



Comprehensive Annual Financial Report

*For the Year Ended
December 31, 2020*

City of Middletown
One Donham Plaza
Middletown, Ohio

CITY OF MIDDLETOWN, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2020

Prepared by
Finance Department

Jacob C. Burton
Finance Director

CITY OF MIDDLETOWN, OHIO
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INTRODUCTORY SECTION



CITY OF

MIDDLETOWN

June 30, 2021

To the Honorable Mayor, Members of City Council and Citizens of the City of Middletown:

State law requires that every general purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. We are pleased to present this Comprehensive Annual Financial Report for Middletown, Ohio. This report, for the year ended December 31, 2020, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that is has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The responsibility for the accuracy of all data presented its completeness and fairness of presentation rests with the management staff of the City of Middletown.

The City of Middletown is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget's Uniform Guidance, Audits of State and Local Governments. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Middletown's MD&A can be found immediately following the independent auditors' report.

MIDDLETOWN PROFILE

Population

Middletown is positioned between the major metropolitan areas of Cincinnati and Dayton in southwestern Ohio with a population of approximately 48,807.

Council-Manager Form of Government

The City of Middletown is a home-rule municipal corporation created by the laws of the State of Ohio. The City operates under its own charter which provides for a Council-Manager form of government.

The City Council is responsible for all policy matters including enactment of ordinances and resolutions to conduct City business. The City Council adopts the annual appropriation authorizing the expenditure of all City funds.

The Mayor and Council members are elected and serve four year terms. The Mayor is directly elected and the Vice-mayor is selected by City Council from among its members. City Council appoints the City Manager who is responsible for recommending all other City staff members for City Council approval. The City Manager is also responsible for implementing all City Council policies and for the day-to-day administration of the City government.

City Services

The City of Middletown provides traditional municipal services, including police and fire protection; street maintenance; building inspections; licenses and permits; vital statistics; and a municipal court. The City's water and sewer utilities serve the City and several townships adjacent to Middletown. The City also provides refuse services through a contract with Rumpke.

Middletown is an inviting midsize city with big-city amenities:

- An abundance of arts and cultural opportunities
- Easy access to world-class sports, arts and entertainment venues
- A state-of-the-art public library system that is consistently ranked in the Top 10 for communities of this size
- Cost of living is below national average
- New, state-of-the-art hospital
- An expanding regional airport
- A myriad of parks and sporting options, including a bicycle pathway and botanical garden
- Two outstanding college branches—Miami University and Cincinnati State
- Affordable, abundant housing that come in every style and price range
- Award-winning health care services
- Transit system throughout the city and county wide

Budgetary Process and Controls

Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. The City Manager, with the assistance of the Finance Director, is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds, for the succeeding fiscal year by the first council meeting in July. The budget is required to be adopted by the legislative body by July 15 and to be submitted to the County Budget Commission by July 20 of each year. City Council is required by Charter to adopt a permanent appropriation measure for the ensuing fiscal year no later than January 1st. In November, 2019, City Council adopted the 2020 fiscal year permanent appropriation measure.

The City maintains budgetary control on a non-GAAP budgetary basis by fund/division along with a personnel category and a category labeled other (the state minimum legal level of control). Management further monitors budgetary performance by establishing lower levels of budgetary control within each fund by department at major object levels, which include personal services, contractual services, commodities, other expenditures, capital outlay, debt service and operating transfers.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Finance Director for certification of funds and preparation of a purchase order after approval of the appropriate Department Director. The purchase order is reviewed for the availability of funds and the estimate authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year.

The City's Treasury Division monitors year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. This permits the Finance Director and other City officials to ascertain the status of each department's appropriations at any time during the year. A description of the various funds and the basis of accounting are included in Note 1 to the basic financial statements.

Economic Outlook and Relevant Financial Policies

One of the most important duties we have is the management of our resources. The annual budget is the first major step of managing these resources. While our local economy is continuing to stabilize with the reopening of businesses and the assistance of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the 2021 Budget and Financial Plan are cautiously optimistic.

The COVID-19 pandemic has brought unprecedented economic uncertainty upon us, impacting revenues and budgets throughout the State, County, and the City of Middletown. The unemployment rate soared from 4.4% in March, 2020 to 14.1% in April, 2020 and 11.2% in May, 2020.

Despite the grim outlook, in November, 2020, Middletown voters approved a City Income Tax increase of 0.25% to be earmarked for Streets beginning in January 2021 and for the next ten years. The \$31.3 million in additional revenue will pave 137 lane miles, and along with other planned paving projects, the City of Middletown will spend a total of \$51 million to pave 200 lane miles within the next two years.

The City has experienced over \$1 billion dollars of investment made by area businesses since 2007. These investments include a variety of businesses including industrial, commercial, educational, restaurant, retail and medical facilities. Exciting new revitalization efforts are taking place that will transform our City, both downtown and on the east end.

Residential development is also moving forward. The Renaissance development in Warren County offers a variety of new home collections and new home construction continues in the Sawyers Mill neighborhood.

A 612,000 square foot speculative warehouse in the MADE Industrial Park named the “75 Logistics Center” has two new tenants, Cintas and DHL. A new Dairy Queen Grill & Chill has opened on Roosevelt Boulevard (Route 122) and several new businesses have opened in the downtown area.

With the mask mandates and health orders beginning to decrease, the City looks forward to the return of live bands, fireworks, and a designated outdoors refreshment area to kick off the summer!

Water rates are reviewed every two years while taking in consideration of operations, maintenance, and capital improvement costs. There is no increase in water rates scheduled for 2021. Sewer rates will increase 5%, Solid Waste will increase by \$1.00 per month and the Storm Water fee will increase by \$0.75 per month in 2021. A minimum monthly utility bill will increase from \$55.55 to \$58.44 after all of the increases listed above; with the average user (600 cubic ft.) increasing by \$3.99 per month. According to the annual Oakwood Water and Sewer Rate Survey for southwest Ohio, the City ranks as the fifteenth lowest out of the sixty-six communities surveyed for water, fifty-fifth out of sixty-three communities surveyed for sewer and forty-first out of sixty-three communities surveyed for combined services as of March 1, 2020.

The Middletown unemployment rate has increased by .1% from 2019 to 2020:

| UNEMPLOYMENT RATE (%) | | | |
|------------------------------|-------------------|-------------|--------------|
| Yearly Average | | | |
| | <u>Middletown</u> | <u>Ohio</u> | <u>U. S.</u> |
| 2019 | 4.5% | 4.1% | 3.5% |
| 2020 | 4.6% | 5.6% | 6.7% |

Property Taxes/Local Income Taxes

The two local revenues that support most of the City’s non-business type operations are the property tax and the local income tax.

The City’s property tax rate is 6.90 mils or \$6.90 per \$1,000 of taxable valuation. Real property is assessed at 35% of estimated true value. The assessed value of public utility personal property ranges from 25% to 88% for electric transmission and distribution property. General business tangible personal property tax has been phased out. The Senior Citizens Levy, with a one mil tax rate, began in 2013 and expired in five years. This levy was renewed for an additional five years beginning in 2018. The majority of property tax revenues are used by the City’s General Fund.

Assessed values and cash receipts, including State reimbursements of rollback and homestead exemptions, for the past five years are as follows:

| <u>Levy Year</u> | <u>Collection Year</u> | <u>Assessed Value</u> | <u>Property Tax Revenues (cash basis)</u> |
|----------------------|----------------------------|---------------------------|---|
| 2015 | 2016 | \$660,204,000 | \$ 4,043,885 |
| 2016 | 2017 | \$662,132,320 | \$ 3,823,670 |
| 2017 | 2018 | \$702,965,460 | \$ 4,054,178 |
| 2018 | 2019 | \$706,717,500 | \$4,169,113 |
| 2019 | 2020 | \$747,047,250 | \$4,175,414 |

The City levies a 1.75% local earnings tax on all businesses and on all persons employed in the City of Middletown. The 1.75% local earning tax includes a .25% Public Safety Levy which is used for public safety activities. All businesses operating in the City also pay a 1.75% on their earnings attributed to their Middletown facility.

Local income tax receipts for the past five years are:

| <u>Local Income Tax Receipts (Cash Basis)</u> | |
|---|--------------|
| 2016 | \$22,285,507 |
| 2017 | \$24,047,903 |
| 2018 | \$24,941,368 |
| 2019 | \$26,309,538 |
| 2020 | \$23,726,882 |

FINANCIAL INFORMATION

Accounting Controls

The City's budgetary accounting system was designed to provide reasonable, but not absolute, assurances that the City's assets are protected against loss and unauthorized use or disposition; and reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated using the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation; and
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the members of the Finance Department.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Cash Management

Cash management is an integral component of the City's overall financial plan. The City attempts to earn a market rate of return consistent with providing the liquidity needed to pay obligations on a timely basis. The use of short-term investments allows the City to earn interest on all funds.

The City's investments comply with Section 135.14 of the Ohio Revised Code and the maximum maturity is limited to five years. Interest earnings are allocated to funds based on the requirements of the Ohio Constitutions, Codified City Ordinance 165.01, the City Charter and ordinances. As required by law, all deposits are covered by eligible collateral, while investment securities (treasuries and agency/instrumentality issues) are specifically permitted by the Ohio Revised Code and the City's investment policy.

Authorized investments are described in detail in Note 3 of the footnotes to the basic financial statements included with the financial section of this comprehensive annual financial report.

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must be either insured or protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The primary objectives of the City's investment program, in order of priority, are as follows:

1. Safety – The safety of principal balances is the City's foremost objective and all investments are undertaken in a manner to insure the preservation of capital.
2. Liquidity – All investments should be sufficiently liquid to meet all operating requirements that can be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment portfolio should consist of securities with active resale markets.
3. Yield – Return on investment is of least importance compared to the safety and liquidity objectives described above. Investments are limited to low risk securities with the expectation of earning market value.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark Schaefer Hackett performed the City's 2020 audit. The Independent Auditors' Report on the City's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Middletown for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the content of which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

Acknowledgements

The 2020 Comprehensive Annual Financial Report of the City of Middletown is the result of the combined efforts of the City's Finance Department, Hurst, Kelly & Company, and Clark Schaefer Hackett, which was the City's auditor.

The support of the Middletown City Council and staff was essential in the successful preparation and issuance of this report.

Respectfully submitted,

DEPARTMENT OF FINANCE



Barbara Bradley
Acting Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Middletown
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrell

Executive Director/CEO

CITY OF MIDDLETOWN, OHIO

Principal Officials

January 1, 2020

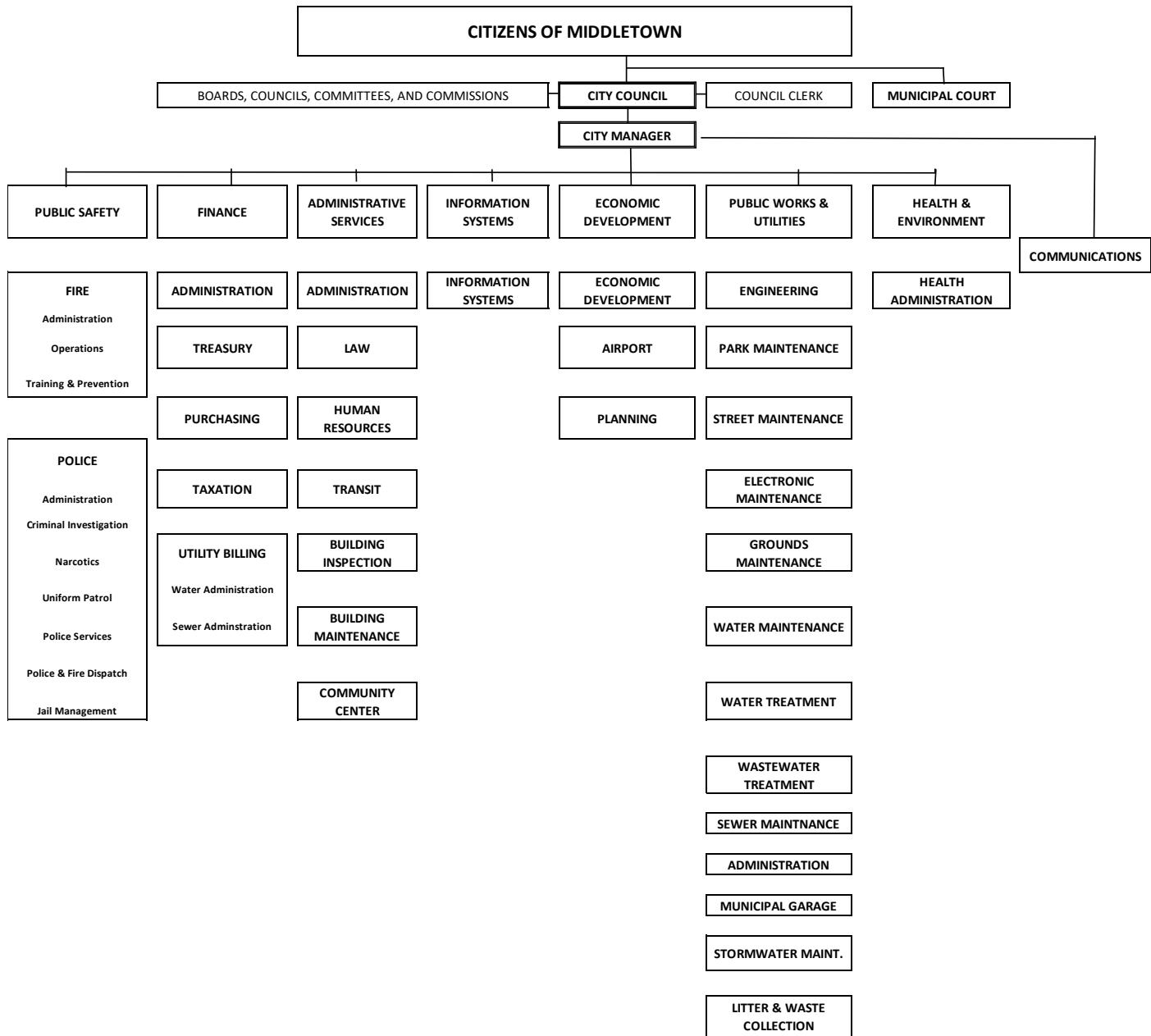
Legislative

| | |
|-----------------------------|---------------------------|
| Mayor | Nicole A. Condrey |
| Vice Mayor | Talbott C. Moon |
| Council Member | Joseph H. Mulligan |
| Council Member | Monica J. Nenni |
| Council Member | Amy L. Vitori |

Executive/Administrative

| | |
|---|------------------------------|
| Acting City Manager/Administrative Services Director | Susan H. Cohen |
| Chief of Police | David M. Birk |
| Director of Court Services | Steven P. Longworth |
| Economic Development Director | Jennifer L. Ekey |
| Finance Director | Jacob C. Burton |
| Fire Chief | Paul J. Lolli |
| Health Commissioner | Jacquelyn D. Phillips |
| Information Systems | Troy S. Anderton |
| General Counsel | Ashely M. Bretland |
| Public Works & Utilities Director | Scott D. Tadych |

CITY OF MIDDLETOWN 2020 ORGANIZATIONAL CHART



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Middletown, Ohio:

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 City of Middletown, Ohio (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City'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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 City of Middletown, Ohio, as of December 31, 2020, 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 management's discussion and analysis and other required supplementary information, as identified in the table of contents, 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 City'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 28, 2021

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

This discussion and analysis provides key information from management highlighting the overall financial performance of the City of Middletown for the year ended December 31, 2020. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the transmittal letter on page i, and the City's financial statements, which begin on page 22.

I. USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements.

The Basic Financial Statements

- Financial Statements for the City as Whole. The Statement of Net Position and the Statement of Activities (pages 22 and 23) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.
- Individual Fund Financial Statements. Fund financial statements also reflect the City's operations in more detail than the government-wide financial statements by providing information about the City's major funds. For governmental funds, these statements tell how these services were financed in the short-term as well as what remains for future spending. These statements begin on page 24.
- Fiduciary Financial Statements. The fiduciary statements (page 38) provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the government.
- Notes to the Basic Financial Statements. The Notes provide helpful information explaining the City's significant accounting procedures and providing greater detail regarding financial statement components (pages 40 to 88).

Required Supplementary Information

- Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis. Schedule is presented for the General Fund (pages 89 to 92) and the Health Fund (page 93) that compare actual results to the original and final budget for this fund.
- Schedules pertaining to the net pension liability, net OPEB liability and contributions to the pension funds begin on page 94.

A. Reporting the City as a Whole

Government-wide statements

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets and liabilities and deferred outflows/inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

These two statements also report the City's *net position* and changes in this position. The City's net position – the difference between assets and liabilities and deferred outflows/inflows - are one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position is only one indicator of its *financial health*. Consideration should be given to additional items such as changes in the City's property tax base, changes in City operations, and the City's overall employment base, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities are activities that are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. City service departments reported in governmental activities include the Police and Fire Divisions, the Municipal Court, the Public Works Department, the Planning Department, the City Health Department and general government support departments.
- Business-type activities are activities that are financed by fees or charges for services. The City of Middletown provides water, sewer, storm water, and refuse services to its customers and charges fees to cover the costs of these operations. Other city business-type activities which are financed with fees, as well as other sources, are the Hook Field/Middletown Regional Airport and the Middletown transit system.

B. Reporting the City's Most Significant Funds

Fund financial statements

The City accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the fund financial statements that begin on page 24. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the City as a whole. Some funds are required to be established by State Law. However, the City Council establishes many other funds to help control and manage money for particular purposes, like water, storm water, sewer, and solid waste activities. City Council may also establish separate funds to show that it is meeting legal responsibilities for using certain taxes, grants, or other money, such as grants and contributions received for community and economic development activities. The City's two kinds of funds –*governmental and proprietary* - use different accounting methods.

- Governmental funds - Most of the City's basic services are reported in governmental funds. The fund statements present how cash flows into and out of those funds, and show the balances remaining at year-end that are available for future spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. *Information in governmental fund statements helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.* The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The government-wide financials, as previously described, present the government funds on the whole using the full accrual accounting basis. The differences between governmental activities as reported in the government-

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

wide financial statements and as reported in the fund statements are presented in a reconciliation attached to the fund financial statements.

- Proprietary funds – There are two types of proprietary funds, enterprise funds and internal service funds. Proprietary funds are reported using the full accrual accounting basis. When the City charges customers for the services it provides with the intention that the charges will fully cover the cost of the services, these activities are reported in enterprise funds. Enterprise funds are generally reported in the same way that all activities are reported in the government-wide Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are the same funds we report in the combined business-type activities column in the government-wide statements. The individual fund statements for enterprise funds provide more detail and additional information, such as cash flows. Internal service funds are used to report activities within the government that are centralized for efficiency in separate funds in order to provide supplies and services to the other City programs and activities. The City has two separate funds: the Municipal Garage Fund and the Employee Benefits Fund. These internal service funds are combined and shown in a separate column in the proprietary funds statements. In the government-wide financials, their activities are consolidated into the governmental and business-type activities.

C. The City as Fiscal Agent

Reporting the City's Custodial Responsibilities

The City is responsible in a custodial capacity for other assets that can only be used for designated beneficiaries. The financial statements for these funds are reported on page 38. During 2020, the City had two custodial funds. The Municipal Court fund accounts for the activities of the Municipal Court collections which are due to other agencies and to certain individuals. The Joint Economic Development District I Fund records and accounts for the collection and disbursement of tax revenue with Liberty Township and the City of Mason. The City acts as the collection agent for these separate activities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations.

II. THE CITY AS A WHOLE

A. Net position at year-end

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City adopted GASB Statement 75 in 2018, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

The following table presents a condensed summary of the City's overall financial position at December 31, 2020 and 2019 (in thousands).

Table 1
Net Position
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|-----------------|--------------------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 49,410 | 44,689 | 50,443 | 44,420 | 99,853 | 89,109 |
| Capital assets | <u>81,812</u> | <u>79,128</u> | <u>87,512</u> | <u>81,026</u> | <u>169,324</u> | <u>160,154</u> |
| Total assets | 131,222 | 123,817 | 137,955 | 125,446 | 269,176 | 249,263 |
| Deferred outflows of resources | 12,163 | 20,231 | 967 | 1,586 | 13,130 | 21,817 |
| Long-term liabilities | 78,485 | 92,942 | 13,232 | 15,105 | 91,717 | 108,048 |
| Other liabilities | <u>4,280</u> | <u>3,534</u> | <u>2,613</u> | <u>3,111</u> | <u>6,893</u> | <u>6,645</u> |
| Total liabilities | 82,765 | 96,476 | 15,845 | 18,216 | 98,610 | 114,693 |
| Deferred inflows of resources | 16,911 | 8,810 | 982 | 90 | 17,893 | 8,900 |
| Net position: | | | | | | |
| Net investments in capital assets | 68,760 | 63,745 | 80,406 | 73,092 | 149,166 | 136,837 |
| Restricted | 15,036 | 14,352 | - | - | 15,036 | 14,352 |
| Unrestricted | <u>(40,086)</u> | <u>(39,336)</u> | <u>41,687</u> | <u>35,633</u> | <u>1,601</u> | <u>(3,703)</u> |
| Total position | 43,709 | 38,761 | 122,094 | 108,725 | 165,803 | 147,486 |
| Beginning net position | 38,761 | 17,566 | 108,725 | 96,440 | 147,486 | 114,006 |
| Net increase (decrease) | <u>4,948</u> | <u>21,195</u> | <u>13,369</u> | <u>12,285</u> | <u>18,317</u> | <u>33,480</u> |
| Ending net position | \$ <u>43,709</u> | <u>38,761</u> | <u>122,094</u> | <u>108,725</u> | <u>165,803</u> | <u>147,486</u> |

As of December 31, 2020, the City's ending net position was \$165,803 compared to \$147,486 in 2019, an increase of \$18,317. Governmental activities increased \$4,948 and business type activities increased \$13,369 in 2020 over 2019 totals.

Although governmental activities net position increased by \$4,948 in 2020, by \$21,195 in 2019 and \$1,928 in 2017, governmental activities net position has decreased in the past (\$1,059 in 2018, \$668 in 2016, \$1,484 in 2015, \$11,760 in 2014, \$5,265 in 2013, and \$1,937 in 2012) with the economy playing a major role for these decreases. During this economic shortfall, the City used cash balances for operating expenses. The City took measures to cut expenses with decreased services and layoffs of staff in anticipation of these shortfalls.

The only decrease in the past ten years for business-type activities occurred in 2014 by \$83 which was due to a loss on the sale of the golf course.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

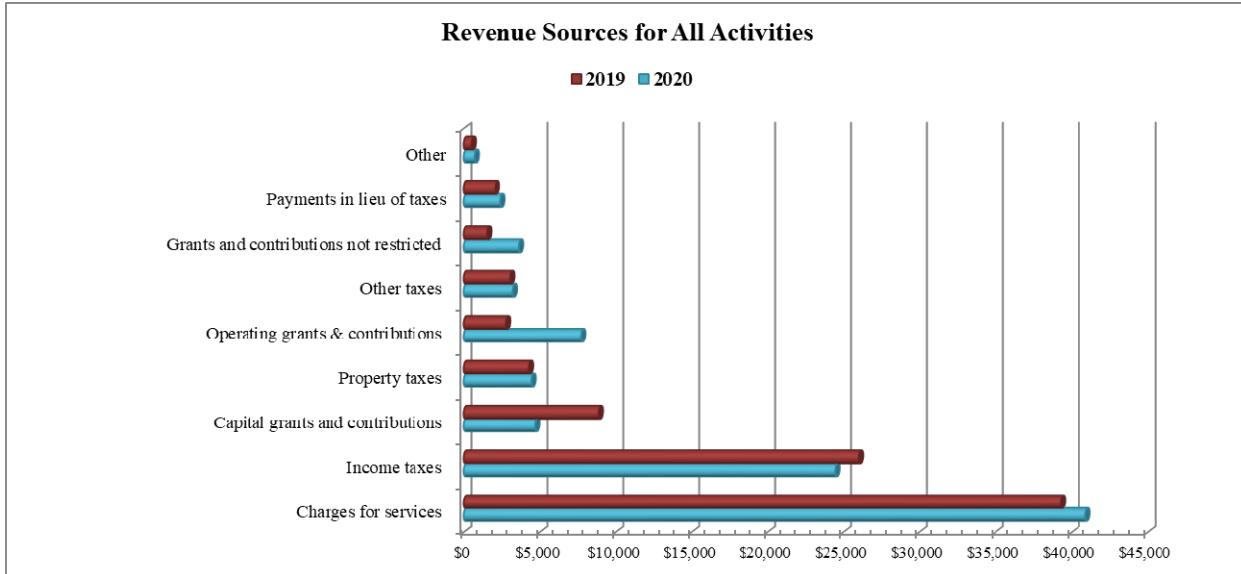
B. Governmental and Business-type Activities during 2020

Table 2, (in thousands) presents a condensed summary of the City's activities during 2020 and 2019 and the resulting changes in net position.

Table 2
Statement of Activities
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | | |
| <u>Program revenues:</u> | | | | | | |
| Charges for services | \$ 8,611 | 8,615 | 32,311 | 30,662 | 40,922 | 39,277 |
| Operating grants & contributions | 5,476 | 1,591 | 2,283 | 1,218 | 7,759 | 2,808 |
| Capital grants and contributions | <u>2,870</u> | <u>5,605</u> | <u>1,843</u> | <u>3,291</u> | <u>4,713</u> | <u>8,897</u> |
| Total program revenues | 16,958 | 15,812 | 36,437 | 35,170 | 53,394 | 50,982 |
| <u>General revenues:</u> | | | | | | |
| Income taxes | 24,483 | 26,010 | 0 | 0 | 24,483 | 26,010 |
| Property taxes | 4,465 | 4,296 | 0 | 0 | 4,465 | 4,296 |
| Other taxes | 3,247 | 3,078 | 0 | 0 | 3,247 | 3,078 |
| Payments in lieu of taxes | 2,434 | 2,067 | 0 | 0 | 2,434 | 2,067 |
| Grants and contributions not restricted | 3,647 | 1,521 | 0 | 0 | 3,647 | 1,521 |
| Investment earnings | 881 | 867 | 465 | 636 | 1,346 | 1,503 |
| Other | <u>109</u> | <u>229</u> | <u>598</u> | <u>281</u> | <u>707</u> | <u>510</u> |
| Total general revenues | <u>39,266</u> | <u>38,068</u> | <u>1,064</u> | <u>917</u> | <u>40,330</u> | <u>38,985</u> |
| Total revenues | 56,224 | 53,880 | 37,500 | 36,087 | 93,724 | 89,967 |
| Expenses | | | | | | |
| Public safety | 29,685 | 14,327 | 0 | 0 | 29,685 | 14,327 |
| Public health | 861 | 373 | 0 | 0 | 861 | 373 |
| Leisure activities | 1,213 | 746 | 0 | 0 | 1,213 | 746 |
| Community environment | 4,048 | 2,367 | 0 | 0 | 4,048 | 2,367 |
| Highways and streets | 5,489 | 7,080 | 0 | 0 | 5,489 | 7,080 |
| General government | 9,169 | 6,535 | 0 | 0 | 9,169 | 6,535 |
| Interest on long-term debt | 572 | 746 | 0 | 0 | 572 | 746 |
| Water | 0 | 0 | 7,748 | 7,602 | 7,748 | 7,602 |
| Sewer | 0 | 0 | 7,943 | 8,568 | 7,943 | 8,568 |
| Transit | 0 | 0 | 2,533 | 2,309 | 2,533 | 2,309 |
| Solid Waste | 0 | 0 | 3,681 | 3,498 | 3,681 | 3,498 |
| Storm Water | 0 | 0 | 1,353 | 1,560 | 1,353 | 1,560 |
| Airport | 0 | 0 | <u>1,114</u> | <u>776</u> | <u>1,114</u> | <u>776</u> |
| Total expenses | <u>51,037</u> | <u>32,174</u> | <u>24,371</u> | <u>24,313</u> | <u>75,408</u> | <u>56,487</u> |
| Increase/(decrease) in net position before transfers | 5,187 | 21,706 | 13,129 | 11,774 | 18,316 | 33,480 |
| Transfers | (239) | (511) | 239 | 511 | (0) | 0 |
| Increase/(decrease) in net position | 4,948 | 21,195 | 13,369 | 12,285 | 18,317 | 33,480 |
| Beginning net position | <u>38,761</u> | <u>17,566</u> | <u>108,725</u> | <u>96,440</u> | <u>147,486</u> | <u>114,006</u> |
| Ending net position | \$ <u>43,709</u> | <u>38,761</u> | <u>122,094</u> | <u>108,725</u> | <u>165,803</u> | <u>147,486</u> |

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020



Although in total, revenue sources have only fluctuated by 4.4%, there are several sources that have drastic changes from 2019 to 2020. Capital grants and contributions decreased \$4,184 or 47.02% with operating grants and contributions increasing 176.3% or \$4,951. Grants and contributions not restricted increased 139.8% or \$2,126, with \$3,647 in revenue for 2020 versus \$1,521 for 2019. The influx of \$3.5 million in CARES Act funding was a factor in the 2020 increase. Various functions of the City depend on grants for revenue and can fluctuate from year to year depending on the awarded amounts and the projects that the grants are funding.

