 4,294,719 (51.2% of total governmental fund balances) in the prior year. This change can be attributed to the action taken by Council to uncommit funds relating to the TIF project and the decision to spend committed fund balance reserves on approved capital projects prior to using bond proceeds.
- Debt service on general obligation debt attributed to non-enterprise capital funding was \$ 705,435 (5.4% of total general fund and capital projects fund spending) compared to \$ 630,109 (5.5% of total general fund spending) in the prior year.
- The net position of the water, sewer, parking, and other enterprise funds increased by \$ 2,265,080 (6.8%) from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Borough of Carlisle's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

BOROUGH OF CARLISLE
Management's Discussion and Analysis (Unaudited)
December 31, 2017

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Borough's finances in a manner similar to a private-sector business.

The statement of net position presents information on all Borough assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Carlisle Borough that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Borough include general government, public safety, public services, parks and recreation, and conservation and community development. The business-type activities of the Borough include water, sewer, parking, and solid waste and recycling operations.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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

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

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

BOROUGH OF CARLISLE
Management's Discussion and Analysis (Unaudited)
December 31, 2017

Carlisle Borough maintains five (5) 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 balances for the general fund and the capital projects fund. Data from the other three (3) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Borough adopts an annual budget for its governmental funds. Budgetary comparison schedules have been provided as "required supplementary information" for these funds, except for the Capital Projects Fund, to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

Proprietary funds. Carlisle Borough uses enterprise funds to report the same functions presented as business-type activities in the government-wide financial statements. The Borough's major enterprise funds include the water, sewer, and parking funds. The solid waste fund is a non-major fund. The municipal authority of the Borough is also included as a blended component unit, non-major fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and parking funds, all of which are considered to be major funds of the Borough.

The basic proprietary fund financial statements can be found starting on page 20 of this report, and include statements of net position; revenue, expenses, and changes in net position; and cash flows.

Fiduciary funds. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is divided into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the Borough's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Borough has no investment trust funds.

The Borough maintains pension trust funds for the police and non-uniformed personnel, a private purpose trust fund for a cemetery, and an agency fund for tax collection. Fiduciary fund statements can be found on pages 24 and 25 of this report.

Notes to the 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. The notes to the financial statements can be found on pages 26 - 63 of this report.

Supplementary Information. Additional required supplementary schedules follow the notes to the financial statements on pages 64 - 69 of this report. The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 70 - 79 of this report.

BOROUGH OF CARLISLE
Management's Discussion and Analysis (Unaudited)
December 31, 2017

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 57,887,380 at the close of the fiscal year.

The largest portion (52.0%) of the Borough's total net position reflects its investment in capital (non-current) assets (e.g., land, buildings, machinery, and equipment). The Borough uses these capital assets to provide services to its residents and taxpayers; consequently, this portion of net position is not available for future spending. Although the Borough's investment in its capital assets are 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.

The following table presents a summary of the Borough's net position by type of activity as of December 31, 2017 and 2016.

	BOROUGH OF CARLISLE					
	December 31, 2017			December 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 11,970,386	\$ 29,516,459	\$ 41,486,845	\$ 9,899,557	\$ 16,225,604	\$ 26,125,161
Capital assets, net	20,336,506	38,211,736	58,548,242	18,096,765	38,620,151	56,716,916
Total assets	<u>\$ 32,306,892</u>	<u>\$ 67,728,195</u>	<u>\$ 100,035,087</u>	<u>\$ 27,996,322</u>	<u>\$ 54,845,755</u>	<u>\$ 82,842,077</u>
Deferred outflows of resources	\$ 505,613	\$ 88,379	\$ 593,992	\$ 1,128,151	\$ 313,592	\$ 1,441,743
Total deferred outflows of resources	<u>\$ 505,613</u>	<u>\$ 88,379</u>	<u>\$ 593,992</u>	<u>\$ 1,128,151</u>	<u>\$ 313,592</u>	<u>\$ 1,441,743</u>
Long-term liabilities	\$ 8,234,216	\$ 29,391,471	\$ 37,625,687	\$ 7,623,528	\$ 18,510,107	\$ 26,133,635
Other liabilities	1,466,729	2,556,037	4,022,766	1,808,697	3,269,116	5,077,813
Total liabilities	<u>\$ 9,700,945</u>	<u>\$ 31,947,508</u>	<u>\$ 41,648,453</u>	<u>\$ 9,432,225</u>	<u>\$ 21,779,223</u>	<u>\$ 31,211,448</u>
Deferred inflows of resources	\$ 811,985	\$ 281,261	\$ 1,093,246	\$ -	\$ 57,399	\$ 57,399
Total deferred inflows of resources	<u>\$ 811,985</u>	<u>\$ 281,261</u>	<u>\$ 1,093,246</u>	<u>\$ -</u>	<u>\$ 57,399</u>	<u>\$ 57,399</u>
Net position						
Net investment in capital assets	\$ 15,154,103	\$ 14,961,292	\$ 30,115,395	\$ 13,410,957	\$ 19,806,889	\$ 33,217,846
Restricted	3,775,262	-	3,775,262	2,888,319	-	2,888,319
Unrestricted	3,370,210	20,626,513	23,996,723	3,392,972	13,515,836	16,908,808
Total net position	<u>\$ 22,299,575</u>	<u>\$ 35,587,805</u>	<u>\$ 57,887,380</u>	<u>\$ 19,692,248</u>	<u>\$ 33,322,725</u>	<u>\$ 53,014,973</u>

The restricted portion of the Borough's total net position (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (41.5%) consists of unrestricted net position that may be used to meet the government's ongoing obligations to its residents, taxpayers, and creditors.

At the end of the fiscal year, the Borough is able to report positive balances in net position for both governmental and business-type activities. The same was true for the prior fiscal year.

The Borough's net position increased by \$ 4,872,407 (9.2%) year-over-year due to the reimbursement received from TIF Proceeds for prior design work performed for the TIF project along with several projects that were planned but not undertaken during the year.

Capital assets. The Borough's investment in capital assets for its governmental and business-type activities as of December 31, 2017 net of accumulated depreciation was \$ 58,548,242. This investment includes capital assets such as buildings, machinery and equipment, roads, water and sewer lines, highways, and bridges and reflects an increase of \$ 1,831,326 from the prior year, due primarily to water and sewer system construction work in progress.

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The table below summarizes the capital assets of the Borough at December 31, 2017.

BOROUGH OF CARLISLE - CAPITAL ASSETS
(net of depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,292,633	\$ 504,102	\$ 1,796,735
Land improvements	8,273,874	4,331,467	12,605,341
Buildings	9,707,298	43,508,780	53,216,078
Machinery and Equipment	9,148,914	35,157,838	44,306,752
Infrastructure	44,277,831	15,194,798	59,472,629
Construction in progress	<u>3,605,445</u>	<u>799,914</u>	<u>4,405,359</u>
Total	76,305,995	99,496,899	175,802,894
Less accumulated depreciation	<u>(55,969,489)</u>	<u>(61,285,163)</u>	<u>(117,254,652)</u>
Total capital assets	<u>\$ 20,336,506</u>	<u>\$ 38,211,736</u>	<u>\$ 58,548,242</u>

Additional information on the Borough's capital assets can be found in Note 5 of this report on page 46.

Long-term debt. At the end of the fiscal year, the Borough had total long-term liabilities of \$ 40,530,331. This debt is backed by the full faith and credit of the Borough. Nearly three-quarters (77.6%) of the Borough's outstanding debt is considered self-supporting and will be repaid from water, sewer, and parking enterprise fund revenue.

BOROUGH OF CARLISLE - LONG-TERM LIABILITIES

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds and Notes	\$ 7,424,090	\$ 31,060,975	\$ 38,485,065
Net OPEB Obligation	877,177	-	877,177
Claims and judgments	71,313	147,437	218,750
Compensated Absences	<u>701,902</u>	<u>247,437</u>	<u>949,339</u>
Total Debt	<u>\$ 9,074,482</u>	<u>\$ 31,455,849</u>	<u>\$ 40,530,331</u>

In recent years the Borough has begun to address replacement of aging water and sewer lines. This focus along with other budgeted capital projects has caused an increase in total general obligation bonds and notes outstanding by \$ 13,480,561 (53.9%) from the prior year.

Additional information on the Borough's long-term debt can be found in Note 6 beginning on page 47 of this report.

Governmental Activities. The Borough's net position for governmental activities increased from the prior year by \$ 2,607,327 (13.2%) from \$ 19,692,248 to \$ 22,299,575. Governmental activities accounted for 53.5% of the overall \$ 4,872,407 change in Borough's net position.

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Business-type activities. The Borough's net position for business-type activities increased from the prior year by \$ 2,265,080 (6.8%) from \$ 33,322,725 to \$ 35,587,805. Business-type activities accounted for 46.5% of the overall change in the Borough's net position.

These changes are presented in the following table together with comparable information from the prior year.

BOROUGH OF CARLISLE - CHANGES IN NET POSITION						
	December 31, 2017			December 31, 2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 1,545,774	\$ 12,600,145	\$ 14,145,919	\$ 1,566,610	\$ 11,612,998	\$ 13,179,608
Operating grants	1,287,039	46,971	1,334,010	1,283,339	35,146	1,318,485
Capital grants and contributions	2,942,801	118,723	3,061,524	1,162,135	62,111	1,224,246
General revenues:						
Property taxes	4,900,014	-	4,900,014	4,636,777	-	4,636,777
Other taxes	3,262,471	-	3,262,471	2,988,767	-	2,988,767
Other	91,644	920,137	1,011,781	151,098	82,519	233,617
Total revenues	<u>14,029,743</u>	<u>13,685,976</u>	<u>27,715,719</u>	<u>11,788,726</u>	<u>11,792,774</u>	<u>23,581,500</u>
Expenses						
General Government	1,791,013	-	1,791,013	1,303,148	-	1,303,148
Public Safety	5,929,571	-	5,929,571	6,000,082	-	6,000,082
Public Services	1,985,119	-	1,985,119	2,648,369	-	2,648,369
Parks and Recreation	1,145,391	-	1,145,391	1,182,586	-	1,182,586
Community Development	354,101	-	354,101	243,669	-	243,669
Interest & amortization expense	216,089	-	216,089	151,944	-	151,944
Water	-	4,257,603	4,257,603	-	4,091,163	4,091,163
Sewer	-	5,871,507	5,871,507	-	5,459,634	5,459,634
Parking	-	575,388	575,388	-	522,117	522,117
Solid Waste	-	717,530	717,530	-	727,257	727,257
Total expenses	<u>11,421,284</u>	<u>11,422,028</u>	<u>22,843,312</u>	<u>11,529,798</u>	<u>10,800,171</u>	<u>22,329,969</u>
Transfers in (transfers out)	<u>(1,132)</u>	<u>1,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	2,607,327	2,265,080	4,872,407	258,928	992,603	1,251,531
Net position - Beginning	<u>19,692,248</u>	<u>33,322,725</u>	<u>53,014,973</u>	<u>19,433,320</u>	<u>32,330,122</u>	<u>51,763,442</u>
Net position - End of Year	<u>\$ 22,299,575</u>	<u>\$ 35,587,805</u>	<u>\$ 57,887,380</u>	<u>\$ 19,692,248</u>	<u>\$ 33,322,725</u>	<u>\$ 53,014,973</u>

Fund Financial Statements

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

Fund balances. At the end of the fiscal year, the Borough's governmental funds reported combined ending fund balances of \$ 10,795,830, an increase of \$ 2,409,349 (28.7%) compared with the prior year. Of the total fund balance, \$ 467,390 (4.3%) constitutes non-spendable fund balance; \$ 3,775,262 (35.0%) restricted fund balance (slightly more than \$ 1.2 million is state highway aid money which may only be used for street maintenance); \$ 998,577 (9.2%) are committed and assigned fund balance set aside by Borough Council primarily for future Other Post-Employment Benefits (OPEB) and \$ 5,554,601 (51.5%) in unassigned fund balance available for spending at the government's discretion.

Total governmental fund balances of \$ 10,795,830 constitute a very healthy 77.9% of governmental funds expenditures.

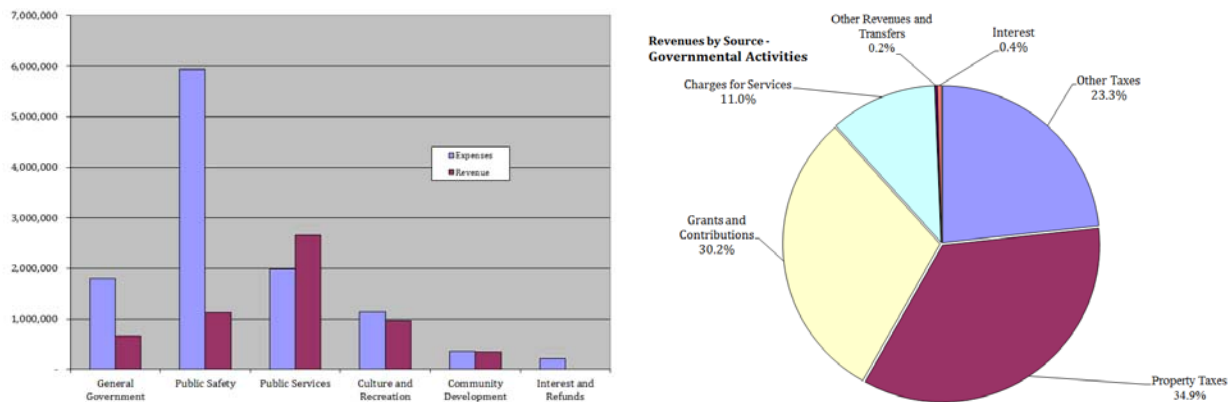
BOROUGH OF CARLISLE
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General fund. The general fund is the largest governmental fund and is the Borough's chief operating fund. Actual general fund spending in 2017 was \$ 9,224,618 compared to \$ 11,554,278 in the prior year, a decrease of \$ 2,329,660 (20.2%). This decrease can be attributed to the creation of the capital projects fund in 2017 which began reporting capital related expenditures and leaving the general fund to present only current revenue and current expenditures. Together spending in the general fund and the capital projects fund for 2017 was \$ 13,111,297 or a 13.5% increase over total general fund spending in the prior year. Spending for public safety (police, fire, and code enforcement) was the largest general fund expenditure at \$ 5,139,374 (55.7% of total general fund spending), followed by public works (stormwater, highways, and engineering) at \$ 1,344,610 (14.6% of total general fund spending).

Budgeted revenue was just over \$ 9.9 million while actual revenue was just over \$ 11.9 million, a difference of \$ 2 million, excluding fund balance. A significant portion of this amount was related to receiving an unbudgeted reimbursement for design work done on the TIF Project. Similarly, budgeted expenditures were just over \$ 11.7 million while actual expenditures were nearly \$ 9.2 million, a difference of \$ 2.5 million. A significant portion of this amount relates to reimbursements from other funds for shared administrative expenditures that were solely budgeted out of the general fund.

Principal and interest on the Borough's general obligation debt attributed to non-enterprise capital funding was \$ 665,656 (7.2% of total general fund spending)

Unlike enterprise fund activities, governmental activities are supported by general tax revenues. In 2017 those tax revenues amounted to \$ 8,188,301 (68.4% of all general fund revenue). The following graph and chart help present a pictorial illustration of the Borough's governmental activities and the related revenue structure for fiscal year 2017.



Local taxes. Revenue from property taxes was \$ 5,006,110 under budget by \$ 24,745 (0.5%). That amount was more than the prior year property tax collections of \$ 4,671,284. Real estate transfer tax revenue at \$ 332,300 was over the budget amount by \$ 32,300. Earned income tax revenue was \$ 222,555 over budget (12.4%) and \$ 113,754 (6.0%) more than the amount collected in the prior year. While the local economy continues to strengthen as evidenced by a declining unemployment rate and the county-wide consolidated collection program continues to bring improvements, the Borough continues to take a conservative approach in budgeting for these taxes.

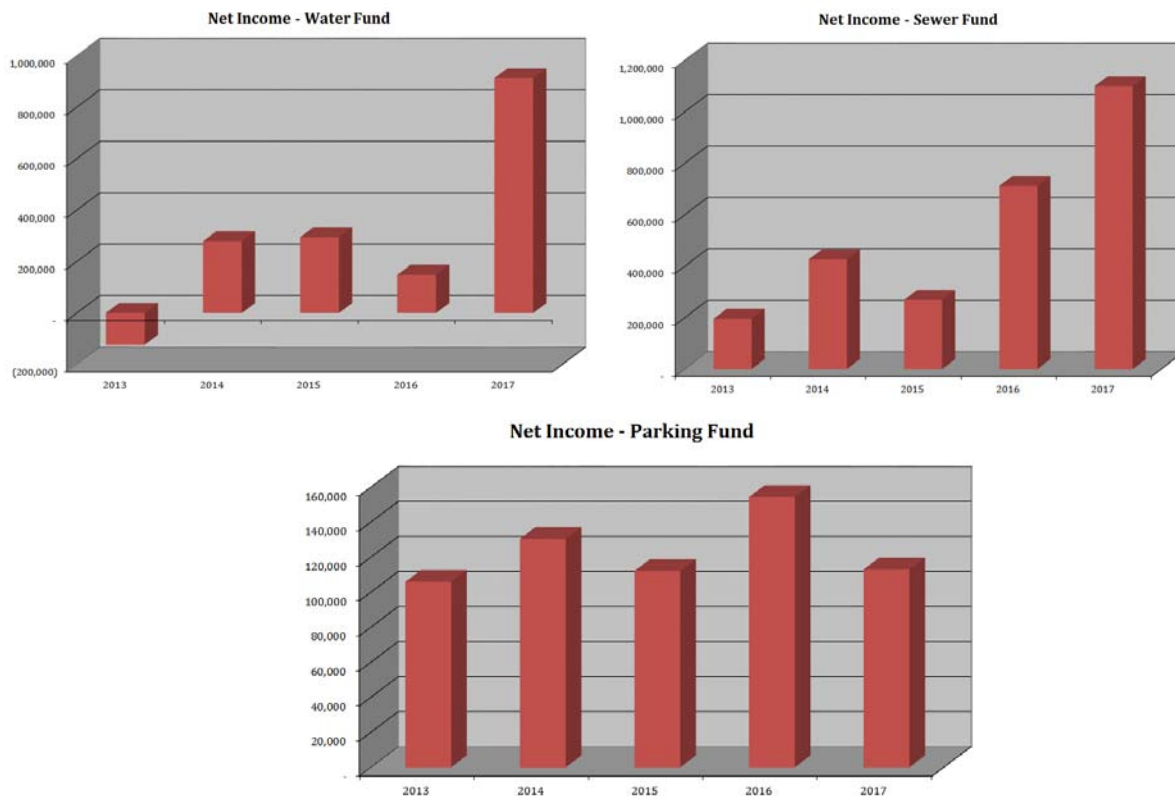
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The following table compares tax revenues in 2017 with those in 2016 and with the budgeted amounts for 2017.

Tax	Actual 2016	Budget 2017	Actual 2017	Actual Variance 2017-2016	Budget Variance 2017
Property	\$ 4,671,284	\$ 5,030,855	\$ 5,006,110	\$ 334,826	\$ (24,745)
Real Estate Transfer	259,974	300,000	332,300	72,326	32,300
Earned Income	1,908,801	1,800,000	2,022,555	113,754	222,555
LST	694,822	600,000	751,907	57,085	151,907
Admissions / Amusements	<u>85,931</u>	<u>72,500</u>	<u>75,429</u>	<u>(10,502)</u>	<u>2,929</u>
Total	<u>\$ 7,620,812</u>	<u>\$ 7,803,355</u>	<u>\$ 8,188,301</u>	<u>\$ 567,489</u>	<u>\$ 384,946</u>

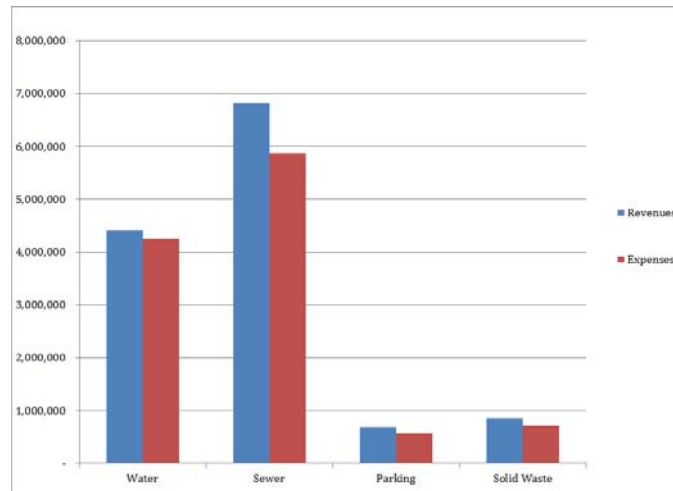
Proprietary funds. The Borough's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the water, sewer, parking, and solid waste functions at the end of the year was \$35,587,805. For the year the net position of proprietary funds increased by \$2,265,080 (6.8%). All major proprietary funds showed an increase in net position for 2017; the water fund showed an increase in net position of \$912,623 (9.0%) for 2017; the sewer fund showed an increase in net position of \$1,098,780 (5.2%); and the parking fund showed an increase in net position of \$112,894 (5.8%). Not shown is an increase in net position of \$140,688 for the non-major solid waste fund.

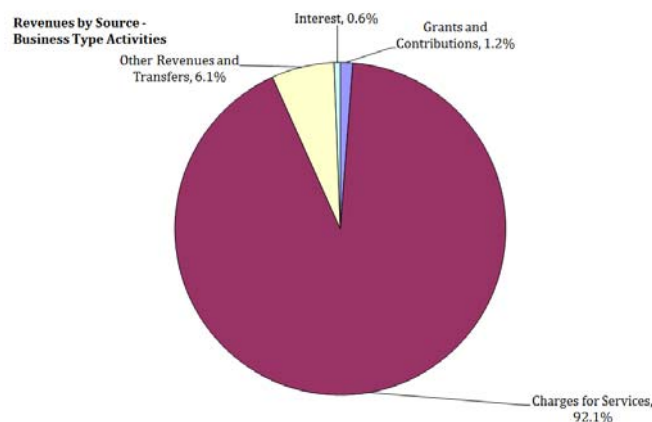


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Total operating revenues for the proprietary funds was \$ 12,336,460 and exceeded total operating expenses of \$ 10,914,471 by \$ 1,421,989. The following graph shows the relative levels of total revenues and expenses in the four significant enterprise funds for 2017.



The following chart clearly demonstrates the definition of enterprise funds as being mainly reliant on user fees or charges as they constitute 92.1% of total operating and non-operating revenues.



Economic Factors and Next Year's Budgets and Rates

As mentioned earlier, the local economy has been relatively stable. Local unemployment rates are lower than state and national rates. The Borough will continue to face the challenges of meeting a balanced budget, particularly in the general fund, as fixed expenditures for core essential services continually increase and local tax revenue is limited either by state law or infrequent real property reassessments. The Borough has also taken on the responsibility for funding numerous major capital projects including the Carlisle Urban Redevelopment Plan as well as significant improvements to our streets and highways and our aging water distribution and sewer collection infrastructure.

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General Fund. Cash reserves have remained relatively stable over the past year. The Borough proceeds conservatively when preparing budgets and making long-term projections. Elected officials and management take into consideration local, state, and national economic and governmental conditions. Over the long-haul revenue growth is expected to remain sluggish. It may be uncertain whether revenue sources will increase much, if at all; however, it is fairly certain many of the Borough's expenditures will steadily increase. Over the next several years, the Borough will work diligently to ameliorate the effects of this trend.

Water Fund. The water fund remains financially stable but under stress due to the primary concern for the aging infrastructure of the distribution system. Water rates were adjusted three percent in 2016, three percent in 2017, and four percent in the 2018 budget. Based on an anticipated rate study in 2018, a rate increase for the 2019 budget could be six percent or more. Going forward the Borough will continue to budget for necessary capital improvements. In the meantime, cash reserves for the fund remain above 50% of annual operating expenses.

Sewer Fund. Cash reserves are currently above 50% of annual operating expense; however, without substantial annual rate increases, sewer fund revenue may not be able to keep up with anticipated operating and capital costs. Based on a 2014 study a ten-year capital improvement plan was developed. Current estimates suggest it may cost between \$ 30 - \$ 50 million dollars to complete necessary system improvements. The Borough increased sewer rates by four percent in 2016, four percent in 2017, and three percent in the 2018 budget to prepare this fund for future capital expenses. Based on an anticipated rate study in 2018, a rate increase for the 2019 budget could be six percent or more.

Parking Fund. The parking fund continues to operate as a self-sustaining enterprise fund. In 2014 parking violations were increased from \$ 5 to \$ 15. Monthly garage lease fees were increased and there have been inflationary increases to most of the Borough's leased parking. The Borough has continued implementing elements of the 2014 parking plan including stepped-up parking garage maintenance and parking lot upgrades. Cash reserves continue to be in excess of 50% of annual operating expenses.

Requests for Information

This report is designed to provide a general overview of the finances of the Borough of Carlisle, Pennsylvania for residents, taxpayers, and others with an interest in the Borough's financial operations. Questions concerning any of the information provided in this report or requests for additional information should be directed to Richard JT Juday, Director of Finance, Borough of Carlisle, 53 West South Street, Carlisle, Pennsylvania 17013.

BASIC FINANCIAL STATEMENTS

BOROUGH OF CARLISLE
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 17,312,626	\$ 17,802,114	\$ 35,114,740
Investments	720,421	828,870	1,549,291
Receivables:			
Taxes receivable, net	838,444	-	838,444
Accounts receivable - billed	-	818,048	818,048
Accounts receivable - unbilled	-	1,357,627	1,357,627
Other	327,739	409,926	737,665
Internal balances	(7,801,245)	7,801,245	-
Prepaid expenses	182,278	65,665	247,943
Inventories	85,112	348,146	433,258
Total current assets	<u>11,665,375</u>	<u>29,431,641</u>	<u>41,097,016</u>
Noncurrent assets			
Loan receivable	200,000	-	200,000
Net pension asset	105,011	84,818	189,829
Capital assets not being depreciated:			
Land	1,292,633	504,102	1,796,735
Construction in progress	3,605,445	799,914	4,405,359
Capital assets net of accumulated depreciation:			
Buildings and system	3,715,895	14,609,008	18,324,903
Improvements other than buildings	5,739,560	2,424,212	8,163,772
Machinery, equipment and furniture	1,745,641	19,874,500	21,620,141
Infrastructure	4,237,332	-	4,237,332
Total noncurrent assets	<u>20,641,517</u>	<u>38,296,554</u>	<u>58,938,071</u>
Total assets	<u>32,306,892</u>	<u>67,728,195</u>	<u>100,035,087</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to net pension asset	461,423	69,788	531,211
Deferred charge on bond refunding	44,190	18,591	62,781
Total deferred outflows of resources	<u>505,613</u>	<u>88,379</u>	<u>593,992</u>
Total assets and deferred outflows of resources	<u>\$ 32,812,505</u>	<u>\$ 67,816,574</u>	<u>\$ 100,629,079</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 187,439	\$ 334,264	\$ 521,703
Deposits	305,274	835	306,109
Accrued wages and withholdings	114,322	58,096	172,418
Accrued interest expense	19,428	98,464	117,892
Short-term liabilities: Due within one year			
Claims and judgments	71,313	147,437	218,750
Bonds and notes payable	533,528	1,833,948	2,367,476
Compensated absences	235,425	82,993	318,418
Total current liabilities	<u>1,466,729</u>	<u>2,556,037</u>	<u>4,022,766</u>
Noncurrent liabilities			
Long-term liabilities: Due in more than one year			
Bonds and notes payable	6,890,562	29,227,027	36,117,589
Compensated absences	466,477	164,444	630,921
Total OPEB obligation	877,177	-	877,177
Total noncurrent liabilities	<u>8,234,216</u>	<u>29,391,471</u>	<u>37,625,687</u>
Total liabilities	<u>9,700,945</u>	<u>31,947,508</u>	<u>41,648,453</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to net pension asset	811,985	281,261	1,093,246
Total deferred inflows of resources	<u>811,985</u>	<u>281,261</u>	<u>1,093,246</u>
NET POSITION			
Net investment in capital assets	15,154,103	14,961,292	30,115,395
Restricted			
Highway improvements	1,219,760	-	1,219,760
Police activities	30,556	-	30,556
Capital projects	2,446,582	-	2,446,582
Grants and contributions	78,364	-	78,364
Unrestricted	3,370,210	20,626,513	23,996,723
Total net position	<u>22,299,575</u>	<u>35,587,805</u>	<u>57,887,380</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 32,812,505</u>	<u>\$ 67,816,574</u>	<u>\$ 100,629,079</u>

BOROUGH OF CARLISLE
Statement of Activities
Year Ended December 31, 2017

		Program Revenue			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 1,791,013	\$ 334,429	\$ 321,648	\$ -	\$ (1,134,936)	\$ -	\$ (1,134,936)
Public safety	5,929,571	801,510	291,731	42,250	(4,794,080)	-	(4,794,080)
Public services	1,985,119	120,919	154,314	2,395,076	685,190	-	685,190
Culture and recreation	1,145,391	288,916	174,800	505,475	(176,200)	-	(176,200)
Community development	354,101	-	344,546	-	(9,555)	-	(9,555)
Interest and amortization expense	216,089	-	-	-	(216,089)	-	(216,089)
Total governmental activities	11,421,284	1,545,774	1,287,039	2,942,801	(5,645,670)	-	(5,645,670)
Business-type activities							
Water *	4,257,603	4,405,919	-	-	-	148,316	148,316
Sewer	5,871,507	6,703,342	-	118,723	-	950,558	950,558
Parking	575,388	680,576	-	-	-	105,188	105,188
Solid Waste	717,530	810,308	46,971	-	-	139,749	139,749
Total business-type activities	11,422,028	12,600,145	46,971	118,723	-	1,343,811	1,343,811
Total primary government	\$ 22,843,312	\$ 14,145,919	\$ 1,334,010	\$ 3,061,524	\$ (5,645,670)	\$ 1,343,811	\$ (4,301,859)
* includes municipal water authority activity, net of eliminations							
General revenues and transfers							
Taxes							
Property taxes, levied for general purposes					\$ 4,900,014	\$ -	\$ 4,900,014
Real estate transfer tax					332,300	-	332,300
Earned income tax					2,089,313	-	2,089,313
Local services tax					751,907	-	751,907
Other taxes					88,951	-	88,951
Unrestricted investment earnings					59,625	82,307	141,932
Miscellaneous income					32,019	837,830	869,849
Transfers					(1,132)	1,132	-
Total general revenues and transfers					8,252,997	921,269	9,174,266
Change in net position					2,607,327	2,265,080	4,872,407
Net position - beginning					19,692,248	33,322,725	53,014,973
Net position - ending					\$ 22,299,575	\$ 35,587,805	\$ 57,887,380

BOROUGH OF CARLISLE
Balance Sheet - Governmental Funds
December 31, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 15,784,553	\$ 277,757	\$ 1,250,316	\$ 17,312,626
Investments	720,421	-	-	720,421
Taxes receivable, net	838,444	136,135	-	974,579
Due from other funds	144,509	2,219,700	-	2,364,209
Other receivables	157,770	-	33,834	191,604
Inventories	85,112	-	-	85,112
Prepaid items	182,278	-	-	182,278
Loan receivable - long term	200,000	-	-	200,000
Total assets	<u>\$ 18,113,087</u>	<u>\$ 2,633,592</u>	<u>\$ 1,284,150</u>	<u>\$ 22,030,829</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 102,645	\$ 84,794	\$ -	\$ 187,439
Due to other funds	10,079,294	52,326	33,834	10,165,454
Accrued wages, benefits and withholdings	114,322	-	-	114,322
Deposits payable	305,274	-	-	305,274
Unearned revenue	-	49,890	-	49,890
Total liabilities	<u>10,601,535</u>	<u>187,010</u>	<u>33,834</u>	<u>10,822,379</u>
Deferred Inflows of Resources				
Unavailable tax revenue	<u>412,620</u>	<u>-</u>	<u>-</u>	<u>412,620</u>
Fund balances				
Nonspendable	467,390	-	-	467,390
Spendable fund balance				
Restricted	78,364	2,446,582	1,250,316	3,775,262
Committed	594,364	-	-	594,364
Assigned	404,213	-	-	404,213
Unassigned	<u>5,554,601</u>	<u>-</u>	<u>-</u>	<u>5,554,601</u>
Total fund balances	<u>7,098,932</u>	<u>2,446,582</u>	<u>1,250,316</u>	<u>10,795,830</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,113,087</u>	<u>\$ 2,633,592</u>	<u>\$ 1,284,150</u>	<u>\$ 22,030,829</u>

BOROUGH OF CARLISLE**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2017**

Total fund balance - governmental funds \$ 10,795,830

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Property and equipment	76,305,995	
Accumulated depreciation	<u>(55,969,489)</u>	
		20,336,506

Taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are not recorded in the fund financial statements. Also, the governmental activities taxes receivable are reported net of an allowance for uncollectable taxes.

412,620

Grants receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are not recorded in the fund financial statements.

49,890

In the governmental funds, claims and judgments are only recognized as payables in the fiscal year that they are due and payable.

(71,313)

Deferred charges on bond refunding are reported as deferred outflows of resources in the Statement of Net Position, and do not require the use of current financial resources and therefore is not reported in the governmental funds.

44,190

The net pension asset is not available in the current period and is not included in the balance sheet of governmental funds, but is included in the governmental activities of the Statement of Net Position. The noncurrent asset and related deferred inflows and outflows of resources consist of:

Net pension asset	105,011	
Deferred outflows related to net pension asset	461,423	
Deferred inflows related to net pension asset	<u>(811,985)</u>	
		(245,551)

Noncurrent liabilities are not due and payable in the current period and are not included in the balance sheet of governmental funds, but are included in the governmental activities of the Statement of Net Position. Noncurrent liabilities and related deferred outflows of resources consist of:

Bonds and notes payable, net	(7,424,090)	
Accrued interest expense	(19,428)	
Total other post employment benefits (OPEB)	(877,177)	
Compensated absences	<u>(701,902)</u>	
		<u>(9,022,597)</u>

Total net position - governmental activities \$ 22,299,575

BOROUGH OF CARLISLE
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2017

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 8,188,301	\$ -	\$ -	\$ 8,188,301
Licenses and permits	852,460	-	-	852,460
Fees and fines	146,529	-	-	146,529
Investment earnings	31,332	14,387	13,906	59,625
Rents	65,176	-	-	65,176
Intergovernmental	1,922,023	1,059,740	867,147	3,848,910
Charges for services	256,656	-	-	256,656
Contributions and miscellaneous	256,434	10,000	-	266,434
Proceeds from refunds/reimbursements	248,786	-	-	248,786
Total revenues	<u>11,967,697</u>	<u>1,084,127</u>	<u>881,053</u>	<u>13,932,877</u>
EXPENDITURES				
General government				
Borough council	17,675	-	-	17,675
Borough manager	76,032	-	-	76,032
Finance department	97,305	-	-	97,305
Tax collection	64,571	-	-	64,571
Personnel administration	22,026	-	-	22,026
Data processing	39,879	-	-	39,879
Legal services	46,469	-	-	46,469
Insurance premiums	327,608	-	-	327,608
Employee benefits (unallocated)	410,859	-	-	410,859
Buildings and plants	10,655	23,893	-	34,548
Public Safety				
Police department	3,892,157	173,748	21,995	4,087,900
Fire department	873,159	1,228,361	-	2,101,520
Codes department	374,058	1,010,406	-	1,384,464
Public works				
Stormwater	108,168	320,753	-	428,921
Highways	1,141,618	175,293	469,996	1,786,907
Engineering	94,824	-	-	94,824
Parks and recreation	865,924	805,985	-	1,671,909
Conservation and community development	95,975	108,461	258,126	462,562
Debt Service:				
Principal	492,782	-	-	492,782
Interest and fiscal charges	172,874	39,779	-	212,653
Total expenditures	<u>9,224,618</u>	<u>3,886,679</u>	<u>750,117</u>	<u>13,861,414</u>
Excess of revenues over expenditures	<u>2,743,079</u>	<u>(2,802,552)</u>	<u>130,936</u>	<u>71,463</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	4,054,674	2,153,434	-	6,208,108
Proceeds from sale of capital assets	15,349	-	-	15,349
Bond premium	586,433	83,534	-	669,967
Payment to refund bonds	(4,554,406)	-	-	(4,554,406)
Transfers in	86,420	3,012,166	-	3,098,586
Transfers out	(3,013,298)	-	(86,420)	(3,099,718)
Total other financing sources and uses	<u>(2,824,828)</u>	<u>5,249,134</u>	<u>(86,420)</u>	<u>2,337,886</u>
Net change in fund balances	(81,749)	2,446,582	44,516	2,409,349
Fund balances - beginning	<u>7,180,681</u>	<u>-</u>	<u>1,205,800</u>	<u>8,386,481</u>
Fund balances - ending	<u>\$ 7,098,932</u>	<u>\$ 2,446,582</u>	<u>\$ 1,250,316</u>	<u>\$ 10,795,830</u>

BOROUGH OF CARLISLE
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2017

Net change in fund balances - total governmental funds **\$ 2,409,349**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differs from capital outlays in the period.

Depreciation expense	(1,303,212)	
Capital outlays	<u>3,548,613</u>	
		2,245,401

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase other financing sources. Thus, the change in net position differs from the changes in the fund balance by the net cost of the capital assets sold.

(5,660)

Because some taxes will not be collected within the first several months after the Borough's fiscal year end, they are not considered as "available" revenues in the governmental funds. The difference in tax revenues is:

(39,338)

Because some grants will not be collected within the first several months after the Borough's fiscal year end, they are not considered as "available" revenues in the governmental funds. The difference in grant revenues is:

49,890

In the governmental funds, claims and judgments are only recognized as expenditures in the fiscal year that they are due and payable.

(71,313)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

5,047,187

The issuance of general obligation notes provides current financial resources to governmental funds, but has no effect on net position. The amount includes note related items at the time of issuance.

(6,916,939)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest accrued in the statement of activities compared to the amount due is shown here. The amount also includes the amortization of deferred charge on bond refunding.

(3,436)

Total Other Post Employment Benefits (OPEB) obligation does not require the use of current financial resources and, therefore, is not reported as an expense in the governmental funds.

(64,361)

Net pension asset and related deferred inflows and outflows of resources do not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.

(21,062)

In the statement of activities, compensated absences are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the net amount incurred or (used) was:

(22,391)

Change in net position - governmental activities		<u>\$ 2,607,327</u>
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BOROUGH OF CARLISLE
Statement of Net Position - Proprietary Funds
December 31, 2017

	Enterprise Funds				
	Water Fund	Sewer Fund	Parking Fund	Other Enterprise Funds	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 5,366,251	\$ 11,320,718	\$ 816,577	\$ 298,568	\$ 17,802,114
Investments	244,020	495,773	89,077	-	828,870
Accounts receivable					
Billed	272,887	545,161	-	-	818,048
Unbilled	569,633	787,994	-	-	1,357,627
Other receivables	51,978	244,936	3,940	109,072	409,926
Due from other funds	3,721,369	3,892,084	247,499	121,895	7,982,847
Inventories	152,721	169,316	18,560	7,549	348,146
Prepaid expenses	22,886	37,792	4,987	-	65,665
Total current assets	<u>10,401,745</u>	<u>17,493,774</u>	<u>1,180,640</u>	<u>537,084</u>	<u>29,613,243</u>
Noncurrent assets					
Net pension asset	30,321	52,191	511	1,795	84,818
Capital assets					
Land	11,963	166,938	325,201	-	504,102
Buildings and system, net	6,574,827	6,920,110	1,105,762	8,309	14,609,008
Improvements other than buildings, net	1,954,977	114,849	354,386	-	2,424,212
Machinery and equipment, net	3,144,507	16,592,536	113,951	23,506	19,874,500
Construction in progress	245,072	554,842	-	-	799,914
Total noncurrent assets	<u>11,961,667</u>	<u>24,401,466</u>	<u>1,899,811</u>	<u>33,610</u>	<u>38,296,554</u>
Total assets	<u>22,363,412</u>	<u>41,895,240</u>	<u>3,080,451</u>	<u>570,694</u>	<u>67,909,797</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension asset	24,717	42,545	416	2,110	69,788
Deferred charge on bond refunding	8,369	-	11,629	-	19,998
Total deferred outflows of resources	<u>33,086</u>	<u>42,545</u>	<u>12,045</u>	<u>2,110</u>	<u>89,786</u>
Total assets and deferred outflows of resources	<u>\$ 22,396,498</u>	<u>\$ 41,937,785</u>	<u>\$ 3,092,496</u>	<u>\$ 572,804</u>	<u>\$ 67,999,583</u>
LIABILITIES					
Current liabilities					
Accounts payable and deposits	\$ 82,241	\$ 183,166	\$ 3,579	\$ 66,113	\$ 335,099
Accrued wages payable	26,365	30,235	1,321	175	58,096
Accrued interest payable	30,066	65,536	2,658	204	98,464
Due to other funds	42,692	3,303	1,005	134,602	181,602
Claims and judgments - current	71,531	71,531	2,188	2,187	147,437
Compensated absences - current	26,234	56,121	638	-	82,993
Bonds, notes and loans payable - current	674,299	1,068,781	85,972	4,896	1,833,948
Total current liabilities	<u>953,428</u>	<u>1,478,673</u>	<u>97,361</u>	<u>208,177</u>	<u>2,737,639</u>
Noncurrent liabilities					
Compensated absences	51,982	111,199	1,263	-	164,444
Bonds, notes and loans payable	10,262,486	17,961,189	916,596	86,756	29,227,027
Total noncurrent liabilities	<u>10,314,468</u>	<u>18,072,388</u>	<u>917,859</u>	<u>86,756</u>	<u>29,391,471</u>
Total liabilities	<u>11,267,896</u>	<u>19,551,061</u>	<u>1,015,220</u>	<u>294,933</u>	<u>32,129,110</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension asset	104,525	168,578	2,382	5,776	281,261
Deferred charge on bond refunding	-	1,407	-	-	1,407
Total deferred inflows of resources	<u>104,525</u>	<u>169,985</u>	<u>2,382</u>	<u>5,776</u>	<u>282,668</u>
NET POSITION					
Net investment in capital assets	4,664,167	9,114,497	1,152,635	29,993	14,961,292
Unrestricted	6,359,910	13,102,242	922,259	242,102	20,626,513
Total net position	<u>11,024,077</u>	<u>22,216,739</u>	<u>2,074,894</u>	<u>272,095</u>	<u>35,587,805</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 22,396,498</u>	<u>\$ 41,937,785</u>	<u>\$ 3,092,496</u>	<u>\$ 572,804</u>	<u>\$ 67,999,583</u>

BOROUGH OF CARLISLE**Statement of Revenue, Expenses, and Changes in Fund Net Position- Proprietary Funds**
Year Ended December 31, 2017

	Enterprise Funds				Total
	Water Fund	Sewer Fund	Parking Fund	Other Enterprise Funds	
OPERATING REVENUES					
Charges for services	\$ 4,248,875	\$ 6,408,713	\$ 680,066	\$ 998,806	\$ 12,336,460
OPERATING EXPENSES					
Administrative	1,118,189	958,903	396,114	27,390	2,500,596
Insurance premiums	78,797	150,216	8,569	-	237,582
Employee benefits	212,667	347,707	14,814	-	575,188
Payroll taxes - employer's portion	69,848	100,469	7,198	1,037	178,552
Plants	1,114,490	1,318,330	-	-	2,432,820
Plant labs	112,994	402,339	-	-	515,333
Distribution/collection	391,776	365,454	-	873,964	1,631,194
Maintenance	31,978	137,420	-	-	169,398
Depreciation	851,852	1,697,661	117,946	6,349	2,673,808
Total operating expenses	3,982,591	5,478,499	544,641	908,740	10,914,471
Operating income	266,284	930,214	135,425	90,066	1,421,989
NONOPERATING REVENUES (EXPENSES)					
Tap fees	-	294,629	-	-	294,629
Interest and investment revenue	26,796	49,217	5,260	1,034	82,307
Insurance recoveries	714,918	110,686	-	-	825,604
Miscellaneous revenue	159,554	8,402	2,637	4,532	175,125
Intergovernmental	-	-	-	46,971	46,971
Interest expense and debt issuance costs	(275,012)	(393,008)	(31,560)	(1,820)	(701,400)
Total nonoperating revenues (expenses)	626,256	69,926	(23,663)	50,717	723,236
Income before transfers and capital contributions	892,540	1,000,140	111,762	140,783	2,145,225
Capital contributions and grants	-	118,723	-	-	118,723
Transfers in	20,083	-	1,132	-	21,215
Transfers out	-	(20,083)	-	-	(20,083)
Change in net position	912,623	1,098,780	112,894	140,783	2,265,080
Total net position - beginning	10,111,454	21,117,959	1,962,000	131,312	33,322,725
Total net position - ending	\$ 11,024,077	\$ 22,216,739	\$ 2,074,894	\$ 272,095	\$ 35,587,805

BOROUGH OF CARLISLE
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2017

	Enterprise Funds				Total
	Water Fund	Sewer Fund	Parking Fund	Other Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers	\$ 5,114,475	\$ 6,300,959	\$ 680,037	\$ 982,312	\$ 13,077,783
Payments to suppliers	(2,027,482)	(1,994,919)	(400,594)	(924,081)	(5,347,076)
Payments to and on behalf of employees	(1,232,320)	(1,834,026)	(116,717)	(14,671)	(3,197,734)
Net cash provided (used) by operating activities	<u>1,854,673</u>	<u>2,472,014</u>	<u>162,726</u>	<u>43,560</u>	<u>4,532,973</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(987,814)	(2,293,833)	-	-	(3,281,647)
Proceeds from sale of capital assets	-	4,908	-	-	4,908
Proceeds from issuance of debt	5,979,874	10,810,462	698,082	1,558	17,489,976
Proceeds from capital contributions and grants	-	113,881	-	-	113,881
Proceeds from tap fees	-	294,629	-	-	294,629
Principal paid on capital debt	(6,346,005)	(6,522,194)	(790,886)	(38)	(13,659,123)
Interest and fiscal charges paid on capital debt	(286,863)	(404,787)	(31,749)	(1,630)	(725,029)
Net cash provided (used) by capital and related financing activities	<u>(1,640,808)</u>	<u>2,003,066</u>	<u>(124,553)</u>	<u>(110)</u>	<u>237,595</u>
Cash flows from non-capital financing activities:					
Grants/state aid received	-	-	-	46,971	46,971
Transfer from other funds	20,083	-	1,132	-	21,215
Transfer to other funds	-	(20,083)	-	-	(20,083)
Net cash provided (used) by non-capital financing activities	<u>20,083</u>	<u>(20,083)</u>	<u>1,132</u>	<u>46,971</u>	<u>48,103</u>
Cash flows from investing activities:					
Purchase of investments	(14,640)	(29,745)	(6,080)	-	(50,465)
Sale of investments	1,302	-	-	-	1,302
Interest and dividends received	23,479	45,124	5,260	1,034	74,897
Net cash provided (used) by investing activities	<u>10,141</u>	<u>15,379</u>	<u>(820)</u>	<u>1,034</u>	<u>25,734</u>
Net increase in cash and cash equivalents	<u>244,089</u>	<u>4,470,376</u>	<u>38,485</u>	<u>91,455</u>	<u>4,844,405</u>
Cash and cash equivalents - beginning of the year	<u>5,122,162</u>	<u>6,850,342</u>	<u>778,092</u>	<u>207,113</u>	<u>12,957,709</u>
Cash and cash equivalents - end of the year	<u>\$ 5,366,251</u>	<u>\$ 11,320,718</u>	<u>\$ 816,577</u>	<u>\$ 298,568</u>	<u>\$ 17,802,114</u>

BOROUGH OF CARLISLE
Statement of Cash Flows - Proprietary Funds (Continued)
Year Ended December 31, 2017

	Enterprise Funds				Total
	Water Fund	Sewer Fund	Parking Fund	Other Enterprise Funds	
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities					
Operating income (loss)	\$ 266,284	\$ 930,214	\$ 135,425	\$ 90,066	\$ 1,421,989
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	851,852	1,697,661	117,946	6,349	2,673,808
Insurance recoveries	714,918	110,686	-	-	825,604
Miscellaneous nonoperating activities	159,554	3,494	2,637	4,532	170,217
(Increase) decrease in:					
Accounts receivable	(27,701)	(103,503)	-	-	(131,204)
Due from other funds	(10,372)	-	-	(3,042)	(13,414)
Other receivables	23,512	(118,431)	(2,666)	(17,984)	(115,569)
Inventories	9,050	5,923	(2,429)	(3,303)	9,241
Prepaid expenses	(20,558)	(34,086)	(4,987)	-	(59,631)
Increase (decrease) in:					
Accounts payable	(68,614)	23,590	(60,237)	17,444	(87,817)
Due to other funds	(29,992)	(32,937)	(23,325)	(50,277)	(136,531)
Accrued wages payable	12,449	10,398	(157)	175	22,865
Compensated absences	(16,447)	(7,886)	(765)	(116)	(25,214)
Net pension liability (asset) and related items	(9,262)	(13,109)	1,284	(284)	(21,371)
Net cash provided (used) by operating activities	<u>\$ 1,854,673</u>	<u>\$ 2,472,014</u>	<u>\$ 162,726</u>	<u>\$ 43,560</u>	<u>\$ 4,532,973</u>
Supplemental schedule of non-cash capital and related financing activities					
Decrease in capital contributions and grants receivable	<u>\$ -</u>	<u>\$ 4,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,842</u>

BOROUGH OF CARLISLE
Statement of Fiduciary Net Position
December 31, 2017

	Pension Trust Funds	Private Purpose Trust Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 456,949	\$ 221,107	\$ 3,822
Accrued interest receivable	378	250	-
Accounts receivable	6,800	-	-
U.S. Government Agency obligations	12	-	-
Common equity securities	207,065	-	-
Fixed income mutual funds	9,536,226	-	-
Mutual funds	18,587,463	-	-
Total assets	<u>\$ 28,794,893</u>	<u>\$ 221,357</u>	<u>\$ 3,822</u>
LIABILITIES			
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,822</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>3,822</u>
NET POSITION			
Net position restricted for pensions	28,794,893	-	-
Held in trust for benefits and other purposes	<u>-</u>	<u>221,357</u>	<u>-</u>
Total net position	<u>28,794,893</u>	<u>221,357</u>	<u>-</u>
Total liabilities and net position	<u>\$ 28,794,893</u>	<u>\$ 221,357</u>	<u>\$ 3,822</u>

BOROUGH OF CARLISLE
Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2017

	Pension Trust Funds	Private Purpose Trust Fund
ADDITIONS		
Contributions		
Employer	\$ 607,486	\$ 20,685
Plan members	189,438	-
Total contributions	<u>796,924</u>	<u>20,685</u>
Investment earnings		
Net appreciation in fair value of investments	3,320,117	14,703
Interest and dividends	592,048	5,004
Investment activity expense	(47,286)	-
Total net investment earnings	<u>3,864,879</u>	<u>19,707</u>
Total additions	<u>4,661,803</u>	<u>40,392</u>
DEDUCTIONS		
Benefits	1,272,795	3,127
Administrative	63,778	4,283
Miscellaneous expense	-	179
Total deductions	<u>1,336,573</u>	<u>7,589</u>
Change in net position	3,325,230	32,803
Net position - beginning	<u>25,469,663</u>	<u>188,554</u>
Net position - ending	<u>\$ 28,794,893</u>	<u>\$ 221,357</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Reporting Entity

Governmental Accounting Standards Board (GASB) Statements define the criteria used to determine the composition of the reporting entity. These standards require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; (3) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Borough is not a component unit of any other entities.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens, on the primary government. A primary government may also be financially accountable for the governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation in some manner for the debt of the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

Based upon the application of these criteria, the following component unit meets the criteria for blending and is included within the reporting entity:

The Carlisle Borough Municipal Authority (the "Authority") is governed by a board appointed by Borough Council. The Authority owns the water plant which services almost entirely the Borough of Carlisle. The Borough operates this system under a lease agreement dated September 15, 1998.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Borough leases the system for a fixed rental fee of \$ 1 per year. The term of the lease renews on a yearly basis until terminated by either party. The Authority currently has no employees and the Borough oversees the operation, administration, and maintenance of the water system. Operations of the Authority are financed through user-based charges; water rates are set by Borough Council.