Income taxes decreased in 2020 by \$1,527 or 5.9%, going from \$26,010 in 2019 to \$24,483 in 2020. Although income taxes have been on a steady rise since 2013, this revenue source saw a slight decline of just 1% in 2018 and a decline of 5.9% in 2020 due to the COVID-19 health pandemic. Prior to years 2018 and 2020, a stronger economy has contributed to the increased income tax revenue.

Property taxes increased slightly in 2020 by \$169 (from \$4,296 in 2019, to \$4,465 in 2020). Property taxes had been declining steadily from \$4,965 in 2008 to \$3,988 in 2017. Although 2013 had an increase of \$387 for property taxes, approximately \$700 was for the Senior Citizens levy. A five year renewal of the Senior Citizens levy was passed in May 2017. Increased property valuation, new construction revenue and a stronger economy have attributed to the recent rise in property tax revenue.

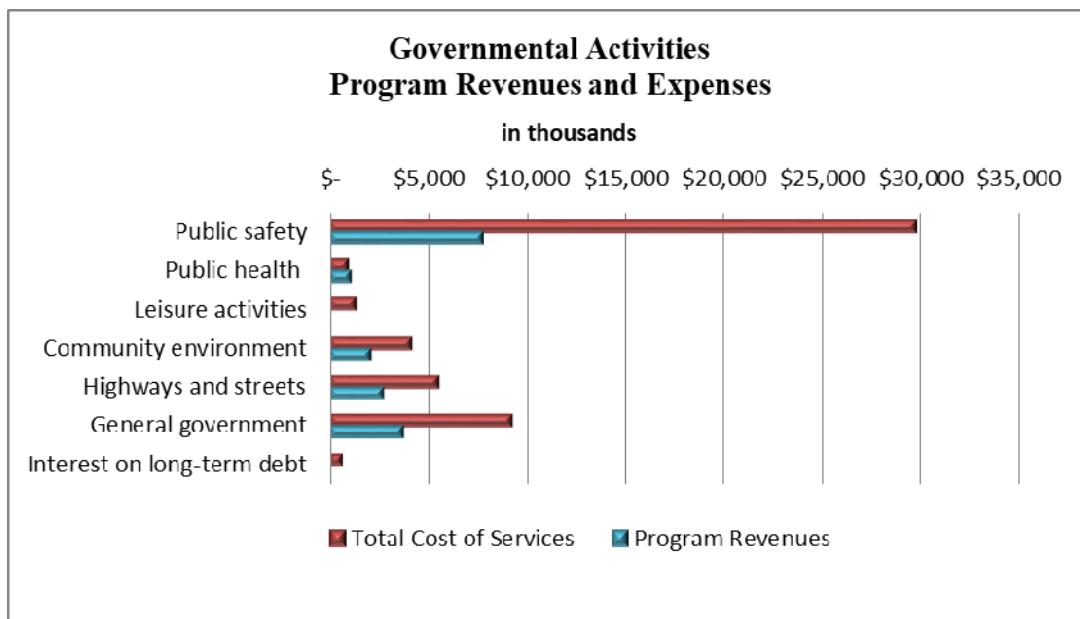
1) Governmental activities during 2020

Table 3 presents the total cost of each of the government's primary services and the net cost after deducting the revenues generated by these services. For 2020, 33% of total cost of services was offset with program revenues totaling \$16,958 leaving \$34,079 as the net cost of services. In 2019, total cost of services was offset 49% with income coming from program revenues. This was up from the 30% recouped in 2018 and 34% recouped in 2017. The City recouped about 32% for the cost of services in program revenues for 2016 and about 27% in 2015.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 3
Governmental Activities
(in thousands)

| | <u>Total cost of Services</u> | <u>Program Revenues</u> | <u>Revenues as a % of Total Costs</u> | <u>Net Cost of Services</u> |
|----------------------------|-------------------------------|-------------------------|---------------------------------------|-----------------------------|
| Public safety | \$ 29,685 | \$ 7,693 | 26% | \$ 21,993 |
| Public health | 861 | 1,005 | 117% | (144) |
| Leisure activities | 1,213 | 1 | 0% | 1,212 |
| Community environment | 4,048 | 1,984 | 49% | 2,064 |
| Highways and streets | 5,489 | 2,617 | 48% | 2,872 |
| General government | 9,169 | 3,658 | 40% | 5,511 |
| Interest on long-term debt | 572 | - | 0% | 572 |
| Total | <u>\$ 51,037</u> | <u>\$ 16,958</u> | <u>33%</u> | <u>\$ 34,079</u> |



Public Health recouped 117% of program costs in 2020. This was an increase of 10% over the 2019 Public Health total of 107%. Community Environment, which relies heavily upon federal and state grants, recouped only 49% of services in 2020 and covered 102% of its activities in 2019, 50% in 2018, 44% in 2017, and 45% in 2016. Community environment includes Community Development, Neighborhood Stabilization Program, and Home Funds.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Highways and streets activities for 2020 were funded with program revenues totaling 48%, down from 57% in 2019, yet up from 2018 with 41%. This was a decrease from 2017 with 76% and 2016 with 79%. In 2015, 31% was recouped. Grants are a large factor in fluctuations for this activity.

Public safety, the City's most expensive program, recouped 26% of its expenses in 2020 and 40% of its costs in 2019. This is up from the 21% for 2018. Local tax receipts and other general revenues were used to fund the remaining costs of this service.

Leisure activity had \$1 revenue for 2020. Leisure activity revenues did slightly increase to \$3 in 2019. Although there was a small increase in Leisure activities for 2019 the program did not receive any revenues in 2018, 2017, or 2016 compared to 8% being recovered in 2015. The Community Center activities were contracted out for the past five years.

2) Business-type activities during 2020

The City attempts to break even or gain a surplus on its business-type activities. All activities except Airport, Transit and Solid Waste had operating surpluses in 2020. Surpluses are used to accumulate earnings for future capital investments and debt payments.

The following table (in thousands) summarizes the business-type activities during 2020:

Table 4
Business-type Activities
(in thousands)

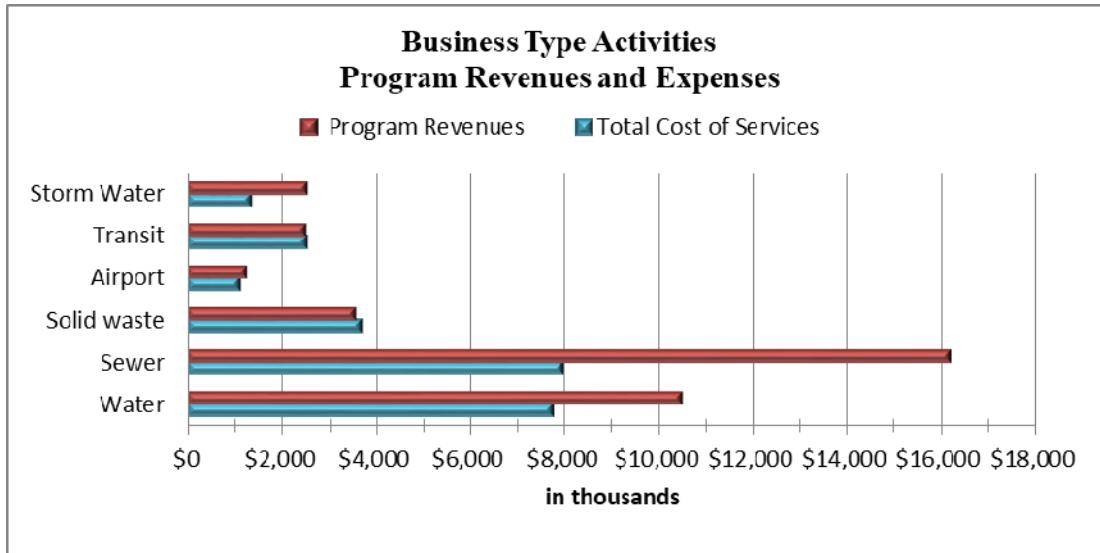
| | <u>Total Cost of Services</u> | <u>Program Revenues</u> | <u>Revenues as % of Total Costs</u> | <u>Net Revenue from Operations</u> |
|-------------|-------------------------------|-------------------------|-------------------------------------|------------------------------------|
| Water | \$7,748 | \$10,470 | 135% | \$2,722 |
| Sewer | 7,943 | 16,157 | 203% | 8,214 |
| Solid waste | 3,681 | 3,541 | 96% | (139) |
| Airport | 1,114 | 1,243 | 112% | 129 |
| Transit | 2,533 | 2,493 | 98% | (40) |
| Storm Water | <u>1,353</u> | <u>2,533</u> | <u>187%</u> | <u>1,180</u> |
| Total | <u>\$24,371</u> | <u>\$36,437</u> | <u>150%</u> | <u>\$12,066</u> |

The transit and airport funds rely upon grants and taxes to supplement their services. In 2015, FAA grants were received putting the airport in the surplus of \$122 in net revenue compared to a negative surplus of (\$85) for 2016. In 2017, transit ended with a negative surplus of (\$710) and the airport ended with a negative surplus of (\$151). Transit ended with a negative surplus of (\$422) recouping 81% of the cost of services in 2018. The airport ended 2018 with a negative surplus of (\$34) recouping 95% of the cost of services. For 2019, the airport ends with a negative surplus of (\$99) and transit ends with a negative surplus of (\$783). For 2020 the airport ends with a surplus of \$129 and the transit fund ends with a negative surplus of \$40. The airport also has a new revenue stream selling aviation fuel.

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Sewer rates were increased in late 2015, adding a 10% surcharge to all accounts. The surcharge is to replace aging sewer infrastructure. Water rates increased 7.5% in 2016. Water charges were increased by 7.5% again in 2017 along with a 15% increase in sewer and an additional \$0.75 per month for refuse removal. Sewer rates were increased 15% in 2018 and 10% in 2019. Sewer rates saw an increase of 10% in 2020, recouping 203% of operating expenses, along with a solid waste increase of \$0.50 per month due to a contract increase with Rumpke. Total cost of services vary for these funds due to capital improvement projects.

Storm water received \$2,533 in program revenues for 2020, down \$556 from \$3,089 in 2019. Program revenues were \$2,174 in 2018 and \$2,186 for 2017. This being up 2.9% from \$2,125 in 2016. The 2015 revenue amount was \$1,821. The increased revenue for 2016 and 2017 is due to a fee increase in 2016. Total cost of services will also vary for this fund to various capital projects of improving the storm water lines and appurtenances. The net revenue for storm water in 2020 was \$1,180.



III. THE CITY'S INDIVIDUAL FUNDS

A. Governmental funds

The financial statements for the City's governmental funds, using the modified accrual basis of accounting, are presented beginning on page 24. The City has fifty-five governmental funds, four of which are considered major funds. Assets of those four funds comprise approximately 65.07% of the total governmental funds' assets of \$45,934. The following table (in thousands) summarizes the activities of these major funds.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 5
Financial Highlights
Major Governmental Funds
(in thousands)

| | General Fund | Special Assessment Debt Service | Capital Improvements | Health Fund |
|------------------------------|---------------------|--|---------------------------------|--------------------|
| Total assets | \$ 24,965 | 1,307 | 2,846 | 770 |
| Total liabilities | (2,701) | - | (160) | (121) |
| Deferred inflow of resources | <u>(5,529)</u> | <u>(889)</u> | <u>(735)</u> | <u>-</u> |
| Fund balance | <u>16,736</u> | <u>418</u> | <u>1,950</u> | <u>649</u> |
| Unassigned fund balance | <u>\$ 10,430</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues | \$ 32,693 | 144 | 1,777 | 1,342 |
| Expenditures | (28,265) | (175) | (2,628) | (739) |
| Other financing sources/uses | <u>(2,098)</u> | <u>-</u> | <u>500</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 2,330</u> | <u>(31)</u> | <u>(351)</u> | <u>603</u> |

General Fund. The General Fund increased by \$2,330 or 16.2%, in 2020 to have an ending fund balance of \$16,736. The fund balance at the end of 2019 was \$14,406, this being a 2.4% decrease from the 2018 fund balance of \$14,759. There was an increase in 2018 of 10.7% over the 2017 ending fund balance of \$13,332. The 2017 fund balance of \$13,332 was an increase of 27.5% over the 2016 ending fund balance of \$10,454. The balance at end of year 2015 was \$9,459. The fund balance had been decreasing since 2010 until 2015 with an increase of \$495 and an even larger increase of \$995 for 2016 and \$2,878 in 2017. These increases and decreases are attributed to income tax revenues.

Special Assessment Debt Service Fund. The Special Assessment Debt Service fund receives special assessment payments from Middletown property owners and passes the payments along to the owner of the City's special assessment bonds.

Capital Improvement Fund. This fund typically relies heavily upon grants for capital improvement projects. Intergovernmental revenue decreased by 53.9% in 2020. Expenditures increased in 2015, and 2016 due to large street projects. This fund also received state and federal grants for street improvements in both 2018 and 2019.

Health Fund. The Health fund accounts for grant money received from the State for the City's public health subsidy, and to account for the activities of the City Health Department.

B. Proprietary funds

1) Enterprise funds

The following table (in thousands) provides financial highlights of the City's major enterprise funds. This information does not include the consolidation of internal service fund activity.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 6
Financial Highlights

| | Enterprise Funds | (in thousands) | | |
|---------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | Water Fund | Sewer Fund | Storm Water Fund | Solid Waste Fund |
| Total assets | \$ 44,938 | 66,857 | 14,746 | 664 |
| Total deferred outflows of resources | 352 | 443 | 76 | 8 |
| Total liabilities | (5,859) | (7,115) | (563) | (650) |
| Total deferred inflows of resources | <u>(377)</u> | <u>(430)</u> | <u>(81)</u> | <u>(8)</u> |
| Total net position | <u>39,054</u> | <u>59,754</u> | <u>14,177</u> | <u>13</u> |
| Unrestricted net position | <u>11,882</u> | <u>24,687</u> | <u>1,676</u> | <u>(395)</u> |
| Operating revenues | 10,207 | 15,702 | 2,003 | 3,541 |
| Operating expenses | (7,967) | (7,825) | (1,353) | (3,681) |
| Net non-operating revenues (expenses) | 264 | 397 | 77 | - |
| Net contributions and transfers | <u>277</u> | <u>414</u> | <u>529</u> | <u>-</u> |
| Net change in net position | <u>\$ 2,781</u> | <u>8,688</u> | <u>1,257</u> | <u>(139)</u> |

Water Fund. Water Fund rates are set to cover the fund's operating cost and to accumulate cash resources for future capital expenditures. The total net position for water in 2020 is \$39,054 with an increase in the net position by \$2,781 or 7.6%. An increase in assets is primarily due to work on a Dixie Highway water main replacement. The total net position for 2019 was up \$3,451 to \$36,273, with an increase in total assets by \$3,440. The 2019 increase in assets was due to work on the Kensington Pump Station. The change in net position for 2018 was \$4,255 with an increase in total assets by \$4,065. This increase in assets was due to work on Yankee Road and other large construction projects in the City. Additional water usage that began in 2018 was also a factor in increased water revenue. In 2017, the change in net position was \$1,760 with an increase in total assets by \$1,489. This increase was in large part due to work on Oxford State Road. In 2016, assets increased by \$1,168 mainly due to construction on the South Verity and Central Avenue water main projects being completed. The change in net position was \$2,002 for 2016, and \$1,259 for 2015. The largest factor for operating revenue increases in 2015, 2016 and 2017 is due to increased water rates. Rates increased 5% in 2015 and 7.5% in both 2016 and 2017. There was no water rate increase in 2019 or 2020.

Sewer Fund. In 2020, the sewer fund ended with a total net position of \$59,754, an increase of \$8,688 over the 2019 ending net position of \$51,066. There was a 10% sewer charge increase in 2020 along with \$4.3 million added to construction in progress for large long term control sewer projects that are not completed. In 2019, the sewer fund ended with a positive \$7,347 change in net position. A 10% rate increase for 2019 attributed to the increased operating revenues and an increase of \$7,438 in total assets was due to several large projects such as equipment repair at the wastewater treatment plant and large interceptor sewer repairs. For 2018, the sewer fund ended with a positive \$6,007 change in net position. There was a rate increase of 15% in 2018. There was a \$5,629 increase in total assets due to the work on Yankee Road and major repairs to the City's sewer systems. The Sewer Fund ended 2017 with a positive change in net position of \$4,373 due to a 15% rate increase in 2017 and a 10.3% increase of \$4,286 in

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

total assets from the 2016 total of \$41,372. The net change in position for 2016 was \$2,617, with 2015 being \$1,125. A 10% sewer surcharge was added to all accounts in late 2015 and sewer rates were increased 10% in 2014. The balance in the fund is to be used for large capital projects and infrastructure improvements.

Storm Water Fund. In 2020 the storm water fund net position saw an increase of \$1,257, primarily due to the addition of capital assets from large street paving projects. There was no rate increase in 2020. Total assets and the total net position both increased in 2019. Total assets increased by \$1,663 mostly due to contributed capital and several other large construction projects throughout the City. The overall net position increased by \$1,576. The Storm Water Fund ended the year with a \$764 change in net position for 2018, a decrease of \$155 from the 2017 change in net position of \$919. A \$914 change in net position for 2016. The change in 2015 was \$672. There was an increase of \$.25 per ERU (equivalent residential unit) added to all accounts in 2016. The first year for this fund to be a major enterprise fund was 2015.

Solid Waste Fund. A slight increase of \$129 in operating revenues in 2020 can be attributed to a rate increase of \$0.50 due to a contract increase with the City's garbage collection service. The total change in net position for 2020 is (\$139). Assets and operating expenses decreased slightly in both 2019 and 2018. Total assets decreased by \$79, from \$835 in 2018 to \$756 in 2019. The net change in net position is (\$87) for 2019 and (\$87) for 2018. Total assets decreased by \$31, from \$866 in 2017 to \$835 in 2018. Both total assets and operating revenues increased for 2017 resulting in a positive change in net position by \$108. Total assets decreased for 2016 and operating revenues increased resulting in (\$139) net change in net position. This compared to a net change in net position of (\$86) for 2015.

2) Internal service funds

Net position in the City's two internal service funds, are shown collectively on page 33.

The City's Employee Benefits Fund ended 2020 with a total net position of \$965, which is an increase of \$1,564. This is primarily due to a large transfer from the general fund. In 2019, the year ended with a total net position of (\$599), a difference of \$634 from the 2018 total of (\$1,233), which compared to an ending net position of (\$2,571) for 2017 for a difference of \$1,338. The ending net position in 2016 was (\$3,101). The total net position for 2015 was (\$947). These changes are due to increased health care costs. The rising cost of health insurance puts a burden on the City's budget; however, the City has increased efforts to reduce costs with the help of an employee/management sponsored health care committee. This fund maintains a required reserve for payments of claims for the time period of sixty days.

The Municipal Garage Fund ended 2020 with a total net position of \$10,746, a decrease of (\$109) from the 2019 total net position of \$10,855. The 2019 total was an increase of \$248 over the total net position of \$10,607 for 2018. The net position was \$10,054 in 2017 and \$9,534 for 2016 compared to \$8,612 in 2015. Funds are being set aside for future vehicle purchases according to a multi-year plan developed by the fleet manager.

IV. BUDGETED ACTIVITY AND ACTUAL RESULTS

The schedules comparing the City's original and final General Fund budget to actual includes both revenue and expenditures beginning on page 89. There were significant variances for the General Fund's

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

actual results compared to budget in 2020. Revenue exceeded budget by \$1,562 and actual expenses were \$1,713 less than the budgeted amount. The General Fund's original appropriation of \$32,218 was amended to \$34,159 with supplemental appropriations and de-appropriations. The General Fund's actual expenditures on a budget basis were \$32,446.

Original 2020 appropriations were increased during the year by \$14,586 for all funds. The majority of the supplemental appropriations included the following:

- \$3,368 for coronavirus related expenditures due to COVID-19 public health emergency:
 - \$2,205 for fire salaries and personal services
 - \$513 for fire safety equipment: radios, power load cot, stair chair
 - \$322 for building maintenance projects, additional cleaning and sanitizing stations throughout the City, HVAC updates, separation of work spaces, auto-flush and automatic faucets installed, painting with microbial paint
 - \$148 for painting the jail with microbial paint
 - \$131 for computer and phone expense to accommodate remote workers
 - \$43 for police safety equipment
- \$3,215 for LTCP Lakeside Redirect Project
- \$823 for repaving and repairs to the University Boulevard Bridge
- \$702 for operating expenses and other expenditures for transit fund
- \$600 for the purchase of land from Middletown City School District
- \$555 for 2020 Local Street Improvements
- \$550 for TIF payment reimbursements
- \$340 for additional legal services
- \$242 for fire turnout gear
- \$145 for the development of a parks master plan
- \$118 for the equipment purchase of a Bombag roller for streets maintenance
- \$44 for the master planning services related to Towne Mall redevelopment

V. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital assets

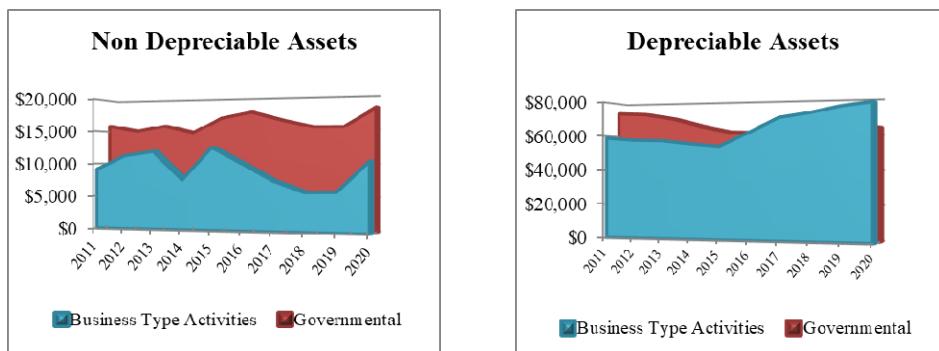
Capital assets are divided into two categories – depreciable and non-depreciable. Land and construction-in-progress are the only non-depreciable assets recorded for the City of Middletown. Construction-in-progress will be categorized with depreciable assets once the improvement project is completed with the exception of land. Depreciable assets include machinery, equipment, buildings, infrastructure or any other item that can be depreciated or value reduced over a period of time. Depreciation takes into account that assets will eventually become obsolete, worn out and/or of little value over a period of time.

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 7
Capital Assets at Year-End
(Net of Depreciation)

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------|--------------------------------|---------------------------------|----------------|
| Land | \$ 15,552 | 3,892 | 19,444 |
| Land improvements | 256 | 395 | 651 |
| Buildings | 8,755 | 13,337 | 22,092 |
| Equipment | 8,840 | 7,435 | 16,275 |
| Infrastructure | 45,853 | 56,036 | 101,889 |
| Construction in Progress | <u>2,556</u> | <u>6,417</u> | <u>8,973</u> |
| Total | \$ 81,812 | 87,512 | 169,324 |

(Asset amounts shown in thousands)



The City had approximately \$169,324 in capital assets at the end of 2020 and \$160,154 in capital assets at year end of 2019.

- 1) Governmental activities non-depreciable assets:
 - a. Land – Total of capital assets at yearend was \$15,552. There was a \$128 addition to the Land amount in 2020 as new land was acquired for future fire station locations
 - b. Construction in progress – Total for 2020 is \$2,556, all of which was added in 2020
 - \$2,213 for 2020 Local Street Improvements
 - \$263 for Telephone System Installation
 - \$75 for University Boulevard Bridge deck replacement and rehab
 - \$5 for Stop Bar Detection installation at University & Manchester
 There were no projects placed into service from construction in progress in 2020.
- 2) Governmental activities for depreciable assets:
 - a. Land improvements– there were no addition of land improvements in 2020
 - b. Buildings – a total of \$675 was added for major building upgrades. Community Center improvements, City building roof repair, city manager area and planning remodel, installation of fueling center at airport, police parking garage concrete floor

CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020

removal and replacement, chiller replacement for the city building, various roof repair on out buildings, paver repairs on city plaza, various safety improvements due to COVID-19

- c. Equipment – a total of \$2,186 was added for equipment with the majority of purchases being \$1,082 for vehicles, \$349 for fire radios, \$138 for fire Lucas devices, \$85 for police radios, and \$55 for salt spreader mounted bed
- d. Infrastructure – an additional \$3,688 was added for 2020. This consisted mainly of street improvements and \$1,123 contributed roadway capital in the Renaissance and Sawyers Mill subdivisions. Several large paving projects were:
 - Verity Pkwy paving from Germantown Road to city corporation limits
 - Middletown Road Improvements
 - Bike Path extension along State Rte. 73 to Franklin
 - 2019 Local Street Improvements
 - Antrim, Galway and Court Donegal paving

3) Business-type activities non-depreciable assets:

- a. Land – there were no land purchases for 2020
- b. Construction in progress – current projects are:
 - University Boulevard Bridge Concrete Deck/Bridge Rehab - \$244
 - 2020 Urban Paving Program - \$128
 - 2020 Manhole Lining - \$73
 - Lakeside Redirect LTCP - \$798
 - Lakeside Redirect LTCP phase 2 - \$412
 - Lakeside Redirect LTCP Property Acquisition - \$4
 - North Interceptor Sewer Repairs - \$2,256
 - Chlorine Mixer for Water Reclamation Plant - \$19
 - Airport Pavement Markings - \$43
 - Airport PAPI System Installation - \$91
 - Bull's Run to Sunset Park Green Infrastructure Basin - \$793

4) Business type activities depreciable assets:

- a. Land improvements – there were no land improvements for 2020
- b. Buildings – a total of \$333; Airport fueling system, WTP tank deck restoration, and fiber optic installations to outbuildings.
- c. Equipment – A total of \$634 was added for 2020. The following projects were some of the largest additions:
 - \$212 in residential meters and meter reading equipment
 - \$139 for water well pump & water supply well #3 repairs
 - \$106 for airport taxiway edge lighting
 - \$72 in various grinders, pumps and blower repairs at Water Reclamation Plant
 - \$31 for sewer camera equipment
 - \$21 for SCADA software at the Water Treatment Plant
 - \$18 for fire hydrant restock
 - \$11 for a scissor lift at Water Treatment Plant
 - \$7 security camera upgrade at Water Treatment Plant

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

- \$6 for a submersible pump at Hook Drive lift station
- \$6 for curb boxes w/ lids restock
- \$5 for silent messenger LED display message board

d. Infrastructure – In 2020, there was an increase of \$4,875 in infrastructure assets. The following projects were some of the largest additions:

- \$1,017 for Dixie Highway water main replacement
- \$975 for Rosedale water main replacement
- \$529 for storm water contributed capital in the Sawyer Mill & Renaissance developments
- \$454 for sanitary sewer contributed capital in the Sawyer Mill & Renaissance developments
- \$317 for water contributed capital in the Sawyer Mill development
- \$266 for 2019 Sewer Lining part 2
- \$265 for new well/abandonment of water wells 17 & 18
- \$252 for the bike path extension on Route 73 to Franklin
- \$250 for 2020 Local Street Paving
- \$217 for 2019 Local Street Improvements
- \$129 for Bonita/Jackson Lane storm sewer repairs
- \$125 for transit lot paving

Capital asset activity for the year is presented in Note 7 on pages 55 and 56.