The Authority is included as a blended component unit of the Borough. Separately issued financial statements of the Authority can be obtained by contacting management of the Borough.

Fund Accounting

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures/expenses. The various funds of the primary government (including the blended component unit) are grouped into the categories of governmental, proprietary, and fiduciary.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Borough are financed. The measurement focus is on the flow of expendable resources, rather than on net earnings determination.

The Borough reports the following as major governmental funds:

General Fund - The General Fund is the general operating fund of the Borough. This fund is used to account for all financial transactions except those required to be accounted for in another fund. This is a budgeted fund, and any unrestricted fund balances are considered as resources available for use.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Borough reports the following non-major governmental funds:

Special Revenue Funds - These funds are used to account for proceeds of specific revenue sources used to finance specific activities as required by law or administrative regulation. The Borough has the following Special Revenue Funds:

Community Development Block Grant is used to account for community development block grants received and the program funds are restricted to be used to fight urban blight and decay through structural rehabilitation of area homes and businesses and community improvement projects.

Highway Aid Fund is used to account for state liquid fuels tax revenue that is restricted to be used for building, improving, and maintaining local roads and bridges.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Asset Forfeiture Fund is used to account for restricted funds received related to asset forfeitures recovered by the police department that can only be spent on police activities.

Proprietary Funds

These funds are used to account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges to the users of such services. The focus of proprietary funds is on the determination of net earnings and capital maintenance. The Borough has no internal service funds and only utilizes enterprise funds as described below. No allowance for bad debts is deemed necessary by management for receivables of the proprietary funds based on past experience, the ability to file liens, and a review of current receivables.

The Borough's enterprise funds consist of:

Water Fund – Provide water and related services, including laboratory analysis, to the Borough of Carlisle, its residents, business establishments and various customers within the proximity of the Borough.

Sewer Fund – Provide wastewater treatment services, including laboratory analysis, for the Borough of Carlisle, its residents, commercial establishments, and various customers located within the proximity of the Borough.

Parking Fund – Regulates and controls vehicle parking throughout the Borough of Carlisle.

Solid Waste Fund – Provides recycling and trash removal for the Borough of Carlisle, its residents and commercial establishments throughout the Borough.

Municipal Authority – Provides the water plant which services almost entirely the Borough of Carlisle. The Borough operates this system under a lease agreement.

The Water, Sewer, and Parking Funds are major funds while the Solid Waste Fund and Municipal Authority are non-major.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Borough has no investment trust funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The Borough's Pension Trust Funds consist of:

Police Pension Trust Fund – Accounts for the accumulation of resources for pension benefit payments to qualified public safety (police) employees.

Non-Uniformed Pension Trust Fund – Accounts for the accumulation of resources for pension benefit payments to qualified non-uniformed employees.

Management Pension Fund – Accounts for the accumulation of resources for pension benefit payments to qualified management employees.

The Borough maintains a Private Purpose Trust Fund, which consists of:

Cemetery Trust Fund – Accounts for the maintenance of the Borough cemetery.

The Borough maintains an Agency Fund, which consists of:

Tax Collection Fund – Accounts for the collection of taxes performed by the Borough in prior years.

Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financials but differs from the manner in which governmental fund financials are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Borough, and for each function or program of the Borough's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Borough, with certain limited exceptions. The comparison of direct expenses and program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Borough.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the Borough. The focus of the governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The major fund concept does not apply to fiduciary funds and they are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenue, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the Borough finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus. Agency funds have no measurement focus.

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenues from federal, state, and other grants designated for payment of specific Borough expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. If time requirements are not met, a deferred

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

inflow of resources would be recorded. 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.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

Investments

Investments and investment pools are reported at fair value, which is determined as follows:

Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement systems and investments in external investment pools not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted fair values of the underlying securities. Unrealized appreciation or depreciation due to changes in fair values of such investments is recognized annually.

Statement of Cash Flows

For purposes of the statement of cash flows presented for proprietary funds, the Borough considers all highly-liquid debt instruments, including restricted assets, with maturities of three months or less when purchased, to be cash equivalents.

Inventories

Inventories are valued using the FIFO (first in first out) cost method. Inventories recorded in the various funds consist of expendable supplies held for consumption or resale. In the General Fund, the cost is recorded as an expenditure at the time inventory items are purchased. The nonspendable fund balance for inventories is established to indicate that a portion of the fund balance is not available for future expenditures. Inventories in the proprietary funds are recorded as expenses when the inventory items are consumed.

Prepaid Items

Prepaid items in the governmental funds are accounted for under the consumption method.

Capital Assets

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

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Borough maintains a capitalization threshold of \$ 5,000.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is only capitalized for proprietary fund assets.

All infrastructure acquired after January 1, 1980 for the governmental activities is reported on the government-wide statements. Infrastructure includes roads, bridges, traffic signals, storm sewers and drains.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	50
Infrastructure	20-40
Buildings	30
Equipment	10
Vehicles	5
Pipe	25

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Borough has several items that qualify for reporting in this category including the deferred charge on bond refunding and various amounts related to pension liabilities/assets. These amounts will be amortized in future periods. A deferred charge on bond refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Borough has several items that qualify for reporting in this category including the deferred charge on bond refunding and various amounts related to pension liabilities/assets. These amounts will be amortized in future periods. A deferred charge on bond refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the Borough has unavailable tax revenue that is reported as deferred inflows of resources in the governmental funds balance sheet.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, accounts payable and retainage payable that are attributable to the acquisition, construction or improvement of these assets reduce this category. Net investment in capital assets as of December 31, 2017 consists of the following:

Government -Wide Activities

	Governmental Activities	Business-Type Activities
Capital assets	\$ 20,336,506	\$ 38,211,736
Bonds and notes payable	(7,424,090)	(31,060,975)
Accounts and retainage payable related to capital assets	(64,797)	(132,837)
Deferred charge on bond refunding	44,190	18,591
Unspent debt proceeds	<u>2,262,294</u>	<u>7,924,777</u>
Net investment in capital assets	<u>\$ 15,154,103</u>	<u>\$ 14,961,292</u>

Proprietary Funds

	Water Fund	Sewer Fund	Parking Fund	Solid Waste Fund
Capital assets	\$ 11,931,346	\$ 24,349,275	\$ 1,899,300	\$ 31,815
Bonds and notes payable	(10,936,785)	(19,029,970)	(1,002,568)	(91,652)
Accounts and retainage payable related to capital assets	(15,393)	(117,444)	-	-
Deferred charge on bond refunding	8,369	(1,407)	11,629	-
Unspent debt proceeds	<u>3,676,630</u>	<u>3,914,043</u>	<u>244,274</u>	<u>89,830</u>
Net investment in capital assets	<u>\$ 4,664,167</u>	<u>\$ 9,114,497</u>	<u>\$ 1,152,635</u>	<u>\$ 29,993</u>

Restricted: This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. As of December 31, 2017, restrictions of net position are as follows: highway projects of \$ 1,219,760, police activities of \$ 30,556, various grants and contributions of \$ 78,364 and capital projects of \$ 2,446,582.

Unrestricted: This category of net position is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption

Sometimes the Borough will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Fund Balance – Governmental Funds

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and the long-term portion of loans and notes receivable. This also includes the corpus (or principal) of permanent funds.

Restricted: This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Borough's highest level of decision-making authority. This formal action is in the form of a resolution which is made by the Borough Council. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

Assigned: This classification includes spendable amounts that are reported in governmental funds other than the General Fund that are neither restricted nor committed and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by the Borough Council to assign amounts to be used for specific purposes. The assignment of fund balance cannot result in a negative unassigned fund balance.

Unassigned: This classification represents the portion of a spendable fund balance that has not been categorized as restricted, committed, or assigned. The general fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and unassigned fund balance in the general fund) would be eliminated prior to reporting a negative unassigned fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Order of Spending Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Borough's policy is to spend resources in the following order:

1. Restricted
2. Unrestricted

Unless Borough Council specifically approves use of committed resources, or the Committee or body/official designated by Borough Council specifically approves the use of assigned or committed resources, the Borough's policy is to spend unrestricted resources in the following order:

1. Unassigned
2. Assigned
3. Committed

Interfund Activity

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements. It is the Borough's general rule to eliminate internal activity in the government-wide statement of activities, such as receipts and payments between the Borough's water fund and Municipal Authority.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and are shown separately in proprietary funds.

Budgets and Budgetary Accounting

Borough Council adopts annual budgets on a basis consistent with generally accepted accounting principles (GAAP) for all funds except the Community Development Block Grant Fund. All annual appropriations lapse at the end of each year and must be reappropriated.

By the end of the first week in September, budget requests must be submitted to the Finance Department by all agencies and divisions of the Borough so that appropriations can be tabulated and a prospective budget prepared. The budget is prepared by fund and department. The budget is approved at the department level. The department level presented in the Budgetary Comparison Schedule included as required supplementary information represents the legal level of budgetary control. It includes information of the last three fiscal years, current year budget, current year estimates, and requested appropriations for the coming year. Meetings are held by the Borough Manager and Finance Director with each department head and supervisor to determine budgetary needs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

By early November, the proposed budget is presented to Borough Council for its review. Council holds budget-workshop meetings to review all budget requests and to have any questions answered. These meetings involve all council members in the budget process, and members can add to or subtract from any budget line item. The workshops are publicly advertised and open to all Borough citizens. After the informational workshops are complete, Council instructs the Borough Manager to put the budget on display in the Manager's office for review by the Borough's interested citizens. Council then holds public hearings on the budget where changes can occur once again. All expenditure changes must be made within the realm of revenue as estimated by the Manager and Finance Director, or the revenue estimates must be changed to reflect increased or additional fees and revenue. Council must approve a fiscally-sound, balanced budget by December 31 of each fiscal year.

Expenditures may not legally exceed budgeted appropriations at the activity (department) level. Departmental budgets are kept in balance through budget transfers initiated by department heads and approved by the Finance Director and Borough Manager. Department heads must show where the savings will occur, or they must "give up" a budget item to force cost savings. Borough Council may increase a departmental budget through a contingency transfer or a supplemental appropriation at any time during the fiscal year. If a departmental budget is exceeded during the year, a transfer from contingency or supplemental appropriation must be granted by Council for the department to continue operations. Borough Council has the exclusive authority to approve a contingency transfer. Council may also enact supplementary appropriations to the budget.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activity columns in the statement of net position. This same treatment also applies to proprietary fund financial statements. Bond premium and discount, as well as prepaid bond insurance, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as an asset and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses (if resulting from a disparity in interest rates) or as debt service expenditures (if resulting from underwriter's fees). Issuance costs (including prepaid bond insurance), whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues

For proprietary funds, the Borough has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as utility billings and penalties and late charges.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of non-exchange transactions (in which the Borough receives value without directly giving equal value in return), such as contributions and grants and other revenues that are defined as nonoperating revenues by GASB, such as investment earnings and insurance recoveries. In addition, tap fees are considered non-operating because they are based on future capacity needs of the utility system.

Pension Plans

The Borough has established two contributory defined benefit pension plans for the benefit of substantially all full-time employees. The financial statements related to its pension plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The Borough has adopted the International City Managers Association (ICMA) Deferred Compensation Plan which has been created in accordance with Internal Revenue Code Section 457(g). The Plan, available to all Borough employees, permits them to defer a portion of their salary until future years. A yearly contribution by the Borough of 2% of the participants' annual salary is available for department heads. The Borough has also adopted an ICMA Deferred Compensation Plan under Internal Revenue Code 401(a). This plan is for electing department heads and includes a yearly contribution by the Borough of 6% of the participants' annual salary to the defined contribution plan. Existing department heads as of 2009 elected which pension plan they would participate in (defined contribution or defined benefit); however, department heads hired after 2009 do not have an election, and are automatically enrolled in the 401(a) plan. The deferred compensation for both plans is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants and beneficiaries under the Plan. Participants' rights under the plans consist of an amount equal to the fair market value of the deferred account for each participant. In accordance with provisions of the GASB, the assets and liabilities of the 457(g) plan are not reported on the financial statements of the Borough. However, due to the fact that the Borough is acting in the capacity of trustee for the 401(a) plan, the transactions of this plan are reported on the financial statements of the Borough.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Liability for compensated absences is accounted for in accordance with the provisions of the GASB, which require entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment becomes probable.

Under terms of the Borough's personnel policies, employees are granted vacation and sick leave in varying amounts. All employees (including uniformed police) are permitted to accumulate two times the annual appropriation of vacation and a maximum of 45 sick days. Upon retirement from the Borough, non-uniformed employees and police are reimbursed for accumulated sick and vacation leave in accordance with personnel policies. Accumulated, unpaid vacation and sick pay are accrued when incurred in enterprise funds and the government-wide statements. In governmental funds, an expenditure is recorded when the associated payment becomes due or matures.

NOTE 2 DEPOSITS AND INVESTMENTS

The Borough is authorized to invest in the following:

- U.S. Treasury Bills.
- Short term obligations of the U.S. Government or its agencies.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the respective governmental entity.
- Shares of an investment company registered under the Investment Company Act of 1940.
- Obligations, participations or other instruments of any federal agency, instrumentality or United States government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent.
- Commercial paper issues by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the banker's acceptances do not exceed 180 days maturity.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less.

The Pension and Cemetery Trust Funds are also authorized to invest in common and preferred stocks and corporate bonds.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits – Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a policy for custodial credit risk. As of December 31, 2017, the Borough has a bank balance of \$ 12,913,360. Of this balance, \$ 1,162,865 is covered by FDIC insurance and the remaining balance of \$ 11,750,495 was exposed to custodial credit risk. This balance was uninsured, but is collateralized by securities held by the pledging financial institution, not in the Borough's name.

Pennsylvania Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets. Based on the standards outlined in Act 72, the various banks utilized by the Borough have pledged collateral on a pooled basis on behalf of the Borough and all other governmental depositors in the respective financial institutions.

Investments

As of December 31, 2017, the Borough's investments were as follows:

	Fair Value	Credit Quality Rating
PLGIT-ARM	\$ 9,981,083	AAAm
PLGIT-Class	7,639,274	AAAm
PLGIT-Prime	4,854,055	AAAm
PLGIT-Plus	1,331	AAAm
Cetera Advisors - Negotiable CD's	1,549,291	Not Rated

The investments in PLGIT are considered cash equivalents for financial reporting purposes, while the negotiable certificates of deposit are considered investments for financial reporting purposes. The negotiable certificates of deposit held at Cetera Advisors were all covered by FDIC insurance.

Credit Risk – Investments

The Borough has no investment policy that would limit its investment choices to certain credit ratings.

Included in cash and cash equivalents in the financial statements are pooled investments in the Pennsylvania Local Government Investment Trust (PLGIT)-ARM, PLGIT-Class, PLGIT-Prime, and PLGIT-Plus. These funds are basically mutual funds that consist of short-term money market instruments and seek to maintain a constant net asset value of \$ 1 per share.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Interest Rate Risk - Investments

The following investments are subject to interest rate risk:

	Investment Maturities (in Years)		
	Fair Value	Less Than 1	1-5
PLGIT-ARM	\$ 9,981,083	\$ 9,981,083	\$ -
Cetera Advisors - Negotiable CD's	1,549,291	673,475	875,816

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments in PLGIT-Class, PLGIT-Prime, and PLGIT-Plus are not subject to interest rate risk as the funds are accessible on a daily basis and the interest rates change daily based on market conditions.

Concentrations of Credit Risk - Investments

At December 31, 2017, the Borough's investments in negotiable CD's (6.5%) were in excess of 5% of the Borough's investments.

Policies Followed at PLGIT

Regulatory Oversight

The operation of PLGIT is governed by an eleven-member Board of Trustees. The Trustees must be employees or elected officials of a local government or school district and are elected at the annual meeting of investors. The Trustees have exclusive and absolute control over the affairs of the Trust and its' assets, subject to rights of the Investors, as provided in the Declaration of Trust.

PLGIT is not registered with the Securities and Exchange Commission (SEC); however, PLGIT follows investment procedures similar to those followed by SEC registered money market funds.

Valuation of Investments

Portfolios are valued using the net asset value per share. The net asset value per share is computed by dividing the total value of the securities and other assets of the portfolio less liabilities, by the outstanding shares of the portfolio.

The Borough has no limitations or restrictions on withdrawals on accounts held at PLGIT.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Municipal Pension Plans

Investments held by the trustees of the pension plans are as follows:

	Total Fair Value	Investment Maturities (in Years)		
		Less Than 1	1-5	6-10
U.S. Government Agency Securities	\$ 12	\$ -	\$ 12	\$ -
Common equity securities	207,065	207,065	-	-
Fixed Income Mutual Funds	9,536,226	932,382	4,028,041	4,575,803
Open End Mutual Funds	18,587,463	18,587,463	-	-
	<u>\$ 28,330,766</u>	<u>\$ 19,726,910</u>	<u>\$ 4,028,053</u>	<u>\$ 4,575,803</u>

Credit Risk – Pension Plans

The Borough's pension investment policy limits investment in fixed income and non-fixed income securities to those rated "B" or better by one of the two major rating services. The fixed income mutual funds include several different funds and have average S & P quality ratings between B and A.

Interest Rate Risk – Pension Plans

The Borough does not have a formal written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Borough's investments are subject to interest rate risk as previously disclosed in the table above.

Foreign Securities and Currencies Risk – Pension Plans

Foreign securities prices may decline or fluctuate because of economic or political actions of foreign governments or the possibility that foreign currency will fluctuate in value against the U.S. dollar. Included in the open end mutual funds are International equities and mutual funds with a fair value of \$ 6,462,637. These may be subject to foreign securities and currencies risk.

Investments – Fair Value Measurements

Generally accepted accounting principles define fair value, describe a framework for measuring fair value, and require disclosure about fair value measurements. Recurring fair value measurements are those that GASB Statements require or permit at the end of each reporting period. The established framework includes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fair Value Measurements (Continued)

If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy and those investments included in each are as follows:

Level 1 – Represented by quoted prices available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products and exchange traded equities and mutual funds.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data, such as quoted prices for similar securities and quoted prices in inactive markets and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. government agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, swap agreements, and life insurance contracts.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and those with internally developed values.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value on the statement of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Negotiable Certificates of Deposit

The fair value of negotiable certificates of deposit are estimated using a discounted cash flow calculation that applies to interest rates currently being offered for deposits of similar remaining maturities to a schedule of aggregated expected maturities of such deposits. Such investments are generally classified within Level 2 of the valuation hierarchy.

U.S. Government Agencies

Valued at the closing price reported on the active market on which the individual securities are traded. Such investments are generally classified within Level 2 of the valuation hierarchy.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fair Value Measurements (Continued)

Common Equity Securities and Mutual Funds

Common equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange. The Borough's interests in common equity securities and mutual funds are categorized by type as equity, fixed income, or alternative investments. Such securities are typically classified within Level 1 of the valuation hierarchy.

The following table sets forth, by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of December 31, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable certificates of deposit	\$ 1,549,291	\$ -	\$ 1,549,291	\$ -
U.S. Government Agencies				
Ginnie Mae	12	-	12	-
Common equity securities	207,065	207,065	-	-
Mutual funds by type:				
Fixed Income Mutual Funds	9,536,226	9,536,226	-	-
Open End	18,587,463	18,587,463	-	-
	28,123,689	28,123,689	-	-
Total investments by fair value category	\$ 29,880,057	\$ 28,330,754	\$ 1,549,303	\$ -

BOROUGH OF CARLISLE
Notes to Financial Statements
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NOTE 3 TAXES RECEIVABLE AND DEFERRED REVENUES

Property taxes are levied on March 1 for the tax year. Taxes are payable at a 2% discount if paid before May 1 and at a 10% penalty if paid after the due date of June 30. Outstanding real estate taxes are turned over to a delinquent tax collector on January 15 of each year. After proper notification is made to a property owner, a lien is filed on or about May 1 and must remain in effect for a period of two years before a tax sale may occur. Taxes are recorded as revenue by the Borough when received from the tax collector, and accruals are recorded at year-end for taxes expected to be received within 60 days of December 31 in accordance with the modified accrual basis of accounting. The total assessed valuation as of December 31, 2017 is \$ 1,446,854,700

Taxes receivable consists of the following as of December 31, 2017:

Real Estate	\$	152,990
Fire tax		21,983
LST tax		92,667
Earned Income		555,110
Realty Transfer		29,737
Allowance for uncollectible accounts		<u>(14,043)</u>
Taxes receivable		838,444
Taxes collected within sixty days, recorded as revenues in the governmental funds		<u>(425,824)</u>
Taxes estimated to be collected after sixty days, recorded as deferred inflows of resources - unavailable tax revenue in the governmental funds	\$	<u>412,620</u>

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Due from/to other funds consist of the following as of December 31, 2017:

	Due from Other Funds	Due To Other Funds
Major Governmental Funds:		
General Fund	\$ 144,509	\$ 10,079,294
Capital Projects Fund	2,219,700	52,326
Non-major Governmental Funds:		
Community Development Block Grant	-	33,834
Major Enterprise Funds:		
Water Fund	3,721,369	42,692
Sewer Fund	3,892,084	3,303
Parking Fund	247,499	1,005
Non-major Enterprise Funds:		
Solid Waste Fund	89,830	50,040
Municipal Authority	32,065	84,562
	<u>\$ 10,347,056</u>	<u>\$ 10,347,056</u>

BOROUGH OF CARLISLE
Notes to Financial Statements
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NOTE 4 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (CONTINUED)

The due to/due from amounts resulted from the following:

Enterprise Funds to Enterprise Funds: for invoices paid by a fund on behalf of another fund that is to be reimbursed.

General Fund and Municipal Authority to Enterprise Funds: for amount due from the Municipal Authority for water usage and various reconciling items, including payroll.

General Fund to Capital Projects Fund and Enterprise Funds: for payment of cash proceeds from the 2017A and 2017B GO bond issuances and reimbursement related to grant proceeds.

Non-major Governmental Funds to General Fund: for projects eligible under the Community Development Block Grant and budgeted allocation for asset forfeiture.

Interfund transfers consist of the following for 2017:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ 86,420	\$ 3,013,298
Capital Projects Fund	3,012,166	-
Non-major Governmental Funds:		
Community Development Block Grant Fund	-	86,420
Major Enterprise Funds:		
Water Fund	20,083	-
Sewer Fund	-	20,083
Non-major Enterprise Funds:		
Parking Fund	1,132	-
	<u>\$ 3,119,801</u>	<u>\$ 3,119,801</u>

The following transfers were made during the year:

CDBG to General: for reimbursement of projects eligible under the Community Development Block Grant program.

Sewer to Water: for one-half of costs of meter maintenance.

General to Capital Projects: for balances in capital projects cash accounts moved to separate Capital Projects Fund.

General to Parking: for reimbursement related to an erroneous deposit.

BOROUGH OF CARLISLE
Notes to Financial Statements
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NOTE 5 CAPITAL ASSETS

Capital asset activity for the Borough consists of the following as of and for the year ended December 31, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Cost:				
Capital assets not being depreciated				
Land	\$ 1,137,933	\$ 154,700	\$ -	\$ 1,292,633
Construction-in-progress (1)	1,897,372	2,387,749	(679,676)	3,605,445
Capital assets				
Land improvements	7,142,005	1,131,869	-	8,273,874
Buildings	9,583,884	123,414	-	9,707,298
Machinery and equipment	8,828,232	430,557	(109,875)	9,148,914
Infrastructure	<u>44,277,831</u>	<u>-</u>	<u>-</u>	<u>44,277,831</u>
Total cost	<u>72,867,257</u>	<u>4,228,289</u>	<u>(789,551)</u>	<u>76,305,995</u>
Less accumulated depreciation:				
Land improvements	(2,374,043)	(160,271)	-	(2,534,314)
Buildings	(5,675,827)	(315,576)	-	(5,991,403)
Machinery and equipment	(7,107,862)	(399,626)	104,215	(7,403,273)
Infrastructure	<u>(39,612,760)</u>	<u>(427,739)</u>	<u>-</u>	<u>(40,040,499)</u>
Total accumulated depreciation	<u>(54,770,492)</u>	<u>(1,303,212)</u>	<u>104,215</u>	<u>(55,969,489)</u>
Capital assets, net	<u>\$ 18,096,765</u>	<u>\$ 2,925,077</u>	<u>\$ (685,336)</u>	<u>\$ 20,336,506</u>
Business -Type Activities:				
Cost:				
Capital assets not being depreciated				
Land	\$ 504,102	\$ -	\$ -	\$ 504,102
Construction-in-progress (1)	4,083,229	652,984	(3,936,299)	799,914
Capital assets				
Land improvements	4,324,234	7,233	-	4,331,467
Buildings	43,455,372	53,408	-	43,508,780
Machinery and equipment	33,877,483	1,397,987	(117,632)	35,157,838
Pipe	<u>11,104,718</u>	<u>4,090,080</u>	<u>-</u>	<u>15,194,798</u>
Total cost	<u>97,349,138</u>	<u>6,201,692</u>	<u>(4,053,931)</u>	<u>99,496,899</u>
Less accumulated depreciation:				
Land improvements	(1,833,020)	(74,235)	-	(1,907,255)
Buildings	(32,188,990)	(759,372)	-	(32,948,362)
Machinery and equipment	(13,629,726)	(1,771,244)	117,632	(15,283,338)
Pipe	<u>(11,077,251)</u>	<u>(68,957)</u>	<u>-</u>	<u>(11,146,208)</u>
Total accumulated depreciation	<u>(58,728,987)</u>	<u>(2,673,808)</u>	<u>117,632</u>	<u>(61,285,163)</u>
Capital assets, net	<u>\$ 38,620,151</u>	<u>\$ 3,527,884</u>	<u>\$ (3,936,299)</u>	<u>\$ 38,211,736</u>

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended December 31, 2017 was charged as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 75,983	\$ -
Public safety	343,010	-
Public services	638,303	-
Parks and recreation	245,916	-
Water	-	851,852
Sewer	-	1,697,661
Parking	-	117,946
Other enterprise funds	-	6,349
	<u>\$ 1,303,212</u>	<u>\$ 2,673,808</u>

(1) Ending construction-in-process represents the costs incurred through December 31, 2017 for various capital projects.

NOTE 6 LONG-TERM LIABILITIES

The changes in long-term liabilities, excluding the net pension and OPEB obligations, during the year ended December 31, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
Governmental Activities:						
Bonds and notes payable						
(A) 2012 GO Note	\$ 1,324,236	\$ -	\$ (1,324,236)	\$ -	\$ -	\$ -
(B) 2013 GO Note	2,374,897	-	(2,374,897)	-	-	-
(C) 2014 GO Note	1,270,884	-	(1,270,884)	-	-	-
(E) 2016 GO Note	626,521	-	(77,170)	549,351	78,051	471,300
(F) 2017A GO Bond	-	2,153,433	-	2,153,433	105,339	2,048,094
(G) 2017B GO Bond	-	4,054,674	-	4,054,674	297,928	3,756,746
Bond premium	-	669,967	(3,335)	666,632	52,210	614,422
Subtotal - bonds and notes	<u>5,596,538</u>	<u>6,878,074</u>	<u>(5,050,522)</u>	<u>7,424,090</u>	<u>533,528</u>	<u>6,890,562</u>
Claims and judgments	-	71,313	-	71,313	71,313	-
Compensated absences	<u>679,511</u>	<u>373,246</u>	<u>(350,855)</u>	<u>701,902</u>	<u>235,425</u>	<u>466,477</u>
Total long-term liabilities	<u>\$ 6,276,049</u>	<u>\$ 7,322,633</u>	<u>\$ (5,401,377)</u>	<u>\$ 8,197,305</u>	<u>\$ 840,266</u>	<u>\$ 7,357,039</u>

The General Fund is used to liquidate the liabilities for debt, claims and judgments, compensated absences, and the net other post-employment benefit obligation in the Governmental Activities.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
Business-Type Activities:						
Bonds and notes payable						
(A) Water 2012 GO Note	\$ 2,127,105	\$ -	\$ (2,127,105)	\$ -	\$ -	\$ -
(B) Water 2013 GO Note	1,703,175	-	(1,703,175)	-	-	-
(C) Water 2014 GO Note	2,338,357	-	(2,338,357)	-	-	-
(E) Water 2016 GO Note	1,500,227	-	(184,786)	1,315,441	186,895	1,128,546
(F) Water 2017A GO Bond	-	3,556,145	-	3,556,145	103,577	3,452,568
(G) Water 2017B GO Bond	-	5,154,676	-	5,154,676	313,553	4,841,123
(A) Sewer 2012 GO Note	1,363,659	-	(1,363,659)	-	-	-
(B) Sewer 2013 GO Note	1,423,223	-	(1,423,223)	-	-	-
(C) Sewer 2014 GO Note	3,130,760	-	(3,130,760)	-	-	-
(D) Sewer 2015 GO Note	55,776	4,944,224	(1,000)	4,999,000	1,000	4,998,000
(E) Sewer 2016 GO Note	4,900,068	-	(603,551)	4,296,517	610,442	3,686,075
(F) Sewer 2017A GO Bond	-	3,752,622	-	3,752,622	109,300	3,643,322
(G) Sewer 2017B GO Bond	-	5,063,877	-	5,063,877	277,475	4,786,402
(A) Parking 2012 GO Note	230,000	-	(230,000)	-	-	-
(B) Parking 2013 GO Note	550,432	-	(550,432)	-	-	-
(E) Parking 2016 GO Note	84,873	-	(10,454)	74,419	10,574	63,845
(F) Parking 2017A GO Bond	-	224,825	-	224,825	12,064	212,761
(G) Parking 2017B GO Bond	-	611,773	-	611,773	56,044	555,729
(E) Solid Waste 2016 Note	311	-	(38)	273	38	235
(F) Solid Waste 2017A GO Bond	-	87,975	-	87,975	4,721	83,254
Bond premium	-	1,932,904	(9,472)	1,923,432	148,265	1,775,167
Subtotal - bonds and notes	<u>19,407,966</u>	<u>25,329,021</u>	<u>(13,676,012)</u>	<u>31,060,975</u>	<u>1,833,948</u>	<u>29,227,027</u>
Claims and judgments	-	147,437	-	147,437	147,437	-
Compensated absences	<u>271,055</u>	<u>193,322</u>	<u>(216,940)</u>	<u>247,437</u>	<u>82,993</u>	<u>164,444</u>
Total long-term liabilities	\$ 19,679,021	\$ 25,669,780	\$ (13,892,952)	\$ 31,455,849	\$ 2,064,378	\$ 29,391,471

- (A) **General Obligation Note Series of 2012** – In December 2012, the Borough authorized a General Obligation Note in the principal amount of \$ 5,900,000 for the purpose of providing funds for a portion of the Borough's Capital Improvement Plan. Annual installments varying from \$ 138,000 to \$ 1,278,000 are due beginning June 12, 2013 through December 12, 2025, with a fixed interest rate of 2.31% from the date of issuance through December 12, 2022, then 66% of the Wall Street Journal Prime rate less .25% to float with a floor of 1.98% and a cap of 2.64%. The note was refunded in 2017.
- (B) **General Obligation Note Series of 2013** – In November 2013, the Borough authorized a General Obligation Note in the principal amount of \$ 8,250,000 to currently refund the General Obligation Note Series of 2010. Annual installments varying from \$ 445,000 to \$ 1,235,000 are due beginning April 1, 2014 through October 1, 2023, with a fixed interest rate of 2.5% from the date of issuance through October 1, 2020, then 65% of the Wall Street Journal Prime rate with a floor of 2.10% and a cap of 4.70%. The note was refunded in 2017.

BOROUGH OF CARLISLE
Notes to Financial Statements
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NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

- (C) **General Obligation Note Series of 2014** – In September 2014, the Borough authorized a General Obligation Note in the principal amount of \$ 7,000,000 to finance future capital projects. Annual installments varying from \$ 113,000 to \$ 1,804,000 are due beginning October 1, 2016 through October 1, 2029, with a fixed interest rate of 2.5% from the date of issuance through October 1, 2019, then 66% of the Wall Street Journal Prime rate with a floor of 1.98% and a cap of 3.30%. The note was refunded in 2017.
- (D) **General Obligation Note Series of 2015** – In May 2015, the Borough authorized a General Obligation Note in the principal amount of \$ 5,000,000 to finance future capital projects. Annual installments varying from \$ 1,000 to \$ 647,000 are due beginning May 15, 2017 through May 15, 2035, with a fixed interest rate of 2.46% from the date of issuance through May 15, 2035, then 68% of the Wall Street Journal Prime rate with a cap of 4%.
- (E) **General Obligation Note Series of 2016** – In August 2016, the Borough authorized a General Obligation Note in the principal amount of \$ 7,112,000 to currently refund the General Obligation Note Series of 2011. Annual installments varying from \$ 475,000 to \$ 1,256,000 are due beginning August 15, 2017 through August 15, 2026, with a fixed interest rate of 1.76%.
- (F) **General Obligation Note Series of 2017A** – In December 2017, the Borough authorized General Obligation Bonds, Series 2017A in the principal amount of \$ 9,775,000 to finance future capital projects. Annual installments varying from \$ 305,000 to \$ 485,000 are due beginning October 15, 2018 through October 15, 2042, with interest rates between 2.00% and 5.00%
- (G) **General Obligation Note Series of 2017B** – In December 2017, the Borough authorized General Obligation Bonds, Series 2017B in the principal amount of \$ 14,885,000 to currently refund General Obligation Notes, Series of 2012, 2013, and 2014. Annual installments varying from \$ 260,000 to \$ 1,735,000 are due beginning October 15, 2018 through October 15, 2029, with interest rates between 2.00% and 5.00%

As a result of the refunding, the Borough had the following benefits:

(1) Cash flow gain	\$ 628,485
(2) Economic gain	\$ 564,969

- (1) Represents the difference between the cash flows required to service the old debt and the net debt, less bond issue costs.
- (2) Represents the difference in present values of the old debt and the new debt, less bond issue costs.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

During 2017 interest expense was incurred as follows:

General fund	\$ 139,995
Water fund	168,115
Sewer fund	283,431
Parking fund	22,345
Solid waste fund	195

The general obligation bonds and general obligation notes are secured by the full faith, credit, and taxing power of the Borough.

The following is a schedule, by years and in the aggregate, of future minimum debt principal and interest payments required at December 31, 2017.

Governmental Activities			Business-Type Activities			
Year	Principal	Interest	Water		Sewer	
			Principal	Interest	Principal	Interest
2018	\$ 481,318	\$ 223,846	\$ 604,025	\$ 310,852	\$ 998,217	\$ 486,192
2019	428,014	248,222	605,287	345,780	1,173,130	514,061
2020	604,921	234,758	669,820	329,065	934,201	487,660
2021	678,870	210,882	696,256	304,576	827,035	459,969
2022	707,544	178,293	726,661	273,010	873,628	429,245
2023 - 2027	2,724,493	437,685	3,946,102	842,703	5,747,520	1,785,830
2028 - 2032	946,139	106,324	1,035,715	334,895	3,853,622	1,005,942
2033 - 2037	97,255	22,266	805,599	214,404	2,716,108	340,211
2038 - 2042	88,904	6,765	936,797	85,900	988,555	90,646
	<u>\$ 6,757,458</u>	<u>\$ 1,669,041</u>	<u>\$ 10,026,262</u>	<u>\$ 3,041,185</u>	<u>\$ 18,112,016</u>	<u>\$ 5,599,756</u>

	Business-Type Activities				Total
	Parking		Solid Waste		
Year	Principal	Interest	Principal	Interest	
2018	\$ 78,682	\$ 41,736	\$ 4,759	\$ 2,721	\$ 3,232,348
2019	66,007	49,396	4,560	2,953	3,437,410
2020	109,307	40,640	4,751	2,727	3,417,850
2021	128,884	33,742	4,956	2,491	3,347,661
2022	132,996	27,661	5,172	2,243	3,356,453
2023 - 2027	307,953	63,928	29,933	7,255	15,893,402
2028 - 2032	87,188	7,018	34,117	2,745	7,413,705
2033 - 2037	-	-	-	-	4,195,843
2038 - 2042	-	-	-	-	2,197,567
	\$ 911,017	\$ 264,121	\$ 88,248	\$ 23,135	\$ 46,492,239

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 7 PENSION PLANS

Summary of Significant Accounting Policies

Plan Description

The Borough sponsors two single-employer defined benefit retirement plans which cover Non-Uniformed Employees and Police Officers. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth.

Plan Membership

At December 31, 2017, the participation in each plan is as follows:

	Non-Uniform	Police
Participants:		
Retirees and beneficiaries	36	33
Vested former members	19	3
Active employees	<u>75</u>	<u>31</u>
Total	<u>130</u>	<u>67</u>

Benefits Provided

All full-time employees are eligible to participate in the plans. Benefits vest after five years of service for Non-Uniformed employees and after twelve years of service for Police Officers. Non-Uniformed Employees are eligible for retirement after attaining age sixty-two. Eligibility for normal retirement under the Police Officers' plan is attained at age fifty and completion of twenty-five years of service. Benefits under the Non-Uniformed plan are based on 1.4% of average monthly pay times the number of complete years and months of service. Average monthly pay is based upon the highest five full calendar years of base pay out of the last ten full calendar years. Benefits under the Police Officers' pension are based on 50% of average monthly, based upon gross wages for the last thirty-six months of pay plus a service increment of \$ 50 per month upon completion of twenty-six years of service or \$ 100 per month upon completion of twenty-seven years of service. The Non-Uniformed Plan and Police Officers' Plan also include a disability benefit. The Police Officers' Plan also includes survivor benefits.

Financial Reports

There are no separate, audited GAAP-basis pension plan reports for the defined benefit plans, as all necessary information is disclosed herein.

Contributions

The Non-Uniformed Employees' plan requires employee contributions of 1.5% and certain department heads are required to contribute 7.7%. The Police Officers' plan requires employee contributions of 5.0% of pay. The Borough is required to contribute the remaining amounts necessary to fund the plans, using the actuarial basis specified by the plan. The employer average contribution rate was 5.66% of annual payroll for the Non-Uniformed Employees' and 13.56% of annual payroll for Police Officers'. The employer contributions for 2017 were \$ 215,584 for the Non-Uniformed plan and \$ 364,883 for the Police Officers'.

NOTE 7 PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Act 205 of the Commonwealth requires that annual contributions be based on the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation is based on the biennial actuarial valuation also required by Act 205. Employees are not required to contribute under Act 205; such contributions are subject to collective bargaining. The Commonwealth allocates foreign fire and casualty premiums to assist in pension funding. Any financial requirement above the Commonwealth allocation made must be funded by the Borough.

Administrative costs, including investment services, custodial trustee and actuarial services are charged to the appropriate plan and funded from investment earnings.

Investments

Method Used to Value Investments

Investments are reported at fair value. Short term investments are reported at cost, which approximates fair value. Fair value is determined by quoted market price.

Rate of Return

For the year ended December 31, 2017, the annual money weighted rate of return on pension investments, net of pension plan investment expense was 15.65% for the Non-Uniformed Employees plan and 15.67% for the Police Officers' plan. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

At December 31, 2017 the Borough reported an asset of \$ 189,829 in the Statement of Net Position. The net pension asset was measured as of December 31, 2017, and the total pension asset was determined by rolling forward liabilities from an actuarial valuation as of January 1, 2017. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. For the year ended December 31, 2017, the Borough recognized pension expense of \$ 177,213 for the Non-Uniformed plan and \$ 401,351 for the Police Officers' plan.

The following details the changes in total pension liability, the plan fiduciary net position, and the net pension asset, as of December 31, 2017:

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 7 PENSION PLANS (CONTINUED)

Investments (Continued)

Non-Uniformed Plan

	Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Plan Fiduciary Net Position as a % of Total Pension Liability (Asset)
Balances as of December 31, 2016	\$ 10,564,815	\$ 9,794,341	\$ 770,474	92.71%
Changes for the year:				
Service cost	193,365	-	193,365	
Interest	782,728	-	782,728	
Changes in benefits	-	-	-	
Changes of assumptions	122,786	-	122,786	
Differences in expected and actual experience	(281,563)	-	(281,563)	
Contributions - employer	-	215,584	(215,584)	
Contributions - employee	-	57,910	(57,910)	
Net investment income	-	1,471,724	(1,471,724)	
Benefit payments, including refunds of member contributions	(326,055)	(326,055)	-	
Administrative expenses	-	(2,650)	2,650	
Net Changes	491,261	1,416,513	(925,252)	
Balances as of December 31, 2017	<u>\$ 11,056,076</u>	<u>\$ 11,210,854</u>	<u>\$ (154,778)</u>	101.40%

Police Officers' Plan

	Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)	Plan Fiduciary Net Position as a % of Total Pension Liability (Asset)
Balances as of December 31, 2016	\$ 16,080,402	\$ 15,173,297	\$ 907,105	94.36%
Changes for the year:				
Service cost	388,438	-	388,438	
Interest	1,214,652	-	1,214,652	
Changes in benefits	-	-	-	
Changes of assumptions	(257,263)	-	(257,263)	
Differences in expected and actual experience	457,135	-	457,135	
Contributions - employer	-	364,883	(364,883)	
Contributions - employee	-	131,528	(131,528)	
Net investment income	-	2,248,707	(2,248,707)	
Benefit payments, including refunds of member contributions	(946,702)	(946,702)	-	
Administrative expenses	-	-	-	
Net Changes	856,260	1,798,416	(942,156)	
Balances as of December 31, 2017	<u>\$ 16,936,662</u>	<u>\$ 16,971,713</u>	<u>\$ (35,051)</u>	100.21%

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 7 PENSION PLANS (CONTINUED)

Investments (Continued)

At December 31, 2017, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Non-Uniformed		Police		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,926	\$ 241,340	\$ 396,640	\$ -	\$ 417,566	\$ 241,340
Changes of assumptions	105,245	-	-	220,511	105,245	220,511
Change in proportions - governmental activities/business-type activities	8,400	8,400	-	-	8,400	8,400
Net difference between projected and actual earnings on pension plan investments	-	256,580	-	366,415	-	622,995
	<u>\$ 134,571</u>	<u>\$ 506,320</u>	<u>\$ 396,640</u>	<u>\$ 586,926</u>	<u>\$ 531,211</u>	<u>\$ 1,093,246</u>

The amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

Year Ended December 31:	Non-Uniformed	Police	Total
2018	\$ (11,115)	\$ 50,900	\$ 39,785
2019	(11,115)	50,900	39,785
2020	(138,860)	(153,429)	(292,289)
2021	(165,295)	(195,764)	(361,059)
2022	(22,682)	28,553	5,871
Thereafter	(22,682)	28,554	5,872
	<u>\$ (371,749)</u>	<u>\$ (190,286)</u>	<u>\$ (562,035)</u>

Actuarial Methods and Assumptions

The total pension asset in the January 1, 2017 actuarial valuation was determined using the following economic assumptions, applied to all periods included in the measurement:

	Non-Uniform	Police
Inflation	3.00%	3.00%
Salary increases (average, including inflation)	4.50%	5.00%
Investment rate of return (including inflation)	7.50%	7.50%
Postretirement cost of living increases	None	None

Changes in Actuarial Assumptions

Mortality rates were modified from the RP2000 Table for males and females to the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvements.

NOTE 7 PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Valuation Date

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

The actuarial assumptions used in the January 1, 2017 valuation were based on actual experience study for the period January 1, 2015 through December 31, 2016.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. The pension plans' policy in regards to the allocation of invested assets is established and may be amended by the investment committee. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of December 31, 2017 are summarized in the following table for both pension plans:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	39.00%	5.50% - 7.50%
International equity	17.00%	4.50% - 6.50%
Fixed income	38.00%	4.50% - 6.50%
Other equity	6.00%	1.00% - 3.00%
Cash	0.00%	0.00% - 1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both pension plans. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. 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. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 7 PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes to the Discount Rate

The following presents the net pension liability (asset) of the plans, calculated using the discount rate of 7.50%, as well as what the Borough's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) and 1 percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Non-Uniform Net Pension Liability (Asset)	\$ 1,960,164	\$ (35,051)	\$ (1,710,616)
Police Officers' Net Pension Liability (Asset)	\$ 1,410,837	\$ (154,778)	\$ (1,257,135)

Financial Statements

The following provides detailed financial statements as of and for the year ended December 31, 2017 for the individual pension plans maintained by the Borough:

Combining Statement of Fiduciary Net Position

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Management Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 246,507	\$ 180,253	\$ 30,189	\$ 456,949
Accrued interest receivable	217	161	-	378
Accounts receivable	4,601	2,199	-	6,800
U.S. Government agency obligations	-	12	-	12
Common equity securities	-	-	207,065	207,065
Fixed income mutual funds	5,770,247	3,765,979	-	9,536,226
Mutual funds - open end	10,950,141	7,262,250	375,072	18,587,463
Total assets	<u>\$ 16,971,713</u>	<u>\$ 11,210,854</u>	<u>\$ 612,326</u>	<u>\$ 28,794,893</u>
NET POSITION				
Net position restricted for pensions	<u>16,971,713</u>	<u>11,210,854</u>	<u>612,326</u>	<u>28,794,893</u>
Total liabilities and net position	<u>\$ 16,971,713</u>	<u>\$ 11,210,854</u>	<u>\$ 612,326</u>	<u>\$ 28,794,893</u>

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 7 PENSION PLANS (CONTINUED)

Financial Statements (Continued)

Combining Statement of Changes in Fiduciary Net Position

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Management Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions				
Employer	\$ 364,883	\$ 215,584	\$ 27,019	\$ 607,486
Plan members	131,529	57,909	-	189,438
Total contributions	496,412	273,493	27,019	796,924
Investment earnings				
Net increase in fair value of investments	1,956,437	1,280,361	83,319	3,320,117
Interest and dividends	357,797	234,251	-	592,048
Investment activity expense	(47,286)	-	-	(47,286)
Total net investment earnings	2,266,948	1,514,612	83,319	3,864,879
Total additions	2,763,360	1,788,105	110,338	4,661,803
DEDUCTIONS				
Benefits	946,702	326,055	38	1,272,795
Administrative	18,241	45,537	-	63,778
Total deductions	964,943	371,592	38	1,336,573
Change in net position	1,798,417	1,416,513	110,300	3,325,230
Net position - beginning	15,173,296	9,794,341	502,026	25,469,663
Net position - ending	\$ 16,971,713	\$ 11,210,854	\$ 612,326	\$ 28,794,893

NOTE 8 POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description

The Borough has a healthcare plan for retired police employees, which is a single employer defined benefit healthcare plan administered by the Borough. The plan provides medical and prescription drug coverage for the retiree and spouse for 18 months. Officers who retire with a minimum age of 50 and have at least 25 years of service (including military buy back time) may elect to be covered by the Borough's health care program. Seventy-five (75%) percent of the cost will be paid by the Borough and twenty-five (25%) percent by the retired officer. An early retirement benefit is provided to a member with 20 or more years of service who terminates employment prior to completion of superannuation retirement age and service requirements and who files a written application for the early retirement benefit with Borough Council. These officers are entitled to participate in the health care plan program where the Borough pays 25% and the officer pays 75% of the premium cost until the retiree reaches age 65 or becomes eligible for Medicare. Health care coverage is defined herein as medical coverage only and does not include vision, dental or any other non-medical insurance coverage. Only those officers hired prior to January 1, 2004, will be eligible for this benefit. The Borough shall provide prospectively to any Police Officer who retired during the period January 2, 2004 through June 30, 2007, and who reaches the age of 65, Blue Cross/Blue Shield or equivalent coverage. Seventy-five (75%) percent of the monthly premium cost will be paid by the Borough and twenty-five (25%) percent by the retired Police Officer. This provision shall not apply to any retirement on or after July 1, 2007.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 8 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Funding Policy

The contribution requirements of plan members and the Borough are established and may be amended by the Borough. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Borough.