B. Debt

There was no new debt issued in 2020. The last new debt issuance was in 2017, when the City refinanced \$11,205,000 in debt saving \$902,872 over the duration of thirteen years. The newly refinanced debt matures in or before 2029.

Long term obligations are presented on pages 77 through 80 in Note 11.

VI. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Middletown has experienced over \$1 billion dollars of investment made by area businesses since 2007. These investments include a variety of businesses including industrial, commercial, educational, and medical facilities. Although the City has seen steady rise of income tax revenue in the past three years and has been able to address paving and other large infrastructure projects that were put on hold for many years following the recession of 2008, we are cautiously monitoring the financial impact the COVID-19 health crisis will have on the overall economy and how it will specifically affect Middletown's future budgets and rates. Unemployment in the Cincinnati-Middletown region is approximately 4.2% for the third month of 2021, down 0.4% from 4.6% for the third month of 2020. The rate was 3.6% for March, 2019. The increase in March, 2020 is believed to be due to business closures and stay at home orders issued by the State of Ohio due to COVID-19.

The City of Middletown continues to pursue projects that will positively impact the community. There are plans to rebuild/relocate all of the City's aging fire houses with new state of the art firehouses that are strategically placed in the best locations for public safety; over 1/3 of all City streets will be paved in the

**CITY OF MIDDLETOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2020**

next two years due to the 0.25%, ten year tax levy, passed in November, 2020; a public/private partnership to explore the redevelopment of the Towne Mall Galleria (previously known as the Towne Mall); the continuing transformation of the downtown.

The financial results from the City show that we have made positive progress. In 2014, 2015 and 2016 we experienced an increase in tax revenue of about 3 percent each year. The increase was 6.4% in 2017. Large construction projects in the City and a decreasing unemployment rate are the main reasons for the large increase for 2017. There was a slight decrease of 1.2% in 2018, but revenues rebounded in 2019 by 10.5%. By year end 2020, income tax revenue had decreased by 5.8% from the previous year, however it was still 2.7% higher than 2017 and 4.0% higher than 2018.

Significant Statistics/Changes for 2021 Budget:

- Keep public safety, economic development, sustainable finances, revitalization and street improvement priorities
- A 1% cost of living adjustment for all non-union employees
- No performance based incentive program in 2021
- No water rate increase in 2021
- Storm water rate increase of \$0.75 per month in 2021
- Sewer rates will increase 5% in 2021
- Solid Waste rates will increase \$1.00 per month in 2021
- No Healthcare increase for City – this is typically 6%
- No transfer to the Transit Fund
- No transfer to the Computer Replacement Fund – this is typically \$100,000
- 2021 will end with 15.0% General Fund Balance

VII. REQUESTS FOR ADDITIONAL INFORMATION

This financial report is issued to provide Middletown's residents, Middletown businesses, investors and creditors with a general overview of the City's finances. The report shows where the money, which the City receives, goes. Please contact the City Finance Department at One Donham Plaza, Middletown, Ohio 45042 for additional information.

DEPARTMENT OF FINANCE



Barbara Bradley
Acting Finance Director

CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | Governmental Activities | Business-Type Activities | Total |
|--|--------------------------------|---------------------------------|-----------------------|
| Assets | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 36,184,328 | \$ 42,973,650 | \$ 79,157,978 |
| Receivables (net of allowance for uncollectibles): | | | |
| Income taxes | 3,956,000 | - | 3,956,000 |
| Property taxes | 5,169,426 | - | 5,169,426 |
| Payments in lieu of taxes | 933,467 | - | 933,467 |
| Accounts | 1,123,328 | 3,239,451 | 4,362,779 |
| Interest | 150,512 | - | 150,512 |
| Loans | 927,510 | - | 927,510 |
| Intergovernmental | 2,107,839 | 489,337 | 2,597,176 |
| Special assessments | 1,148,737 | - | 1,148,737 |
| Inventory of supplies | 829,772 | 619,164 | 1,448,936 |
| Internal balances | (3,121,363) | 3,121,363 | - |
| Capital assets | | | |
| Non-depreciable | 18,107,664 | 10,309,227 | 28,416,891 |
| Depreciable, net | 63,704,691 | 77,202,385 | 140,907,076 |
| Total assets | 131,221,911 | 137,954,577 | 269,176,488 |
| Deferred outflows of resources | | | |
| Deferred charge on refunding | 150,697 | 49,102 | 199,799 |
| Pension related | 7,280,449 | 563,715 | 7,844,164 |
| OPEB related | 4,731,724 | 353,826 | 5,085,550 |
| Total deferred outflows of resources | 12,162,870 | 966,643 | 13,129,513 |
| Liabilities | | | |
| Accounts payable | 1,857,338 | 1,490,978 | 3,348,316 |
| Accrued wages and benefits | 922,632 | 118,454 | 1,041,086 |
| Other accrued liabilities | 702,899 | 5,239 | 708,138 |
| Accrued interest payable | 50,240 | 20,863 | 71,103 |
| Due to other governments | 747,102 | 2,029 | 749,131 |
| Due to other individuals | - | 975,491 | 975,491 |
| Non current liabilities: | | | |
| Due within one year | 4,281,266 | 1,141,798 | 5,423,064 |
| Due in more than one year | 74,203,687 | 12,090,316 | 86,294,003 |
| Total liabilities | 82,765,164 | 15,845,168 | 98,610,332 |
| Deferred inflows of resources | | | |
| Revenues levied for the next year | 5,735,108 | - | 5,735,108 |
| Pension related | 7,801,080 | 645,107 | 8,446,187 |
| OPEB related | 3,374,314 | 337,211 | 3,711,525 |
| Total deferred inflows of resources | 16,910,502 | 982,318 | 17,892,820 |
| Net Position | | | |
| Net investment in capital assets | 68,759,699 | 80,406,408 | 149,166,107 |
| Restricted for capital projects | 2,170,110 | - | 2,170,110 |
| Restricted for debt service | 3,168,630 | - | 3,168,630 |
| Restricted for housing assistance | 400,512 | - | 400,512 |
| Restricted for community development | 1,680,713 | - | 1,680,713 |
| Restricted for public safety | 3,340,073 | - | 3,340,073 |
| Restricted for roads | 3,541,556 | - | 3,541,556 |
| Restricted for other purposes | 733,952 | - | 733,952 |
| Unrestricted | (40,086,130) | 41,687,326 | 1,601,196 |
| Total net position | \$ 43,709,115 | \$ 122,093,734 | \$ 165,802,849 |

See accompanying notes to the basic financial statements.

CITY OF MIDDLETOWN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| | | | | | | | |
| Governmental activities: | | | | | | | |
| Public safety | \$ 29,685,083 | \$ 4,427,759 | \$ 3,264,799 | \$ - | \$ (21,992,525) | \$ - | \$ (21,992,525) |
| Public health and welfare | 860,888 | 281,476 | 723,535 | - | 144,123 | - | 144,123 |
| Leisure time activities | 1,212,970 | 650 | - | - | (1,212,320) | - | (1,212,320) |
| Community environment | 4,047,693 | 176,271 | 1,373,587 | 434,562 | (2,063,273) | - | (2,063,273) |
| Highways and streets | 5,489,096 | 180,912 | - | 2,435,820 | (2,872,364) | - | (2,872,364) |
| General government | 9,169,309 | 3,543,637 | 114,574 | - | (5,511,098) | - | (5,511,098) |
| Interest on long-term debt | 571,979 | - | - | - | (571,979) | - | (571,979) |
| Total governmental activities | \$ 51,037,018 | \$ 8,610,705 | \$ 5,476,495 | \$ 2,870,382 | \$ (34,079,436) | \$ - | \$ (34,079,436) |
| Business-type activities: | | | | | | | |
| Water | \$ 7,747,787 | \$ 10,152,190 | \$ - | \$ 317,318 | \$ - | \$ 2,721,721 | \$ 2,721,721 |
| Sewer | 7,942,632 | 15,702,468 | - | 454,248 | - | 8,214,084 | 8,214,084 |
| Solid Waste | 3,680,541 | 3,541,225 | - | - | - | (139,316) | (139,316) |
| Airport | 1,113,735 | 885,375 | - | 357,848 | - | 129,488 | 129,488 |
| Transit | 2,532,975 | 26,555 | 2,282,839 | 183,856 | - | (39,725) | (39,725) |
| Storm Water | 1,353,109 | 2,003,177 | - | 529,477 | - | 1,179,545 | 1,179,545 |
| Total business-type activities | \$ 24,370,779 | \$ 32,310,990 | \$ 2,282,839 | \$ 1,842,747 | \$ - | \$ 12,065,797 | \$ 12,065,797 |
| Total | \$ 75,407,797 | \$ 40,921,695 | \$ 7,759,334 | \$ 4,713,129 | \$ (34,079,436) | \$ 12,065,797 | \$ (22,013,639) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Income taxes | | | | \$ 24,482,882 | \$ - | \$ - | \$ 24,482,882 |
| Property taxes | | | | 4,465,109 | - | - | 4,465,109 |
| Other taxes | | | | 3,247,473 | - | - | 3,247,473 |
| Payments in lieu of taxes | | | | 2,434,430 | - | - | 2,434,430 |
| Grants and contributions not restricted to specific programs | | | | 3,646,977 | - | - | 3,646,977 |
| Investment earnings | | | | 880,521 | 465,440 | - | 1,345,961 |
| Miscellaneous | | | | 109,423 | 598,092 | - | 707,515 |
| Transfers | | | | (239,524) | 239,524 | - | - |
| Total general revenues and transfers | | | | \$ 39,027,291 | \$ 1,303,056 | \$ - | \$ 40,330,347 |
| Change in net position | | | | 4,947,855 | 13,368,853 | \$ - | 18,316,708 |
| Net position beginning of year | | | | 38,761,260 | 108,724,881 | \$ - | 147,486,141 |
| Net position end of year | | | | \$ 43,709,115 | \$ 122,093,734 | \$ - | \$ 165,802,849 |

See accompanying notes to the basic financial statements.

CITY OF MIDDLETOWN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

| | General | Special Assessment Debt Service | |
|---|----------------------|--|--|
| Assets: | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 14,383,290 | \$ 417,805 | |
| Receivables (net of allowance for uncollectibles): | | | |
| Income taxes | 3,956,000 | | |
| Property taxes | 3,217,419 | - | |
| Accounts | 399,375 | - | |
| Loans | - | - | |
| Interest | - | - | |
| Payments in lieu of taxes | - | - | |
| Special assessments | - | 888,737 | |
| Due from other funds | 2,416,535 | - | |
| Due from other governments | 570,559 | - | |
| Inventory of supplies | 21,967 | - | |
| Total assets | \$ 24,965,145 | \$ 1,306,542 | |
| Liabilities: | | | |
| Accounts payable | \$ 667,930 | \$ - | |
| Accrued wages and benefits | 847,259 | - | |
| Other accrued liabilities | 522,389 | - | |
| Due to other funds | 41,334 | - | |
| Due to other governments | 621,728 | - | |
| Total liabilities | 2,700,640 | - | |
| Deferred inflows of resources: | | | |
| Revenues levied for the next year and unavailable revenue | 5,528,678 | 888,737 | |
| Total deferred inflows of resources | 5,528,678 | 888,737 | |
| Fund balances: | | | |
| Nonspendable | 2,438,502 | - | |
| Restricted | - | 417,805 | |
| Committed | 490,035 | - | |
| Assigned | 3,377,400 | - | |
| Unassigned | 10,429,890 | - | |
| Total fund balances | 16,735,827 | 417,805 | |
| Total liabilities, deferred inflows of resources and fund balances | \$ 24,965,145 | \$ 1,306,542 | |

The notes to the financial statements are an integral part of this statement.

| Capital Improvements | Health | Non Major Governmental Funds | Total Governmental Funds |
|-----------------------------|-------------------|---|-------------------------------------|
| \$ 2,110,735 | \$ 760,949 | \$ 10,133,691 | \$ 27,806,470 |
| - | - | - | 3,956,000 |
| 696,966 | - | 1,255,041 | 5,169,426 |
| - | - | 374,307 | 773,682 |
| - | - | 927,510 | 927,510 |
| - | - | 150,512 | 150,512 |
| - | - | 933,467 | 933,467 |
| - | - | 260,000 | 1,148,737 |
| - | - | - | 2,416,535 |
| 38,220 | 8,990 | 1,490,070 | 2,107,839 |
| - | - | 522,068 | 544,035 |
| \$ 2,845,921 | \$ 769,939 | \$ 16,046,666 | \$ 45,934,213 |
| \$ 26,468 | \$ 61,232 | \$ 220,601 | \$ 976,231 |
| - | 12,878 | 53,639 | 913,776 |
| 134,008 | 46,502 | - | 702,899 |
| - | 174 | 2,196,166 | 2,237,674 |
| - | - | 125,374 | 747,102 |
| 160,476 | 120,786 | 2,595,780 | 5,577,682 |
| 735,186 | - | 3,637,696 | 10,790,297 |
| 735,186 | - | 3,637,696 | 10,790,297 |
| - | - | 443,481 | 2,881,983 |
| 1,950,259 | 649,153 | 9,074,695 | 12,091,912 |
| - | - | 1,946,650 | 2,436,685 |
| - | - | 229,503 | 3,606,903 |
| - | - | (1,881,139) | 8,548,751 |
| 1,950,259 | 649,153 | 9,813,190 | 29,566,234 |
| \$ 2,845,921 | \$ 769,939 | \$ 16,046,666 | \$ 45,934,213 |

CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total governmental fund balances \$ 29,566,234

Amounts reported for governmental activities in the statement of net position are different due to the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 81,812,355

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows in the funds:

| | |
|---|-----------|
| Income taxes receivable | 1,810,000 |
| Intergovernmental and other receivables | 3,245,189 |

Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities (excluding capital assets and the net pension/OPEB liabilities) of the internal service funds are included in governmental activities in the statement of net position. 4,759,685

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

| | |
|------------------------------------|--------------|
| General obligation bonds | (12,565,000) |
| Special assessment bonds | (755,000) |
| Compensated absences | (5,652,685) |
| Pension obligation payable | (1,283,932) |
| Accrued interest on long-term debt | (50,240) |
| Premium on bonds | (292,888) |
| Deferred charge on refunding | 150,697 |

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

| | |
|-----------------------------|---------------------|
| Deferred outflows - pension | 7,280,449 |
| Deferred outflows - OPEB | 4,731,724 |
| Deferred inflows - pension | (7,801,080) |
| Deferred inflows - OPEB | (3,374,314) |
| Net pension liability | (43,916,353) |
| Net OPEB liability | <u>(13,955,726)</u> |

Net position of governmental activities \$ 43,709,115



CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2020

| | General | Special Assessment | |
|---|----------------------|---------------------------|--|
| | | Debt Service | |
| Revenues: | | | |
| Property taxes | \$ 2,801,073 | \$ - | |
| Municipal income taxes | 19,256,346 | - | |
| Payment in lieu of taxes | - | - | |
| Intergovernmental revenues | 3,199,938 | - | |
| Charges for services | 4,340,872 | - | |
| Fees, licenses, and permits | 517,803 | - | |
| Fines and forfeits | 15,505 | - | |
| Special assessments | 50,799 | 144,034 | |
| Investment income | 796,656 | - | |
| Miscellaneous | 1,714,284 | - | |
| Total revenues | 32,693,276 | 144,034 | |
| Expenditures: | | | |
| Current | | | |
| Public safety | 19,063,900 | - | |
| Public health and welfare | - | - | |
| Leisure time activities | 893,402 | - | |
| Community environment | 1,193,690 | - | |
| Highways and streets | - | - | |
| General government | 5,086,124 | - | |
| Miscellaneous | 2,027,421 | - | |
| Debt service | | | |
| Principal retirement | - | 133,000 | |
| Interest and fiscal charges | - | 42,191 | |
| Total expenditures | 28,264,537 | 175,191 | |
| Excess of revenues over (under) expenditures | 4,428,739 | (31,157) | |
| Other financing sources (uses): | | | |
| Transfers-in | - | - | |
| Transfers-out | (2,098,538) | - | |
| Total other financing sources (uses) | (2,098,538) | - | |
| Net change in fund balances | 2,330,201 | (31,157) | |
| Fund balance, beginning of year | 14,405,626 | 448,962 | |
| Fund balance, end of year | \$ 16,735,827 | \$ 417,805 | |

The notes to the financial statements are an integral part of this statement.

| Capital Improvements | Health | Non Major Governmental Funds | Total Governmental Funds |
|-----------------------------|-------------------|---|-------------------------------------|
| \$ 605,817 | \$ 395,000 | \$ 1,122,782 | \$ 4,529,672 |
| - | - | 4,421,536 | 24,072,882 |
| - | - | 2,434,430 | 2,434,430 |
| 1,117,554 | 665,571 | 8,413,068 | 13,396,131 |
| 11,028 | 281,481 | - | 4,633,381 |
| - | - | - | 517,803 |
| - | - | 1,363,600 | 1,379,105 |
| - | - | 472,368 | 667,201 |
| 32,784 | - | 51,081 | 880,521 |
| 10,000 | - | 652,132 | 2,376,416 |
| 1,777,183 | 1,342,052 | 18,930,997 | 54,887,542 |
| 50,050 | - | 8,647,048 | 27,760,998 |
| - | 738,800 | 46,918 | 785,718 |
| 36,900 | - | 63,154 | 993,456 |
| - | - | 2,510,361 | 3,704,051 |
| 2,531,397 | - | 4,136,215 | 6,667,612 |
| - | - | 365,780 | 5,451,904 |
| 9,720 | - | 1,792,634 | 3,829,775 |
| - | - | 1,700,000 | 1,833,000 |
| - | - | 623,356 | 665,547 |
| 2,628,067 | 738,800 | 19,885,466 | 51,692,061 |
| (850,884) | 603,252 | (954,469) | 3,195,481 |
| 500,000 | - | 675,444 | 1,175,444 |
| - | - | - | (2,098,538) |
| 500,000 | - | 675,444 | (923,094) |
| (350,884) | 603,252 | (279,025) | 2,272,387 |
| 2,301,143 | 45,901 | 10,092,215 | 27,293,847 |
| \$ 1,950,259 | \$ 649,153 | \$ 9,813,190 | \$ 29,566,234 |

CITY OF MIDDLETOWN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 2,272,387 |
| <i>Amounts reported for governmental activities in the statement of activities are different due to the following:</i> | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays were more than depreciation in the current period: | |
| Capital outlay, net | 9,232,524 |
| Depreciation expense | (6,548,091) |
| Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds: | |
| Income taxes | 410,000 |
| Intergovernmental and other revenues | (195,950) |
| Governmental Funds report premiums as other financing sources, whereas these amounts are deferred and amortized in the statement of activities: | |
| Amortization of bond premiums | 148,708 |
| Deferred charges on refunding are recorded as deferred outflows of resources and amortized in the statement of activities: | |
| Amortization of deferred charge on refunding | (61,233) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds: | |
| Bond principal retirement | 1,833,000 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | |
| | 6,093 |
| Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds: | |
| Compensated absences | (88,878) |
| Unfunded pension liability | 97,741 |
| Internal service funds are used to charge the costs of certain activities to individual funds. The net revenue (expenses) of the internal service funds is reported with governmental activities. | |
| | 1,036,910 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | |
| Pension | 3,901,097 |
| OPEB | 57,284 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities are reported as pension/OPEB expense in the statement of activities. | |
| Pension | (5,692,609) |
| OPEB | (1,461,128) |
| Change in net position of governmental activities | \$ 4,947,855 |



CITY OF MIDDLETOWN, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

Business Type Activities - Enterprise Funds

| | Water | Sewer | Storm Water |
|--|----------------------|----------------------|------------------------|
| Assets | | | |
| Current assets: | | | |
| Equity in pooled cash and investments | | | |
| Receivables | \$ 14,083,703 | \$ 25,724,170 | \$ 1,969,953 |
| Accounts | 1,072,185 | 1,731,596 | 252,421 |
| Due from other funds | - | - | - |
| Intergovernmental | - | - | - |
| Inventory of supplies | 388,770 | 207,636 | 22,758 |
| Total current assets | 15,544,658 | 27,663,402 | 2,245,132 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Construction in progress | - | 5,843,313 | 371,961 |
| Land | 1,315,164 | 165,000 | 504,612 |
| Land improvements | 15,200 | 200,046 | 36,046 |
| Infrastructure assets | 40,082,256 | 51,968,786 | 13,270,622 |
| Buildings | 16,645,561 | 13,263,694 | 69,270 |
| Equipment | 7,211,828 | 14,909,409 | 409,085 |
| Less: Accumulated depreciation | (35,876,353) | (47,156,592) | (2,161,144) |
| Total capital assets (net of accumulated depreciation) | 29,393,656 | 39,193,656 | 12,500,452 |
| Total noncurrent assets | 29,393,656 | 39,193,656 | 12,500,452 |
| Total assets | 44,938,314 | 66,857,058 | 14,745,584 |
| Deferred outflows of resources: | | | |
| Deferred charge on refunding | | | |
| Pension related | 216,156 | 246,990 | 46,614 |
| OPEB related | 135,675 | 155,028 | 29,259 |
| Total deferred outflows of resources | 351,831 | 442,650 | 75,873 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | | | |
| Accrued wages and benefits | 209,471 | 192,042 | 47,607 |
| Other accrued liabilities | 44,932 | 57,698 | 12,155 |
| Accrued interest payable | - | - | - |
| Due to other funds | 6,767 | 11,954 | - |
| Due to other governments | 10,960 | 4,640 | 3,156 |
| Due to individuals | 2,029 | - | - |
| General obligation bonds payable | 975,491 | - | - |
| Compensated absences (short term portion) | 215,000 | 490,000 | - |
| | 137,718 | 171,743 | 28,433 |
| Total current liabilities | 1,602,368 | 928,077 | 91,351 |
| Long-term liabilities: | | | |
| General obligation bonds payable | | | |
| Compensated absences | 2,096,429 | 3,732,259 | - |
| Net pension liability | 146,655 | 153,698 | 37,662 |
| Net OPEB liability | 1,166,152 | 1,332,504 | 251,483 |
| | 847,691 | 968,615 | 182,807 |
| Total long-term liabilities | 4,256,927 | 6,187,076 | 471,952 |
| Total liabilities | 5,859,295 | 7,115,153 | 563,303 |
| Deferred inflows of resources: | | | |
| Pension related | | | |
| OPEB related | 247,365 | 282,652 | 53,345 |
| Total deferred inflows of resources: | 129,303 | 147,748 | 27,884 |
| 376,668 | 430,400 | 81,229 | |
| Net position | | | |
| Net investment in capital assets | | | |
| Unrestricted | 27,172,286 | 35,067,507 | 12,500,452 |
| | 11,881,896 | 24,686,648 | 1,676,473 |
| Total net position | \$ 39,054,182 | \$ 59,754,155 | \$ 14,176,925 |

The notes to the financial statements are an integral part of this statement.

| Business Type Activities - Enterprise Funds | | | Governmental Activities - | |
|---|----------------------------|-----------------------|---------------------------|--|
| Solid Waste Disposal | Non Major Enterprise Funds | Totals | Internal Service Funds | |
| \$ 72,423 | \$ 1,123,401 | \$ 42,973,650 | \$ 8,377,858 | |
| 183,249 | - | 3,239,451 | 349,646 | |
| - | - | - | 88,760 | |
| - | 489,337 | 489,337 | - | |
| - | - | 619,164 | 285,737 | |
| 255,672 | 1,612,738 | 47,321,602 | 9,102,001 | |
| - | 202,221 | 6,417,495 | - | |
| 382,600 | 1,524,356 | 3,891,732 | 195,750 | |
| 8,500 | 666,367 | 926,159 | - | |
| 12,300 | 1,813,293 | 107,147,257 | - | |
| 74,652 | 3,443,014 | 33,496,191 | 555,356 | |
| - | 5,011,725 | 27,542,047 | 14,587,250 | |
| (69,475) | (6,645,705) | (91,909,269) | (11,390,394) | |
| 408,577 | 6,015,271 | 87,511,612 | 3,947,962 | |
| 408,577 | 6,015,271 | 87,511,612 | 3,947,962 | |
| 664,249 | 7,628,009 | 134,833,214 | 13,049,963 | |
| - | 8,470 | 49,102 | - | |
| 4,760 | 49,195 | 563,715 | 40,910 | |
| 2,987 | 30,877 | 353,826 | 25,680 | |
| 7,747 | 88,542 | 966,643 | 66,590 | |
| 606,115 | 435,743 | 1,490,978 | 881,107 | |
| - | 3,669 | 118,454 | 8,856 | |
| - | 5,239 | 5,239 | - | |
| - | 2,142 | 20,863 | - | |
| - | 248,865 | 267,621 | - | |
| - | - | 2,029 | - | |
| - | - | 975,491 | - | |
| - | 95,000 | 800,000 | - | |
| - | 3,904 | 341,798 | 22,840 | |
| 606,115 | 794,562 | 4,022,473 | 912,803 | |
| - | 671,155 | 6,499,843 | - | |
| - | 537 | 338,552 | 40,529 | |
| 25,683 | 265,397 | 3,041,219 | 220,709 | |
| 18,669 | 192,920 | 2,210,702 | 160,437 | |
| 44,352 | 1,130,009 | 12,090,316 | 421,675 | |
| 650,467 | 1,924,571 | 16,112,789 | 1,334,478 | |
| 5,448 | 56,297 | 645,107 | 46,818 | |
| 2,849 | 29,427 | 337,211 | 24,473 | |
| 8,297 | 85,724 | 982,318 | 71,291 | |
| 408,577 | 5,257,586 | 80,406,408 | 3,947,962 | |
| (395,345) | 448,670 | 38,298,342 | 7,762,822 | |
| \$ 13,232 | \$ 5,706,256 | \$ 118,704,750 | \$ 11,710,784 | |
| Adjustment to reflect consolidation of internal service fund activities | | 3,388,984 | | |
| Total net position from above | | 118,704,750 | | |
| Net position of business-type activities | | \$ 122,093,734 | | |