Membership of each plan consisted of the following at January 1, 2015, the date of the latest actuarial valuation:

Active participants	14
Vested former participants	3
Retired participants	<u>9</u>
Total	<u>26</u>

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year, the amount contributed to the plan, and changes in the Borough's total OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 212,668
Interest on total OPEB obligation	36,577
Adjustment to ARC	<u>(102,723)</u>
Annual OPEB Cost	146,522
Employer contributions made - estimated	<u>(82,161)</u>
Increase in total OPEB obligation	64,361
Total OPEB obligation – beginning of the year	<u>812,816</u>
Total OPEB obligation – end of the year	<u>\$ 877,177</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the total OPEB obligation for 2017, 2016, and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Total OPEB Obligation
2017	\$ 146,522	56%	\$ 877,177
2016	\$ 153,454	44%	\$ 812,816
2015	\$ 160,476	46%	\$ 727,627

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 8 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Funded Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan had the following funding status and progress:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ -	\$ 1,456,374	\$ 1,456,374	0.00%	\$ 1,207,469	120.61%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the entry age normal cost method was used. The actuarial assumption included a 4.5% investment rate of return (net of administrative expenses), an inflation rate of 4.0%, an annual healthcare cost trend rate of 6% in 2015, and 5.5% in 2016 through 2020 and a 50% election rate for eligible participants. The actuarial value of assets was based on the fair value of assets, of which there are none. The UAAL is being amortized based on a level dollar 10-year open period.

NOTE 9 DEFINED CONTRIBUTION PLANS

The Borough has a 401(a) Qualified Plan for management personnel and a 457(g) Qualified Plan with the International City/County Management Association Retirement Corporation (ICMA-RC). These defined contribution plans require the Borough to contribute 6% and 2%, respectively, of wages for each participating employee into the plan. Total employer contributions for 2017 were \$ 36,026.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 10 RISK MANAGEMENT

The Borough's risk management activities are recorded in the General Fund, which administers auto liability, auto physical damage, general liability, law enforcement liability, public official, and real and personal property insurance programs of the Borough. The Borough pays the first \$ 1,000 of claims annually for each type of insurance. Significant losses (greater than \$ 1,000) are covered by commercial insurance. For insured programs, there have been no significant reductions in insurance coverage. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Borough is part of the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). This trust consists of a group of municipalities that have pooled their interests in order to establish a self-funded insurance plan in order to better control insurance rates. The Borough pays a premium to PHMIC that consists of a portion for actual claim expenses, administrative costs, reinsurance costs and a reserve account. At year end, the actual claims of the Borough are reviewed and the reserve account is used to fund any excess claims for the Borough over premiums paid during the year. If any funds remain in the reserve account, 30% of the total reserve balance could possibly be used to fund claim overages for the trust. A reinsurance policy is used to pay any additional excess claims. Therefore, the expense reported by the Borough is limited to the premiums paid during the year. Any potential refund of the reserve account is calculated and received by the Borough several months after year end. Total payments by the Borough to PHMIC during 2017 were \$ 2,104,553. During 2017, the Borough received \$ 382,108 from PMHIC as a refund for prior premiums paid.

NOTE 11 GOVERNMENTAL FUNDS – FUND BALANCE

The following table provides detail of the fund balance classifications which are aggregated on the governmental funds balance sheet:

	General Fund	Capital Projects Fund	Highway Aid Fund	Asset Forfeiture Fund	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Inventories	\$ 85,112	\$ -	\$ -	\$ -	\$ 85,112
Prepaid items	182,278	-	-	-	182,278
Long term receivables	200,000	-	-	-	200,000
	<u>467,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,390</u>
Restricted for:					
LLEBG grant	2,961	-	-	-	2,961
300th Celebration	847	-	-	-	847
Fire police radios	30,000	-	-	-	30,000
Future capital projects	-	2,446,582	-	-	2,446,582
Letort Park project	44,556	-	-	-	44,556
Highway department	-	-	1,219,760	-	1,219,760
Asset Forfeiture/future police	-	-	-	30,556	30,556
	<u>78,364</u>	<u>2,446,582</u>	<u>1,219,760</u>	<u>30,556</u>	<u>3,775,262</u>
Committed for:					
Recreation	94,364	-	-	-	94,364
Other post-employment benefit plan	500,000	-	-	-	500,000
	<u>594,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>594,364</u>
Assigned for:					
Comprehensive plan	43,550	-	-	-	43,550
Future employee benefit expenditures	360,663	-	-	-	360,663
	<u>404,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>404,213</u>
Unassigned fund balance	<u>5,554,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,554,601</u>
Total fund balances	<u>\$ 7,098,932</u>	<u>\$ 2,446,582</u>	<u>\$ 1,219,760</u>	<u>\$ 30,556</u>	<u>\$ 10,795,830</u>

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 12 OPERATING LEASES

The Borough has entered into noncancelable operating leases of office equipment with the following future minimum payments:

	General Fund	Water Fund	Sewer Fund	Parking Fund	Solid Waste Fund
2018	\$ 7,445	\$ 4,250	\$ 4,847	\$ 191	\$ 121
2019	4,003	2,123	2,471	113	60
	<u>\$ 11,448</u>	<u>\$ 6,373</u>	<u>\$ 7,318</u>	<u>\$ 304</u>	<u>\$ 181</u>

Total rent expense for the year ended December 31, 2017 was \$ 16,854, which includes necessary supplies to operate the leased equipment.

NOTE 13 LEASE INCOME

The Borough has various operating leases, including the rental of the Community Center and numerous cell tower leases. The terms of the leases vary from two years to twenty years. Future minimum lease rentals under these leases by fiscal year for the next five years are as follows:

2018	\$ 155,771
2019	161,495
2020	167,442
2021	173,623
2022	<u>180,046</u>
	<u>\$ 838,377</u>

Rental income for the year ended December 31, 2017 was \$ 157,044.

NOTE 14 LOANS RECEIVABLE

The Borough has entered into a loan receivable with a local limited partnership in the amount of \$ 200,000. The payment on this receivable is deferred for 30 years after placement in service of the project, but no later than December 31, 2036. This is a non-interest-bearing loan. Management expects this loan to be paid within the specified payment period, thus no allowance has been established.

NOTE 15 COMMITMENTS

The Borough has the following significant commitments for projects open at December 31, 2017:

	Commitment	Costs Incurred as of 12/31/17
Sewer system rehabilitation program	\$ 3,342,396	\$ 3,219,811
Urban redevelopment plan	1,275,286	873,755
Valley Meadows park improvement project	26,000	23,300
Water system rehabilitation	73,300	25,655
Stormwater improvement project	29,900	28,975

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 16 CONTINGENCIES

The Borough is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the Borough. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the Borough.

The Borough is involved with various lawsuits in the normal course of operations. In most cases, management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Management believes that losses resulting from these matters, if any, would be substantially covered under the Borough's professional liability insurance policy and would not have a material effect on the financial position of the Borough.

NOTE 17 TAX INCREMENT FINANCING AGREEMENT – CARLISLE AUTO INDUSTRIES, INC.

On October 25, 2017, the Borough entered a Tax Increment Financing (TIF) Agreement with the County of Cumberland, Carlisle Area School District, and collectively with the Cumberland County Industrial Development Authority and Carlisle Auto Industries, Inc. for twenty years expiring July 15, 2037.

Under the authority of the Pennsylvania Tax Increment Financing Act, the local taxing body (the Borough) is to rebate a portion of the tax collection to the Cumberland County Industrial Development Authority to undertake infrastructure improvements to provide substantial additional commercial and residential opportunities in the downtown Carlisle area. Proceeds from the TIF may be used for a variety of public improvements including transportation infrastructure, sewer and water infrastructure, and electric and other infrastructure related improvements as necessary. The TIF is being used as a strategy to enhance the density and quality of development at the Carlisle Auto Industries, Inc. site.

Full aggregate assessed value of all taxable real property located within the TIF district as of the effective date of creation is \$ 1,197,200.

Upon completion of the project, the Borough has allocated one hundred percent (100%) of the incremental increase in revenue above the base assessment on the real estate taxes assessed on the TIF district properties for each year within the agreement.

While the improvements to the TIF district have not yet been completed, the district will include retail space, a hotel, townhomes, mid-rise apartments, an office building, restaurants, and parking.

Annually, the developers will pay assessed property taxes on all taxable properties within the TIF District with pledged amounts contributed by the Borough and other TIF parties deposited into the TIF Escrow Fund held by the Cumberland County Industrial Development Authority, to be used in payment or trust for Obligations associated with project expenses.

As there has been no change in the assessed value of the TIF district since its inception, there has been no reduction in tax revenue related to this agreement.

BOROUGH OF CARLISLE
Notes to Financial Statements
December 31, 2017

NOTE 17 TAX INCREMENT FINANCING AGREEMENT – CARLISLE AUTO INDUSTRIES, INC. (CONTINUED)

The debt related to the TIF project was issued by Cumberland County Industrial Development Authority in the amount of \$ 7,930,000 in the form of a limited guaranteed revenue note, Series of 2017. The note matures annually through July 15, 2037 with semi-annual interest payments. The Borough has agreed to guaranty the first five years of debt service for this note under laws of the Commonwealth of Pennsylvania. In the unlikely event of default by the issuer, the maximum amount of the Borough's guarantee would be \$ 3,149,558.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF CARLISLE

Pension Plans

Unaudited Schedule of Changes in the Borough's Net Pension Liability (Asset) and Related Ratios

	Non-Uniform				Police			
	2017	2016	2015	2014	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 193,365	\$ 221,719	\$ 212,171	\$ 245,209	\$ 388,438	\$ 417,934	\$ 396,146	\$ 320,436
Interest	782,728	747,909	700,526	648,774	1,214,652	1,153,982	1,104,822	1,055,036
Differences in expected and actual experience	(281,563)	-	36,620	-	457,135	-	8,417	-
Changes in benefit terms	-	-	58,558	-	-	-	-	-
Changes in assumptions	122,786	-	-	-	(257,263)	-	-	-
Benefit payments, including refunds of member contributions	(326,055)	(310,433)	(270,515)	(261,668)	(946,702)	(920,018)	(814,561)	(777,007)
Net change in total pension liability	491,261	659,195	737,360	632,315	856,260	651,898	694,824	598,465
Total pension liability - beginning	10,564,815	9,905,620	9,168,260	8,535,945	16,080,402	15,428,504	14,733,680	14,135,215
Total pension liability - ending	11,056,076	10,564,815	9,905,620	9,168,260	16,936,662	16,080,402	15,428,504	14,733,680
Plan fiduciary net position								
Contributions - employer	215,584	236,956	252,045	257,595	364,883	366,745	375,632	364,683
Contributions - employee	57,910	60,567	63,430	64,246	131,528	123,465	156,131	143,458
Net investment income	1,471,724	561,253	50,483	428,727	2,248,707	877,246	88,359	703,663
Benefit payments, including refunds of member contributions	(326,055)	(310,433)	(270,515)	(261,668)	(946,702)	(920,018)	(814,561)	(777,007)
Administrative expenses	(2,650)	(12,265)	(8,250)	(6,750)	-	(15,925)	(10,425)	(6,825)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,416,513	536,078	87,193	482,150	1,798,416	431,513	(204,864)	427,972
Plan fiduciary net position - beginning	9,794,341	9,258,263	9,171,070	8,688,920	15,173,297	14,741,784	14,946,648	14,518,676
Plan fiduciary net position - ending	\$ 11,210,854	\$ 9,794,341	\$ 9,258,263	\$ 9,171,070	\$ 16,971,713	\$ 15,173,297	\$ 14,741,784	\$ 14,946,648
Borough's net pension liability (asset)	\$ (154,778)	\$ 770,474	\$ 647,357	\$ (2,810)	\$ (35,051)	\$ 907,105	\$ 686,720	\$ (212,968)
Plan fiduciary net position as a percentage of the total pension liability	101.40%	92.71%	93.46%	100.03%	100.21%	94.36%	95.55%	101.45%
Covered-employee payroll	\$ 3,811,473	\$ 3,761,742	\$ 3,523,157	\$ 3,946,610	\$ 2,690,098	\$ 2,314,077	\$ 2,456,952	\$ 2,388,137
Net pension liability (asset) as a percentage of covered-employee payroll	(4.06%)	20.48%	18.37%	(0.07%)	(1.30%)	39.20%	27.95%	(8.92%)

This schedule will be expanded to show multi-year trends as additional information becomes available in the future.

BOROUGH OF CARLISLE
Pension Plans
Unaudited Schedule of Borough Contributions
Last 10 Fiscal Years

Non-Uniform

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 190,889	\$ 213,605	\$ 252,045	\$ 257,490	\$ 263,093	\$ 328,646	\$ 291,611	\$ 276,963	\$ 276,608	\$ 251,552
Contributions in relation to the actuarially determined contribution	<u>215,584</u>	<u>236,956</u>	<u>252,045</u>	<u>257,595</u>	<u>263,093</u>	<u>328,646</u>	<u>314,327</u>	<u>286,313</u>	<u>276,608</u>	<u>251,552</u>
Contribution deficiency (excess)	<u>\$ (24,695)</u>	<u>\$ (23,351)</u>	<u>\$ -</u>	<u>\$ (105)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,716)</u>	<u>\$ (9,350)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,811,473	\$ 3,761,742	\$ 3,523,157	\$ 3,946,610	\$ 3,820,912	\$ 3,867,737	\$ 3,862,585	\$ 3,786,596	\$ 3,607,692	\$ 3,646,295
Contributions as a percentage of covered-employee payroll	5.66%	6.30%	7.15%	6.53%	6.89%	8.50%	8.14%	7.56%	7.67%	6.90%

Police

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 323,086	\$ 330,063	\$ 375,632	\$ 363,969	\$ 402,029	\$ 399,045	\$ 509,211	\$ 413,733	\$ 397,145	\$ 294,590
Contributions in relation to the actuarially determined contribution	<u>364,883</u>	<u>366,745</u>	<u>375,632</u>	<u>364,683</u>	<u>402,029</u>	<u>399,045</u>	<u>509,212</u>	<u>413,733</u>	<u>397,145</u>	<u>294,590</u>
Contribution deficiency (excess)	<u>\$ (41,797)</u>	<u>\$ (36,682)</u>	<u>\$ -</u>	<u>\$ (714)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,690,098	\$ 2,314,077	\$ 2,456,952	\$ 2,388,137	\$ 2,268,154	\$ 2,169,400	\$ 2,422,422	\$ 2,323,125	\$ 2,331,736	\$ 2,270,416
Contributions as a percentage of covered-employee payroll	13.56%	15.85%	15.29%	15.27%	17.72%	18.39%	21.02%	17.81%	17.03%	12.98%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two to five years prior to the end of the fiscal year on which the contributions are reported.

Methods and assumptions used to determine contribution rates, including changes in actuarial assumptions:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Amortization period	Non-Uniform - 4 years
	Police - N/A
Asset valuation method	Market value
Inflation	3.0%
Salary increases	Non-Uniform - 4.5%
	Police - 5.5%
Investment rate of return	7.5%
Retirement age	Normal retirement age
Mortality	Modified from RP2000 Table to the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvements.

BOROUGH OF CARLISLE
Pension Plans
Unaudited Schedule of Investment Returns
Last 10 Fiscal Years

	Non-Uniform				Police			
	2017	2016	2015	2014	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	15.65%	5.99%	0.46%	5.45%	15.67%	5.99%	0.53%	5.42%

This schedule will be expanded to show multi-year trends as additional information becomes available in the future.

BOROUGH OF CARLISLE
OPEB (Other Post-Employment Benefit Plan)
Unaudited Required Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2015	\$ -	\$ 1,456,374	\$ 1,456,374	0.00%	\$ 1,207,469	120.61%
1/1/2012	\$ -	\$ 1,181,488	\$ 1,181,488	0.00%	\$ 1,695,703	69.68%
1/1/2009	\$ -	\$ 870,104	\$ 870,104	0.00%	\$ 1,705,713	51.01%

BOROUGH OF CARLISLE
Budgetary Comparison Schedule - General Fund
Unaudited Required Supplementary Information
Year Ended December 31, 2017

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 7,803,355	\$ 7,803,355	\$ 8,188,301	\$ 384,946
Licenses and permits	482,000	482,000	852,460	370,460
Fees and fines	195,000	195,000	146,529	(48,471)
Investment earnings	10,000	10,000	31,332	21,332
Rents	66,000	66,000	65,176	(824)
Intergovernmental	681,973	681,973	1,922,023	1,240,050
Charges for services	233,500	233,500	256,656	23,156
Contributions and miscellaneous	304,000	304,000	256,434	(47,566)
Proceeds from refunds/reimbursements	125,000	125,000	248,786	123,786
Total revenues	9,900,828	9,900,828	11,967,697	2,066,869
EXPENDITURES				
General government				
Borough council	118,370	118,370	17,675	100,695
Borough manager	380,502	380,502	76,032	304,470
Finance department	467,177	467,177	97,305	369,872
Tax collection	141,088	141,088	64,571	76,517
Personnel administration	177,863	177,863	22,026	155,837
Data processing	226,685	226,685	39,879	186,806
Legal services	150,000	150,000	46,469	103,531
Insurance premiums	318,606	318,606	327,608	(9,002)
Employee benefits (unallocated)	654,567	654,567	410,859	243,708
Buildings and plants	77,809	77,809	10,655	67,154
Public Safety				
Police department	3,937,388	4,084,345	3,892,157	192,188
Fire department	962,165	962,165	873,159	89,006
Codes department	347,283	347,283	374,058	(26,775)
Public works				
Stormwater	166,612	166,612	108,168	58,444
Highways	1,191,425	1,191,425	1,141,618	49,807
Engineering	497,998	497,998	94,824	403,174
Parks and recreation	917,675	917,675	865,924	51,751
Conservation and community development	107,688	107,688	95,975	11,713
Debt Service:				
Principal	602,821	602,821	492,782	110,039
Interest and fiscal charges	164,341	164,341	172,874	(8,533)
Total expenditures	11,608,063	11,755,020	9,224,618	2,530,402
Excess (deficiency) of revenues over expenditures	(1,707,235)	(1,854,192)	2,743,079	4,597,271
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	1,773,971	1,773,971	4,054,674	2,280,703
Bond premium	-	-	586,433	586,433
Proceeds from the sale of capital assets	10,000	10,000	15,349	5,349
Payment to refund bonds	-	-	(4,554,406)	(4,554,406)
Transfers in	1,767,098	1,767,098	86,420	(1,680,678)
Transfers out	(3,660,752)	(3,513,795)	(3,013,298)	500,497
Total other financing sources and uses	(109,683)	37,274	(2,824,828)	(2,862,102)
Net change in fund balances	\$ (1,816,918)	\$ (1,816,918)	\$ (81,749)	\$ 1,735,169

BOROUGH OF CARLISLE
Notes to Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2017

NOTE 1 BUDGETARY INFORMATION

Borough Council adopts annual budgets according to generally accepted accounting principles (GAAP) for the general fund. All annual appropriations lapse at the end of each year and must be reappropriated.

OTHER SUPPLEMENTARY INFORMATION

BOROUGH OF CARLISLE
Other Governmental Funds
December 31, 2017

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant (CDBG) Fund -- This fund is used to account for the Borough's share of Housing and Urban Development (HUD) grants disbursed by the federal government to aid communities with economic and residential development. The funds are legally restricted to be used for the benefit of low to moderate income areas within the Borough. Most of this area falls within the Borough's historic district.

Highway Aid Fund -- This fund is used to account for the Borough's share of Liquid Fuels funds disbursed by the Commonwealth of Pennsylvania. The funds are legally restricted to the construction and maintenance of Borough streets and bridges.

Asset Forfeiture Fund -- This fund is used to account for revenue received from the U.S. Department of Justice for proceeds obtained in drug arrests. The use of these funds must supplement existing law enforcement functions.

BOROUGH OF CARLISLE
Combining Balance Sheet
Other Governmental Funds
December 31, 2017

	Special Revenue Funds			Total Other Governmental Funds
	Highway Aid Fund	Community Development Block Grant	Asset Forfeiture	
ASSETS				
Cash and cash equivalents	\$ 1,219,760	\$ -	\$ 30,556	\$ 1,250,316
Other receivables	-	33,834	-	33,834
Total assets	<u>\$ 1,219,760</u>	<u>\$ 33,834</u>	<u>\$ 30,556</u>	<u>\$ 1,284,150</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	<u>\$ -</u>	<u>\$ 33,834</u>	<u>\$ -</u>	<u>\$ 33,834</u>
Total liabilities	<u>-</u>	<u>33,834</u>	<u>-</u>	<u>33,834</u>
Fund balances				
Restricted fund balance	<u>1,219,760</u>	<u>-</u>	<u>30,556</u>	<u>1,250,316</u>
Total fund balances	<u>1,219,760</u>	<u>-</u>	<u>30,556</u>	<u>1,250,316</u>
Total liabilities and fund balances	<u>\$ 1,219,760</u>	<u>\$ 33,834</u>	<u>\$ 30,556</u>	<u>\$ 1,284,150</u>

BOROUGH OF CARLISLE
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2017

	Highway Aid Fund	Community Development Block Grant	Asset Forfeiture	Total Other Governmental Funds
REVENUES				
Investment earnings	\$ 13,674	\$ -	\$ 232	\$ 13,906
Intergovernmental	522,601	344,546	-	867,147
Total revenues	536,275	344,546	232	881,053
EXPENDITURES				
Public safety				
Police department	-	-	21,995	21,995
Public works				
Highways	469,996	-	-	469,996
Conservation and community development	-	258,126	-	258,126
Total expenditures	469,996	258,126	21,995	750,117
Excess (deficiency) of revenues over expenditures	66,279	86,420	(21,763)	130,936
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(86,420)	-	(86,420)
Total other financing sources and uses	-	(86,420)	-	(86,420)
Net change in fund balances	66,279	-	(21,763)	44,516
Fund balances - beginning	1,153,481	-	52,319	1,205,800
Fund balances - ending	\$ 1,219,760	\$ -	\$ 30,556	\$ 1,250,316

BOROUGH OF CARLISLE
Budgetary Comparison Schedule
Other Special Revenue Fund - Highway Aid
Year Ended December 31, 2017

	Original/Final Budget	Actual Budgetary/GAAP Basis	Variance
Revenue			
Investment income	\$ 960	\$ 13,674	\$ 12,714
Intergovernmental	<u>511,625</u>	<u>522,601</u>	<u>10,976</u>
Total revenue	<u>512,585</u>	<u>536,275</u>	<u>23,690</u>
Expenditures			
Highways	<u>480,314</u>	<u>469,996</u>	<u>10,318</u>
Total expenditures	<u>480,314</u>	<u>469,996</u>	<u>10,318</u>
Excess of revenue over (under) expenditures	<u>32,271</u>	<u>66,279</u>	<u>34,008</u>
Net change in fund balance	<u>\$ 32,271</u>	<u>\$ 66,279</u>	<u>\$ 34,008</u>

BOROUGH OF CARLISLE
Budgetary Comparison Schedule
Other Special Revenue Fund - Asset Forfeiture
Year Ended December 31, 2017

	Original/Final Budget	Actual Budgetary/GAAP Basis	Variance
Revenue			
Investment income	\$ -	\$ 232	\$ 232
Total revenue	-	232	232
Expenditures			
Police department	25,263	21,995	3,268
Total expenditures	25,263	21,995	3,268
Excess of revenue over (under) expenditures	(25,263)	(21,763)	3,500
Net change in fund balance	<u>\$ (25,263)</u>	<u>\$ (21,763)</u>	<u>\$ 3,500</u>

BOROUGH OF CARLISLE
Other Enterprise Funds
December 31, 2017

Enterprise funds are used to account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges to the users of such services.