CITY OF MIDDLETOWN, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Business Type Activities - Enterprise Funds

| | Water | Sewer | Storm Water |
|--|----------------------|----------------------|------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 10,152,190 | \$ 15,702,468 | \$ 2,003,177 |
| Other operating revenue | 55,256 | - | - |
| Total operating revenues | 10,207,446 | 15,702,468 | 2,003,177 |
| Operating expenses: | | | |
| Personal services | 2,657,809 | 3,259,271 | 734,259 |
| Contractual services | 2,494,909 | 2,435,551 | 217,812 |
| Commodities | 1,077,575 | 595,710 | 32,879 |
| Depreciation | 1,216,552 | 1,534,899 | 326,451 |
| Other operating expenses | 520,450 | - | 41,708 |
| Total operating expenses | 7,967,295 | 7,825,431 | 1,353,109 |
| Operating income (loss) | 2,240,151 | 7,877,037 | 650,068 |
| Non-operating revenues (expenses): | | | |
| Interest revenue | 152,027 | 288,189 | 25,224 |
| Interest expense and fiscal charges | (71,486) | (117,201) | - |
| Operating grants | - | - | - |
| Other | 183,703 | 226,141 | 51,852 |
| Total non-operating revenues (expenses) | 264,244 | 397,129 | 77,076 |
| Income (loss) before contributions and transfers | 2,504,395 | 8,274,166 | 727,144 |
| Capital contributions | 317,318 | 454,248 | 529,477 |
| Transfers-in | - | - | - |
| Transfers-out | (40,238) | (40,238) | - |
| Change in net position | 2,781,475 | 8,688,176 | 1,256,621 |
| Total net position, beginning of year | 36,272,707 | 51,065,979 | 12,920,304 |
| Total net position, end of year | \$ 39,054,182 | \$ 59,754,155 | \$ 14,176,925 |

The notes to the financial statements are an integral part of this statement.

| Business Type Activities - Enterprise Funds | | | | Governmental Activities - | |
|---|----------------------------|-----------------------|------------------------|---------------------------|--|
| Solid Waste Disposal | Non Major Enterprise Funds | Totals | Internal Service Funds | | |
| \$ 3,541,225 | \$ 911,930 | \$ 32,310,990 | \$ 8,304,031 | | |
| - | \$ 38,687 | \$ 93,943 | \$ 56,613 | | |
| 3,541,225 | 950,617 | 32,404,933 | 8,360,644 | | |
| 28,735 | 403,575 | 7,083,649 | 512,737 | | |
| 3,645,951 | 2,142,071 | 10,936,294 | 5,533,349 | | |
| - | 353,143 | 2,059,307 | 568,491 | | |
| 2,357 | 727,051 | 3,807,310 | 1,093,414 | | |
| 3,498 | - | 565,656 | 8,805 | | |
| 3,680,541 | 3,625,840 | 24,452,216 | 7,716,796 | | |
| (139,316) | (2,675,223) | 7,952,717 | 643,848 | | |
| - | - | 465,440 | 86,506 | | |
| - | (20,870) | (209,557) | - | | |
| - | 2,282,839 | 2,282,839 | - | | |
| 331 | 42,122 | 504,149 | 41,046 | | |
| 331 | 2,304,091 | 3,042,871 | 127,552 | | |
| (138,985) | (371,132) | 10,995,588 | 771,400 | | |
| - | 541,704 | 1,842,747 | - | | |
| - | 320,000 | 320,000 | 683,570 | | |
| - | - | (80,476) | - | | |
| (138,985) | 490,572 | 13,077,859 | 1,454,970 | | |
| 152,217 | 5,215,684 | 105,626,891 | 10,255,814 | | |
| \$ 13,232 | \$ 5,706,256 | \$ 118,704,750 | \$ 11,710,784 | | |

Adjustment to reflect consolidation of Internal Service Fund Activities \$ 290,994
 Changes in net position of enterprise funds 13,077,859
 Changes in net position of business-type activities \$ 13,368,853

CITY OF MIDDLETOWN, OHIO
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR YEAR ENDED DECEMBER 31, 2020

| | Business Type Activities - Enterprise Funds | | | | | | Governmental Activities - | |
|---|---|----------------------|---------------------|----------------------|----------------------------|----------------------|----------------------------|------------------------|
| | | | Water | Sewer | Storm Water | Solid Waste Disposal | Non Major Enterprise Funds | Internal Service Funds |
| | Water | Sewer | Storm Water | Solid Waste Disposal | Non Major Enterprise Funds | Totals | Internal Service Funds | |
| Cash flows from operating activities: | | | | | | | | |
| Cash received from customers | \$ 10,271,752 | \$ 15,601,585 | \$ 2,024,348 | \$ 3,534,721 | \$ 950,693 | \$ 32,383,099 | \$ - | \$ - |
| Cash payments to suppliers for goods and services | (4,055,205) | (3,134,767) | (228,099) | (3,605,643) | (2,465,293) | (13,489,007) | (6,112,441) | (408,875) |
| Cash payments to employees for services | (2,069,690) | (2,594,549) | (607,176) | (23,438) | (345,946) | (5,640,799) | - | 8,741,123 |
| Cash received from interfund services provided | - | - | - | - | - | - | - | (73,790) |
| Cash payments for interfund services used | (538,291) | (579,411) | (169,955) | (1,972) | (232,488) | (1,522,117) | - | - |
| Net cash provided (used) by operating activities | 3,608,566 | 9,292,858 | 1,019,118 | (96,332) | (2,093,034) | 11,731,176 | 2,146,017 | |
| Cash flows from non-capital financing activities: | | | | | | | | |
| Operating grants | - | - | - | - | - | 2,251,347 | 2,251,347 | - |
| Interfund loan receipts/(payments) | - | - | - | - | - | - | - | (1,000,000) |
| Other | 183,703 | 226,141 | 51,852 | 331 | 42,122 | - | - | 41,046 |
| Transfers-in from other funds | - | - | - | - | 320,000 | 320,000 | 320,000 | 683,570 |
| Transfers-out to other funds | (40,238) | (40,238) | - | - | - | - | (80,476) | - |
| Net cash provided (used) by non-capital financing activities | 143,465 | 185,903 | 51,852 | 331 | 2,613,469 | 2,490,871 | (275,384) | |
| Cash flows from capital and related financing activities: | | | | | | | | |
| Purchase of capital assets | (2,435,830) | (4,884,625) | (1,238,748) | - | (432,798) | (8,992,001) | (8,992,001) | (1,249,059) |
| Interest expense and fiscal charges | (85,400) | (164,800) | - | - | (30,200) | (280,400) | (280,400) | - |
| Repayment of debt principal | (210,000) | (460,000) | - | - | (90,000) | (760,000) | (760,000) | - |
| Capital grants | - | - | - | - | 541,704 | 541,704 | 541,704 | - |
| Net cash used by capital and related financing activities | (2,731,230) | (5,509,425) | (1,238,748) | - | (11,294) | (9,490,697) | (1,249,059) | |
| Cash flows from investing activities: | | | | | | | | |
| Interest income | 152,027 | 288,189 | 25,224 | - | - | 465,440 | 465,440 | 86,506 |
| Net cash provided by investing activities | 152,027 | 288,189 | 25,224 | - | - | 465,440 | 465,440 | 86,506 |
| Net change in cash and cash equivalents | 1,172,828 | 4,257,525 | (142,554) | (96,001) | 509,141 | 5,700,939 | 5,700,939 | 708,080 |
| Cash and pooled investments, beginning of year | 12,910,875 | 21,466,645 | 2,112,507 | 168,424 | 614,260 | 37,272,711 | 37,272,711 | 7,669,778 |
| Cash and pooled investments, end of year | \$ 14,083,703 | \$ 25,724,170 | \$ 1,969,953 | \$ 72,423 | \$ 1,123,401 | \$ 42,973,650 | \$ 8,377,858 | |

continued

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2020

| | Business Type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds | |
|---|---|---------------------|---------------------|----------------------|----------------------------|----------------------|--|--|
| | Water | Sewer | Storm Water | Solid Waste Disposal | Non Major Enterprise Funds | Totals | | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Operating income (loss) | \$ 2,240,151 | \$ 7,877,037 | \$ 650,068 | \$ (139,316) | \$ (2,675,223) | \$ 7,952,717 | \$ 643,848 | |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation | 1,216,552 | 1,534,899 | 326,451 | 2,357 | 727,051 | 3,807,310 | 1,093,414 | |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | | | | | | | |
| Decrease (increase) in accounts receivable (net) | 45,115 | (115,043) | 21,171 | (6,504) | - | (55,261) | 368,234 | |
| Decrease (increase) in special assessment receivable (net) | - | 49,143 | - | - | - | 49,143 | - | |
| Decrease (increase) in inventory of supplies | (14,645) | (4,475) | (21,141) | - | - | (40,261) | 28,646 | |
| Decrease (increase) in due from other funds | - | - | - | - | - | - | 12,245 | |
| Decrease (increase) in deferred outflows of resources - pension related | 303,869 | 347,216 | 65,530 | 6,692 | 69,155 | 792,462 | 57,511 | |
| Decrease (increase) in deferred outflows of resources - OPEB related | (69,090) | (78,945) | (14,899) | (1,522) | (15,724) | (180,180) | (13,076) | |
| Increase (decrease) in accounts payable | (46,985) | (211,139) | 20,024 | 43,806 | (168,000) | (362,294) | (30,442) | |
| Increase (decrease) in accrued wages and benefits | (38,759) | (53,055) | (7,445) | - | (1,178) | (100,437) | (5,050) | |
| Increase (decrease) in due to other funds | 4,860 | 535 | (782) | - | (9,759) | (5,146) | - | |
| Increase (decrease) in compensated absences payable | 32,034 | 42,418 | (1,791) | - | (289) | 72,372 | 6,543 | |
| Increase (decrease) in due to other governments | 53 | - | - | - | - | 53 | - | |
| Increase (decrease) in due to individuals | 19,192 | - | - | - | - | 19,192 | - | |
| Increase (decrease) in net pension liability | (461,374) | (527,190) | (99,496) | (10,161) | (105,001) | (1,203,222) | (87,321) | |
| Increase (decrease) in net OPEB liability | 35,616 | 40,697 | 7,681 | 784 | 8,106 | 92,884 | 6,741 | |
| Increase (decrease) in deferred inflows of resources - pension related | 223,983 | 255,935 | 48,302 | 4,933 | 50,975 | 584,128 | 42,392 | |
| Increase (decrease) in deferred inflows of resources - OPEB related | 117,994 | 134,825 | 25,445 | 2,599 | 26,853 | 307,716 | 22,332 | |
| Total adjustments | 1,368,415 | 1,415,821 | 369,050 | 42,984 | 582,189 | 3,778,459 | 1,502,169 | |
| Net cash provided (used) by operating activities | \$ 3,608,566 | \$ 9,292,858 | \$ 1,019,118 | \$ (96,332) | \$ (2,093,034) | \$ 11,731,176 | \$ 2,146,017 | |
| Noncash investing, capital and financing activities: | | | | | | | | |
| Capital contribution of assets from developers | \$ 317,318 | \$ 454,248 | \$ 529,477 | \$ - | \$ 1,301,043 | \$ - | \$ - | |

The notes to the financial statements are an integral part of this statement.

CITY OF MIDDLETOWN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

| | Custodial Funds |
|--|----------------------------|
| Assets | |
| Cash and equity in pooled cash, deposits and investments | \$ 5,948 |
| Cash and cash equivalents in segregated accounts | 54,091 |
| Total assets | <u>60,039</u> |
| Liabilities | |
| Due to other governments | 60,039 |
| Total liabilities | <u>60,039</u> |
| Net Position | |
| Total net position | <u>\$ -</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF MIDDLETOWN, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED DECEMBER 31, 2020

| | Custodial Funds |
|---|----------------------------|
| Additions | |
| Taxes collected for distribution | \$ 2,475,500 |
| Fines, licenses and permits for distribution | 1,618,494 |
| Total additions | 4,093,994 |
| Deductions | |
| Distributions to other governments | 2,905,859 |
| Distributions on behalf of others | 1,188,135 |
| Total deductions | 4,093,994 |
| Net increase (decrease) in fiduciary net position | - |
| Net Position - beginning of year | - |
| Net Position - end of year | \$ - |

The notes to the financial statements are an integral part of this statement.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Middletown, Ohio, was incorporated as a City in 1837 under the laws of the State of Ohio. The City operates under a Council-Manager form of government and provides the following services as authorized by its Charter: Public Safety (police and fire), Economic Development and Planning, Public Works and Utilities (maintenance and construction of public improvements, water and sewer service, and waste disposal), Community Revitalization (public transit system), Public Health Services, Municipal Court Services, and General Government Services. The financial statements of the City of Middletown, Ohio, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies used in the preparation of these financial statements are summarized below.

A. REPORTING ENTITY

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government (the City of Middletown as legally defined). Potential component units were considered for inclusion in the financial reporting entity. Component units are separate organizations for which the elected officials of the primary government would be financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either: a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. A component unit which is fiscally dependent upon the primary government even when the primary government does not have a voting majority of the component unit's board is also to be included in the statements of the primary government.

Blended Component Unit

This component unit is a legally separate entity from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds. The City has included the Health Fund (City of Middletown Health District) as a blended component unit.

The City of Middletown Health District, is governed by a five-member board comprised of two elected or appointed officials of the City to be appointed by the Mayor and confirmed by Council, and three residents, business owners, or property owners of the City to be appointed by the Mayor and confirmed by Council. Although the District is legally separate from the City, the District is reported as if it were part of the primary government since the resources received and held by the District are used entirely for the benefit of the City. The District is responsible for issuing health-related permits within the City as well as managing other aspects of public health in the City. Funding to finance the District comes primarily for the City's General Fund and is supplemented by fees for health-related permits.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Related Organization

The City is associated with the Middletown Public Library, which is a related organization. The library is presented in Note 16 to the basic financial statements.

Included within the reporting entity:

Among activities and services provided by the City are a police force, a fire-fighting force, a municipal court system, a sewage treatment plant, a water treatment plant, an airport, a street maintenance force, a park system, and a staff to provide the necessary support to these service providers. Each of these activities and services is under the direct control of the City Council, which appropriates for and finances its operation and is not legally separable. Each is, therefore, included as part of the reporting entity.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. The statements distinguish between those activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. Interfund and internal service fund activities are generally eliminated to avoid the "doubling-up" effect on revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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 City and for each function of the City's governmental activities. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of expenses with program revenues identifies the extent to which each governmental function or business-type segment is self-financing or relies upon general revenues of the City.

The caption, "Net investment in capital assets," consists of capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when constraints placed upon its use are either: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes results from special revenue funds and the restriction on their use. When both restricted and non-restricted resources are available for use, it is the City's policy to use non-restricted resources first, and then restricted resources, as they are needed.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other funds are aggregated and reported as non-major governmental or non-major enterprise funds. Internal Service funds are combined into one column. The effect of inter-fund activity has been eliminated from the government-wide financial statements.

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the City's major governmental funds:

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

Special Assessment Debt Service Fund - To accumulate special assessment revenues collected by the County and remitted to the City for the payment of special assessment bonds.

Capital Improvement Fund - To accumulate construction costs for the City's self-funded capital projects.

Health Fund – To account for grant money received from the State for the City's public health subsidy, and to account for the activities of the City Health Department.

Proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The following are the City's major enterprise funds:

Water Fund - Accounts for the provision of water treatment and distribution to the residents and commercial users of the City.

Sewer Fund - Accounts for the City's provision of sanitary sewer services to the residents and commercial users of the City.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Solid Waste Disposal Fund - Accounts for the City's refuse pickup charges and the cost of the City's refuse hauling contract. The annual principal and interest payments on the bond issue in connection with the closing of the City landfill are also made by this fund.

Storm Water Fund – Accounts for the City's provision of storm sewer services to the residents and commercial users of the City.

Internal Service funds account for employee health benefits costs and for vehicle purchases and maintenance costs to other departments of the City on a cost-reimbursement basis.

Fiduciary Funds. The City's only fiduciary funds are custodial funds which account for assets held on behalf of others. The government-wide statements exclude the fiduciary funds of the City.

C. BASIS OF ACCOUNTING

Governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

All governmental fund types are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The available period for the City is thirty-one days after year-end. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The City reports deferred inflows on its governmental funds' balance sheet and government wide statement of net position. Deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Certain intergovernmental receivables, uncollected assessments, miscellaneous receivables, property taxes and income taxes not meeting the availability criteria have been deferred and will be realized in a subsequent period in the governmental funds.

Since governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds' financial statements include reconciliations to the government-wide statements.

Proprietary Funds. All proprietary funds - enterprise funds and internal service funds - are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and inflows and all liabilities associated with the operation of these funds are included on the balance sheet.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Fiduciary Funds. The City's only fiduciary funds are custodial funds, which consist of Municipal Court and Joint Economic Development District I (JEDD). These funds which are custodial in nature. Custodial funds are accounted for using the accrual basis of accounting.

D. CASH, DEPOSITS, AND INVESTMENTS

Cash resources of individual funds, except for petty cash and specific accounts used to administer various activities are combined to form a pool of cash, deposits, and investments which is managed by the City Treasurer. Deposits and investments in the pool consist of certificates of deposit, investments in the State of Ohio STAROhio Investment Pool, U. S. Treasury and agency securities, and money market funds containing only U. S. Treasury and agency securities. Investments in U.S. Treasury securities, measured at amortized cost and are reported at fair value, which is based on quoted market prices. Interest earned on pooled cash, deposits, and investments is distributed to the City's General Fund except as stipulated by ordinance or statute.

STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value. For the fiscal year ended December 31, 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice to PFA is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

STAR Plus is a federally-insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity, and penalty-free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

For purposes of the statements of cash flows, the City of Middletown considers the Proprietary Fund types equity in pooled cash, deposits, and investments to be highly liquid because those funds are able to withdraw (expend) cash at any time without prior notice or penalty.

E. CASH AND CASH EQUIVALENTS IN SEGREGATED ACCOUNTS

Cash and cash equivalent in segregated accounts represents either money earmarked for the payment of payroll withholdings, JEDD earnings taxes collected that are to be remitted to other governments, or court fines and forfeitures to be distributed to other governments.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables and short-term interfund loans are classified as "due from other funds" or "due to other funds" on the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

G. INVENTORY OF SUPPLIES

Inventory is recorded at cost (first-in, first-out). Inventory in the Governmental Funds consists of expendable items and is recorded on a consumption basis. "Consumption basis" means that the expenditure is recorded when the inventory is consumed.

H. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Also included in capital assets are infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, drainage systems and similar items) constructed or acquired on or after January 1, 1980.

The City defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. Interest on constructed capital assets is capitalized for business-type activities.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation is determined by allocating the cost of capital assets over the estimated useful lives of the assets on a straight-line basis. The estimated lives are as follows:

| | |
|-----------------------|----------------|
| Equipment | 3 to 20 Years |
| Land Improvements | 20 Years |
| Infrastructure Assets | 15 to 45 Years |
| Buildings | 45 Years |
| Streets and Highways | 20 Years |

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

I. CAPITALIZATION OF INTEREST

The City's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the construction project and the interest earned from the temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2020, interest costs incurred on construction projects were not material.

J. FUND BALANCES

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

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The nonspendable fund balances include prepaid items, materials and supplies inventory, interfund loans and long-term receivables.

Restricted. The restricted fund balance classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation (city resolutions).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed. The committed fund balance classification includes amounts that can be used only for specific purposes imposed by formal action (resolution) of City Council. Those committed amounts cannot be used for any other purposes unless Council amend and approve another resolution. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore; compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned. The assigned fund balance classification is intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

In governmental funds, assigned amounts represent intended uses established by Council or a City Official delegated that authority by resolution or by State Statute. State statute authorizes the fiscal officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The City applies restricted resources first when expenditures are incurred for the purpose for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balances, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

K. INTERFUND TRANSACTIONS

During the normal course of operations, the City has numerous transactions between funds. These transactions include charges for services provided by an Internal Service Fund to other funds, interfund reimbursements, and interfund transfers.

During the year, the City records local income tax receipts and the subsequent distribution of these receipts to the appropriate City funds in the City Income Tax Fund. The income tax distributions are made by the Income Tax Fund based upon the City's appropriation resolutions and are recorded as transfers. On the year-end financial statements, all transfers of income tax revenues are classified as municipal income revenue of the appropriate funds and, therefore, do not appear in this report as transfers. Funds receiving municipal income tax revenue are the General Fund, the Auto & Gas Tax Fund, the Municipal Court Fund, the Health Fund, the Police Pension Fund, the Fire Pension Fund, the General Obligation Debt Service Fund, and the Computer Replacement Fund.

The Internal Service Fund records charges for services to all City funds, departments and other governmental units as operating revenue. Both Governmental and Enterprise Funds record these payments to the Internal Service Fund, also a proprietary fund, as operating expenditures/expenses.

Transactions that constitute reimbursements of a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses, as appropriate, in the reimbursing fund and as reductions of the expenditure/expense in the fund that is reimbursed.

Transfers represent transfers of resources from a fund receiving revenue to a fund through which those resources will be expended. They are recorded as other financing sources (uses) in Governmental Funds and as transfers-in (out) in Proprietary Funds. A summary of transfers by fund type follows:

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

INTERFUND TRANSFERS

| | Transfers In | Transfers Out |
|--------------------------------|--------------------|--------------------|
| Governmental Funds: | | |
| General Fund | \$0 | \$2,098,538 |
| Capital Improvement Fund | \$500,000 | \$0 |
| Non Major Governmental Funds | \$675,444 | \$0 |
| Enterprise Funds: | | |
| Water Fund | \$0 | \$40,238 |
| Sewer Fund | \$0 | \$40,238 |
| Non Major Enterprise Funds | \$320,000 | \$0 |
| Internal Service Funds: | | |
| Employee Benefits Fund | \$683,570 | |
| TOTAL | \$2,179,014 | \$2,179,014 |

A brief description of transfers include:

- \$683,570 to the Employee Benefits Fund
- \$500,000 to the Capital Improvement Fund for paving
- \$200,000 to the Airport Fund for airport operations and maintenance
- \$180,476 in 2020 for anticipated computer replacements
- \$175,000 to the Downtown Improvements Fund for downtown improvements
- \$159,968 to the Economic Development Bond Fund for debt payments
- \$125,000 to the Nuisance Abatement Fund for nuisance and demolition
- \$120,000 to the Transit Fund for Transit operations
- \$35,000 to the Conservancy Fund for property tax payments

L. INTERGOVERNMENTAL REVENUES

In Governmental Funds, Federal grants awarded on non-reimbursement basis, and Federal entitlements are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal grants awarded on a reimbursement basis are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

M. COMPENSATED ABSENCES

The City's sick leave liability was calculated using the vesting method.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Upon separation from the City, the employee (or their estate) is paid for his accumulated unused vacation leave balance. The City accrues unused portions of vacation pay in the period earned.

Accumulated Unpaid Sick Leave

All City employees (except tour firefighters), earn sick leave at the rate of ten hours per calendar month of service. Tour firefighters earn sick leave at the rate of thirteen and one-half hours per calendar month of service. Sick leave usage is recorded for all employees at the time it is used. Upon retirement from the City, non-public safety employees with twenty-five years of service or greater are paid for one-half their accumulated unused sick leave up to a maximum of 464 hours. Employees who are eligible to retire, but do not have twenty-five years of service, are paid for

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

one-third of their sick leave up to a maximum of 264 hours. All other employees who leave City employment receive payment for one-third of the accumulated sick leave over 280 hours up to a maximum of 264 hours.

Firefighters are paid for their accumulated sick leave upon retirement according to the IAFF labor contract with the City. The contract specifies a maximum accumulated sick leave retirement payment of 1,456 hours.

Police personnel, with the exception of police civilian employees, are paid for their accumulated sick leave upon retirement according to the FOP labor contract with the City. The contract specifies a maximum accumulated sick leave retirement of 532 hours. Police civilian employees are paid a maximum of 432 hours.

At December 31, 2020, the total liability of the City for compensated absences was \$6,396,404.

N. PENSIONS/OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

O. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in the pension and OPEB footnotes.

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In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and PILOTs, pension, OPEB and unavailable revenue. Property taxes and PILOTs represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, other taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position and are explained in the pension and OPEB footnotes.

Q. ESTIMATES

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

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

An annual appropriation budget is prepared on the cash basis for all funds of the City except Custodial Funds. The following are the procedures used by the City for establishing the budgetary data reported in the basic financial statements. The procedures are listed in the order in which they occur during each fiscal year as required by the State of Ohio. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

BUDGETARY PROCEDURES

Budget

A tax budget of estimated revenues and expenditures for all funds other than Custodial Funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized tax rates and reviews revenue estimates. The Budget Commission certifies its action to the City by September 1. As part of this certification, the City receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. On or about January 1, the certificate is amended to include any unencumbered balances from the preceding year. The revised

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budget then serves as the basis for the appropriation measure. The Certificate of Estimated Resources may be further amended during the year if a new source of revenue is identified or actual revenue exceeds current estimates. The amounts reported on the budgetary statement reflect the amounts in the final Amended Certificate of Estimated Resources issued for 2020.

Appropriations

An appropriation measure to control expenditures is enacted before January 1 of each year for the period from January 1 to December 31. The appropriation resolution may be adjusted and/or supplemented during the year by action of City Council as new information becomes available, but fund appropriations may not exceed estimated resources. Supplemental appropriation measures enacted during 2020 increased the original 2020 Appropriation Resolution by \$14,586,435 for all budgeted funds. The majority of these supplemental appropriations are due to the following factors:

- \$3,367,994 for coronavirus related expenditures due to COVID-19 public health emergency:
 - \$2,205,218 for fire salaries and personal services
 - \$512,742 for fire safety equipment; radios, power load cot, stair chair
 - \$322,226 for building maintenance projects, additional cleaning and sanitizing stations throughout the City; HVAC updates, separation of work spaces, auto-flush and automatic faucets installed, painting with microbial paint
 - \$147,500 for the painting of Jail with microbial paint
 - \$131,265 for computer and phone expense to accommodate remote workers
 - \$43,215 for police safety equipment
- \$3,215,000 for LTCP Lakeside Redirect Project
- \$823,483 for repaving and repairs to the University Boulevard Bridge
- \$702,000 for operating expenses and other expenditures for transit fund
- \$600,000 for land purchase from Middletown City School District
- \$555,037 for 2020 Local Street Improvements
- \$550,222 for TIF payment reimbursements
- \$340,000 additional legal services
- \$241,800 fire turnout gear
- \$145,000 for the development of a parks master plan
- \$117,802 for equipment purchase of a Bombag Tandem Vibratory Roller for streets maintenance
- \$44,000 for master planning services related to Towne Mall Galleria redevelopment

Budgeted Level of Expenditures

In Ohio, the legal level of control is the level at which the local government's legislative authority passes the appropriation measure with the minimum of appropriation measures classified separately for each office, department, division, and within each, the amount appropriated for personal services. City Council, Middletown's legislative authority, approved the 2020 budget which is classified by fund, department, division and/or program, and by major category of personnel and other. City Council may alter amounts allocated to various funds during the year as the need arises by adopting modifications to the appropriation measure. Amounts shown in the budgetary financial statements represent the final amounts appropriated for 2020, including all supplemental appropriations and modifications.

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Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. However, the budgetary schedules for funds that had outstanding encumbrances at December 31, 2019, reflect an "Appropriation for prior year encumbrances."

**NOTE 3 - CASH AND EQUITY IN POOLED CASH, DEPOSITS AND INVESTMENTS,
CASH WITH FISCAL AND ESCROW AGENT**

The City follows the practice of pooling cash and investments with the City Treasurer except for the cash of certain accounts maintained by the Municipal Court Fund, and the Community Development Escrow Fund.

Cash deposits and investments of the City as of December 31, 2020, are comprised of the following:

| Deposits | |
|-------------------------|------------------|
| Petty Cash | \$5,575 |
| Certificate of Deposit | \$17,802,024 |
| STAR Ohio Plus | \$2,500,594 |
| Demand deposit accounts | <u>6,739,976</u> |
| Subtotal deposits | \$27,048,169 |

| Investments | |
|----------------------------|---------------------|
| Money Market Funds | \$17,032,510 |
| U.S. Government and Agency | \$15,454,461 |
| STAR Ohio | <u>\$19,682,877</u> |
| Subtotal investments | <u>\$52,169,848</u> |

| Total | <u>\$79,218,017</u> |
|--------------|---------------------|
|--------------|---------------------|

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements," and amended by GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

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

1. Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year-end, 75.1% (\$21,543,824) of the City's bank balance of \$28,704,558 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining was covered by pooled collateral.