Municipal Authority – This is the Carlisle Borough Municipal Authority which is included in these financial statements as a blended component unit. This fund accounts for water sales to customers outside Borough limits.

Solid Waste – This fund accounts for the trash collection services utilized by the Borough.

BOROUGH OF CARLISLE
Combining Statement of Net Position - Other Enterprise Funds
December 31, 2017

	Municipal Authority	Solid Waste Fund	Total Other Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 64,822	\$ 233,746	\$ 298,568
Other receivables	-	109,072	109,072
Due from other funds	32,065	89,830	121,895
Inventories	-	7,549	7,549
Total current assets	96,887	440,197	537,084
Noncurrent assets			
Net pension asset	-	1,795	1,795
Capital assets			
Building and systems, net	-	8,309	8,309
Machinery and equipment, net	-	23,506	23,506
Total noncurrent assets	-	33,610	33,610
Total assets	96,887	473,807	570,694
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension asset	-	2,110	2,110
Total assets and deferred outflows of resources	\$ 96,887	\$ 475,917	\$ 572,804
LIABILITIES			
Current liabilities			
Accounts payable	\$ -	\$ 66,113	\$ 66,113
Accrued wages payable	-	175	175
Accrued interest payable	-	204	204
Due to other funds	84,562	50,040	134,602
Claims and judgments - current	-	2,187	2,187
Bonds, notes and loans payable - current	-	4,896	4,896
Total current liabilities	84,562	123,615	208,177
Noncurrent liabilities			
Bonds, notes and loans payable	-	86,756	86,756
Total noncurrent liabilities	-	86,756	86,756
Total liabilities	84,562	210,371	294,933
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension asset	-	5,776	5,776
NET POSITION			
Net investment in capital assets	-	29,993	29,993
Unrestricted	12,325	229,777	242,102
Total net position	12,325	259,770	272,095
Total liabilities, deferred inflows of resources and net position	\$ 96,887	\$ 475,917	\$ 572,804

BOROUGH OF CARLISLE
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position -
Other Enterprise Funds
Year Ended December 31, 2017

	Municipal Authority	Solid Waste Fund	Total Other Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 193,030	\$ 805,776	\$ 998,806
Total operating revenues	<u>193,030</u>	<u>805,776</u>	<u>998,806</u>
OPERATING EXPENSES			
Administrative expenses	-	27,390	27,390
Payroll taxes - employer's portion	-	1,037	1,037
Distribution/collection	193,030	680,934	873,964
Depreciation	-	6,349	6,349
Total operating expenses	<u>193,030</u>	<u>715,710</u>	<u>908,740</u>
Operating income	<u>-</u>	<u>90,066</u>	<u>90,066</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	95	939	1,034
Miscellaneous revenue	-	4,532	4,532
Intergovernmental	-	46,971	46,971
Interest expense and debt issuance costs	-	(1,820)	(1,820)
Total nonoperating revenue (expenses)	<u>95</u>	<u>50,622</u>	<u>50,717</u>
Change in net position	95	140,688	140,783
Total net position - beginning	<u>12,230</u>	<u>119,082</u>	<u>131,312</u>
Total net position - ending	<u>\$ 12,325</u>	<u>\$ 259,770</u>	<u>\$ 272,095</u>

BOROUGH OF CARLISLE
Combining Statement of Cash Flows - Other Enterprise Funds
Year Ended December 31, 2017

	Municipal Authority	Solid Waste Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 189,988	\$ 792,324	\$ 982,312
Payments to suppliers	(188,347)	(735,734)	(924,081)
Payments to and on behalf of employees	-	(14,671)	(14,671)
Net cash provided (used) by operating activities	<u>1,641</u>	<u>41,919</u>	<u>43,560</u>
Cash flows from capital and related financing activities:			
Proceeds from capital debt	-	1,558	1,558
Principal paid on capital debt	-	(38)	(38)
Interest and fiscal charges paid on capital debt	-	(1,630)	(1,630)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>(110)</u>	<u>(110)</u>
Cash flows from non-capital financing activities:			
Operating grants received	-	46,971	46,971
Net cash provided by non-capital financing activities	<u>-</u>	<u>46,971</u>	<u>46,971</u>
Cash flows from investing activities:			
Interest and dividends received	95	939	1,034
Net cash provided by investing activities	<u>95</u>	<u>939</u>	<u>1,034</u>
Net increase (decrease) in cash and cash equivalents	1,736	89,719	91,455
Cash and cash equivalents - beginning of the year	<u>63,086</u>	<u>144,027</u>	<u>207,113</u>
Cash and cash equivalents - end of the year	<u><u>\$ 64,822</u></u>	<u><u>\$ 233,746</u></u>	<u><u>\$ 298,568</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities			
Operating income	\$ -	\$ 90,066	\$ 90,066
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	-	6,349	6,349
Miscellaneous nonoperating revenue	-	4,532	4,532
(Increase) decrease in:			
Due from other funds	(3,042)	-	(3,042)
Other receivables	-	(17,984)	(17,984)
Inventories	-	(3,303)	(3,303)
Increase (decrease) in:			
Accounts payable	-	17,444	17,444
Due to other funds	4,683	(54,960)	(50,277)
Accrued wages payable	-	175	175
Compensated absences	-	(116)	(116)
Net pension liability (asset) and related items	-	(284)	(284)
Net cash provided (used) by operating activities	<u><u>\$ 1,641</u></u>	<u><u>\$ 41,919</u></u>	<u><u>\$ 43,560</u></u>

BOROUGH OF CARLISLE
Trust and Agency Funds
December 31, 2017

Trust Funds are used to account for assets held by the Borough in a trustee capacity. Agency Funds are used to account for assets held by the Borough as an agent for individuals, private organizations, other governments and/or other funds.

Police Pension Fund -- This fund is used to account for the accumulation of resources for pension benefit payments to qualified public safety (police) employees.

Non-Uniformed Pension Fund -- This fund is used to account for the accumulation of resources for pension benefit payments to qualified employees of the Borough other than police or fire department employees.

Management Pension Fund -- This fund is used to account for contributions to the defined contribution retirement accounts maintained for members of the Borough's senior management team.

Tax Collection Fund -- This fund is used to account for collection and disbursement of certain taxes collected by the Borough in prior years.

BOROUGH OF CARLISLE
Combining Statement of Fiduciary Net Position - Pension Trust Funds
December 31, 2017

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Management Pension Fund	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 246,507	\$ 180,253	\$ 30,189	\$ 456,949
Accrued interest receivable	217	161	-	378
Accounts receivable	4,601	2,199	-	6,800
U.S. Government agency obligations	-	12	-	12
Common equity securities	-	-	207,065	207,065
Fixed income mutual funds	5,770,247	3,765,979	-	9,536,226
Mutual funds - open end	<u>10,950,141</u>	<u>7,262,250</u>	<u>375,072</u>	<u>18,587,463</u>
Total assets	<u>\$ 16,971,713</u>	<u>\$ 11,210,854</u>	<u>\$ 612,326</u>	<u>\$ 28,794,893</u>
NET POSITION				
Net position restricted for pensions	<u>16,971,713</u>	<u>11,210,854</u>	<u>612,326</u>	<u>28,794,893</u>
Total liabilities and net position	<u>\$ 16,971,713</u>	<u>\$ 11,210,854</u>	<u>\$ 612,326</u>	<u>\$ 28,794,893</u>

BOROUGH OF CARLISLE**Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds**
Year Ended December 31, 2017

	Police Pension Trust Fund	Non-Uniformed Pension Trust Fund	Management Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions				
Employer	\$ 364,883	\$ 215,584	\$ 27,019	\$ 607,486
Plan members	131,529	57,909	-	189,438
Total contributions	496,412	273,493	27,019	796,924
Investment earnings				
Net appreciation in fair value of investments	1,956,437	1,280,361	83,319	3,320,117
Interest and dividends	357,797	234,251	-	592,048
Investment activity expense	(47,286)	-	-	(47,286)
Total net investment earnings	2,266,948	1,514,612	83,319	3,864,879
Total additions	2,763,360	1,788,105	110,338	4,661,803
DEDUCTIONS				
Benefits	946,702	326,055	38	1,272,795
Administrative	18,241	45,537	-	63,778
Total deductions	964,943	371,592	38	1,336,573
Change in net position	1,798,417	1,416,513	110,300	3,325,230
Net position - beginning	15,173,296	9,794,341	502,026	25,469,663
Net position - ending	\$ 16,971,713	\$ 11,210,854	\$ 612,326	\$ 28,794,893

BOROUGH OF CARLISLE**Combining Statement of Changes in Assets and Liabilities - Agency Funds****Year Ended December 31, 2017**

Tax Collection Fund	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 3,806	\$ 16	\$ -	\$ 3,822
Total assets	<u>\$ 3,806</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 3,822</u>
LIABILITIES				
Due to other governments	\$ 3,806	\$ 16	\$ -	\$ 3,822
Total liabilities	<u>\$ 3,806</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 3,822</u>

BOROUGH OF CARLISLE
Future Debt Service Requirements
December 31, 2017

The following schedules provide the total debt service payments which the Borough is obligated to make.

Fiscal Year	Governmental Activities						Total Governmental Activities	
	2016 GO Note		2017A GO Bonds		2017B GO Bonds		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 78,051	\$ 9,669	\$ 105,339	\$ 65,407	\$ 297,928	\$ 148,770	\$ 481,318	\$ 223,846
2019	110,646	8,295	99,755	71,432	217,613	168,495	428,014	248,222
2020	60,961	6,348	104,531	66,444	439,429	161,966	604,921	234,758
2021	41,845	5,275	109,307	61,218	527,718	144,389	678,870	210,882
2022	43,166	4,538	114,082	55,752	550,296	118,003	707,544	178,293
2023	43,518	3,778	118,858	50,048	580,413	90,488	742,789	144,314
2024	55,764	3,013	128,141	44,105	381,673	61,468	565,578	108,586
2025	57,085	2,031	132,917	37,698	375,192	42,384	565,194	82,113
2026	58,315	1,025	137,962	31,052	311,259	27,376	507,536	59,453
2027			142,468	28,293	200,928	14,926	343,396	43,219
2028			142,738	25,266	125,580	6,889	268,318	32,155
2029			147,514	22,054	46,645	1,866	194,159	23,920
2030			152,020	18,551			152,020	18,551
2031			156,796	14,750			156,796	14,750
2032			157,065	10,830			157,065	10,830
2033			17,781	6,118			17,781	6,118
2034			18,320	5,585			18,320	5,585
2035			18,858	5,035			18,858	5,035
2036			19,397	4,469			19,397	4,469
2037			19,936	3,888			19,936	3,888
2038			20,744	3,289			20,744	3,289
2039			21,283	2,667			21,283	2,667
2040			21,822	2,029			21,822	2,029
2041			22,630	1,374			22,630	1,374
2042			23,169	695			23,169	695
	\$ 549,351	\$ 43,972	\$ 2,153,433	\$ 638,049	\$ 4,054,674	\$ 987,020	\$ 6,757,458	\$ 1,669,041

Fiscal Year	Water Fund						Total Water Fund	
	2016 GO Note		2017A GO Bonds		2017B GO Bonds		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 186,895	\$ 23,152	\$ 103,577	\$ 100,579	\$ 313,553	\$ 187,121	\$ 604,025	\$ 310,852
2019	264,944	19,862	92,068	112,764	248,275	213,154	605,287	345,780
2020	145,973	15,199	96,672	108,160	427,175	205,706	669,820	329,065
2021	100,198	12,630	101,275	103,327	494,783	188,619	696,256	304,576
2022	103,362	10,867	105,879	98,263	517,420	163,880	726,661	273,010
2023	104,206	9,048	110,482	92,969	546,378	138,009	761,066	240,026
2024	133,527	7,214	117,387	87,445	640,649	110,690	891,563	205,349
2025	136,691	4,864	121,991	81,576	649,506	78,658	908,188	165,098
2026	139,645	2,457	128,896	75,476	598,922	52,678	867,463	130,611
2027			131,198	72,898	386,624	28,721	517,822	101,619
2028			133,499	70,110	241,640	13,256	375,139	83,366
2029			138,103	67,106	89,751	3,590	227,854	70,696
2030			140,404	63,826			140,404	63,826
2031			145,008	60,316			145,008	60,316
2032			147,310	56,691			147,310	56,691
2033			151,913	52,272			151,913	52,272
2034			156,516	47,714			156,516	47,714
2035			161,120	43,019			161,120	43,019
2036			165,723	38,185			165,723	38,185
2037			170,327	33,214			170,327	33,214
2038			177,232	28,104			177,232	28,104
2039			181,835	22,787			181,835	22,787
2040			186,439	17,332			186,439	17,332
2041			193,344	11,739			193,344	11,739
2042			197,947	5,938			197,947	5,938
	\$ 1,315,441	\$ 105,293	\$ 3,556,145	\$ 1,551,810	\$ 5,154,676	\$ 1,384,082	\$ 10,026,262	\$ 3,041,185

BOROUGH OF CARLISLE
Future Debt Service Requirements (Continued)
December 31, 2017

Fiscal Year	Sewer Fund								Total Sewer Fund	
	2015 GO Note		2016 GO Note		2017A GO Note		2017B GO Note		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 1,000	\$ 122,963	\$ 610,442	\$ 75,619	\$ 109,300	\$ 106,136	\$ 277,475	\$ 181,474	\$ 998,217	\$ 486,192
2019	1,000	122,938	865,366	64,875	97,155	118,994	209,609	207,254	1,173,130	514,061
2020	1,000	122,914	476,778	49,644	102,013	114,136	354,410	200,966	934,201	487,660
2021	1,000	122,890	327,268	41,253	106,871	109,036	391,896	186,790	827,035	459,969
2022	1,000	122,865	337,603	35,493	111,729	103,692	423,296	167,195	873,628	429,245
2023	1,000	122,840	340,359	29,551	116,586	98,106	448,159	146,030	906,104	396,527
2024	1,000	122,816	436,128	23,561	123,873	92,276	526,079	123,622	1,087,080	362,275
2025	1,000	161,222	446,463	15,885	128,731	86,083	619,302	97,318	1,195,496	360,508
2026	1,000	199,620	456,110	8,029	136,017	79,646	824,819	72,546	1,417,946	359,841
2027	470,000	190,200			138,446	76,926	532,448	39,553	1,140,894	306,679
2028	489,000	171,020			140,875	73,984	332,780	18,255	962,655	263,259
2029	509,000	151,060			145,733	70,814	123,604	4,944	778,337	226,818
2030	530,000	130,280			148,162	67,353			678,162	197,633
2031	552,000	108,640			153,020	63,649			705,020	172,289
2032	574,000	86,120			155,448	59,823			729,448	145,943
2033	597,000	62,700			160,306	55,160			757,306	117,860
2034	622,000	38,320			165,164	50,351			787,164	88,671
2035	647,000	12,940			170,022	45,396			817,022	58,336
2036					174,879	40,295			174,879	40,295
2037					179,737	35,049			179,737	35,049
2038					187,024	29,657			187,024	29,657
2039					191,882	24,046			191,882	24,046
2040					196,739	18,289			196,739	18,289
2041					204,026	12,387			204,026	12,387
2042					208,884	6,267			208,884	6,267
	\$ 4,999,000	\$ 2,172,348	\$ 4,296,517	\$ 343,910	\$ 3,752,622	\$ 1,637,551	\$ 5,063,877	\$ 1,445,947	\$ 18,112,016	\$ 5,599,756

Fiscal Year	Parking						Total Parking Fund	
	2016 GO Note		2017A GO Note		2017B GO Note		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 10,574	\$ 11,883	\$ 12,064	\$ 6,941	\$ 56,044	\$ 22,912	\$ 78,682	\$ 41,736
2019	14,989	16,113	11,515	7,536	39,503	25,747	66,007	49,396
2020	8,258	9,118	12,064	6,961	88,985	24,561	109,307	40,640
2021	5,669	6,383	12,612	6,357	110,603	21,002	128,884	33,742
2022	5,848	6,462	13,160	5,727	113,988	15,472	132,996	27,661
2023	5,895	6,407	13,709	5,069	120,050	9,773	139,654	21,249
2024	7,554	7,962	14,806	4,383	46,600	3,770	68,960	16,115
2025	7,733	8,008	15,354	3,643	36,000	1,440	59,087	13,091
2026	7,899	8,041	15,902	2,875			23,801	10,916
2027			16,451	2,557			16,451	2,557
2028			16,451	2,208			16,451	2,208
2029			16,999	1,838			16,999	1,838
2030			17,547	1,434			17,547	1,434
2031			18,096	995			18,096	995
2032			18,095	543			18,095	543
	\$ 74,419	\$ 80,377	\$ 224,825	\$ 59,067	\$ 611,773	\$ 124,677	\$ 911,017	\$ 264,121

Fiscal Year	Solid Waste				Total Solid Waste Fund	
	2016 GO Note		2017A GO Note		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 38	\$ 5	\$ 4,721	\$ 2,716	\$ 4,759	\$ 2,721
2019	54	4	4,506	2,949	4,560	2,953
2020	30	3	4,721	2,724	4,751	2,727
2021	21	3	4,935	2,488	4,956	2,491
2022	22	2	5,150	2,241	5,172	2,243
2023	22	2	5,364	1,983	5,386	1,985
2024	27	1	5,793	1,715	5,820	1,716
2025	29	1	6,008	1,426	6,037	1,427
2026	30	1	6,223	1,125	6,253	1,126
2027			6,437	1,001	6,437	1,001
2028			6,437	864	6,437	864
2029			6,652	719	6,652	719
2030			6,866	561	6,866	561
2031			7,081	389	7,081	389
2032			7,081	212	7,081	212
	\$ 273	\$ 22	\$ 87,975	\$ 23,113	\$ 88,248	\$ 23,135

BOROUGH OF CARLISLE
Schedule of Indebtedness
December 31, 2017

Type of Debt	Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Outstanding at December 31	
						2016	2017
GO Bonds (Series of 2012) (General Fund)	12/12/2012	\$ 2,105,000				\$ 1,324,236	\$ -
GO Note (Series of 2013) (General Fund)	11/12/2013	\$ 3,168,000				2,374,897	-
GO Note (Series of 2014) (General Fund)	10/10/2014	\$ 1,355,883				1,270,884	-
GO Bonds (Series of 2016) (General Fund)	6/15/2011	\$ 626,521	1.76%	8/15/2018	\$ 78,051		
			1.76%	8/15/2019	110,646		
			1.76%	8/15/2020	60,961		
			1.76%	8/15/2021	41,845		
			1.76%	8/15/2022	43,166		
			1.76%	8/15/2023	43,518		
			1.76%	8/15/2024	55,764		
			1.76%	8/15/2025	57,085		
			1.76%	8/15/2026	58,315		
						626,521	549,351
GO Note (Series of 2017A) (Capital Projects Fund)	12/8/2017	\$ 2,153,433	5.00%	10/15/2018	\$ 105,339		
			5.00%	10/15/2019	99,755		
			5.00%	10/15/2020	104,531		
			5.00%	10/15/2021	109,307		
			5.00%	10/15/2022	114,082		
			5.00%	10/15/2023	118,858		
			5.00%	10/15/2024	128,141		
			5.00%	10/15/2025	132,917		
			2.00%	10/15/2026	137,962		
			2.13%	10/15/2027	142,468		
			2.25%	10/15/2028	142,738		
			2.38%	10/15/2029	147,514		
			2.50%	10/15/2030	152,020		
			2.50%	10/15/2031	156,796		
			3.00%	10/15/2032	157,065		
			3.00%	10/15/2033	17,781		
			3.00%	10/15/2034	18,320		
			3.00%	10/15/2035	18,858		
			3.00%	10/15/2036	19,397		
			3.00%	10/15/2037	19,936		
			3.00%	10/15/2038	20,744		
			3.00%	10/15/2039	21,283		
			3.00%	10/15/2040	21,822		
			3.00%	10/15/2041	22,630		
			3.00%	10/15/2042	23,169		
						-	2,153,433
GO Note (Series of 2017B) (General Fund)	12/8/2017	\$ 4,054,674	2.00%	10/15/2018	\$ 297,928		
			3.00%	10/15/2019	217,613		
			4.00%	10/15/2020	439,429		
			5.00%	10/15/2021	527,718		
			5.00%	10/15/2022	550,296		
			5.00%	10/15/2023	580,413		
			5.00%	10/15/2024	381,673		
			4.00%	10/15/2025	375,192		
			4.00%	10/15/2026	311,259		
			4.00%	10/15/2027	200,928		
			4.00%	10/15/2028	125,580		
			4.00%	10/15/2029	46,645		
						-	4,054,674
Total Payable From Tax Revenue						<u>\$ 5,596,538</u>	<u>\$ 6,757,458</u>

BOROUGH OF CARLISLE
Schedule of Indebtedness (Continued)
December 31, 2017

Type of Debt	Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Outstanding at December 31	
						2016	2017
GO Bonds (Series of 2012) (Water Fund)	12/12/2012	\$ 2,256,104				\$ 2,127,105	\$ -
GO Note (Series of 2013) (Water Fund)	11/12/2013	\$ 2,301,750				1,703,175	-
GO Note (Series of 2014) (Water Fund)	10/10/2014	\$ 2,411,357				2,338,357	-
GO Note (Series of 2016) (Water Fund)	8/15/2016	\$ 1,500,227	1.76%	8/15/2018	\$ 186,896		
			1.76%	8/15/2019	264,944		
			1.76%	8/15/2020	145,973		
			1.76%	8/15/2021	100,198		
			1.76%	8/15/2022	103,362		
			1.76%	8/15/2023	104,206		
			1.76%	8/15/2024	133,527		
			1.76%	8/15/2025	136,691		
			1.76%	8/15/2026	139,644		
						1,500,227	1,315,441
GO Note (Series of 2017A) (Water Fund)	12/8/2017	\$ 3,556,145	5.00%	10/15/2018	\$ 103,577		
			5.00%	10/15/2019	92,068		
			5.00%	10/15/2020	96,672		
			5.00%	10/15/2021	101,275		
			5.00%	10/15/2022	105,879		
			5.00%	10/15/2023	110,482		
			5.00%	10/15/2024	117,387		
			5.00%	10/15/2025	121,991		
			2.00%	10/15/2026	128,896		
			2.13%	10/15/2027	131,198		
			2.25%	10/15/2028	133,499		
			2.38%	10/15/2029	138,103		
			2.50%	10/15/2030	140,404		
			2.50%	10/15/2031	145,008		
			3.00%	10/15/2032	147,310		
			3.00%	10/15/2033	151,913		
			3.00%	10/15/2034	156,516		
			3.00%	10/15/2035	161,120		
			3.00%	10/15/2036	165,723		
			3.00%	10/15/2037	170,327		
			3.00%	10/15/2038	177,232		
			3.00%	10/15/2039	181,835		
			3.00%	10/15/2040	186,439		
			3.00%	10/15/2041	193,344		
			3.00%	10/15/2042	197,947		
						-	3,556,145
GO Note (Series of 2017B) (Water Fund)	12/8/2017	\$ 5,154,676	2.00%	10/15/2018	\$ 313,553		
			3.00%	10/15/2019	248,275		
			4.00%	10/15/2020	427,175		
			5.00%	10/15/2021	494,783		
			5.00%	10/15/2022	517,420		
			5.00%	10/15/2023	546,378		
			5.00%	10/15/2024	640,649		
			4.00%	10/15/2025	649,506		
			4.00%	10/15/2026	598,922		
			4.00%	10/15/2027	386,624		
			4.00%	10/15/2028	241,640		
			4.00%	10/15/2029	89,751		
						-	5,154,676

BOROUGH OF CARLISLE
Schedule of Indebtedness (Continued)
December 31, 2017

Type of Debt	Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Outstanding at December 31	
						2016	2017
GO Bonds (Series of 2012) (Sewer Fund)	12/12/2012	\$ 1,414,659				\$ 1,363,659	\$ -
GO Note (Series of 2013) (Sewer Fund)	11/12/2013	\$ 2,046,000				1,423,223	-
GO Note (Series of 2014) (Sewer Fund)	10/10/2014	\$ 3,232,760				3,130,760	-
GO Note (Series of 2015) (Sewer Fund)	4/9/2015	\$ 5,000,000	2.46%	5/15/2018	\$ 1,000		
			2.46%	5/15/2019	1,000		
			2.46%	5/15/2020	1,000		
			2.46%	5/15/2021	1,000		
			2.46%	5/15/2022	1,000		
			2.46%	5/15/2023	1,000		
			2.46%	5/15/2024	1,000		
			2.46%	5/15/2025	1,000		
			4.00%	5/15/2026	1,000		
			4.00%	5/15/2027	470,000		
			4.00%	5/15/2028	489,000		
			4.00%	5/15/2029	509,000		
			4.00%	5/15/2030	530,000		
			4.00%	5/15/2031	552,000		
			4.00%	5/15/2032	574,000		
			4.00%	5/15/2033	597,000		
			4.00%	5/15/2034	622,000		
			4.00%	5/15/2035	647,000		
						55,776	4,999,000
GO Note (Series of 2016) (Sewer Fund)	8/15/2016	\$4,900,068	1.76%	8/15/2018	610,442		
			1.76%	8/15/2019	865,366		
			1.76%	8/15/2020	476,778		
			1.76%	8/15/2021	327,268		
			1.76%	8/15/2022	337,603		
			1.76%	8/15/2023	340,359		
			1.76%	8/15/2024	436,128		
			1.76%	8/15/2025	446,463		
			1.76%	8/15/2026	456,110		
						4,900,068	4,296,517
GO Note (Series of 2017A) (Sewer Fund)	12/8/2017	\$ 3,752,622	5.00%	10/15/2018	\$ 109,300		
			5.00%	10/15/2019	97,155		
			5.00%	10/15/2020	102,013		
			5.00%	10/15/2021	106,871		
			5.00%	10/15/2022	111,729		
			5.00%	10/15/2023	116,586		
			5.00%	10/15/2024	123,873		
			5.00%	10/15/2025	128,731		
			2.00%	10/15/2026	136,017		
			2.13%	10/15/2027	138,446		
			2.25%	10/15/2028	140,875		
			2.38%	10/15/2029	145,733		
			2.50%	10/15/2030	148,162		
			2.50%	10/15/2031	153,020		
			3.00%	10/15/2032	155,448		
			3.00%	10/15/2033	160,306		
			3.00%	10/15/2034	165,164		
			3.00%	10/15/2035	170,022		
			3.00%	10/15/2036	174,879		
			3.00%	10/15/2037	179,737		
			3.00%	10/15/2038	187,024		
			3.00%	10/15/2039	191,882		
			3.00%	10/15/2040	196,739		
			3.00%	10/15/2041	204,026		
			3.00%	10/15/2042	208,884		
						-	3,752,622

BOROUGH OF CARLISLE
Schedule of Indebtedness (Continued)
December 31, 2017

Type of Debt	Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Outstanding at December 31	
						2016	2017
GO Note (Series of 2017B) (Sewer Fund)	12/8/2017	\$ 5,063,877	2.00%	10/15/2018	\$ 277,475		
			3.00%	10/15/2019	209,609		
			4.00%	10/15/2020	354,410		
			5.00%	10/15/2021	391,896		
			5.00%	10/15/2022	423,296		
			5.00%	10/15/2023	448,159		
			5.00%	10/15/2024	526,079		
			4.00%	10/15/2025	619,302		
			4.00%	10/15/2026	824,819		
			4.00%	10/15/2027	532,448		
			4.00%	10/15/2028	332,780		
			4.00%	10/15/2029	123,604		
						-	5,063,877
GO Bonds (Series of 2012) (Parking Fund)	12/12/2012	\$ 320,000				230,000	-
GO Note (Series of 2013) (Parking Fund)	11/12/2013	\$ 734,250				550,432	-
GO Note (Series of 2016) (Parking Fund)	8/15/2016	\$ 84,875	1.76%	8/15/2018	\$ 10,574		
			1.76%	8/15/2019	14,989		
			1.76%	8/15/2020	8,258		
			1.76%	8/15/2021	5,669		
			1.76%	8/15/2022	5,848		
			1.76%	8/15/2023	5,895		
			1.76%	8/15/2024	7,554		
			1.76%	8/15/2025	7,733		
			1.76%	8/15/2026	7,899	84,873	74,419
GO Note (Series of 2017A) (Parking Fund)	12/8/2017	\$ 224,825	5.00%	10/15/2018	\$ 12,064		
			5.00%	10/15/2019	11,515		
			5.00%	10/15/2020	12,064		
			5.00%	10/15/2021	12,612		
			5.00%	10/15/2022	13,160		
			5.00%	10/15/2023	13,709		
			5.00%	10/15/2024	14,806		
			5.00%	10/15/2025	15,354		
			2.00%	10/15/2026	15,902		
			2.13%	10/15/2027	16,451		
			2.25%	10/15/2028	16,451		
			2.38%	10/15/2029	16,999		
			2.50%	10/15/2030	17,547		
			2.50%	10/15/2031	18,096		
			3.00%	10/15/2032	18,095		
						-	224,825
GO Note (Series of 2017B) (Parking Fund)	12/8/2017	\$ 611,773	2.00%	10/15/2018	\$ 56,044		
			3.00%	10/15/2019	39,503		
			4.00%	10/15/2020	88,985		
			5.00%	10/15/2021	110,603		
			5.00%	10/15/2022	113,988		
			5.00%	10/15/2023	120,050		
			5.00%	10/15/2024	46,600		
			4.00%	10/15/2025	36,000		
						-	611,773

BOROUGH OF CARLISLE
Schedule of Indebtedness (Continued)
December 31, 2017

Type of Debt	Date of Issue	Original Amount	Interest Rate	Date of Final Maturity	Amount of Annual Maturity	Outstanding at December 31	
						2016	2017
GO Note (Series of 2016) (Solid Waste Fund)	8/15/2016	\$ 311	1.76%	8/15/2018	\$ 38		
			1.76%	8/15/2019	54		
			1.76%	8/15/2020	30		
			1.76%	8/15/2021	21		
			1.76%	8/15/2022	22		
			1.76%	8/15/2023	22		
			1.76%	8/15/2024	27		
			1.76%	8/15/2025	29		
			1.76%	8/15/2026	30		
						311	273
GO Note (Series of 2017A) (Solid Waste Fund)	12/8/2017	\$ 87,975	5.00%	10/15/2018	\$ 4,721		
			5.00%	10/15/2019	4,506		
			5.00%	10/15/2020	4,721		
			5.00%	10/15/2021	4,935		
			5.00%	10/15/2022	5,150		
			5.00%	10/15/2023	5,364		
			5.00%	10/15/2024	5,793		
			5.00%	10/15/2025	6,008		
			2.00%	10/15/2026	6,223		
			2.13%	10/15/2027	6,437		
			2.25%	10/15/2028	6,437		
			2.38%	10/15/2029	6,652		
			2.50%	10/15/2030	6,866		
			2.50%	10/15/2031	7,081		
			3.00%	10/15/2032	7,081		
						-	87,975
Total Payable From Other Revenues						19,407,966	29,137,543
Total Debt Service Requirements						<u>\$ 25,004,504</u>	<u>\$ 35,895,001</u>

This part of the Borough of Carlisle's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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BOROUGH OF CARLISLE
Financial Trends Information
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

Schedule 1

	Fiscal Year									
	2017	2016	2015 ^(b)	2014	2013	2012 ^(a)	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$ 15,154,103	\$ 13,410,957	\$ 12,697,315	\$ 11,989,362	\$ 11,996,855	\$ 12,397,511	\$ 13,129,127	\$ 11,218,027	\$ 11,436,491	\$ 11,207,611
Restricted	3,775,262	2,888,319	1,905,409	1,661,790	1,280,889	1,042,114	1,066,606	1,197,410	978,944	819,991
Unrestricted	<u>3,370,210</u>	<u>3,392,972</u>	<u>4,830,596</u>	<u>4,684,908</u>	<u>4,618,890</u>	<u>3,515,525</u>	<u>2,939,165</u>	<u>3,420,335</u>	<u>3,133,037</u>	<u>4,406,030</u>
Total governmental activities net position	<u>\$ 22,299,575</u>	<u>\$ 19,692,248</u>	<u>\$ 19,433,320</u>	<u>\$ 18,336,060</u>	<u>\$ 17,896,634</u>	<u>\$ 16,955,150</u>	<u>\$ 17,134,898</u>	<u>\$ 15,835,772</u>	<u>\$ 15,548,472</u>	<u>\$ 16,433,632</u>
Business-type activities										
Net investment in capital assets	\$ 14,961,292	\$ 19,776,395	\$ 21,331,813	\$ 22,961,322	\$ 23,674,750	\$ 25,700,468	\$ 23,989,064	\$ 17,659,345	\$ 13,380,511	\$ 14,885,950
Unrestricted	<u>20,626,513</u>	<u>13,546,330</u>	<u>10,998,309</u>	<u>8,682,416</u>	<u>7,162,959</u>	<u>5,029,342</u>	<u>5,734,329</u>	<u>6,322,691</u>	<u>5,086,116</u>	<u>2,367,862</u>
Total business-type activities net position	<u>\$ 35,587,805</u>	<u>\$ 33,322,725</u>	<u>\$ 32,330,122</u>	<u>\$ 31,643,738</u>	<u>\$ 30,837,709</u>	<u>\$ 30,729,810</u>	<u>\$ 29,723,393</u>	<u>\$ 23,982,036</u>	<u>\$ 18,466,627</u>	<u>\$ 17,253,812</u>
Primary government										
Net investment in capital assets	\$ 30,115,395	\$ 33,187,352	\$ 34,029,128	\$ 34,950,684	\$ 35,671,605	\$ 38,097,979	\$ 37,118,191	\$ 28,877,372	\$ 24,817,002	\$ 26,093,561
Restricted	3,775,262	2,888,319	1,905,409	1,661,790	1,280,889	1,042,114	1,066,606	1,197,410	978,944	564,776
Unrestricted	<u>23,996,723</u>	<u>16,939,302</u>	<u>15,828,905</u>	<u>13,367,324</u>	<u>11,781,849</u>	<u>8,544,867</u>	<u>8,673,494</u>	<u>9,743,026</u>	<u>8,219,153</u>	<u>7,065,501</u>
Total primary government net position	<u>\$ 57,887,380</u>	<u>\$ 53,014,973</u>	<u>\$ 51,763,442</u>	<u>\$ 49,979,798</u>	<u>\$ 48,734,343</u>	<u>\$ 47,684,960</u>	<u>\$ 46,858,291</u>	<u>\$ 39,817,808</u>	<u>\$ 34,015,099</u>	<u>\$ 33,687,444</u>

^a During 2012 the Borough implemented items previously reported as assets and liabilities provisions of GASB 65 which changed how bond issue costs were recorded. Prior year amounts have not been restated and are shown based on the reporting requirements prior to the implementation of GASB 65.

^b During 2015 the Borough implemented the net pension obligation provisions of GASB 68 for governmental activities and business-type activities. Prior year amounts have not been restated and are shown based on the reporting requirements prior to the implementation of GASB 68.

Source: Department of Finance (DOF) compilation of data.

BOROUGH OF CARLISLE
Financial Trends Information
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$ 334,429	\$ 530,175	\$ 306,102	\$ 293,713	\$ 430,867	\$ 388,062	\$ 368,645	\$ 337,457	\$ 399,878	\$ 318,635
Public safety	801,510	664,413	694,933	725,235	781,414	881,831	609,358	774,807	518,431	759,519
Public services	120,919	63,094	44,446	38,798	40,218	120,437	161,378	217,415	226,695	151,488
Parks and recreation	288,916	308,928	347,134	298,667	271,819	255,113	298,555	289,603	258,728	250,178
Operating grants and contributions	1,287,039	1,283,339	1,259,460	1,304,787	1,599,715	1,305,212	1,792,300	1,301,425	1,941,686	1,601,798
Capital grants and contributions	2,942,801	1,162,135	929,627	1,103,549	932,994	538,371	2,544,201	1,511,469	749,495	1,431,184
Total governmental activities program revenues	<u>5,775,614</u>	<u>4,012,084</u>	<u>3,581,702</u>	<u>3,764,749</u>	<u>4,057,027</u>	<u>3,489,026</u>	<u>5,774,437</u>	<u>4,432,176</u>	<u>4,094,913</u>	<u>4,512,802</u>
Business-type Activities:										
Charges for Services:										
Water	4,405,919	4,184,024	4,093,002	3,970,748	3,490,867	3,630,700	3,440,334	3,518,170	3,487,146	3,401,695
Sewer	6,703,342	6,087,099	5,527,954	5,398,185	4,979,628	4,971,586	4,753,521	4,190,411	4,189,534	4,349,925
Parking	680,576	671,278	629,194	592,635	504,637	538,470	508,690	445,467	505,924	458,399
Solid Waste	810,308	670,597	657,019	599,122	597,397	590,330	584,550	751,393	612,074	834,393
Operating grants and contributions	46,971	35,146	39,938	62,465	101,137	97,250	316,210	95,144	68,140	134,930
Capital grants and contributions	118,723	62,111	241,649	46,207	81,037	874,230	5,121,367	4,906,033	1,307,279	158,814
Total business-type activities program revenues	<u>12,765,839</u>	<u>11,710,255</u>	<u>11,188,756</u>	<u>10,669,362</u>	<u>9,754,703</u>	<u>10,702,566</u>	<u>14,724,672</u>	<u>13,906,618</u>	<u>10,170,097</u>	<u>9,338,156</u>
Total primary government program revenues	<u>\$ 18,541,453</u>	<u>\$ 15,722,339</u>	<u>\$ 14,770,458</u>	<u>\$ 14,434,111</u>	<u>\$ 13,811,730</u>	<u>\$ 14,191,592</u>	<u>\$ 20,499,109</u>	<u>\$ 18,338,794</u>	<u>\$ 14,265,010</u>	<u>\$ 13,850,958</u>
Expenses										
Governmental Activities:										
General government	\$ 1,791,013	\$ 1,303,148	\$ 1,232,564	\$ 1,416,153	\$ 1,385,330	\$ 1,382,247	\$ 1,402,176	\$ 1,629,212	\$ 1,458,101	\$ 1,361,546
Public safety	5,929,571	6,000,082	5,603,645	5,459,908	5,623,928	5,610,486	5,447,786	5,182,318	5,099,069	5,116,653
Public services	1,985,119	2,648,369	2,240,600	2,208,735	2,085,120	2,144,972	2,530,880	1,746,679	2,112,597	2,026,336
Parks and recreation	1,145,391	1,182,586	1,082,679	1,028,150	1,064,555	1,074,170	1,068,128	1,060,381	1,011,807	1,038,306
Conservation and community development	354,101	243,669	397,077	419,715	589,086	449,639	760,713	339,816	1,089,927	984,054
Interest on long-term debt	216,089	151,944	157,743	166,114	200,896	165,837	150,178	242,704	280,993	303,988
Total governmental activities expenses	<u>\$ 11,421,284</u>	<u>\$ 11,529,798</u>	<u>\$ 10,714,308</u>	<u>\$ 10,698,775</u>	<u>\$ 10,948,915</u>	<u>\$ 10,827,351</u>	<u>\$ 11,359,861</u>	<u>\$ 10,201,110</u>	<u>\$ 11,052,494</u>	<u>\$ 10,830,883</u>

BOROUGH OF CARLISLE
Financial Trends Information
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type Activities:										
Water	\$ 4,257,603	\$ 4,091,163	\$ 3,866,185	\$ 3,736,745	\$ 3,674,170	\$ 3,473,552	\$ 3,192,788	\$ 3,224,182	\$ 3,292,299	\$ 3,133,859
Sewer	5,871,507	5,459,634	5,477,005	5,282,663	5,279,620	5,256,740	4,904,537	4,698,686	4,640,534	4,496,131
Parking	575,388	522,117	517,686	465,084	422,840	404,801	401,965	403,481	422,639	406,684
Solid Waste	717,530	727,257	688,792	683,205	716,329	726,044	675,590	776,044	701,953	767,391
Total business-type activities expenses	<u>11,422,028</u>	<u>10,800,171</u>	<u>10,549,668</u>	<u>10,167,697</u>	<u>10,092,959</u>	<u>9,861,137</u>	<u>9,174,880</u>	<u>9,102,393</u>	<u>9,057,425</u>	<u>8,804,065</u>
Total primary government expense	<u>\$ 22,843,312</u>	<u>\$ 22,329,969</u>	<u>\$ 21,263,976</u>	<u>\$ 20,866,472</u>	<u>\$ 21,041,874</u>	<u>\$ 20,688,488</u>	<u>\$ 20,534,741</u>	<u>\$ 19,303,503</u>	<u>\$ 20,109,919</u>	<u>\$ 19,634,948</u>
Net (Expense)/Revenue										
Governmental activities	\$ (5,645,670)	\$ (7,517,714)	\$ (7,132,606)	\$ (6,934,026)	\$ (6,891,888)	\$ (7,338,325)	\$ (5,585,424)	\$ (5,768,934)	\$ (6,957,581)	\$ (6,318,081)
Business-type activities	1,343,811	910,084	639,088	501,665	(338,256)	841,429	5,549,792	4,804,225	1,112,672	534,091
Total primary government net expense	<u>\$ (4,301,859)</u>	<u>\$ (6,607,630)</u>	<u>\$ (6,493,518)</u>	<u>\$ (6,432,361)</u>	<u>\$ (7,230,144)</u>	<u>\$ (6,496,896)</u>	<u>\$ (35,632)</u>	<u>\$ (964,709)</u>	<u>\$ (5,844,909)</u>	<u>\$ (5,783,990)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Real estate	\$ 4,900,014	\$ 4,636,777	\$ 4,616,320	\$ 4,611,089	\$ 4,671,594	\$ 4,349,011	\$ 4,347,819	\$ 4,089,598	\$ 3,555,061	\$ 3,185,069
Earned income	2,089,313	1,933,846	1,865,042	1,925,605	2,029,280	1,846,391	1,599,551	1,402,395	1,445,537	1,407,565
Real estate transfer	332,300	259,974	600,243	239,041	386,226	392,562	217,383	286,365	249,947	327,727
Other	840,858	794,947	757,100	779,368	694,660	672,203	731,764	687,628	795,032	788,097
Investment earnings	59,625	41,814	10,918	10,842	16,850	10,554	24,189	21,171	45,878	265,076
Miscellaneous	32,019	109,284	111,166	26,904	19,906	1,068	3,107	44,387	29,881	1,269
Transfers	(1,132)	-	-	(219,397)	14,856	(81,627)	(39,263)	(475,310)	(48,915)	(183,314)
Total governmental activities	<u>8,252,997</u>	<u>7,776,642</u>	<u>7,960,789</u>	<u>7,373,452</u>	<u>7,833,372</u>	<u>7,190,162</u>	<u>6,884,550</u>	<u>6,056,234</u>	<u>6,072,421</u>	<u>5,791,489</u>
Business-type Activities:										
Investment earnings	82,307	41,331	8,123	5,866	4,773	10,255	11,519	33,730	10,674	55,024
Gain on sale of capital asset	7,053	17,864	10,950	17,265	33,215	10,592	-	915	-	-
Miscellaneous	830,777	23,324	26,359	61,836	423,023	163,988	140,783	125,861	40,554	64,949
Transfers	1,132	-	-	219,397	(14,856)	81,627	39,263	475,310	48,915	183,314
Total business-type activities	<u>921,269</u>	<u>82,519</u>	<u>45,432</u>	<u>304,364</u>	<u>446,155</u>	<u>266,462</u>	<u>191,565</u>	<u>635,816</u>	<u>100,143</u>	<u>303,287</u>
Total primary government	<u>\$ 9,174,266</u>	<u>\$ 7,859,161</u>	<u>\$ 8,006,221</u>	<u>\$ 7,677,816</u>	<u>\$ 8,279,527</u>	<u>\$ 7,456,624</u>	<u>\$ 7,076,115</u>	<u>\$ 6,692,050</u>	<u>\$ 6,172,564</u>	<u>\$ 6,094,776</u>
Change in Net Position										
Governmental activities	\$ 2,607,327	\$ 258,928	\$ 828,183	\$ 439,426	\$ 941,484	\$ (148,163)	\$ 1,299,126	\$ 287,300	\$ (885,160)	\$ (526,592)
Business-type activities	<u>2,265,080</u>	<u>992,603</u>	<u>684,520</u>	<u>806,029</u>	<u>107,899</u>	<u>1,107,891</u>	<u>5,741,357</u>	<u>5,440,041</u>	<u>1,212,815</u>	<u>837,378</u>
Total primary government	<u>\$ 4,872,407</u>	<u>\$ 1,251,531</u>	<u>\$ 1,512,703</u>	<u>\$ 1,245,455</u>	<u>\$ 1,049,383</u>	<u>\$ 959,728</u>	<u>\$ 7,040,483</u>	<u>\$ 5,727,341</u>	<u>\$ 327,655</u>	<u>\$ 310,786</u>

Source: DOF compilation of data.

BOROUGH OF CARLISLE
Financial Trends Information
Fund Balances, Governmental Funds
Last Ten Fiscal Years (accrual basis of accounting)

Schedule 3

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 467,390	\$ 315,062	\$ 303,198	\$ 348,915	\$ 294,066	\$ 312,999	\$ 378,510	\$ -	\$ -	\$ -
Spendable										
Restricted	78,364	1,682,519	641,228	547,936	162,891	74,483	14,225	-	-	-
Committed	594,364	3,865,506	2,551,650	2,565,376	55,607	100,455	120,606	-	-	-
Assigned	404,213	429,213	433,813	597,500	17,000					
Unassigned	5,554,601	888,381	2,230,983	2,508,370	4,835,056	3,778,898	3,001,316	-	-	-
Reserved	-	-	-	-	-	-	-	1,239,872	579,566	391,314
Unreserved:										
Designated	-	-	-	-	-	-	-	199,510	270,891	314,362
Undesignated	-	-	-	-	-	-	-	1,618,755	2,239,820	3,197,074
Total General Fund	<u>7,098,932</u>	<u>7,180,681</u>	<u>6,160,872</u>	<u>6,568,097</u>	<u>5,364,620</u>	<u>4,266,835</u>	<u>3,514,657</u>	<u>3,058,137</u>	<u>3,090,277</u>	<u>3,902,750</u>
Capital Projects Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spendable										
Restricted	2,446,582	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Designated	-	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-	-
Total General Fund	<u>2,446,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
All Other Governmental Funds										
Restricted	1,250,316	1,205,800	1,264,181	1,113,854	1,117,998	1,028,399	1,052,381	-	-	-
Reserved	-	-	-	-	-	-	-	1,197,410	760,281	452,173
Unreserved	-	-	-	-	-	-	-	134,611	846,348	1,285,776
Total All Other Governmental Funds	<u>1,250,316</u>	<u>1,205,800</u>	<u>1,264,181</u>	<u>1,113,854</u>	<u>1,117,998</u>	<u>1,028,399</u>	<u>1,052,381</u>	<u>1,332,021</u>	<u>1,606,629</u>	<u>1,737,949</u>
Total Governmental Funds	<u>\$ 10,795,830</u>	<u>\$ 8,386,481</u>	<u>\$ 7,425,053</u>	<u>\$ 7,681,951</u>	<u>\$ 6,482,618</u>	<u>\$ 5,295,234</u>	<u>\$ 4,567,038</u>	<u>\$ 4,390,158</u>	<u>\$ 4,696,906</u>	<u>\$ 5,640,699</u>

Note: Fund balance reporting as prescribed by GASB 54 was implemented during 2011. Prior year amounts have not been restated and are shown based on the fund balance classifications as prescribed by GASB Standards prior to the implementation of GASB 54.

Source: DOF compilation of data.