The City's investments at December 31, 2020 are summarized as follows:

| | <u>Fair Value</u> | <u>Average Maturity</u> |
|----------------------------|----------------------------|-------------------------|
| | | <u>Years</u> |
| U.S. Government and Agency | \$15,454,461 | 3.02 |
| STAR Ohio | \$19,682,877 | n/a |
| US Money Market Funds | <u>\$17,032,510</u> | n/a |
| | <u><u>\$52,169,848</u></u> | |

Fair Value Measurement

The City's recurring fair value measurement of its investment in U.S. Government and Agency Notes was valued using pricing sources as provided by investment managers (Level 2 inputs). The City's investment in money market funds and STAR Ohio funds are excluded from fair value measurement requirements under GASB Statement No. 72, and instead are reported at amortized cost.

Credit Risk

It is the City's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top two ratings by nationally recognized statistical rating organizations. The City's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAA by Standard & Poor's.

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City is required to disclose the amount of investments with any one issuer that represent five percent or more of total investments. Investments issued by the U.S. government, and investments in external investment pools are excluded from this requirement.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment securities are registered in the name of the City per City policy.

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Interest Rate Risk

In accordance with the investment policy, the City manages its exposure to declines in fair value by limiting the maximum maturity of investments in its portfolio to five years.

NOTE 4 – COMPLIANCE AND ACCOUNTABILITY

The General Fund provides advances and transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. At December 31, 2020 (using the current financial resource measurement focus), the following funds had a deficit fund balance: 2020 Sidewalk Curb and Gutter Program (\$1,082,976), 2019 Sidewalk Curb and Gutter Program (\$434,454), 2018 Sidewalk Curb and Gutter Program (\$156,768), Conservancy District (\$84,296), Central Avenue Sidewalk Curb & Gutter Program (\$62,505), Neighborhood Stabilization (\$36,953), Community Development (\$16,815), and Home Program (\$6,372).

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Real property taxes, other than public utility taxes, are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at thirty-five per cent of appraised market value. All property is revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The assessed value upon which the 2020 taxes were collected was \$747,047,250. The full tax rate for all City operations for the fiscal year ended December 31, 2020, was \$6.90 per \$1,000 of assessed valuation.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility property taxes are payable annually or semi-annually with the same dates as described under real property previously.

The County Treasurer collects property tax on behalf of all taxing districts within Butler County and Warren County. The auditor periodically remits these property tax receipts to the City.

Property taxes receivable represents real and public utility taxes and outstanding delinquencies that are measurable as of December 31, 2020. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2020 operations. The receivable is therefore offset by a credit to deferred inflow of resources.

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NOTE 6 - INCOME TAX

The City levies an income tax of 1.75 percent on substantially all earned income arising from employment, residency, or business activities inside the City. This income tax rate includes the Public Safety income tax levy of .25% passed by the voters in November 2007 which became effective January 1, 2008 and was effective for a period of five years. This levy was renewed permanently in August 2012 by the voters. Employers within the City are required to withhold income tax on employee compensation and remit it to the City at least quarterly. Corporations and certain individual taxpayers are required to pay quarterly estimates with the largest corporations remitting monthly.

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

| GOVERNMENTAL ACTIVITIES | | | | |
|--|---------------------------------|------------------------|------------------------|------------------------------|
| <i><u>Capital Asset</u></i> | <i><u>Beginning Balance</u></i> | <i><u>Increase</u></i> | <i><u>Decrease</u></i> | <i><u>Ending Balance</u></i> |
| Capital assets, not being depreciated: | | | | |
| Land | \$15,423,847 | \$128,000 | \$0 | \$15,551,847 |
| Construction in progress | \$0 | \$2,555,817 | \$0 | \$2,555,817 |
| Total capital assets, not being depreciated | \$15,423,847 | \$2,683,817 | \$0 | \$18,107,664 |
| Capital assets, being depreciated: | | | | |
| Land improvements | \$845,313 | \$0 | \$0 | \$845,313 |
| Buildings | \$30,051,791 | \$674,713 | \$0 | \$30,726,504 |
| Equipment | \$30,002,761 | \$2,185,571 | (\$71,552) | \$32,116,780 |
| General infrastructure | \$210,108,069 | \$3,688,423 | \$0 | \$213,796,492 |
| Total capital assets, being depreciated | \$271,007,934 | \$6,548,707 | (\$71,552) | \$277,485,089 |
| Totals at Historical Cost | \$286,431,781 | \$9,232,524 | (\$71,552) | \$295,592,753 |
| Less accumulated depreciation: | | | | |
| Land improvements | \$575,892 | \$13,642 | \$0 | \$589,534 |
| Buildings | \$21,086,038 | \$884,764 | \$0 | \$21,970,802 |
| Equipment | \$21,461,732 | \$1,886,150 | (\$71,552) | \$23,276,330 |
| General infrastructure | \$164,180,197 | \$3,763,535 | \$0 | \$167,943,732 |
| Total depreciation | \$207,303,859 | \$6,548,091 | (\$71,552) | \$213,780,398 |
| Capital Assets, Net | \$79,127,922 | \$2,684,433 | \$0 | \$81,812,355 |

Depreciation was charged to governmental functions as follows:

| | |
|---------------------------|---------------------------|
| Community environment | \$455,268 |
| General Government | \$1,576,774 |
| Leisure | \$184,455 |
| Public health and welfare | \$14,563 |
| Public safety | \$750,166 |
| Streets and highways | <u>\$3,566,865</u> |
| Total | <u>\$6,548,091</u> |

CITY OF MIDDLETOWN
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| BUSINESS-TYPE ACTIVITIES | | | | |
|--|--------------------------|---------------------|--------------------|-----------------------|
| <i>Capital Asset</i> | <i>Beginning Balance</i> | <i>Increase</i> | <i>Decrease</i> | <i>Ending Balance</i> |
| Capital assets, not being depreciated: | | | | |
| Land | \$3,891,732 | \$0 | \$0 | \$3,891,732 |
| Construction in progress | \$1,966,882 | \$4,861,575 | (\$410,962) | \$6,417,495 |
| Total capital assets, not being depreciated | \$5,858,614 | \$4,861,575 | (\$410,962) | \$10,309,227 |
| Capital assets, being depreciated: | | | | |
| Land improvements | \$926,159 | \$0 | \$0 | \$926,159 |
| Buildings | \$33,162,720 | \$333,471 | \$0 | \$33,496,191 |
| Equipment | \$26,930,303 | \$633,649 | (\$21,905) | \$27,542,047 |
| General infrastructure | \$102,271,946 | \$4,875,311 | \$0 | \$107,147,257 |
| Total capital assets, being depreciated | \$163,291,128 | \$5,842,431 | (\$21,905) | \$169,111,654 |
| Totals at Historical Cost | \$169,149,742 | \$10,704,006 | (\$432,867) | \$179,420,881 |
| Less accumulated depreciation: | | | | |
| Land improvements | \$489,484 | \$41,913 | \$0 | \$531,397 |
| Buildings | \$19,428,318 | \$731,504 | \$0 | \$20,159,822 |
| Equipment | \$19,135,939 | \$993,162 | (\$21,905) | \$20,107,196 |
| General infrastructure | <u>\$49,070,123</u> | <u>\$2,040,731</u> | <u>\$0</u> | <u>\$51,110,854</u> |
| Total depreciation | \$88,123,864 | \$3,807,310 | (\$21,905) | \$91,909,269 |
| Total capital assets, being depreciated, net | \$75,167,264 | \$2,035,121 | \$0 | \$77,202,385 |
| Capital Assets, Net | \$81,025,878 | \$6,896,696 | (\$410,962) | \$87,511,612 |

Depreciation was charged to Enterprise Funds as follows:

| | |
|--------------|--------------------|
| Water | \$1,216,552 |
| Sewer | \$1,534,899 |
| Storm | \$326,451 |
| Solid Waste | \$2,357 |
| Airport | \$277,685 |
| Transit | \$449,366 |
| Total | \$3,807,310 |

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NOTE 8 - PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

| Group A | Group B | Group C |
|---|---|---|
| Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | Members not in other Groups and members hired on or after January 7, 2013 |
| State and Local | State and Local | State and Local |
| Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |
| Public Safety | Public Safety | Public Safety |
| Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit |
| Law Enforcement | Law Enforcement | Law Enforcement |
| Age and Service Requirements: Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit |
| Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

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

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

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

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

| | | <u>State and Local</u> |
|--|--|----------------------------|
| 2020 Statutory Maximum Contribution Rates | | |
| Employer | | 14.0% |
| Employee | | 10.0% |
| 2020 Actual Contribution Rates | | |
| Employer: | | |
| Pension | | 14.0% |
| Post-employment Health Care Benefits | | 0.0% |
| Total Employer | | <u>14.0%</u> |
| Employee | | <u>10.0%</u> |

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,877,821 for 2020. Of this amount, \$156,485 is reported as accrued wages and benefits payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

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

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

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

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

| | Police | Firefighters |
|--|---------------|---------------------|
| 2020 Statutory Maximum Contribution Rates | | |
| Employer | 19.50% | 24.00% |
| Employee | 12.25% | 12.25% |
| 2020 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00% | 23.50% |
| Post-employment Health Care Benefits | 0.50% | 0.50% |
| Total Employer | <u>19.50%</u> | <u>24.00%</u> |
| Employee | <u>12.25%</u> | <u>12.25%</u> |

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$2,380,338 for 2020. Of this amount \$198,362 is reported as accrued wages and benefits payable.

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In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2020, the specific liability of the City was \$1,283,932 payable in semi-annual payments through the year 2034.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | OPERS | OP&F | Total |
|--|-------------------|-------------------|---------------|
| Proportionate Share of the Net Pension Liability | \$ 15,994,021 | \$ 30,963,551 | \$ 46,957,572 |
| Proportion of the Net Pension Liability | | | |
| Current Measurement Date | 0.080918% | 0.459636% | |
| Prior Measurement Date | 0.081502% | 0.476649% | |
| Change in Proportionate Share | <u>-0.000584%</u> | <u>-0.017013%</u> | |
| Pension Expense | \$ 2,789,581 | \$ 3,433,458 | \$ 6,223,039 |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS | OP&F | Total |
|---|---------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Changes in employer proportion and differences between contributions and proportionate share of contributions | \$ 232,538 | \$ 489,992 | \$ 722,530 |
| Differences between expected and actual experience | - | 1,216,800 | 1,216,800 |
| Change in Assumptions | 854,268 | 792,407 | 1,646,675 |
| Entity contributions subsequent to the measurement date | <u>1,877,821</u> | <u>2,380,338</u> | <u>4,258,159</u> |
| Total Deferred Outflows of Resources | <u>\$ 2,964,627</u> | <u>\$ 4,879,537</u> | <u>\$ 7,844,164</u> |
| | OPERS | OP&F | Total |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$ 3,190,448 | \$ 1,388,643 | \$ 4,579,091 |
| Differences between expected and actual experience | 202,222 | 1,597,232 | 1,799,454 |
| Changes in employer proportion and differences between contributions and proportionate share of contributions | - | 2,067,642 | 2,067,642 |
| Total Deferred Inflows of Resources | <u>\$ 3,392,670</u> | <u>\$ 5,053,517</u> | <u>\$ 8,446,187</u> |

The City reported \$4,258,159 as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension

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liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS | OP&F | Total |
|--------------------------|------------------------------|------------------------------|------------------------------|
| Year Ending December 31: | | | |
| 2021 | (174,994) | (1,015,999) | (1,190,993) |
| 2022 | (996,168) | (294,673) | (1,290,841) |
| 2023 | 132,116 | 567,623 | 699,739 |
| 2024 | (1,266,818) | (1,576,289) | (2,843,107) |
| 2025 | - | (234,980) | (234,980) |
| Thereafter | - | - | - |
| Total | <u><u>\$ (2,305,864)</u></u> | <u><u>\$ (2,554,318)</u></u> | <u><u>\$ (4,860,182)</u></u> |

Actuarial Assumptions - OPERS

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 cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--------------------------------|---|
| Measurement and Valuation Date | December 31, 2019 |
| Experience Study | 5-Year Period Ended December 31, 2015 |
| Actuarial Cost Method | Individual Entry Age |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.2 percent |
| Wage Inflation | 3.25% |
| Projected Salary Increases | 3.25% to 10.75% (including wage inflation at 3.25%) |
| Cost-of-Living Adjustments | Pre-1/7/2013 Retirees: 3% simple Post-1/7/2013 Retirees: 1.40% simple through 2020, then 2.15% simple |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|--------------------|---|
| Fixed Income | 25.00% | 1.83% |
| Domestic Equities | 19.00% | 5.75% |
| Real Estate | 10.00% | 5.20% |
| Private Equity | 12.00% | 10.70% |
| International Equities | 21.00% | 7.66% |
| Other investments | <u>13.00%</u> | 4.98% |
| Total | <u>100.00%</u> | <u>5.61%</u> |

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and annuitized accounts of the Member- Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

Discount Rate The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate

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share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| Entity's proportionate share of the net pension liability | \$ 26,379,268 | \$ 15,994,021 | \$ 6,657,933 |

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below:

| | |
|---------------------------------|--|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Actuarial Assumptions: | |
| Investment Rate of Return | 8.00% |
| Cost of Living Increases (COLA) | 3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00% |
| Salary Increases | 3.75% to 10.50% |
| Payroll Growth | Inflation rate of 2.75% plus productivity increase rate of 0.5% |

Healthy Mortality – Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

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Disabled Mortality – Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2019 are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00% | 1.00% |
| Domestic Equity | 16.00% | 5.40% |
| Non-US Equity | 16.00% | 5.80% |
| Private Markets | 8.00% | 8.00% |
| Core Fixed Income* | 23.00% | 2.70% |
| High Yield Fixed Income | 7.00% | 4.70% |
| Private Credit | 5.00% | 5.50% |
| U.S Inflation Linked Bonds* | 17.00% | 2.50% |
| Master Limited Partnerships | 8.00% | 6.60% |
| Real Assets | 8.00% | 7.40% |
| Private Real Estate | 12.00% | 6.40% |
| | 120.00% | |

Note: Assumptions are geometric

* levered 2X

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State

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statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

| | Current | | |
|--|------------------------|--------------------------|------------------------|
| | 1% Decrease (7.00%) | Discount Rate (8.00%) | 1% Increase (9.00%) |
| Entity's proportionate share of the net pension liability | \$ 42,914,385 | \$ 30,963,551 | \$ 20,967,836 |

NOTE 9 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' hyperlink referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined plans' employer contributions allocated to health care was zero in 2020 and is expected to remain at that level. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0%.

The City's contractually required contribution was \$0 for 2020.

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F that provides various levels of health care to retired, disabled and beneficiaries, as well as their dependents. On January 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. The health care coverage provided by OP&F is considered an Other Postemployment Benefits (OPEB) as described in GASB Statement No. 75.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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On Jan. 1, 2019, OP&F changed the way it supports retiree health care. A stipend-based health care model has replaced the self-insured group health care plan that had been in place. OP&F has contracted with a vendor who can assist eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses. As a result of this change, it is expected that the solvency of the HCSF will be extended allowing OP&F to provide stipends to eligible participants.

Under Ohio law, health care costs paid from the funds of the plan are included in the employer contribution rates, which are currently 19.5% and 24% of salaries for police and fire employers, respectively. During 2020, the Board of Trustees has allocated employer contributions equal to 0.5% of annual covered payroll to the Health Care Stabilization Fund (HCSF). The HCSF is part of the Pension Reserve Fund.

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

The City's contractually required contribution to OP&F was \$57,284 for 2020. Of this amount, \$4,774 is reported as accrued wages and benefits payable.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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| | OPERS | OP&F | Total |
|--|-------------------|-------------------|---------------|
| Proportionate Share of the Net OPEB Liability: | \$ 11,626,265 | \$ 4,540,163 | \$ 16,166,428 |
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.084171% | 0.459636% | |
| Prior Measurement Date | <u>0.085428%</u> | <u>0.476649%</u> | |
| Change in Proportionate Share | <u>-0.001257%</u> | <u>-0.017013%</u> | |
| | | | |
| OPEB Expense | \$ 1,159,212 | \$ 522,336 | \$ 1,681,548 |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | OPERS | OP&F | Total |
|---|---------------------|---------------------|---------------------|
| Deferred Outflows of Resources | | | |
| Changes in employer proportion and differences between contributions and proportionate share of contributions | \$ 20,176 | \$ 436,621 | \$ 456,797 |
| Differences between expected and actual experience | 312 | - | 312 |
| Change in Assumptions | 1,840,314 | 2,730,843 | 4,571,157 |
| Contributions subsequent to the measurement date | - | 57,284 | 57,284 |
| Total Deferred Outflows of Resources | <u>\$ 1,860,802</u> | <u>\$ 3,224,748</u> | <u>\$ 5,085,550</u> |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on OPEB plan investments | \$ 592,006 | \$ 205,066 | \$ 797,072 |
| Differences between expected and actual experience | 1,063,276 | 492,206 | 1,555,482 |
| Change in Assumptions | - | 1,003,391 | 1,003,391 |
| Changes in employer proportion and differences between contributions and proportionate share of contributions | 118,138 | 237,442 | 355,580 |
| Total Deferred Inflows of Resources | <u>\$ 1,773,420</u> | <u>\$ 1,938,105</u> | <u>\$ 3,711,525</u> |

\$57,284 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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| | OPERS | OP&F | Total |
|--------------------------|------------------|---------------------|---------------------|
| Year Ending December 31: | | | |
| 2021 | 243,529 | 232,682 | 476,211 |
| 2022 | 96,352 | 232,682 | 329,034 |
| 2023 | 471 | 277,361 | 277,832 |
| 2024 | (252,970) | 207,297 | (45,673) |
| 2025 | - | 215,570 | 215,570 |
| Thereafter | - | 63,767 | 63,767 |
| Total | \$ 87,382 | \$ 1,229,359 | \$ 1,316,741 |

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|--------------------|---|
| Fixed Income | 36.00% | 1.53% |
| Domestic Equities | 21.00% | 5.75% |
| Real Estate Investment Trust | 6.00% | 5.69% |
| International Equities | 23.00% | 7.66% |
| Other investments | <u>14.00%</u> | 4.90% |
| Total | <u>100.00%</u> | 4.55% |

Discount Rate A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate

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assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

| | 1% Decrease (2.16%) | Current Discount Rate (3.16%) | 1% Increase (4.16%) |
|---|------------------------|-------------------------------------|------------------------|
| Entity's proportionate share of the net OPEB liability | \$ 15,214,750 | \$ 11,626,265 | \$ 8,752,942 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | Current Health Care Cost Trend Rate | | |
|---|--|---------------|---------------|
| | 1% Decrease | Assumption | 1% Increase |
| Entity's proportionate share of the net OPEB liability | \$ 11,283,123 | \$ 11,626,265 | \$ 11,964,908 |

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of

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their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

| | |
|----------------------------|---|
| Valuation Date | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.00 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increases rate of 0.5 percent |
| Single Discount Rate: | |
| Current Measurement Date | 3.56 percent |
| Prior Measurement Date | 4.66 percent |
| Cost of Living Adjustments | 3.00 percent simple; 2.2 percent simple for increase based on the lesser of the increase in CPI and 3 percent |

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77% | 68% |
| 68-77 | 105% | 87% |
| 78 and up | 115% | 120% |

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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| Age | Police | Fire |
|------------|--------|------|
| 59 or less | 35% | 35% |
| 60-69 | 60% | 45% |
| 70-79 | 75% | 70% |
| 80 and up | 100% | 90% |

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00% | 1.00% |
| Domestic Equity | 16.00% | 5.40% |
| Non-US Equity | 16.00% | 5.80% |
| Private Markets | 8.00% | 8.00% |
| Core Fixed Income* | 23.00% | 2.70% |
| High Yield Fixed Income | 7.00% | 4.70% |
| Private Credit | 5.00% | 5.50% |
| U.S Inflation Linked Bonds* | 17.00% | 2.50% |
| Master Limited Partnerships | 8.00% | 6.60% |
| Real Assets | 8.00% | 7.40% |
| Private Real Estate | <u>12.00%</u> | 6.40% |
| | <u>120.00%</u> | |

Note: Assumptions are geometric

* levered 2X

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

Discount Rate Total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.75

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percent at December 31, 2019 and 4.13 percent at December 31, 2018 was blended with the long-term rate of 8.00 percent, which resulted in a blended discount rate of 3.56 percent.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

| | Current | | |
|---|--------------|---------------|--------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | (2.56%) | (3.56%) | (4.56%) |
| Entity's proportionate share of the net OPEB liability | \$ 5,629,506 | \$ 4,540,163 | \$ 3,634,990 |

NOTE 10 - INCURRED BUT NOT REPORTED CLAIMS - HEALTH PLAN

The City of Middletown has a self-insured health plan that is accounted for in the Employee Benefits Fund. All full-time employees of the City are eligible to enroll in this plan which is administered by an independent Third Party Plan Administration Company. Claims incurred but not reported as of December 31, 2020, were calculated by the Plan Administrator based upon the City's claims experience over the past twelve months. The accounts payable liability recorded in the Employee Benefits Fund at year-end for claims incurred but not reported was \$798,398.

| Year | Beginning of Fiscal Year Liability | Current Year Claims & Changes In Estimate | Claims Payments | Balance At Fiscal Year End |
|------|--|---|--------------------|----------------------------------|
| 2019 | \$504,716 | \$5,099,890 | \$4,803,908 | \$800,698 |
| 2020 | \$800,698 | \$5,077,207 | \$5,079,507 | \$798,398 |

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NOTE 11 - LONG TERM OBLIGATIONS

Long-term obligation of the City as of December 31, 2020 are as follows:

A. GOVERNMENTAL ACTIVITIES

| | Balance, Beginning of Year | Additions | Reductions | Balance, End of Year | Principal Due Within One Year | Interest Paid in 2020 |
|---------------------------------------|-------------------------------|------------|------------------|-------------------------|-------------------------------------|--------------------------|
| 2000 Burbank Street Improvements | \$15,000 | \$0 | \$15,000 | \$0 | \$0 | \$1,005 |
| 2001 Illinois/Longfellow Improve. | \$32,558 | \$0 | \$16,279 | \$16,279 | \$16,279 | \$1,888 |
| 2001 Dick's Creek | \$16,884 | \$0 | \$8,442 | \$8,442 | \$8,442 | \$979 |
| 2001 Oxford State Rd Water Line | \$10,558 | \$0 | \$5,279 | \$5,279 | \$5,279 | \$612 |
| 2001 Oxford State Rd Intersection | \$8,000 | \$0 | \$4,000 | \$4,000 | \$4,000 | \$468 |
| 2004 Roosevelt Ave. Improvements | \$205,000 | \$0 | \$35,000 | \$170,000 | \$40,000 | \$11,275 |
| 2017 Towne Blvd. Improvements | \$335,000 | \$0 | \$15,000 | \$320,000 | \$20,000 | \$12,400 |
| 2007 Cincinnati Dayton Rd Sewer | \$70,000 | \$0 | \$9,000 | \$61,000 | \$9,000 | \$3,325 |
| 2014 Jefferson Road | \$95,000 | \$0 | \$5,000 | \$90,000 | \$5,000 | \$4,988 |
| 2014 S Main St Lighting | \$100,000 | \$0 | \$20,000 | \$80,000 | \$20,000 | \$5,250 |
| Total Special Assessment Bonds | \$888,000 | \$0 | \$133,000 | \$755,000 | \$128,000 | \$42,191 |

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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| | Balance, Beginning of Year | Additions | Reductions | Balance, End of Year | Principal Due Within One Year | Interest Paid in 2020 |
|---------------------------------------|----------------------------------|--------------------|---------------------|-------------------------|-------------------------------------|--------------------------|
| <i>General Obligation Bonds:</i> | | | | | | |
| 2017 Towne Blvd/SR 122/I-75 | \$295,000 | \$0 | \$45,000 | \$250,000 | \$50,000 | \$13,070 |
| 2017 Towne Blvd. Extension | \$660,000 | \$0 | \$210,000 | \$450,000 | \$220,000 | \$27,831 |
| 2017 Refunding Bonds | \$3,770,000 | \$0 | \$320,000 | \$3,450,000 | \$335,000 | \$147,100 |
| 2010 Downtown Parking Flat Lot | \$200,000 | \$0 | \$100,000 | \$100,000 | \$100,000 | \$6,250 |
| 2010 Greentree Health Science Academy | \$3,520,000 | \$0 | \$245,000 | \$3,275,000 | \$255,000 | \$209,833 |
| 2013 Court of Appeals | \$1,011,850 | \$0 | \$241,500 | \$770,350 | \$249,900 | \$35,225 |
| 2013 MRH Land | \$1,398,150 | \$0 | \$333,500 | \$1,064,650 | \$345,100 | \$49,475 |
| 2015 AK Steel Holding Corp Project | \$1,755,000 | \$0 | \$80,000 | \$1,675,000 | \$85,000 | \$77,968 |
| 2015 Bender Tract | \$1,655,000 | \$0 | \$125,000 | \$1,530,000 | \$130,000 | \$67,053 |
| Premiums | \$441,596 | \$0 | \$148,708 | \$292,888 | \$0 | \$0 |
| Total General Obligation Bonds | \$14,706,596 | \$0 | \$1,848,708 | \$12,857,888 | \$1,770,000 | \$633,804 |
| Compensated Absences | \$5,620,633 | \$2,154,021 | \$2,058,600 | \$5,716,054 | \$2,285,525 | |
| Police & Fire Pension | | | | | | |
| Unfunded Accrued Liability | \$1,381,673 | \$0 | \$97,741 | \$1,283,932 | \$97,741 | |
| Net Pension Liability: | | | | | | |
| OPERS | \$18,077,430 | \$0 | \$5,124,628 | \$12,952,802 | \$0 | |
| OP&F | \$38,907,174 | \$0 | \$7,943,623 | \$30,963,551 | \$0 | |
| Total Net Pension Liability | \$56,984,604 | \$0 | \$13,068,251 | \$43,916,353 | \$0 | |
| Net OPEB Liability: | | | | | | |
| OPERS | \$9,019,966 | \$395,597 | \$0 | \$9,415,563 | \$0 | |
| OP&F | \$4,340,623 | \$199,540 | \$0 | \$4,540,163 | \$0 | |
| Total Net OPEB Liability | \$13,360,589 | \$595,137 | \$0 | \$13,955,726 | \$0 | |
| Total Governmental Activities | \$92,942,095 | \$2,749,158 | \$17,206,300 | \$78,484,953 | \$4,281,266 | \$675,994 |

The governmental funds typically used to liquidate the liability for compensated absences and pension and OPEB liabilities are the General Fund, Income Tax Fund, Auto & Gas Tax Fund, Community Development Fund, Municipal Court Fund, Probation Fund and Health Fund.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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B. BUSINESS TYPE ACTIVITIES

| | Balance, Beginning of Year | Additions | Reductions | Balance, End of Year | Principal Due Within One Year | Interest Paid in 2020 |
|---|----------------------------------|------------------|--------------------|-------------------------|-------------------------------------|--------------------------|
| <u><i>General Obligation Bonds:</i></u> | | | | | | |
| 2017 Airport | \$785,000 | \$0 | \$90,000 | \$695,000 | \$95,000 | \$30,200 |
| 2017 Sewer | \$3,660,000 | \$0 | \$405,000 | \$3,255,000 | \$430,000 | \$141,500 |
| 2014 Wastewater Energy Improvements | \$655,000 | \$0 | \$55,000 | \$600,000 | \$60,000 | \$23,300 |
| 2014 Water Energy Improvements | \$2,405,000 | \$0 | \$210,000 | \$2,195,000 | \$215,000 | \$85,400 |
| Premium | \$630,197 | \$0 | \$75,354 | \$554,843 | \$0 | \$0 |
| Total General Obligation Bonds Payable | \$8,135,197 | \$0 | \$835,354 | \$7,299,843 | \$800,000 | \$280,400 |
| Compensated Absences | \$607,978 | \$360,850 | \$288,478 | \$680,350 | \$341,798 | \$0 |
| Net Pension Liability - OPERS | \$4,244,441 | \$0 | \$1,203,222 | \$3,041,219 | \$0 | \$0 |
| Net OPEB Liability - OPERS | \$2,117,818 | \$92,884 | \$0 | \$2,210,702 | \$0 | \$0 |
| Total Business Type Activities | \$15,105,434 | \$453,734 | \$2,327,054 | \$13,232,114 | \$1,141,798 | \$280,400 |

Business type activity bonds payable are General Obligation Bonds paid from revenues of the enterprise operation for which the improvements were made. All other General Obligation Bond Issues will be paid through the General Obligation Debt Service Fund from income tax revenues.