BOROUGH OF CARLISLE
Financial Trends Information
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (accrual basis of accounting)

Schedule 4

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Real Estate	\$ 5,006,110	\$ 4,671,284	\$ 4,657,470	\$ 4,596,658	\$ 4,638,189	\$ 4,338,373	\$ 4,337,361	\$ 4,087,796	\$ 3,530,721	\$ 3,201,863
Earned income	2,022,555	1,908,801	1,829,589	1,968,913	1,859,764	1,836,866	1,611,230	1,413,118	1,470,913	1,396,288
Real estate transfer	332,300	259,974	600,243	239,041	386,226	392,562	217,383	286,365	249,947	327,727
Other taxes	827,336	780,753	742,444	763,919	680,015	656,488	716,413	672,778	781,431	772,977
Licenses and permits	852,460	622,317	491,213	500,148	589,654	722,507	449,696	572,817	446,445	506,043
Fines and forfeits	146,529	158,871	186,816	194,348	223,413	230,116	238,128	336,087	319,185	323,538
Investment income	59,625	41,814	10,918	10,842	16,850	10,554	24,189	21,698	46,580	265,076
Rents	65,176	61,100	70,335	72,080	61,390	58,439	66,701	91,338	73,042	42,250
Intergovernmental	3,848,910	2,491,977	1,769,988	1,774,800	2,406,810	1,830,971	4,161,356	2,691,984	2,285,368	2,171,347
Charges for services	256,656	287,878	308,312	253,192	223,654	220,924	278,492	232,303	191,417	264,955
Other	515,220	473,313	807,869	343,460	600,554	474,588	620,055	473,508	644,634	491,160
Total revenues	<u>13,932,877</u>	<u>11,758,082</u>	<u>11,475,197</u>	<u>10,717,401</u>	<u>11,686,519</u>	<u>10,772,388</u>	<u>12,721,004</u>	<u>10,879,792</u>	<u>10,039,683</u>	<u>9,763,224</u>
Expenditures										
General government	1,136,972	1,269,990	1,175,464	1,304,287	1,309,805	1,332,775	1,475,065	1,715,750	1,406,553	1,386,183
Public safety	7,573,884	5,962,703	6,331,307	5,265,141	5,259,574	5,126,670	4,992,324	4,659,526	4,807,997	4,728,118
Public services	2,310,652	2,149,503	1,801,269	1,731,455	1,643,060	1,731,981	3,944,214	2,450,912	1,630,186	1,662,665
Parks and recreation	1,671,909	1,945,141	922,966	988,899	1,295,093	970,077	947,962	1,037,249	947,404	1,437,198
Conservation and community development	462,562	255,277	422,213	433,963	590,664	449,630	760,971	339,970	1,089,914	957,156
Refund of prior year receipts	-	-	-	-	-	-	21,807	-	-	-
Debt service:										
Bond issue costs	-	-	-	-	-	-	6,691	26,810	-	-
Principal	492,782	492,821	446,595	439,231	305,020	380,200	243,106	319,463	335,000	325,000
Interest and fiscal charges	212,653	137,288	146,346	143,846	227,146	164,050	133,703	232,856	280,795	305,042
Total expenditures	<u>13,861,414</u>	<u>12,212,723</u>	<u>11,246,160</u>	<u>10,306,822</u>	<u>10,630,362</u>	<u>10,155,383</u>	<u>12,525,843</u>	<u>10,782,536</u>	<u>10,497,849</u>	<u>10,801,362</u>
Excess of revenues over/(under) expenditures	<u>71,463</u>	<u>(454,641)</u>	<u>229,037</u>	<u>410,579</u>	<u>1,056,157</u>	<u>617,005</u>	<u>195,161</u>	<u>97,256</u>	<u>(458,166)</u>	<u>(1,038,138)</u>
Other Financing Sources (Uses)										
Transfers in	3,098,586	190,569	105,481	190,989	121,723	148,673	100,759	923,865	2,102,930	1,181,902
Transfers out	(3,099,718)	(190,569)	(105,481)	(410,386)	(106,867)	(230,300)	(140,022)	(1,399,175)	(2,151,845)	(1,365,216)
Proceeds from sale of capital assets	15,349	78,283	109,209	18,900	17,786	4,181	7,970	14,174	2,302	3,957
Refund of prior year expenditures	-	-	-	-	-	-	-	-	28,222	-
Bond reallocation	-	-	(605,764)	-	-	-	-	-	(453,418)	-
Bond discount/issue costs	-	-	-	-	-	-	23,340	-	-	-
Proceeds from issuance of bonds	6,208,108	1,959,285	10,620	989,251	4,397,198	254,148	868,649	4,930,367	-	-
Bond premium	669,967	-	-	-	-	-	-	-	-	-
Payment to refund bond	(4,554,406)	(621,499)	-	-	(4,279,680)	-	(866,262)	(4,903,557)	-	-
Total other financing sources (uses)	<u>2,337,886</u>	<u>1,416,069</u>	<u>(485,935)</u>	<u>788,754</u>	<u>150,160</u>	<u>176,702</u>	<u>(5,566)</u>	<u>(434,326)</u>	<u>(471,809)</u>	<u>(179,357)</u>
Net change in fund balances	<u>\$ 2,409,349</u>	<u>\$ 961,428</u>	<u>(\$ 256,898)</u>	<u>\$ 1,199,333</u>	<u>\$ 1,206,317</u>	<u>\$ 793,707</u>	<u>\$ 189,595</u>	<u>(\$ 337,070)</u>	<u>(\$ 929,975)</u>	<u>(\$ 1,217,495)</u>
Debt service as a percentage of non-capital expenditures	6.7%	6.1%	6.0%	6.4%	5.4%	5.6%	3.7%	6.1%	6.3%	7.0%
Debt service as a percentage of total expenditures	5.1%	5.2%	5.3%	5.7%	5.0%	5.4%	3.0%	5.1%	5.9%	5.8%

Source: DOF compilation of data.

BOROUGH OF CARLISLE
Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Schedule 5

<i>Fiscal Year</i>	Total Assessed Value of Real Property	Real Property Exemptions	Percentage of Exemptions	Assessed Value of Taxable Real Property	Percentage Change from Previous year	Total Direct Tax Rate	Total Direct Fire Tax Rate (included in Total Direct Tax Rate)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2017	\$ 1,953,893,400	\$ 507,038,700	26.0%	\$ 1,446,854,700	0.28%	3.50	0.44	\$ 1,953,893,400	100.0%
2016	1,947,489,000	504,732,700	25.9%	1,442,756,300	1.01%	3.28	0.22	1,947,489,000	100.0%
2015	1,937,063,700	508,795,200	26.3%	1,428,268,500	-0.17%	3.28	0.22	1,937,063,700	100.0%
2014	1,928,046,730	497,336,500	25.8%	1,430,710,230	-0.63%	3.28	0.22	1,928,046,730	100.0%
2013	1,931,196,600	491,391,400	25.4%	1,439,805,200	0.37%	3.28	0.22	1,931,196,600	100.0%
2012	1,916,182,800	481,665,500	25.1%	1,434,517,300	-0.35%	3.06	0.00	1,916,182,800	100.0%
2011	1,919,045,100	479,440,200	25.0%	1,439,604,900	23.14%	3.06	0.00	1,919,045,100	100.0%
2010	1,601,748,320	432,652,530	27.0%	1,169,095,790	-0.05%	3.57	0.00	1,601,748,320	100.0%
2009	1,600,843,540	431,147,350	26.9%	1,169,696,190	1.61%	3.08	0.00	1,600,843,540	100.0%
2008	1,557,885,360	406,722,630	26.1%	1,151,162,730	1.64%	2.81	0.00	1,557,885,360	100.0%

Source: DOF analysis of county assessment data.

BOROUGH OF CARLISLE
Revenue Capacity Information
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (rate per \$ 1,000 of assessed value)

Schedule 6

Borough of Carlisle				Overlapping Rates ^(a)					
<i>Fiscal Year</i>	Operating Millage	Fire Tax Millage	Total Direct	Cumberland County Operating Millage	Cumberland County Library Millage	Total County Millage	Carlisle Area School District Operating Millage	Total Overlapping Rate	Borough Percentage of Total
2017	3.058	0.437	3.495	2.195	0.166	2.361	14.037	19.893	17.57%
2016	3.058	0.217	3.275	2.195	0.143	2.338	13.641	19.254	17.01%
2015	3.058	0.217	3.275	2.195	0.143	2.338	13.244	18.857	17.37%
2014	3.058	0.217	3.275	2.195	0.143	2.338	12.933	18.546	17.66%
2013	3.058	0.217	3.275	2.131	0.143	2.274	12.606	18.155	18.04%
2012	3.058	0.000	3.058	1.902	0.143	2.045	12.371	17.474	17.50%
2011	3.058	0.000	3.058	1.902	0.143	2.045	12.260	17.363	17.61%
2010	3.570	0.000	3.570	2.399	0.180	2.579	14.830	20.979	17.02%
2009	3.080	0.000	3.080	2.399	0.180	2.579	14.330	19.989	15.41%
2008	2.810	0.000	2.810	2.285	0.180	2.465	13.800	19.075	14.73%

Source: DOF analysis of borough, county, and school district data.

^a Overlapping rates are those of local and county governments that apply to property owners within the Borough of Carlisle.

BOROUGH OF CARLISLE
Revenue Capacity Information
Principal Property Taxpayers
Current Year and Ten Years Ago

Schedule 7

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Borough Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Borough Taxable Assessed Value
LIT Industrial LP	\$ 42,500,000	1	2.9%	\$ 38,100,000	1	3.3%
Carlisle Commons LLC	37,838,000	2	2.5%			
Allen Distribution	30,704,500	3	2.1%	27,023,330	3	2.3%
Carlisle Corporation	22,675,000	4	1.6%	28,769,550	2	2.5%
KTRPA Cent LLC	19,300,000	5	1.3%			
Giant Food Stores LLC	18,300,000	6	1.3%			
Ross Stores Pennsylvania LP	15,975,000	7	1.1%	15,640,000	5	1.3%
Patriarch Seven Gables LP	11,800,000	8	0.8%			
Headlands Realty Corp.	11,603,000	9	0.8%			
Clover-Carlisle LLC	10,500,000	10	0.7%			
Key Distribution Center				18,075,000	4	1.6%
RA Carlisle, LLC				13,348,710	6	1.2%
Kimco Carlisle LP				10,388,300	7	0.9%
Cedar-Carlisle LLC				10,000,000	8	0.9%
IAC Carlisle LLC				8,980,720	9	0.8%
Home Depot USA Inc				8,000,000	10	0.7%
Total	<u>\$ 221,195,500</u>		<u>15.1%</u>	<u>\$ 178,325,610</u>		<u>15.5%</u>
Total Taxable Assessed Value	\$ 1,446,854,700			\$ 1,151,162,730		

Source: DOF analysis of county assessment data.

BOROUGH OF CARLISLE
Revenue Capacity Information
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

<i>Fiscal Year</i>	Taxes Levied for the Fiscal Year	Fire Tax Levied for the Fiscal Year	Total Direct Tax Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 4,415,984	\$ 631,053	\$ 5,047,037	\$ 4,948,035	98.0%	n/a	\$ 4,948,035	98.0%
2016	4,411,948	313,078	4,725,026	4,644,586	98.3%	66,741	4,711,327	99.7%
2015	4,360,781	309,449	4,670,230	4,554,455	97.5%	145,681	4,700,136	100.6%
2014	4,375,112	310,466	4,685,578	4,564,907	97.4%	117,857	4,682,764	99.9%
2013	4,397,855	312,080	4,709,935	4,585,653	97.4%	122,782	4,708,435	100.0%
2012	4,389,236	-	4,389,236	4,272,661	97.3%	116,169	4,388,830	100.0%
2011	4,402,312	-	4,402,312	4,231,007	96.1%	124,124	4,355,131	98.9%
2010	4,176,174	-	4,176,174	4,021,135	96.3%	46,688	4,067,823	97.4%
2009	3,602,665	-	3,602,665	3,431,482	95.2%	100,839	3,532,321	98.0%
2008	3,234,086	-	3,234,086	3,159,600	97.7%	74,486	3,234,086	100.0%

Source: DOF analysis of borough data.

BOROUGH OF CARLISLE
Debt Capacity Information
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 9

<i>Fiscal Year</i>	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	General Obligation Notes	General Obligation Bonds	General Obligation Notes			
2017	\$ 6,208,107	\$ 549,351	\$ 18,451,893	\$ 10,685,650	\$ 35,895,001	6.89%	1,888
2016	-	5,596,538	-	19,407,966	25,004,504	4.81%	1,320
2015	714,893	4,056,956	7,359,460	8,644,615	20,775,924	4.13%	1,098
2014	787,277	5,028,220	8,104,914	8,063,510	21,983,921	4.36%	1,162
2013	856,138	4,411,248	8,813,890	7,331,170	21,412,446	4.43%	1,139
2012	876,987	4,579,810	9,025,880	7,360,192	21,842,869	4.52%	1,162
2011	699,924	4,704,479	9,537,496	3,156,431	18,098,330	3.83%	969
2010	685,301	4,930,367	5,285,727	8,248,466	19,149,861	4.05%	1,025
2009	5,943,792	-	8,864,901	2,111,164	16,919,857	3.63%	919
2008	7,147,095	-	9,589,575	1,020,001	17,756,671	4.51%	964

Source: DOF analysis of data.

BOROUGH OF CARLISLE
Debt Capacity Information
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Schedule 10

<i>Fiscal Year</i>	General Obligation		General Obligation		Percentage of Actual Taxable Value ^(a) of Property		Per Capita
	Bonds		Notes	Total			
2017	\$ 24,660,000	\$	11,235,001	\$ 35,895,001	2.48%		1,888
2016	-		25,004,504	25,004,504	1.73%		1,320
2015	8,074,353		12,701,571	20,775,924	1.45%		1,098
2014	8,892,191		13,091,730	21,983,921	1.54%		1,162
2013	9,670,028		11,742,418	21,412,446	1.49%		1,139
2012	9,902,867		11,940,002	21,842,869	1.52%		1,162
2011	10,237,420		7,860,910	18,098,330	1.26%		969
2010	5,971,028		13,178,833	19,149,861	1.64%		1,025
2009	14,808,693		2,111,164	16,919,857	1.45%		919
2008	16,736,670		1,020,001	17,756,671	1.54%		964

^(a) See Schedule 5 for the Borough's property value data.

Source: DOF analysis of data.

BOROUGH OF CARLISLE
Debt Capacity Information
Direct and Overlapping Governmental Activities Debt
December 31, 2017

Schedule 11

Jurisdiction	Total Debt Outstanding	Percentage Applicable to the Borough^(a)	Amount Applicable to the Borough
Direct			
Borough of Carlisle - Governmental activities debt	\$ 6,757,458	100.0%	\$ 6,757,458
Overlapping			
Carlisle Area School District	60,140,000	44.7%	26,882,580
Cumberland County	37,830,000	6.0%	2,269,800
Total Overlapping Debt	97,970,000		29,152,380
Total	\$ 104,727,458		\$ 35,909,838

^(a) Percentages calculated by dividing borough's assessed value by school district and county assessed values.

Source: DOF analysis of borough, county, and school district data.

BOROUGH OF CARLISLE
Debt Capacity Information
Legal Debt Margin Information
Last Ten Fiscal Years

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2017

Borrowing Base Revenues:

2015	\$ 21,347,769
2016	22,190,871
2017	<u>23,651,953</u>
	<u>\$ 67,190,593</u>

Average Borrowing Base Revenue	\$ 22,396,864
Debt Limit Percentage	<u>250.0%</u>
Debt Limit	\$ 55,992,161
Less: Total Amount of Debt Applicable to Debt Limit	<u>30,896,001</u>
Legal Debt Margin	<u>\$ 25,096,160</u>

	2017	2016	2015	2014	2013	Fiscal Year 2012	2011	2010	2009	2008
Debt Limit	\$ 55,992,161	\$ 53,520,993	\$ 51,934,423	\$ 50,831,658	\$ 49,723,355	\$ 47,992,671	\$ 45,814,353	\$ 44,181,235	\$ 44,055,023	\$ 43,776,428
Total Amount of Debt Applicable to Debt Limit	<u>30,896,001</u>	<u>24,948,728</u>	<u>20,530,809</u>	<u>21,983,921</u>	<u>21,412,446</u>	<u>21,842,869</u>	<u>18,219,041</u>	<u>19,578,833</u>	<u>17,386,164</u>	<u>18,370,001</u>
Legal Debt Margin	<u>\$ 25,096,160</u>	<u>\$ 28,572,265</u>	<u>\$ 31,403,614</u>	<u>\$ 28,847,737</u>	<u>\$ 28,310,909</u>	<u>\$ 26,149,802</u>	<u>\$ 27,595,312</u>	<u>\$ 24,602,402</u>	<u>\$ 26,668,859</u>	<u>\$ 25,406,427</u>
Total Amount of Debt Applicable to Debt Limit as a percentage of debt limit	55.18%	46.61%	39.53%	43.25%	43.06%	45.51%	39.77%	44.31%	39.46%	41.96%

Source: DOF analysis of data.

BOROUGH OF CARLISLE
Demographic and Economic Information
Demographic and Economic Statistics
Last Ten Fiscal Years

Schedule 13

<i>Fiscal Year</i>	<i>Population</i> ^(a)	<i>Personal Income</i>	<i>Per Capita Income</i>	<i>School Enrollment</i> ^(b)	<i>Number of Dropouts</i> ^(b)	<i>Dropouts as a Percentage of Enrollment</i>	<i>Unemployment Rate</i> ^(c)
2017	19,014	\$ 520,907,544	\$ 27,396	5,106	33	0.65%	4.20%
2016	18,945	519,775,020	27,436	5,101	34	0.67%	4.20%
2015	18,916	503,657,416	26,626	5,175	29	0.56%	4.20%
2014	18,916	503,657,416	25,690	5,080	33	0.65%	4.10%
2013	18,800	482,972,000	25,690	5,099	25	0.49%	6.50%
2012	18,800	482,972,000	25,324	4,852	42	0.87%	7.20%
2011	18,682	473,102,968	25,288	4,802	26	0.54%	7.20%
2010	18,682	472,430,416	25,288	4,782	32	0.67%	7.70%
2009	18,419	465,779,672	21,394	4,793	24	0.50%	7.80%
2008	18,419	394,056,086	21,394	4,593	45	0.98%	4.30%

^(a) Census Bureau-American Community Survey.

^(b) Carlisle Area School District.

^(c) PA Department of Labor and Industry.

Source: DOF analysis of data.

BOROUGH OF CARLISLE
Demographic and Economic Information
Principal Employers
Current Year and Ten Years Ago

Schedule 14

Employer	2017			2008		
	Employees	Rank	Percentage of Total Borough Employment	Employees	Rank	Percentage of Total Borough Employment
HGSS	2,616	1	10.2%			
Dickinson College	2,054	2	8.0%	2,879	1	12.2%
Giant Foods, LLC	1,078	3	4.2%	2,807	2	11.9%
Carlisle Construction Materials	735	4	2.9%			
Cumberland County	707	5	2.7%	798	8	3.4%
United Parcel Service Inc	579	6	2.2%			
Carlisle Area School District	568	7	2.2%	1,079	6	4.6%
Ross Dress For Less Inc.	560	8	2.2%	951	7	4.0%
Staffmark Investment LLC	559	9	2.2%			
Alma Health LLC	518	10	2.0%			
Walmart Associates Inc.				2,146	3	9.1%
TYCO				1,554	4	6.6%
Manpower				1,521	5	6.4%
Lowe's				683	9	2.9%
Carlisle Tire and Wheel				653	10	2.8%
	<u>9,974</u>		<u>38.8%</u>	<u>15,071</u>		<u>63.6%</u>
Total Borough Employment	<u>25,743</u>			<u>23,678</u>		

Source: DOF analysis of Cumberland County Tax Bureau data.

BOROUGH OF CARLISLE
Operating Information
Full-Time Equivalent Borough Employees by Function/Program
Last Ten Fiscal Years

Schedule 15

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Function/program</i>										
General Government										
Borough Manager's Office	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Department of Finance	6.50	6.50	5.00	5.00	5.50	5.00	4.50	4.50	4.50	5.50
Tax Collection	0.00	0.00	0.00	0.00	0.75	0.00	0.50	0.50	0.50	1.00
Human Resources/Risk Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Buildings and Plants	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Public Safety										
Police Department	35.00	35.00	35.00	37.00	37.00	33.50	37.00	37.00	37.00	37.00
Fire Department	0.50	0.50	1.00	1.00	1.00	0.50	0.50	0.50	1.50	1.50
Public Works										
Administration & Engineering Division	4.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Operations Division	23.00	23.00	8.00	9.50	9.50	9.50	10.00	9.00	9.00	9.00
Planning & Codes Division	5.00	5.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00
Parks and Recreation	8.50	8.50	8.50	8.50	9.00	8.00	8.00	8.00	8.00	8.00
Water	8.00	9.00	15.00	16.50	16.50	18.00	16.00	18.50	17.00	17.00
Sewer	18.00	15.00	25.00	25.00	23.50	23.50	26.00	26.00	24.00	24.50
Parking	3.50	3.50	3.50	3.00	3.00	1.00	1.50	2.50	2.00	2.00
Total Employment	117.00	115.00	114.00	118.50	118.75	112.00	117.00	118.50	116.50	118.50

Source: DOF analysis of data.

BOROUGH OF CARLISLE
Operating Information
Operating Indicators by Function/Program
Last Ten Fiscal Years

Schedule 16

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function/program										
General Government										
Real estate tax certifications	782	702	713	n/a	920	462	1,101	1,357	1,079	959
Public Safety										
Arrests	1,100	1,351	1,665	1,014	1,542	1,545	1,785	1,434	1,483	1,634
Parking violations	6,863	5,636	13,053	15,627	7,108	7,451	4,772	7,921	7,799	8,046
Traffic violations	1,610	1,962	2,312	2,221	2,355	2,681	2,578	3,121	3,440	3,443
Calls for service	24,103	21,487	25,319	19,791	18,113	17,967	17,467	19,143	19,260	20,248
Fire responses	456	534	597	547	567	522	530	498	488	529
Building-related permits issued	655	918	1,031	831	1,014	838	1,335	783	836	643
Public Services										
Miles of streets resurfaced	2.40	1.56	1.00	3.00	3.00	4.00	7.00	8.00	1.00	1.84
Parks and Recreation										
Community pool attendance	17,316	20,017	19,770	17,085	19,099	22,634	22,965	24,996	24,141	25,213
Number of seasonal programs	160	224	170	163	135	156	113	184	96	67
Water										
New connections	17	9	4	6	4	6	12	29	30	2
Water main breaks	13	21	20	28	20	7	20	13	21	15
Consumption (mgd)	2.34	2.69	2.92	2.48	2.05	2.28	2.42	2.13	2.44	3.06
Sewer										
Sewage treatment (mgd)	2.58	2.96	3.22	3.37	2.91	3.48	4.45	3.37	3.50	3.94
Parking										
Average daily parking meter revenue	714	877	660	579	527	551	526	559	555	580

Source: DOF compilation of data.

BOROUGH OF CARLISLE
Capital Asset Statistics by Function/Program
Last Ten Years

Schedule 17

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<i>Function/program</i>										
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	19	19	19	19	19	19	18	16	18	18
Fire stations	2	2	2	2	2	2	2	2	2	3
Fire vehicles	7	7	7	7	7	6	6	6	6	5
Public Services										
Borough streets (in miles)	56.7	56.7	56.7	56.7	56.3	56.3	56.3	56.3	56.3	56.1
Number of traffic lighted intersections	43	43	43	43	43	43	43	43	43	43
Parks and Recreation										
Number of parks	17	17	17	18	18	18	18	18	18	18
Acreage of park land	163	163	163	181	181	181	181	181	181	181
Number of community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (in miles)	77.2	77.2	77.2	76.5	76.5	76.5	76.5	76.5	76.4	76.3
Fire hydrants	564	564	564	557	555	555	555	550	548	546
Storage capacity (in million gallons)	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8
Sewer										
Sanitary sewers (in miles)	69.5	69.5	69.5	68.9	68.9	68.9	68.9	68.9	68.9	68.6
Storm sewers (in miles)	28.5	28.5	28.5	28.0	28.0	28.0	28.0	28.0	28.0	27.9
Treatment capacity (in gallons)	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Parking										
Number of parking lots	6	6	6	6	6	6	6	6	6	6
Number of street parking metered spaces	664	664	664	664	654	655	655	660	657	657
Number of off-street parking metered spc	132	132	132	132	132	122	122	122	106	106
Number of parking garages	1	1	1	1	1	1	1	1	1	1

Source: DOF compilation of data