The City's legal debt margin was \$66,409,341 at December 31, 2020. Principal and interest requirements to retire the long-term obligations outstanding at December 31, 2020 are as follows:

| GOVERNMENTAL ACTIVITIES | | | |
|---|------------------|------------------|--------------------|
| Police and Fire Pension Debt Schedule 12/31/20 | | | |
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2021 | \$52,217 | \$45,524 | \$97,741 |
| 2022 | \$52,217 | \$45,524 | \$97,741 |
| 2023 | \$52,217 | \$45,524 | \$97,741 |
| 2024 | \$52,217 | \$45,524 | \$97,741 |
| 2025 | \$52,217 | \$45,524 | \$97,741 |
| 2026-2030 | \$261,085 | \$227,620 | \$488,705 |
| 2031-2034 | \$163,800 | \$142,722 | \$306,522 |
| Total | \$685,970 | \$597,962 | \$1,283,932 |

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NOTES TO FINANCIAL STATEMENTS
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GOVERNMENTAL ACTIVITIES

General Obligation and Assessment Bonds Schedule 12/31/20

| | General Obligation Bonds | | | Special Assessment Bonds | | |
|--------------|--------------------------|--------------------|---------------------|--------------------------|------------------|------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021 | \$1,770,000 | \$568,075 | \$2,338,075 | \$128,000 | \$34,797 | \$162,797 |
| 2022 | \$1,705,000 | \$507,732 | \$2,212,732 | \$90,000 | \$28,483 | \$118,483 |
| 2023 | \$1,525,000 | \$442,560 | \$1,967,560 | \$175,000 | \$24,195 | \$199,195 |
| 2024 | \$920,000 | \$382,695 | \$1,302,695 | \$175,000 | \$17,533 | \$192,533 |
| 2025 | \$955,000 | \$332,850 | \$1,287,850 | \$111,000 | \$8,520 | \$119,520 |
| 2026-2030 | \$4,655,000 | \$964,418 | \$5,619,418 | \$36,000 | \$14,961 | \$50,961 |
| 2031-2035 | \$1,035,000 | \$128,313 | \$1,163,313 | \$40,000 | \$5,250 | \$45,250 |
| Total | \$12,565,000 | \$3,326,643 | \$15,891,643 | \$755,000 | \$133,737 | \$888,737 |

BUSINESS TYPE ACTIVITIES

General Obligation Bonds Schedule - 12/31/20

| | Principal | Interest | Total |
|--------------|--------------------|--------------------|--------------------|
| 2021 | \$800,000 | \$250,350 | \$1,050,350 |
| 2022 | \$810,000 | \$231,600 | \$1,041,600 |
| 2023 | \$820,000 | \$212,600 | \$1,032,600 |
| 2024 | \$845,000 | \$190,450 | \$1,035,450 |
| 2025 | \$880,000 | \$151,150 | \$1,031,150 |
| 2026-2029 | \$2,590,000 | \$231,700 | \$2,821,700 |
| Total | \$6,745,000 | \$1,267,850 | \$8,012,850 |

The Ohio Revised Code specifies that all special assessment debt is general obligation debt. All special assessment bond issues are, therefore, backed by the full faith and credit of the City.

The primary responsibility for the annual payments to special assessment bondholders is with the property owners on whose behalf the City has issued special assessment debt. The special assessments, which cover both principal and interest due, are collected by the Butler County and Warren County Treasurer each year with the property owners' property tax payments. The collections are then sent to the City, which pays the principal and interest due. In the event of default, a lien is put on the property and it is eventually sold by the county at a tax sale. The City is then reimbursed for any special assessment bond payments it made. The City, therefore, does not maintain a reserve or sinking fund to meet its special assessment bond obligations.

The police and fire pension unfunded accrued liability represents the City's portion of the unfunded prior service cost of the fund which existed at the time the fund was established in 1967 as determined by actuarial evaluation. This accrued liability has and will continue to be paid over a term of sixty-seven years in annual installments which began in 1969 and which will end in 2034. The police and fire pension liability is paid through the police pension and fire pension Special Revenue Funds using unvoted general property tax revenue and income tax revenues.

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NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The City's inter-fund receivables and payables at the end of 2020 were comprised of operating advances from the General Fund to other operating funds (\$2,416,535) and payments to the Municipal Garage Fund by the City operating funds for December 2020 services (\$88,760). Inter-fund balances as of December 31, 2020 are as follows:

| Fund | Receivables | Payables |
|-------------------------------------|--------------------|--------------------|
| Governmental Funds: | | |
| General Fund | \$2,416,535 | \$41,334 |
| Health Fund | \$0 | \$174 |
| Non major government funds | <u>\$0</u> | <u>\$2,196,166</u> |
| Total governmental funds | \$2,416,535 | \$2,237,674 |
| Enterprise Funds: | | |
| Water | \$0 | \$10,960 |
| Sewer | \$0 | \$4,640 |
| Storm Water | \$0 | \$3,156 |
| Non major enterprise funds | <u>\$0</u> | <u>\$248,865</u> |
| Total enterprise funds | \$0 | \$267,621 |
| Internal Service Funds | | |
| Internal service funds | <u>\$88,760</u> | <u>\$0</u> |
| Total internal service funds | \$88,760 | \$0 |
| Total all funds | \$2,505,295 | \$2,505,295 |

NOTE 13 - CONTINGENT LIABILITY

The City is a defendant in a number of claims and lawsuits in the normal course of operations. The impact of the claims and lawsuits cannot presently be determined; however, City management is of the opinion the ultimate settlement of these claims will not result in a material adverse effect on the City's financial position.

For the period January 1, 2020, to December 31, 2020, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial to the financial statements as a whole.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
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NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of property and casualty losses, and injuries to employees. The City insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (formerly known as American Risk Pooling Consultants, Inc.), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2019, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2019 and 2018:

| <u>Casualty & Property Coverage</u> | <u>2018</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Assets | \$49,921,998 | \$54,973,597 |
| Liabilities | (\$14,676,199) | (\$16,440,940) |
| Net position - Unrestricted | <u>\$35,245,799</u> | <u>\$38,532,657</u> |

At December 31, 2019 and 2018, the liabilities above included incurred claims payable. The assets above also include unpaid claims to be billed to approximately 553 member governments in the future, as of December 31, 2019 and 2018, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. At December 31, 2019, the city's share of these unpaid claims collectible in future years is approximately \$649,814.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

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| Contributions to PEP | |
|----------------------|-----------|
| 2016 | \$619,043 |
| 2017 | \$618,127 |
| 2018 | \$577,497 |
| 2019 | \$606,845 |
| 2020 | \$622,220 |

After one year of membership, a member may withdraw on each anniversary of the date joining PEP provided they provide written notice to PEP sixty days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 15 - SIGNIFICANT CONTRACTUAL OBLIGATIONS & ENCUMBRANCE COMMITMENTS

A. Contractual Commitments

As of December 31, 2020, the City has entered into the following major contracts and agreements for the purpose of infrastructure improvements or services related to the operations of the city:

| Vendor | Purpose | Amount Remaining |
|---------------------------------------|--|------------------|
| The Great Lakes Construction Company | University Blvd Bridge repavement/rehab | \$1,962,804 |
| R.A. Miller Construction Company, Inc | 2020 Local Street Improvements | \$358,313 |
| Miller Pipeline LLC | 2020 Sanitary Sewer Lining | \$335,285 |
| Rush Truck Center Cincinnati | Purchase of 3 trucks for Streets Maintenance | \$255,447 |
| Strand Associates Inc | Central Avenue Improvements Design | \$242,746 |
| Phoenix Safety Outfitters | Firefighter turnout gear | \$241,800 |
| Howell Contractors Inc | North Interceptor Sewer Contract Mod #2 | \$144,144 |
| Jess Howard Electric | Precision Approach Path Indicator (PAPI) System at airport | <u>\$114,964</u> |
| | | \$3,655,503 |

B. Encumbrance Commitments

At December 31, 2020, the City had encumbrance commitments of \$2,151,616 in the General Fund, \$1,210,370 in the Capital Improvements Fund, \$37,356 for the Health Fund and \$2,260,488 for all other Governmental Funds.

NOTE 16 - RELATED ORGANIZATION

The Middletown Public Library is a distinct political subdivision of the State of Ohio created under the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the City of Middletown. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the City for operational subsidies. Although the City does serve

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

as the taxing authority and has issued tax-related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Middletown Public Library at 125 South Broad Street, Middletown, Ohio 45044.

NOTE 17 – LOAN RECEIVABLE

The City of Middletown entered into an agreement in 1997 with the City of Monroe to share the cost of a 1.5 million gallon water storage tank that would deliver water to the residents of both cities. Upon completion of the tank construction, the City of Monroe was to pay one third of the cost of construction to Middletown over a twenty-year period. Construction of the tank was completed in late 2001. Monroe is paying \$675,908 to Middletown over a twenty-year period at an interest rate of 5.09%.

NOTE 18 – CONDUIT DEBT

The City of Middletown authorized the issuance of \$85,000,000 in hospital facilities revenue bonds in late November 2006. These bonds were used to finance the construction and the equipping of the new Atrium Medical Center. Atrium issued another debt series in 2007 for \$110,000,000. Atrium replaced the 2007 issue with a 2008 Bond series which totals \$111,000,000. In 2010, Atrium called \$1,850,000 of the 2008 debt and replaced the 2006 debt series with an \$85,000,000 issue. In 2011, Atrium called \$2,425,000 of the 2008 debt issue. In 2012, Atrium called \$2,475,000 of the 2008 debt issue. In 2016, Atrium replaced the 2010 debt series with a \$90,000,000 issue. Atrium Medical Center will repay the remainder of the debt; the City of Middletown is not obligated for this debt.

City of Middletown conduit debt issues outstanding at December 31, 2020 is \$82,940,000 hospital facilities revenue bonds issued on behalf of Atrium Medical Center.

NOTE 19 - JOINT ECONOMIC DEVELOPMENT DISTRICTS

The City of Middletown participates in a Joint Economic Development District (JEDD) with Liberty Township and the City of Mason. The JEDD is located entirely within Liberty Township, Butler County, Ohio near State Route 129. The purpose of the JEDD is to facilitate the development of jobs and employment opportunities along with improving the welfare of people in the State of Ohio and the area of the contracting parties. The JEDD creates a Board of Directors which consists of a Municipal Member, a Liberty Township member, a member who represents the owners of the businesses within the JEDD, a member who represents the persons working within the JEDD, and one member who is selected by the above members who serves as chairperson.

The proceeds of the JEDD are used to pay a portion of the costs associated with the Liberty Interchange, the provision of public services such as police and fire protection, and to provide for improvements in connector roads that benefit the JEDD.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The joint venture between the governmental entities is defined in the following manner:

- Liberty Township receives 83% of the net income tax revenues collected.
- The City of Mason receives 15% of the net income tax revenues collected.
- The City of Middletown receives 2% of the net income tax revenues collected.

The City of Middletown administers and collects income tax for the JEDD and reports monthly and quarterly to the contracting parties. The City of Middletown receives 5% of the gross income tax collected and absorbs all reasonable costs associated with the collection of these income taxes.

NOTE 20 – FUND BALANCE

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

| Fund Balances | General Fund | Special Assessment Debt Service Fund | Capital Improvements Fund | Health Fund | Non-major Governmental Funds | Total Governmental Funds |
|-----------------------------|----------------------|---|------------------------------|-------------------|------------------------------------|-----------------------------|
| Nonspendable | | | | | | |
| Inventory of supplies | \$ 21,967 | \$ - | \$ - | \$ 443,481 | \$ 465,448 | |
| Interfund loans | | 2,416,535 | | | | 2,416,535 |
| Total Nonspendable | 2,438,502 | - | - | 443,481 | 2,881,983 | |
| Restricted for | | | | | | |
| Capital improvements | | | 1,950,259 | | 127,896 | 2,078,155 |
| Debt service | | 417,805 | | | - | 417,805 |
| TIF agreement | | | | | 1,862,088 | 1,862,088 |
| Housing assistance | | | | | 400,512 | 400,512 |
| Community Development | | | | | 1,420,713 | 1,420,713 |
| Public health | | | 649,153 | | - | 649,153 |
| Public safety | | | | | 3,283,479 | 3,283,479 |
| Roads | | | | | 1,980,007 | 1,980,007 |
| Total Restricted | - | 417,805 | 1,950,259 | 649,153 | 9,074,695 | 12,091,912 |
| Committed | | | | | | |
| Capital improvements | | | | | 277,666 | 277,666 |
| Retirement benefits | 490,035 | | | | | 490,035 |
| Debt service | | | | | 188,418 | 188,418 |
| Recreation | | | | | 88,793 | 88,793 |
| Purchase of capital assets | | | | | 1,391,773 | 1,391,773 |
| Total Committed | 490,035 | - | - | - | 1,946,650 | 2,436,685 |
| Assigned | | | | | | |
| Capital Improvements | | | | | 229,503 | 229,503 |
| Purchase commitments | 2,336,000 | | | | - | 2,336,000 |
| Next Year's Budget | 1,041,400 | | | | | 1,041,400 |
| Total Assigned | 3,377,400 | - | - | - | 229,503 | 3,606,903 |
| Unassigned (deficit) | 10,429,890 | | - | - | (1,881,139) | 8,548,751 |
| Total Fund Balances | \$ 16,735,827 | \$ 417,805 | \$ 1,950,259 | \$ 649,153 | \$ 9,813,190 | \$ 29,566,234 |

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 21 – TAX ABATEMENTS

As of December 31, 2020, the City provides tax abatements through two programs – Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements.

Enterprise Zones, as defined in the Ohio Revised Code Section 5709.61-.69, are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investments. The amount and term of the tax exemption are negotiated between local officials and the company, and the agreement is then approved by City Council in the form of legislation. The Enterprise Zone law permits municipalities to offer incentives of exemption of real and/or personal property assessed values of up to 75% for up to ten years, or an average of 60% over the term of the agreement on new investment in buildings, machinery/equipment, and inventory and improvements to existing land and buildings for a specific project. Maximum exemption levels may be exceeded and may be up to 100% exemption for up to fifteen years with approval by the affected Board of Education. Tax incentive review councils shall annually submit a copy of the written recommendations required by division (C) (1) of section 5709.85 of the Revised Code to the director of the development services agency. No other commitments were made by the City as part of those agreements.

Ohio's Community Reinvestment Area Program was created in 1977 and revised in 1994 in sections 3735.65-70 of the Ohio Revised Code, to promote revitalization in depressed areas by offering property tax exemptions for any increased property valuation that would result from renovation of existing structures or new construction activities within the area. The program can be used to encourage historic preservation, residential rehabilitation, or new residential construction and/or as an economic development tool to encourage commercial and industrial renovation or expansion and new construction. The local government determines the need for a CRA based on the number and extent of properties in disrepair. Once they make the decision to establish as CRA, they will then decide the size, number of areas, and the term and extend of the real property exemptions. Below are four steps that must be followed per the Ohio Department of Development (ODOD) for approval of a CRA area:

1. Conduct a Housing Survey of the structures within the proposed area. The results must support the finding that the area is in need of renovation. The survey is conducted by driving around the targeted CRA area, taking pictures of the affected properties, and documenting the addresses of the affected properties in disrepair. The results of the survey should show that a significant number, or at least 20%, of the properties in the targeted area are in need of rehabilitation.
2. Adopted local legislation must contain the statement that the area is one in which "housing facilities or structures of historical significance are located, and new housing construction and repair of existing facilities or structures are discouraged. "The legislation also defines the proposed area and includes the incentive rate and term for both residential and business projects.
3. The entire legislation must then be published in a local publication once a week for two consecutive weeks for public comment.
4. Prepare the Ohio CRA Petition for Area Certification and submit the petition to the ODOD with a copy of the legislation, the survey, and a map of the proposed area.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

The City abated property taxes of approximately \$59,482 from Community Reinvestment Area (CRA) abatement agreements in 2020, and approximately \$1,478,402 under the Enterprise Zone Agreement program during 2020, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A 50% property tax abatement to a large coke processing company for construction of a new coke plant to supply AK Steel. The abatement amounted to an estimated \$25,056.
- A 65% property tax abatement to a chemical company for a 17,000 square foot expansion of their manufacturing plant. The abatement amounted to an estimated \$14,287.
- A 75% property tax abatement to a local company for a 5,000 square foot expansion of their facility. The abatement amounted to an estimated \$2,554.
- A 75% property tax abatement to a power generation developer to construct a 475 megawatt natural-gas-fired electric generating facility. The abatement amounted to approximately \$62,132.
- A 100% property tax abatement to a developer for construction of a 12,000 square foot speculative building. The abatement amounted to an estimated \$11,928.
- A 100% property tax abatement to a developer for construction of a 612,589 square foot speculative building. The abatement amounted to an estimated \$881,475.
- A 100% property tax abatement to a local steel company for construction of a 135,000 square foot research and innovation facility. The abatement amounted to an estimated \$480,970.

NOTE 22 – SUBSEQUENT EVENTS

On November 3, 2020, Middletown voters approved a City Income Tax increase of an additional 0.25%, to the previous total of 1.75% (now totaling 2.0%), to be earmarked for street paving beginning January 1, 2021 and ending December 31, 2030. On March 22, 2021 the City issued long term Income Tax Revenue Bonds in the amount of \$31,575,000 at 1.48% interest, with a maturity date of 12/01/2030. The Term Bond was issued to provide the financing for the construction, repair, improvement and maintenance of streets and roadways in the City of Middletown.

NOTE 23 – CHANGE IN ACCOUNTING PRINCIPLE

During the year, the City implemented provisions of GASB No. 83, Certain Asset Retirement Obligations. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). For the City, the changes included the disclosures being reported in Note 24.

During the year, the City implemented the provisions of GASB No. 84, Fiduciary Activities. This statement establishes criteria for identifying fiduciary activities for all state and local governments. For the City, the changes included renaming its agency funds as custodial funds under the new criteria and presenting a statement of changes in fiduciary net position for the custodial funds.

CITY OF MIDDLETOWN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 24 – ASSET RETIREMENT OBLIGATIONS

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plant(s). Due to the lack of specific legal requirements for retiring the sewage treatment plant(s), the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

NOTE 25 – COVID -19

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

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 2,631,020 | \$ 2,631,020 | \$ 2,801,073 | \$ 170,053 |
| Municipal income taxes | 18,667,368 | 18,667,368 | 18,196,950 | (470,418) |
| Intergovernmental revenue | 1,170,130 | 1,170,130 | 1,356,590 | 186,460 |
| Charges for services | 4,436,677 | 4,436,677 | 4,366,899 | (69,778) |
| Fees, licenses, and permits | 438,643 | 438,643 | 517,802 | 79,159 |
| Fines and forfeits | 29,995 | 29,995 | 15,710 | (14,285) |
| Interest earnings | 125,094 | 125,094 | 169,816 | 44,722 |
| Miscellaneous | 1,448,151 | 1,701,858 | 3,337,523 | 1,635,665 |
| Total revenues | 28,947,078 | 29,200,785 | 30,762,363 | 1,561,578 |
| Expenditures: | | | | |
| Current | | | | |
| Community Environment | | | | |
| Administration | | | | |
| Personal services | 196,085 | 198,585 | 195,853 | 2,732 |
| Other | 102,264 | 102,264 | 70,250 | 32,014 |
| Community revitalization administration | | | | |
| Personal services | - | 2,000 | 1,781 | 219 |
| Other | 3,500 | 3,500 | 3,500 | - |
| Community development | | | | |
| Personal services | - | - | - | - |
| Street lighting | | | | |
| Other | 731,721 | 731,721 | 551,869 | 179,852 |
| Total community environment | 1,033,570 | 1,038,070 | 823,253 | 214,817 |
| Leisure Time Activities | | | | |
| Community center | | | | |
| Other | 120,000 | 120,000 | 111,153 | 8,847 |
| Recreation | | | | |
| Other | - | - | - | - |
| Parks maintenance | | | | |
| Personal services | 565,408 | 539,408 | 510,052 | 29,356 |
| Other | 337,639 | 338,634 | 312,964 | 25,670 |
| Total leisure time activities | 1,023,047 | 998,042 | 934,169 | 63,873 |

continued

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|----------------------------------|----------------------------|-------------------------|-------------------|---|
| Public Safety | | | | |
| Fire administration | | | | |
| Personal services | 370,319 | 382,819 | 373,131 | 9,688 |
| Other | 11,232 | 11,232 | 10,404 | 828 |
| Fire operations | | | | |
| Personal services | 6,877,227 | 6,744,727 | 6,497,744 | 246,983 |
| Other | 1,192,409 | 2,056,951 | 2,056,049 | 902 |
| Fire prevention/training | | | | |
| Personal services | 555,069 | 565,069 | 564,661 | 408 |
| Other | 7,956 | 7,956 | 6,950 | 1,006 |
| Police administration | | | | |
| Personal services | 870,460 | 836,460 | 800,881 | 35,579 |
| Other | 101,277 | 101,277 | 88,431 | 12,846 |
| Criminal investigation | | | | |
| Personal services | 1,530,224 | 1,515,724 | 1,415,079 | 100,645 |
| Other | 32,790 | 66,235 | 59,256 | 6,979 |
| Narcotics | | | | |
| Personal services | 677,834 | 677,834 | 640,237 | 37,597 |
| Other | 20,000 | 20,000 | 20,897 | (897) |
| Uniform patrol | | | | |
| Personal services | 5,008,077 | 4,891,277 | 4,658,503 | 232,774 |
| Other | 1,155,615 | 1,220,385 | 1,173,641 | 46,744 |
| Police services | | | | |
| Personal services | 342,861 | 342,861 | 333,257 | 9,604 |
| Other | 8,700 | 8,700 | 8,634 | 66 |
| Police and fire dispatch | | | | |
| Personal services | 1,333,399 | 1,360,399 | 1,349,446 | 10,953 |
| Other | 79,500 | 115,230 | 104,052 | 11,178 |
| Jail management | | | | |
| Personal services | 980,487 | 1,059,287 | 1,026,455 | 32,832 |
| Other | 348,128 | 523,053 | 505,958 | 17,095 |
| Building inspection and services | | | | |
| Personal services | 513,936 | 437,436 | 431,883 | 5,553 |
| Other | 87,143 | 87,143 | 87,143 | - |
| Building maintenance | | | | |
| Personal services | 262,812 | 236,812 | 214,776 | 22,036 |
| Other | 481,133 | 630,210 | 627,589 | 2,621 |
| Total public safety | 22,848,588 | 23,899,077 | 23,055,057 | 807,320 |

continued

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---------------------------------|----------------------------|-------------------------|------------------|---|
| General Government | | | | |
| City council | | | | |
| Personal services | 132,317 | 132,317 | 129,553 | 2,764 |
| Other | 45,467 | 45,467 | 43,796 | 1,671 |
| City manager | | | | |
| Personal services | 318,610 | 288,610 | 252,989 | 35,621 |
| Other | 162,732 | 186,578 | 142,077 | 44,501 |
| Finance administration | | | | |
| Personal services | 255,212 | 256,912 | 250,861 | 6,051 |
| Other | 45,543 | 40,343 | 38,094 | 2,249 |
| Treasury | | | | |
| Personal services | 230,485 | 233,985 | 229,258 | 4,727 |
| Other | 10,125 | 10,125 | 6,747 | 3,378 |
| Information systems | | | | |
| Personal services | 632,472 | 632,472 | 612,202 | 20,270 |
| Other | 98,370 | 98,370 | 90,174 | 8,196 |
| Personnel | | | | |
| Personal services | 264,295 | 250,795 | 201,339 | 49,456 |
| Other | 201,541 | 201,541 | 151,100 | 50,441 |
| Law | | | | |
| Personal services | 345,217 | 340,017 | 333,695 | 6,322 |
| Other | 312,060 | 652,060 | 631,645 | 20,415 |
| Purchasing | | | | |
| Personal services | 92,434 | 92,434 | 91,035 | 1,399 |
| Other | 5,542 | 5,542 | 3,166 | 2,376 |
| Planning | | | | |
| Personal services | 243,734 | 230,434 | 220,668 | 9,766 |
| Other | 212,088 | 212,088 | 204,509 | 7,579 |
| Economic development | | | | |
| Personal services | 459,511 | 457,011 | 417,641 | 39,370 |
| Other | 530,888 | 541,179 | 538,709 | 2,470 |
| Communications | | | | |
| Personal services | 92,930 | 92,930 | 91,383 | 1,547 |
| Other | 230,720 | 227,080 | 177,435 | 49,645 |
| Engineering | | | | |
| Personal services | 403,986 | 407,986 | 395,483 | 12,503 |
| Other | 84,519 | 84,519 | 65,532 | 18,987 |
| Total general government | 5,410,798 | 5,720,795 | 5,319,091 | 401,704 |

continued

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------------|---|
| Miscellaneous | | | | |
| Non-departmental | | | | |
| Personal services | 34,173 | 34,173 | 33,055 | 1,118 |
| Other | 1,867,624 | 2,468,819 | 2,281,242 | 187,577 |
| Total miscellaneous | 1,901,797 | 2,502,992 | 2,314,297 | 188,695 |
| Total expenditures | 32,217,800 | 34,158,976 | 32,445,867 | 1,713,109 |
| Excess of revenues over (under) expenditures | (3,270,722) | (4,958,191) | (1,683,504) | 3,274,687 |
| Other financing sources (uses) | | | | |
| Transfers-In | 155,000 | 3,310,594 | 3,260,594 | (50,000) |
| Advances In | - | - | - | - |
| Advances Out | - | - | (1,100) | (1,100) |
| Transfers-out | (935,968) | (2,190,775) | (2,098,538) | 92,237 |
| Other sources | - | - | 189,274 | 189,274 |
| Total other financing sources (uses) | (780,968) | 1,119,819 | 1,350,230 | 230,411 |
| Net change in fund balance | (4,051,690) | (3,838,372) | (333,274) | 3,505,098 |
| Fund balance, beginning of year | 9,002,098 | 9,002,098 | 9,002,098 | - |
| Appropriation for prior year encumbrances | 1,212,522 | 1,212,522 | 1,212,522 | - |
| Fund balance, end of the year | \$ 6,162,930 | \$ 6,376,248 | \$ 9,881,346 | \$ 3,505,098 |

See notes to the required supplementary information.

CITY OF MIDDLETOWN, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HEALTH FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 395,000 | 395,000 | \$ 395,000 | \$ - |
| Intergovernmental revenue | 15,101 | 15,101 | 522,628 | 507,527 |
| Charges for services | 289,788 | 289,788 | 281,474 | (8,314) |
| Miscellaneous | 25,000 | 146,918 | 180,876 | 33,958 |
| Total revenues | 724,889 | 846,807 | 1,379,978 | 533,171 |
| Expenditures: | | | | |
| Current | | | | |
| Public health and welfare: | | | | |
| Personal services | 657,673 | 667,673 | 632,544 | 35,129 |
| Other | 63,997 | 230,915 | 168,833 | 62,082 |
| Total expenditures | 721,670 | 898,588 | 801,377 | 97,211 |
| Excess of expenditures over/under revenues | 3,219 | (51,781) | 578,601 | 630,382 |
| Other financing sources: | | | | |
| Other sources | - | - | 4,589 | 4,589 |
| Total other financing sources | - | - | 4,589 | 4,589 |
| Net change in fund balance | 3,219 | (51,781) | 583,190 | 634,971 |
| Fund balance, beginning of the year | 140,403 | 140,403 | 140,403 | - |
| Fund balance, end of the year | \$ 143,622 | \$ 88,622 | \$ 723,593 | \$ 634,971 |

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of the Entity's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Seven Years *

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------|---------------|---------------|---------------|---------------|
| Entity's Proportion of the Net Pension Liability | 0.08091800% | 0.08150200% | 0.08075000% | 0.08353830% | 0.0809491% |
| Entity's Proportionate Share of the Net Pension Liability | \$ 15,994,021 | \$ 22,321,871 | \$ 12,668,078 | \$ 18,970,130 | \$ 14,021,397 |
| Entity's Covered Payrol | \$ 13,080,365 | \$ 12,394,111 | \$ 12,122,858 | \$ 11,644,126 | \$ 11,036,783 |
| Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payrol | 122.28% | 180.10% | 104.50% | 162.92% | 127.04% |
| Plan Fiduciary Net Position as a Percentage of the Total Ne Pension Liability | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% |
| | 2015 | 2014 | | | |
| Entity's Proportion of the Net Pension Liability | 0.08166428% | 0.08166428% | | | |
| Entity's Proportionate Share of the Net Pension Liability | \$ 9,849,625 | \$ 9,627,155 | | | |
| Entity's Covered Payrol | \$ 10,884,143 | \$ 11,843,740 | | | |
| Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payrol | 90.50% | 81.28% | | | |
| Plan Fiduciary Net Position as a Percentage of the Total Ne Pension Liability | 86.45% | 86.36% | | | |

* Information prior to 2014 is not available

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

Notes to Schedule:

Change in Assumptions - In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

In 2019, a reduction of the discount rate was made from 7.5% to 7.2%.

In 2020, a reduction in the COLA from 3.0% to 1.4% for post 1/7/2013 retirees.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of the Entity's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Seven Years *

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------|---------------|---------------|---------------|---------------|
| Entity's Proportion of the Net Pension Liability | 0.45963600% | 0.47664900% | 0.47918800% | 0.46428800% | 0.46728149% |
| Entity's Proportionate Share of the Net Pension Liability | \$ 30,963,551 | \$ 38,907,174 | \$ 29,409,924 | \$ 29,407,539 | \$ 30,060,543 |
| Entity's Covered Payroll | \$ 11,216,823 | \$ 10,754,471 | \$ 10,409,924 | \$ 9,631,388 | \$ 9,724,488 |
| Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 276.05% | 361.78% | 282.52% | 305.33% | 309.12% |
| Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability | 69.89% | 63.07% | 70.91% | 68.36% | 66.77% |
| | 2015 | 2014 | | | |
| Entity's Proportion of the Net Pension Liability | 0.54326535% | 0.54326535% | | | |
| Entity's Proportionate Share of the Net Pension Liability | \$ 28,143,411 | \$ 26,458,727 | | | |
| Entity's Covered Payroll | \$ 10,647,153 | \$ 11,049,711 | | | |
| Entity's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 264.33% | 239.45% | | | |
| Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability | 72.20% | 73.00% | | | |

* Information prior to 2014 is not available.

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

Notes to Schedule:

Change in Assumptions - In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2016. Significant changes included a reduction of the discount rate from 8.25% to 8.0%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of Entity Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Eight Years *

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$ 1,877,821 | \$ 1,852,126 | \$ 1,743,281 | \$ 1,569,931 | \$ 1,413,090 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,877,821)</u> | <u>(1,852,126)</u> | <u>(1,743,281)</u> | <u>(1,569,931)</u> | <u>(1,413,090)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Entity Covered Payroll | \$ 13,084,996 | \$ 13,080,365 | \$ 12,394,111 | \$ 12,122,858 | \$ 11,644,126 |
| Contributions as a Percentage of Covered Payroll | 14% | 14% | 14% | 13% | 12% |
| | 2015 | 2014 | 2013 | | |
| Contractually Required Contribution | \$ 1,545,150 | \$ 1,205,425 | \$ 1,658,124 | | |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,545,150)</u> | <u>(1,205,425)</u> | <u>(1,658,124)</u> | | |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | | |
| Entity Covered Payroll | \$ 11,036,783 | \$ 10,884,143 | \$ 11,843,740 | | |
| Contributions as a Percentage of Covered Payroll | 14% | 11% | 14% | | |

* Information prior to 2013 is not available.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of Entity Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 2,380,338 | \$ 2,459,236 | \$ 2,256,918 | \$ 2,188,619 | \$ 2,019,817 |
| Contributions in Relation to the Contractually Required Contribution | (2,380,338) | (2,459,236) | (2,256,918) | (2,188,619) | (2,019,817) |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Entity Covered Payroll | \$ 11,026,572 | \$ 11,216,823 | \$ 10,754,471 | \$ 10,409,924 | \$ 9,631,388 |
| Contributions as a Percentage of Covered Payroll | 21.59% | 21.92% | 20.99% | 21.02% | 20.97% |
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Contractually Required Contribution | \$ 2,108,003 | \$ 2,273,530 | \$ 2,750,824 | \$ 2,446,776 | \$ 2,403,989 |
| Contributions in Relation to the Contractually Required Contribution | (2,108,003) | (2,273,530) | (2,750,824) | (2,446,776) | (2,403,989) |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Entity Covered Payroll | \$ 9,724,488 | \$ 10,647,153 | \$ 11,049,711 | \$ 10,869,951 | \$ 11,108,040 |
| Contributions as a Percentage of Covered Payroll | 21.68% | 21.35% | 24.89% | 22.51% | 21.64% |

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of the Entity's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Four Years *

| | 2020 | 2019 | 2018 | 2017 |
|--|---------------|---------------|---------------|---------------|
| Entity's Proportion of the Net OPEB Liability | 0.08417100% | 0.08542800% | 0.08470200% | 0.08689100% |
| Entity's Proportionate Share of the Net OPEB Liability | \$ 11,626,265 | \$ 11,137,784 | \$ 9,198,025 | \$ 8,776,325 |
| Entity's Covered Payroll | \$ 13,080,365 | \$ 12,394,111 | \$ 12,122,858 | \$ 11,644,126 |
| Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 88.88% | 89.86% | 75.87% | 75.37% |
| Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability | 47.80% | 46.33% | 54.14% | 54.04% |

* Information prior to 2017 is not available.

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

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 4.23% to 3.85%.

In 2019, the single discount rate changed from 3.85% to 3.96%. The investment rate of return changed from 6.50% to 6.00%, and the health care cost trend rate changed from 7.5% initial to 10.0% initial.

In 2020, the single discount rate changed from 3.96% to 3.16%. The municipal bond rate changed from 3.71% to 2.75%, and the health care cost trend rate changed from 10.0% to 10.5%.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of the Entity's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Four Years *

| | 2020 | 2019 | 2018 | 2017 |
|--|---------------|---------------|---------------|---------------|
| Entity's Proportion of the Net OPEB Liability | 0.45963600% | 0.47664900% | 0.47918800% | 0.46428800% |
| Entity's Proportionate Share of the Net OPEB Liability | \$ 4,540,163 | \$ 4,340,623 | \$ 27,150,114 | \$ 22,038,709 |
| Entity's Covered Payroll | \$ 11,216,823 | \$ 10,754,471 | \$ 10,409,924 | \$ 9,631,388 |
| Entity's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 40.48% | 40.36% | 260.81% | 228.82% |
| Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability | 47.08% | 46.57% | 14.13% | 15.96% |

* Information prior to 2017 is not available.

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

Notes to Schedule:

Change in Assumptions - In 2018, the single discount rate changed from 3.79% to 3.24%.

In 2019, the single discount rate changed from 3.24% to 4.66%.

Change in Benefit Terms - Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model, depositing stipends into health reimbursement accounts that retirees will use to be reimbursed for health care expenses.

In 2020, the single discount rate changed from 4.66% to 3.56%.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of Entity Contributions - OPEB
Ohio Public Employees Retirement System
Last Five Years *

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ - | \$ - | \$ - | \$ 106,137 | \$ 231,052 |
| Contributions in Relation to the Contractually Required Contribution | - - | - - | - - | (106,137) | (231,052) |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Entity Covered Payroll | \$ 13,084,996 | \$ 13,080,365 | \$ 12,394,111 | \$ 12,122,858 | \$ 11,644,126 |
| Contributions as a Percentage of Covered Payroll | 0% | 0% | 0% | 1% | 2% |

* Information prior to 2016 is not available.

City of Middletown, Butler County, Ohio
Required Supplementary Information
Schedule of Entity Contributions - OPEB
Ohio Police and Fire Pension Fund
Last Ten Years

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually Required Contribution | \$ 57,284 | \$ 59,183 | \$ 54,314 | \$ 52,670 | \$ 48,194 |
| Contributions in Relation to the Contractually Required Contribution | <u>(57,284)</u> | <u>(59,183)</u> | <u>(54,314)</u> | <u>(52,670)</u> | <u>(48,194)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Entity Covered Payroll | \$ 11,026,572 | \$ 11,216,823 | \$ 10,754,471 | \$ 10,409,924 | \$ 9,631,388 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-----------------|-----------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 59,155 | \$ 54,120 | \$ 308,502 | \$ 761,574 | \$ 749,292 |
| Contributions in Relation to the Contractually Required Contribution | <u>(59,155)</u> | <u>(54,120)</u> | <u>(308,502)</u> | <u>(761,574)</u> | <u>(749,292)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Entity Covered Payroll | \$ 9,724,488 | \$ 10,647,153 | \$ 11,049,711 | \$ 10,869,951 | \$ 11,108,040 |
| Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 2.79% | 6.75% | 6.75% |

CITY OF MIDDLETOWN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1 - BUDGETARY ACCOUNTING

The Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Non-GAAP Basis) for the General and Health Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- i) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- ii) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- iii) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed or assigned fund balances (GAAP basis).
- iv) Receipt and payment of year-end inter-fund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budgetary (cash) basis for the General and Health Funds are as follows:

**EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)
EXPENDITURES AND OTHER USES**

| | General Fund | Health Fund |
|--|--------------------|------------------|
| GAAP basis (as reported) | \$2,330,201 | \$603,252 |
| Adjustments: revenue and other sources | 1,518,955 | 42,515 |
| Expenditures and other uses | (2,029,714) | (25,221) |
| Advances Out | (1,100) | - |
| Encumbrances | (2,151,616) | (37,356) |
| Budget basis | (\$333,274) | \$583,190 |

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

SPECIAL REVENUE FUNDS:

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed for specific purposes.

Non Major Special Revenue Funds:

AUTO AND GAS TAX FUND

To account for state-levied and controlled gasoline tax and county vehicle license fees, which are remitted to the City for routine street maintenance and traffic control.

ACQUISITION FOR PARKS FUND

To account for monies received for split-lot fees charged in local subdivisions.

EMERGENCY MEDICAL SERVICES FUND (EMS)

To account for a portion of the City's ambulance service revenues or other revenues specifically designated for the Division of Fire. Fire capital needs are paid for by this fund.

URBAN DEVELOPMENT ACTION GRANT (UDAG) FUND

To account for the Urban Development Action Grant loans.

COURT COMPUTERIZATION FUND

To accumulate funds for computer equipment and software for the Municipal Court.

LAW ENFORCEMENT TRUST FUND

To account for revenues resulting from the sale of property seized by the Middletown Police Division in the course of its criminal investigations.

MANDATORY DRUG FINE FUND

To account for drug fines received from the Court of Common Pleas and Police Division drug investigation expenditures.

PROBATION SERVICES FUND

To account for probation fees levied by the Middletown Municipal Court.

INDIGENT DRIVER ALCOHOL TREATMENT FUND

To account for fines collected by the Municipal Court to be used for treatment of indigent drivers convicted of driving under the influence.

ENFORCEMENT/EDUCATION FUND

To account for fines collected by the Municipal Court to be used by the Court and Police for traffic education and enforcement.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

Non Major Special Revenue Funds continued:

CIVIC DEVELOPMENT FUND

To account for the City lodging tax receipts which are to be used for civic development purposes.

MUNICIPAL COURT FUND

To account for fines and court costs levied by the City's Municipal Court, and to account for the operations of the Middletown Municipal Court.

POLICE GRANT FUND

To account for Federal grant money awarded to the Police Division.

COURT INDIGENT DRIVERS INTERLOCK AND ALCOHOL MONITORING FUND

To accumulate funds for account for the alcohol/drug monitoring component of the court costs and fees collected by the Municipal Court.

COURT SPECIAL PROJECTS FUND

To accumulate funds for projects designated by the Municipal Court.

HOME PROGRAM FUND

To account for funds received from the Department of Housing and Urban Development for home purchase assistance.

COMMUNITY DEVELOPMENT FUND

To account for monies received from the Department of Housing and Urban Development for the City's community development block grant.

COMMUNITY DEVELOPMENT ESCROW FUND

To account for federal monies received through the City's Community Development Block grants for providing low interest bearing rehabilitation loans to lower income property owners in targeted areas.

POLICE PENSION FUND

To accumulate property taxes levied for the partial payment of the current and accrued liability for police disability and pension.

FIRE PENSION FUND

To accumulate property taxes levied for the partial payment of the current and accrued liability for fire disability and pension.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

Non Major Special Revenue Funds continued:

NEIGHBORHOOD STABILIZATION PROGRAM FUND

To account for monies received from the Department of Housing and Urban Development, as a result of the Housing and Economic Recovery Act of 2008, for specific neighborhood stabilization projects in concert with the City's community development block grant.

CONSERVANCY DISTRICT FUND

To account for assessments from property owners for a regional flood protection system which is currently managed by the Miami Conservancy District.

NUISANCE ABATEMENT FUND

To account for reimbursements from property owners who are assessed charges for remediation of property code violations.

SENIOR SERVICES FUND

To account for levy receipts of the Senior Services Levy.

HUD SECTION 108 FUND *No adopted budget for 2020

To account for a loan payments for a loan received from the U.S. Department of Housing of Urban Development.

HOUSING ASSISTANCE FUND *No adopted budget for 2020

To account for monies received from the Department of Housing and Urban Development for the City's housing assistance program.

CARES ACT FUND

To account for monies received from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. These funds are in response to economic fallout of the COVID-19 pandemic in the United States.

INCOME TAX FUND

To account for the Taxation Division's activities which collect Middletown's local income tax. This fund is included with the General Fund for GAAP reporting but has a separate legally adopted budget.

TERMINATION PAY FUND

To account for the expenditures resulting from the retirement or resignation of City employees. This fund is included with the General Fund for GAAP reporting but has a separate legally adopted budget.

**CITY OF MIDDLETON
FUND DESCRIPTIONS
DECEMBER 31, 2020**

DEBT SERVICE FUNDS:

Debt Service Funds account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Non Major Debt Service Funds:

GENERAL OBLIGATION DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of general long-term debt principal and interest. Revenues are comprised of transfers from other funds and expenditures are for annual bond principal and interest payments due.

EAST END/TOWNE BOULEVARD TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments used to retire debt on the Towne Boulevard Extension project. The Towne Boulevard Tax Increment Financing District was established in 2001 and expires in 2021.

DOWNTOWN TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments used to retire debt for the removal of the City Centre Mall in the downtown area. The Downtown Tax Increment Financing District was established in 2000 and expires in 2020.

AERONCA TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments used to retire debt associated with the redevelopment of this district. The Aeronca Tax Increment Financing District was established in 2006 and expires in 2036.

AIRPORT/RIVERFRONT TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

MILLER ROAD NORTH TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

TOWNE MALL/HOSPITAL TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

RENAISSANCE NORTH TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

RENAISSANCE SOUTH TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

Non Major Debt Service Funds continued:

MANCHESTER ROAD TAX INCREMENT FINANCING DISTRICT FUND *No adopted budget for 2020

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of the Manchester Road area.

GREENTREE TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of the Manchester Road area.

MADE INDUSTRIAL PARK TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of the Made Industrial Park area.

SOUTH YANKEE ROAD TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of the South Yankee Road area.

TOWNE MALL TAX INCREMENT FINANCING DISTRICT FUND

To account for the tax increment payments that will be used to retire debt associated with the redevelopment of this district.

CAPITAL PROJECT FUNDS:

Capital Project Funds account for financial resources to be used for the construction or acquisition of major capital facilities and infrastructure.

Non Major Capital Project Funds:

EAST END DEVELOPMENT FUND *No adopted budget for 2020

To accumulate costs for improvements in the City's East End area adjacent to Interstate 75.

DOWNTOWN IMPROVEMENTS FUND

To account for improvement projects in the downtown area.

COMPUTER REPLACEMENT FUND

To accumulate funds for the future purchase of a new mainframe computer for the City.

PROPERTY DEVELOPMENT FUND

To account for operating and development costs associated with property owned by the City.

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

Non Major Capital Project Funds continued:

2011 SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2020

To accumulate costs for the 2011 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

CENTRAL AVE SIDEWALK, CURB AND GUTTER FUND *No adopted budget for 2020

To accumulate costs for repairs and/or replacement of curb and sidewalk in designated areas of Central Avenue. Property owners will be assessed for this project.

2018 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2018 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

2019 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2019 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project.

2020 SIDEWALK, CURB AND GUTTER FUND

To accumulate costs for the 2020 sidewalk project for repairs and/or replacement of curb and sidewalk in designated areas. Property owners will be assessed for this project

ECONOMIC DEVELOPMENT BOND SERVICE FUND

To accumulate costs and revenue sources for economic development projects.



CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

| | Non Major Special Revenue Funds | Non Major Debt Service Funds | Non Major Capital Project Funds | Total Non Major Governmental Funds |
|--|--|---|--|---|
| Assets: | | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 5,850,601 | \$ 2,050,506 | \$ 2,232,584 | \$ 10,133,691 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | 1,255,041 | - | - | 1,255,041 |
| Accounts | 360,663 | - | 13,644 | 374,307 |
| Loans | 927,510 | - | - | 927,510 |
| Interest | 150,512 | - | - | 150,512 |
| Special assessments | 260,000 | - | - | 260,000 |
| Payment in lieu of taxes | - | 933,467 | - | 933,467 |
| Due from other governments | 1,483,074 | 6,996 | - | 1,490,070 |
| Inventory of supplies | 522,068 | - | - | 522,068 |
| Total assets | \$ 10,809,469 | \$ 2,990,969 | \$ 2,246,228 | \$ 16,046,666 |
| Liabilities: | | | | |
| Accounts payable | \$ 173,043 | \$ - | \$ 47,558 | \$ 220,601 |
| Accrued wages and benefits | 53,639 | - | - | 53,639 |
| Due to other funds | 287,631 | - | 1,908,535 | 2,196,166 |
| Due to other governments | 125,374 | - | - | 125,374 |
| Total liabilities | 639,687 | - | 1,956,093 | 2,595,780 |
| Deferred inflows: | | | | |
| Revenues levied for the next year and unavailable revenue | 2,697,233 | 940,463 | - | 3,637,696 |
| Total deferred inflows | 2,697,233 | 940,463 | - | 3,637,696 |
| Fund balances: | | | | |
| Nonspendable | 443,481 | - | - | 443,481 |
| Restricted | 7,084,711 | 1,862,088 | 127,896 | 9,074,695 |
| Committed | 88,793 | 188,418 | 1,669,439 | 1,946,650 |
| Assigned | - | - | 229,503 | 229,503 |
| Unassigned | (144,436) | - | (1,736,703) | (1,881,139) |
| Total fund balances | 7,472,549 | 2,050,506 | 290,135 | 9,813,190 |
| Total liabilities, deferred inflows and fund balances | \$ 10,809,469 | \$ 2,990,969 | \$ 2,246,228 | \$ 16,046,666 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Non Major Special Revenue Funds | Non Major Debt Service Funds | Non Major Capital Project Funds | Total Non Major Governmental Funds |
|---|--|---|--|---|
| Revenues: | | | | |
| Property taxes | \$ 1,122,782 | \$ - | \$ - | \$ 1,122,782 |
| Municipal income taxes | 3,713,536 | 700,000 | 8,000 | 4,421,536 |
| Payment in lieu of taxes | - | 2,434,430 | - | 2,434,430 |
| Intergovernmental revenues | 7,779,682 | 454,833 | 178,553 | 8,413,068 |
| Fines and forfeits | 1,363,600 | - | - | 1,363,600 |
| Special assessments | 265,013 | - | 207,355 | 472,368 |
| Investment income | 27,412 | - | 23,669 | 51,081 |
| Miscellaneous | 294,668 | 276,725 | 80,739 | 652,132 |
| Total revenues | 14,566,693 | 3,865,988 | 498,316 | 18,930,997 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | 8,647,048 | - | - | 8,647,048 |
| Public health and welfare | 46,918 | - | - | 46,918 |
| Leisure time activities | 63,154 | - | - | 63,154 |
| Community environment | 2,203,753 | - | 306,608 | 2,510,361 |
| Highways and streets | 2,993,465 | - | 1,142,750 | 4,136,215 |
| General government | 114,574 | - | 251,206 | 365,780 |
| Miscellaneous | 352,069 | 1,440,565 | - | 1,792,634 |
| Debt service | | | | |
| Principal retirement | - | 1,495,000 | 205,000 | 1,700,000 |
| Interest and fiscal charges | - | 478,335 | 145,021 | 623,356 |
| Total expenditures | 14,420,981 | 3,413,900 | 2,050,585 | 19,885,466 |
| Excess of revenues over (under) expenditures | 145,712 | 452,088 | (1,552,269) | (954,469) |
| Other financing sources (uses): | | | | |
| Transfers-in | 160,000 | - | 515,444 | 675,444 |
| Total other financing sources (uses) | 160,000 | - | 515,444 | 675,444 |
| Net change in fund balances | 305,712 | 452,088 | (1,036,825) | (279,025) |
| Fund balance, beginning of year | 7,166,837 | 1,598,418 | 1,326,960 | 10,092,215 |
| Fund balance, end of the year | \$ 7,472,549 | \$ 2,050,506 | \$ 290,135 | \$ 9,813,190 |

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

| | Auto & Gas Tax | Acquisition for Parks | Emergency Medical Services | Urban Development Action Grant | Court Computer-ization | Law Enforcement Trust |
|--|---------------------|-----------------------|----------------------------|--------------------------------|------------------------|-----------------------|
| Assets: | | | | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 1,600,033 | \$ 88,793 | \$ 41,114 | \$ 85,735 | \$ 115,746 | \$ 140,602 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Property taxes | | | | | | |
| Accounts | 233,240 | - | - | - | 3,195 | - |
| Interest | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Due from other governments | 1,351,215 | - | - | - | - | - |
| Inventory of supplies | 443,481 | - | - | - | - | - |
| Total assets | \$ 3,627,969 | \$ 88,793 | \$ 41,114 | \$ 85,735 | \$ 118,941 | \$ 140,602 |
| Liabilities: | | | | | | |
| Accounts payable | \$ 42,329 | \$ - | \$ - | \$ 11,500 | \$ 1,877 | \$ - |
| Accrued wages and benefits | 23,138 | - | - | - | - | - |
| Due to other funds | 20,946 | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - |
| Total liabilities | 86,413 | - | - | 11,500 | 1,877 | - |
| Deferred inflows: | | | | | | |
| Revenues levied for the next year and unavailable revenue | 1,118,068 | - | - | - | - | - |
| Total deferred inflows | 1,118,068 | - | - | - | - | - |
| Fund balances: | | | | | | |
| Nonspendable | 443,481 | - | - | - | - | - |
| Restricted | 1,980,007 | - | 41,114 | 74,235 | 117,064 | 140,602 |
| Committed | - | 88,793 | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | 2,423,488 | 88,793 | 41,114 | 74,235 | 117,064 | 140,602 |
| Total liabilities, deferred inflows and fund balances | \$ 3,627,969 | \$ 88,793 | \$ 41,114 | \$ 85,735 | \$ 118,941 | \$ 140,602 |

| Mandatory Drug Fine | Probation Services | Indigent Driver Alcohol Treatment | Enforcement Education | Civic Development | Municipal Court | Police Grant | Court IDIAM |
|---------------------|--------------------|-----------------------------------|-----------------------|-------------------|-------------------|-------------------|------------------|
| \$ 204,144 | \$ 183,147 | \$ 25,828 | \$ 48,792 | \$ 311,560 | \$ 63,609 | \$ 131,362 | \$ 57,399 |
| 5,057 | 6,967 | 463 | 150 | 38,347 | 66,263 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| \$ 209,201 | \$ 190,114 | \$ 26,291 | \$ 48,942 | \$ 349,907 | \$ 129,872 | \$ 131,362 | \$ 57,399 |
| <hr/> | | | | | | | |
| \$ 361 | \$ - | \$ 1,952 | \$ - | \$ 17,184 | \$ 4,420 | \$ - | \$ - |
| - | - | - | - | - | 27,213 | - | - |
| 361 | - | - | - | - | 324 | - | - |
| - | - | - | - | - | - | - | - |
| 722 | 1,952 | - | - | 17,184 | 31,957 | - | - |
| <hr/> | | | | | | | |
| 208,479 | 188,162 | 26,291 | 48,942 | 332,723 | 97,915 | 131,362 | 57,399 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 208,479 | 188,162 | 26,291 | 48,942 | 332,723 | 97,915 | 131,362 | 57,399 |
| \$ 209,201 | \$ 190,114 | \$ 26,291 | \$ 48,942 | \$ 349,907 | \$ 129,872 | \$ 131,362 | \$ 57,399 |

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

| | Court Special Projects | Home Program | Community Development | Community Development Escrow | Police Pension | Fire Pension |
|--|-------------------------------|---------------------|------------------------------|-------------------------------------|-----------------------|---------------------|
| Assets: | | | | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 542,575 | \$ 80,267 | \$ 73,119 | \$ 220,725 | \$ 836,865 | \$ 841,664 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Property taxes | - | - | - | - | 232,470 | 232,470 |
| Accounts | 6,381 | - | - | 600 | - | - |
| Interest | - | - | - | - | - | - |
| Loans | - | - | - | 677,510 | - | - |
| Special assessments | - | - | - | - | - | - |
| Due from other governments | - | 238 | 67,497 | - | 12,173 | 12,173 |
| Inventory of supplies | - | - | - | - | - | - |
| Total assets | \$ 548,956 | \$ 80,505 | \$ 140,616 | \$ 898,835 | \$ 1,081,508 | \$ 1,086,307 |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ 36,877 | \$ 57,431 | \$ - | \$ - | \$ - |
| Accrued wages and benefits | 1,336 | - | - | - | - | - |
| Due to other funds | - | 50,000 | 100,000 | - | - | - |
| Due to other governments | - | - | - | 2,025 | - | - |
| Total liabilities | 1,336 | 86,877 | 157,431 | 2,025 | - | - |
| Deferred inflows: | | | | | | |
| Revenues levied for the next year and unavailable revenue | - | - | - | - | 244,643 | 244,643 |
| Total deferred inflows | - | - | - | - | 244,643 | 244,643 |
| Fund balances: | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 547,620 | - | - | 896,810 | 836,865 | 841,664 |
| Committed | - | - | - | - | - | - |
| Unassigned | - | (6,372) | (16,815) | - | - | - |
| Total fund balances | 547,620 | (6,372) | (16,815) | 896,810 | 836,865 | 841,664 |
| Total liabilities, deferred inflows and fund balances | \$ 548,956 | \$ 80,505 | \$ 140,616 | \$ 898,835 | \$ 1,081,508 | \$ 1,086,307 |

| Neighborhood Stabilization Program | Conservancy District | Nuisance Abatement | Senior Services | HUD Section 108 Loan | Housing Assistance | CARES Act | Totals |
|---|---------------------------------|-------------------------------|----------------------------|---------------------------------|-------------------------------|------------------|----------------------|
| \$ 460 | \$ 39,053 | \$ 116,244 | \$ - | \$ 1,765 | \$ - | \$ - | \$ 5,850,601 |
| - | 102,482 | - | 687,619 | - | - | - | 1,255,041 |
| - | - | - | - | - | - | - | 360,663 |
| - | - | - | - | - | 150,512 | - | 150,512 |
| - | - | - | - | - | 250,000 | - | 927,510 |
| - | 260,000 | - | - | - | - | - | 260,000 |
| - | 5,671 | - | 34,107 | - | - | - | 1,483,074 |
| 78,587 | - | - | - | - | - | - | 522,068 |
| \$ 79,047 | \$ 147,206 | \$ 376,244 | \$ 721,726 | \$ 1,765 | \$ 400,512 | \$ - | \$ 10,809,469 |
| | | | | | | | |
| \$ - | \$ - | \$ 1,064 | \$ - | \$ - | \$ - | \$ - | \$ 173,043 |
| - | - | - | - | - | - | - | 53,639 |
| 116,000 | - | - | - | - | - | - | 287,631 |
| - | 123,349 | - | - | - | - | - | 125,374 |
| 116,000 | 123,349 | 1,064 | - | - | - | - | 639,687 |
| | | | | | | | |
| - | 108,153 | 260,000 | 721,726 | - | - | - | 2,697,233 |
| - | 108,153 | 260,000 | 721,726 | - | - | - | 2,697,233 |
| | | | | | | | |
| - | - | 115,180 | - | - | - | - | 443,481 |
| - | - | - | - | 1,765 | 400,512 | - | 7,084,711 |
| - | - | - | - | - | - | - | 88,793 |
| (36,953) | (84,296) | - | - | - | - | - | (144,436) |
| (36,953) | (84,296) | 115,180 | - | 1,765 | 400,512 | - | 7,472,549 |
| | | | | | | | |
| \$ 79,047 | \$ 147,206 | \$ 376,244 | \$ 721,726 | \$ 1,765 | \$ 400,512 | \$ - | \$ 10,809,469 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Auto & Gas Tax | Acquisition for Parks | Emergency Medical Services | Urban Development Action Grant | Court Computerization | Law Enforcement Trust |
|--|---------------------|-----------------------|----------------------------|--------------------------------|-----------------------|-----------------------|
| Revenues: | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Municipal income taxes | 320,000 | - | - | - | - | - |
| Intergovernmental revenues | 3,122,040 | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | 42,603 | 23,684 |
| Special assessments | - | - | - | - | - | - |
| Interest earnings | 24,116 | - | - | 998 | - | - |
| Miscellaneous | 69,534 | - | 1,425 | - | - | - |
| Total revenues | 3,535,690 | - | 1,425 | 998 | 42,603 | 23,684 |
| Expenditures: | | | | | | |
| Current | | | | | | |
| Public safety | 726,585 | - | - | - | 17,886 | - |
| Public health and welfare | - | - | - | - | - | - |
| Leisure time activities | - | 63,154 | - | - | - | - |
| Community environment | - | - | - | 35,640 | - | - |
| Highways and streets | 2,993,465 | - | - | - | - | - |
| General government | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total expenditures | 3,720,050 | 63,154 | - | 35,640 | 17,886 | - |
| Excess of revenues over (under) expenditures | (184,360) | (63,154) | 1,425 | (34,642) | 24,717 | 23,684 |
| Other financing sources (uses): | | | | | | |
| Transfers-in | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | (184,360) | (63,154) | 1,425 | (34,642) | 24,717 | 23,684 |
| Fund balance, beginning of year | 2,607,848 | 151,947 | 39,689 | 108,877 | 92,347 | 116,918 |
| Fund balance, end of the year | \$ 2,423,488 | \$ 88,793 | \$ 41,114 | \$ 74,235 | \$ 117,064 | \$ 140,602 |

| Mandatory Drug Fine | Probation Services | Indigent Driver Alcohol Treatment | Enforcement Education | Civic Development | Municipal Court | Police Grant | Court IDIAM |
|---------------------|--------------------|-----------------------------------|-----------------------|-------------------|------------------|-------------------|------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 750,000 | - | - |
| - | - | - | - | - | 155,287 | 20,212 | - |
| 167,361 | 116,907 | 9,472 | 5,259 | - | 892,594 | - | 6,087 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,709 | - |
| 13,245 | - | - | - | 181,058 | 666 | 28,464 | - |
| 180,606 | 116,907 | 9,472 | 5,259 | 181,058 | 1,798,547 | 50,385 | 6,087 |
| <hr/> | | | | | | | |
| 97,267 | 130,569 | 12,379 | 1,314 | - | 1,729,357 | 41,815 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 243,026 | - | - | 966 |
| 97,267 | 130,569 | 12,379 | 1,314 | 243,026 | 1,729,357 | 41,815 | 966 |
| <hr/> | | | | | | | |
| 83,339 | (13,662) | (2,907) | 3,945 | (61,968) | 69,190 | 8,570 | 5,121 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 83,339 | (13,662) | (2,907) | 3,945 | (61,968) | 69,190 | 8,570 | 5,121 |
| 125,140 | 201,824 | 29,198 | 44,997 | 394,691 | 28,725 | 122,792 | 52,278 |
| \$ 208,479 | \$ 188,162 | \$ 26,291 | \$ 48,942 | \$ 332,723 | \$ 97,915 | \$ 131,362 | \$ 57,399 |

(continued)

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Court Special Projects | Home Program | Community Development | Community Development Escrow | Police Pension | Fire Pension |
|--|-------------------------------|---------------------|------------------------------|-------------------------------------|-----------------------|---------------------|
| Revenues: | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 200,348 | \$ 200,348 |
| Municipal income taxes | - | - | - | - | 1,180,718 | 1,462,818 |
| Intergovernmental revenues | - | 341,883 | 469,212 | - | 22,799 | 22,798 |
| Fines and forfeits | 85,594 | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Interest earnings | - | - | 35 | 554 | - | - |
| Miscellaneous | - | - | - | 276 | - | - |
| Total revenues | 85,594 | 341,883 | 469,247 | 830 | 1,403,865 | 1,685,964 |
| Expenditures: | | | | | | |
| Current | | | | | | |
| Public safety | 76,206 | - | - | - | 1,180,718 | 1,462,818 |
| Public health and welfare | - | - | - | - | - | - |
| Leisure time activities | - | - | - | - | - | - |
| Community environment | - | 325,701 | 471,237 | - | - | - |
| Highways and streets | - | - | - | - | - | - |
| General government | - | - | - | - | - | - |
| Miscellaneous | - | - | - | 101,700 | 3,189 | 3,188 |
| Total expenditures | 76,206 | 325,701 | 471,237 | 101,700 | 1,183,907 | 1,466,006 |
| Excess of revenues over (under) expenditures | 9,388 | 16,182 | (1,990) | (100,870) | 219,958 | 219,958 |
| Other financing sources (uses): | | | | | | |
| Transfers-in | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | 9,388 | 16,182 | (1,990) | (100,870) | 219,958 | 219,958 |
| Fund balance, beginning of year | 538,232 | (22,554) | (14,825) | 997,680 | 616,907 | 621,706 |
| Fund balance, end of the year | \$ 547,620 | \$ (6,372) | \$ (16,815) | \$ 896,810 | \$ 836,865 | \$ 841,664 |

| Neighborhood Stabilization Program | Conservancy District | Nuisance Abatement | Senior Services | HUD Section 108 Loan | Housing Assistance | CARES Act | Totals |
|---|-----------------------------|---------------------------|------------------------|-----------------------------|---------------------------|------------------|---------------------|
| \$ - \$ 86,176 | \$ - | \$ 635,910 | \$ - | \$ - | \$ - | \$ 3,544,026 | \$ 1,122,782 |
| - | - | - | - | - | - | - | 3,713,536 |
| - 10,576 | - | 70,849 | - | - | - | 3,544,026 | 7,779,682 |
| - | 14,039 | - | - | - | - | - | 1,363,600 |
| - | 265,013 | - | - | - | - | - | 265,013 |
| - | - | - | - | - | - | - | 27,412 |
| - | - | - | - | - | - | - | 294,668 |
| - 96,752 | 279,052 | 706,759 | | | | 3,544,026 | 14,566,693 |
| | | | | | | | |
| - | - | - | - | - | - | 3,170,134 | 8,647,048 |
| - | - | - | - | - | - | 46,918 | 46,918 |
| - | - | - | - | - | - | - | 63,154 |
| - 124,783 | 327,232 | 706,760 | - | - | - | 212,400 | 2,203,753 |
| - | - | - | - | - | - | - | 2,993,465 |
| - | - | - | - | - | - | 114,574 | 114,574 |
| - | - | - | - | - | - | - | 352,069 |
| - 124,783 | 327,232 | 706,760 | | | | 3,544,026 | 14,420,981 |
| | | | | | | | |
| - | (28,031) | (48,180) | (1) | - | - | - | 145,712 |
| - | 35,000 | 125,000 | - | - | - | - | 160,000 |
| - 35,000 | 125,000 | | | | | | 160,000 |
| | | | | | | | |
| - | 6,969 | 76,820 | (1) | - | - | - | 305,712 |
| (36,953) | (91,265) | 38,360 | 1 | 1,765 | 400,512 | - | 7,166,837 |
| \$ (36,953) | \$ (84,296) | \$ 115,180 | \$ - | \$ 1,765 | \$ 400,512 | \$ - | \$ 7,472,549 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AUTO AND GAS TAX FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Municipal income tax | \$ 320,000 | \$ 320,000 | \$ 320,000 | \$ - |
| Intergovernmental revenue | 3,003,213 | 3,003,213 | 3,040,594 | 37,381 |
| Interest earnings | 20,078 | 20,078 | 24,116 | 4,038 |
| Miscellaneous | 83,596 | 86,236 | 193,868 | 107,632 |
| Total revenues | 3,426,887 | 3,429,527 | 3,577,678 | 148,151 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety: | | | | |
| Electronic Maintenance | | | | |
| Personal Services | 315,420 | 315,420 | 295,320 | 20,100 |
| Other | 475,918 | 475,918 | 513,417 | (37,499) |
| Total public safety | 791,338 | 791,338 | 808,737 | (17,399) |
| Highways and streets: | | | | |
| Street Maintenance | | | | |
| Personal Services | 916,496 | 916,496 | 850,424 | 66,072 |
| Other | 2,354,504 | 2,604,504 | 2,194,737 | 409,767 |
| Grounds Maintenance | | | | |
| Personal Services | 206,017 | 209,697 | 200,368 | 9,329 |
| Other | 355,421 | 358,061 | 330,334 | 27,727 |
| Total highways and streets | 3,832,438 | 4,088,758 | 3,575,863 | 512,895 |
| Total expenditures | 4,623,776 | 4,880,096 | 4,384,600 | 495,496 |
| Net change in fund balance | (1,196,889) | (1,450,569) | (806,922) | 643,647 |
| Fund balance, beginning of the year | 1,215,600 | 1,215,600 | 1,215,600 | - |
| Appropriation for prior year encumbrances | 533,981 | 533,981 | 533,981 | - |
| Fund balance, end of the year | \$ 552,692 | \$ 299,012 | \$ 942,659 | \$ 643,647 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ACQUISITION FOR PARKS FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | | | | |
| Leisure activities | - | 145,000 | 145,000 | - |
| Other | - | 145,000 | 145,000 | - |
| Total expenditures | - | 145,000 | 145,000 | - |
| Fund balance, beginning of the year | 151,947 | 151,947 | 151,947 | - |
| Fund balance, end of the year | \$ 151,947 | \$ 6,947 | \$ 6,947 | \$ - |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EMS FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Miscellaneous | \$ 2,850 | \$ 2,850 | \$ 1,425 | \$ (1,850) |
| Total revenues | 2,850 | 2,850 | 1,425 | (1,850) |
| Expenditures: | | | | |
| Current | | | | |
| Public health and welfare | | | | |
| Other | 8,850 | 8,850 | - | 8,850 |
| Total expenditures | 8,850 | 8,850 | - | 8,850 |
| Net change in fund balance | (6,000) | (6,000) | 1,425 | 7,000 |
| Fund balance, beginning of the year | 39,689 | 39,689 | 39,689 | - |
| Fund balance, end of the year | \$ 33,689 | \$ 33,689 | \$ 41,114 | \$ 7,000 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
URBAN DEVELOPMENT ACTION GRANT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|----------------|---|
| Revenues: | | | | |
| Interest earnings | \$ 1,423 | \$ 1,423 | \$ 998 | \$ (425) |
| Miscellaneous | 1,000 | 1,000 | - | (1,000) |
| Total revenues | 2,423 | 2,423 | 998 | (1,425) |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 87,925 | 109,875 | 109,875 | - |
| Total expenditures | 87,925 | 109,875 | 109,875 | - |
| Net change in fund balance | (85,502) | (107,452) | (108,877) | (1,425) |
| Fund balance, beginning of the year | 80,952 | 80,952 | 80,952 | - |
| Appropriation for prior year encumbrances | 27,925 | 27,925 | 27,925 | - |
| Fund balance, end of the year | \$ 23,375 | \$ 1,425 | \$ - | \$ (1,425) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT COMPUTERIZATION FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Fines and forfeitures | \$ 65,500 | \$ 65,500 | \$ 43,671 | \$ (21,829) |
| Total revenues | 65,500 | 65,500 | 43,671 | (21,829) |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | 175,000 | 175,000 | 67,825 | 107,175 |
| Total expenditures | 175,000 | 175,000 | 67,825 | 107,175 |
| Net change in fund balance | (109,500) | (109,500) | (24,154) | 85,346 |
| Fund balance, beginning of the year | 139,901 | 139,901 | 139,901 | - |
| Fund balance, end of the year | \$ 30,401 | \$ 30,401 | \$ 115,746 | \$ 85,346 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
LAW ENFORCEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Fines and forfeits | \$ 19,500 | \$ 19,500 | \$ 23,684 | \$ 4,184 |
| Total revenues | 19,500 | 19,500 | 23,684 | 4,184 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | - | - | - | - |
| Other | - | - | - | - |
| Total expenditures | - | - | - | - |
| Net change in fund balance | 19,500 | 19,500 | 23,684 | 4,184 |
| Fund balance, beginning of the year | 116,918 | 116,918 | 116,918 | - |
| Fund balance, end of the year | \$ 136,418 | \$ 136,418 | \$ 140,602 | \$ 4,184 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MANDATORY DRUG FINE FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Fines and forfeits | \$ 68,000 | \$ 68,000 | \$ 165,166 | \$ 97,166 |
| Miscellaneous | 12,000 | 12,000 | 13,245 | 1,245 |
| Total revenues | 80,000 | 80,000 | 178,411 | 98,411 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | 178,743 | 178,743 | 129,660 | 49,083 |
| Total expenditures | 178,743 | 178,743 | 129,660 | 49,083 |
| Net change in fund balance | (98,743) | (98,743) | 48,751 | 147,494 |
| Fund balance, beginning of the year | 126,458 | 126,458 | 126,458 | - |
| Fund balance, end of the year | \$ 27,715 | \$ 27,715 | \$ 175,209 | \$ 147,494 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROBATION SERVICES FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Fines and forfeits | \$ 104,961 | \$ 104,961 | \$ 120,185 | \$ 15,224 |
| Total revenues | 104,961 | 104,961 | 120,185 | 15,224 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Personal Services | 115,314 | 122,564 | 117,849 | 4,715 |
| Other | 83,500 | 83,500 | 27,377 | 56,123 |
| Total expenditures | 198,814 | 206,064 | 145,226 | 60,838 |
| Net change in fund balance | (93,853) | (101,103) | (25,041) | 76,062 |
| Fund balance, beginning of the year | 206,276 | 206,276 | 206,276 | - |
| Fund balance, end of the year | \$ 112,423 | \$ 105,173 | \$ 181,234 | \$ 76,062 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Fines and forfeits | \$ 21,420 | \$ 21,420 | \$ 9,613 | \$ (11,807) |
| Total revenues | 21,420 | 21,420 | 9,613 | (11,807) |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | 25,000 | 25,000 | 22,008 | 2,992 |
| Total expenditures | 25,000 | 25,000 | 22,008 | 2,992 |
| Net change in fund balance | (3,580) | (3,580) | (12,395) | (8,815) |
| Fund balance, beginning of the year | 38,224 | 38,224 | 38,224 | - |
| Fund balance, end of the year | \$ 34,644 | \$ 34,644 | \$ 25,828 | \$ (8,815) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ENFORCEMENT/EDUCATION FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Fines and forfeits | \$ 1,569 | \$ 1,569 | \$ 1,538 | \$ (31) |
| Miscellaneous | - - | - - | 3,706 | 3,706 |
| Total revenues | 1,569 | 1,569 | 5,244 | 3,675 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | 7,500 | 7,500 | 7,500 | - |
| Total expenditures | 7,500 | 7,500 | 7,500 | - |
| Net change in fund balance | (5,931) | (5,931) | (2,256) | 3,675 |
| Fund balance, beginning of year | 44,940 | 44,940 | 44,940 | - |
| Fund balance, end of the year | \$ 39,009 | \$ 39,009 | \$ 42,684 | \$ 3,675 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CIVIC DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Miscellaneous | \$ 347,369 | \$ 347,369 | \$ 204,317 | \$ (143,052) |
| Total revenues | 347,369 | 347,369 | 204,317 | (143,052) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | 360,681 | 357,931 | 231,354 | 126,577 |
| Other | 360,681 | 357,931 | 231,354 | 126,577 |
| Total expenditures | 360,681 | 357,931 | 231,354 | 126,577 |
| Excess of revenues over/under expenditures | (13,312) | (10,562) | (27,037) | (16,475) |
| Other financing sources (uses): | | | | |
| Reimbursement | (155,000) | (155,000) | (105,000) | 105,000 |
| Total other financing sources (uses) | (155,000) | (155,000) | (105,000) | 105,000 |
| Net change in fund balance | (168,312) | (165,562) | (132,037) | 88,525 |
| Fund balance, beginning of the year | 292,661 | 292,661 | 292,661 | - |
| Appropriation for prior year encumbrances | 41,997 | 41,997 | 41,997 | - |
| Fund balance, end of the year | \$ 166,346 | \$ 169,096 | \$ 202,620 | \$ 88,525 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MUNICIPAL COURT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Municipal income tax | \$ 525,000 | \$ 750,000 | \$ 750,000 | \$ - |
| Fines and forfeits | 1,389,536 | 1,389,536 | 913,761 | (475,775) |
| Miscellaneous | 5,306 | 5,306 | 128,738 | 123,432 |
| Total revenues | 1,919,842 | 2,144,842 | 1,792,499 | (352,343) |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Personal Services | 1,755,998 | 1,755,998 | 1,657,039 | 98,959 |
| Other | 178,276 | 178,276 | 101,378 | 76,898 |
| Total expenditures | 1,934,274 | 1,934,274 | 1,758,417 | 175,857 |
| Net change in fund balance | (14,432) | 210,568 | 34,082 | (176,486) |
| Fund balance, beginning of the year | 295 | 295 | 295 | - |
| Fund balance, end of the year | \$ (14,137) | \$ 210,863 | \$ 34,375 | \$ (176,486) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE GRANT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ 38,432 | \$ 38,432 | \$ 48,676 | \$ 10,244 |
| Interest earnings | - - | - - | 1,709 | 1,709 |
| Total revenues | 38,432 | 38,432 | 50,385 | 11,953 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety: | | | | |
| Step Grant | | | | |
| Personal Services | 19,999 | 19,999 | 3,491 | 16,508 |
| Step Grant II | | | | |
| Personal Services | 22,400 | 22,400 | 8,197 | 14,203 |
| 2017 JAG BYRNE Memorial Grant | | | | |
| Contractual services | - - | 18,000 | 16,872 | 1,128 |
| 2018 JAG BYRNE Memorial Grant | | | | |
| Contractual Services | 2,566 | 4,460 | 4,460 | - |
| 2019 JAG BYRNE Memorial Grant | | | | |
| Contractual Services | 18,571 | 18,571 | 5,973 | 12,598 |
| OVI Task Force Grant | | | | |
| Personal Services | 15,000 | 15,000 | 595 | 14,405 |
| 2017 State Training Reimbursement | | | | |
| Contractual Services | 3,161 | 3,161 | 2,432 | 729 |
| Total expenditures | 81,697 | 101,591 | 42,020 | 59,571 |
| Net change in fund balance | (43,265) | (63,159) | 8,365 | 71,524 |
| Fund balance, beginning of the year | 122,997 | 122,997 | 122,997 | - |
| Fund balance, end of the year | \$ 79,732 | \$ 59,838 | \$ 131,362 | \$ 71,524 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT IDIAM FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Fines & forfeits | \$ 6,958 | \$ 6,958 | \$ 6,087 | \$ (871) |
| Total revenues | 6,958 | 6,958 | 6,087 | (871) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 25,000 | 25,000 | 1,075 | 23,925 |
| Total expenditures | 25,000 | 25,000 | 1,075 | 23,925 |
| Net change in fund balance | (18,042) | (18,042) | 5,012 | 23,054 |
| Fund balance, beginning of the year | 52,387 | 52,387 | 52,387 | - |
| Fund balance, end of the year | \$ 34,345 | \$ 34,345 | \$ 57,399 | \$ 23,054 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COURT SPECIAL PROJECTS FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Fines & forfeits | \$ 133,000 | \$ 133,000 | \$ 99,746 | \$ (33,254) |
| Total revenues | 133,000 | 133,000 | 99,746 | (33,254) |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Personal Services | 69,294 | 69,294 | 68,454 | 840 |
| Other | 400,000 | 411,900 | 22,732 | 389,168 |
| Total expenditures | 469,294 | 481,194 | 91,186 | 390,008 |
| Net change in fund balance | (336,294) | (348,194) | 8,560 | 356,754 |
| Fund balance, beginning of the year | 531,393 | 531,393 | 531,393 | - |
| Appropriation for prior year encumbrances | 1,194 | 1,194 | 1,194 | - |
| Fund balance, end of the year | \$ 196,293 | \$ 184,393 | \$ 541,147 | \$ 356,754 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HOME PROGRAM FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ 290,000 | \$ 290,000 | \$ 341,883 | \$ 51,883 |
| Total revenues | 290,000 | 290,000 | 341,883 | 51,883 |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 315,369 | 315,053 | 315,053 | - |
| Total expenditures | 315,369 | 315,053 | 315,053 | - |
| Net change in fund balance | (25,369) | (25,053) | 26,830 | 51,883 |
| Fund balance, beginning of the year | 4,173 | 4,173 | 4,173 | - |
| Appropriation for prior year encumbrances | 25,405 | 25,405 | 25,405 | - |
| Fund balance, end of the year | \$ 4,209 | \$ 4,525 | \$ 56,406 | \$ 51,883 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMMUNITY DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|---------------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ 838,000 | \$ 838,000 | \$ 434,562 | \$ (403,438) |
| Interest earnings | - | - | 35 | 35 |
| Total revenues | 838,000 | 838,000 | 434,597 | (403,403) |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 891,858 | 991,858 | 627,273 | 364,585 |
| Total expenditures | 891,858 | 991,858 | 627,273 | 364,585 |
| Net change in fund balance | (53,858) | (153,858) | (192,676) | (38,818) |
| Fund balance, beginning of the year | 19,226 | 19,226 | 19,226 | - |
| Appropriation for prior year encumbrances | 53,858 | 53,858 | 53,858 | - |
| Fund balance, end of the year | \$ 19,226 | \$ (80,774) | \$ (119,593) | \$ (38,818) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMMUNITY DEVELOPMENT ESCROW FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Interest earnings | \$ 2,536 | \$ 2,536 | \$ 554 | \$ (1,982) |
| Miscellaneous | 57,709 | 57,709 | 8,433 | (49,276) |
| Total revenues | 60,245 | 60,245 | 8,987 | (51,258) |
| Expenditures: | | | | |
| Current | | | | |
| Community Environment | | | | |
| Miscellaneous | 6,138 | 106,138 | 101,700 | 4,438 |
| Total expenditures | 6,138 | 106,138 | 101,700 | 4,438 |
| Net change in fund balance | 54,107 | (45,893) | (92,713) | (46,820) |
| Fund balance, beginning of the year | 313,439 | 313,439 | 313,439 | - |
| Fund balance, end of the year | \$ 367,546 | \$ 267,546 | \$ 220,725 | \$ (46,820) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
POLICE PENSION FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 180,000 | \$ 180,000 | \$ 200,348 | \$ 20,348 |
| Intergovernmental revenue | 26,400 | 26,400 | 22,799 | (3,601) |
| Municipal income taxes | 890,000 | 1,110,000 | 1,180,718 | 70,718 |
| Total revenues | 1,096,400 | 1,316,400 | 1,403,865 | 87,465 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Miscellaneous | 4,545 | 4,545 | 3,189 | 1,356 |
| Personal Services | 1,207,559 | 1,207,559 | 1,180,718 | 26,841 |
| Total expenditures | 1,212,104 | 1,212,104 | 1,183,907 | 28,197 |
| Net change in fund balance | (115,704) | 104,296 | 219,958 | 115,662 |
| Fund balance, beginning of the year | 616,907 | 616,907 | 616,907 | - |
| Fund balance, end of the year | \$ 501,203 | \$ 721,203 | \$ 836,864 | \$ 115,662 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
FIRE PENSION FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 186,465 | \$ 186,465 | \$ 200,348 | \$ 13,883 |
| Intergovernmental revenue | 26,400 | 26,400 | 22,798 | (3,602) |
| Municipal income taxes | 1,085,000 | 1,400,000 | 1,462,818 | 62,818 |
| Total revenues | 1,297,865 | 1,612,865 | 1,685,964 | 73,099 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Miscellaneous | 4,545 | 4,545 | 3,188 | 1,357 |
| Personal Services | 1,462,818 | 1,462,818 | 1,462,818 | - |
| Total expenditures | 1,467,363 | 1,467,363 | 1,466,006 | 1,357 |
| Net change in fund balance | (169,498) | 145,502 | 219,958 | 74,456 |
| Fund balance, beginning of the year | 621,706 | 621,706 | 621,706 | - |
| Fund balance, end of the year | \$ 452,208 | \$ 767,208 | \$ 841,664 | \$ 74,456 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|---------------|---|
| Revenues: | | | | |
| Miscellaneous revenue | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Net change in fund balance | - - | - - | - - | - - |
| Fund balance, beginning of the year | 460 | 460 | 460 | - |
| Fund balance, end of the year | \$ 460 | \$ 460 | \$ 460 | \$ - |

CITY OF MIDDLETON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CONSERVANCY DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 72,719 | \$ 72,719 | \$ 86,176 | \$ 13,457 |
| Intergovernmental revenue | 10,862 | 10,862 | 10,576 | (286) |
| Total revenues | 83,581 | 83,581 | 96,752 | 13,171 |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 125,449 | 125,449 | 124,783 | 666 |
| Total expenditures | 125,449 | 125,449 | 124,783 | 666 |
| Excess of revenues over (under) expenditures | (41,868) | (41,868) | (28,031) | 13,837 |
| Other financing sources (uses): | | | | |
| Transfers-in | 35,000 | 35,000 | 35,000 | - |
| Total other financing sources (uses) | 35,000 | 35,000 | 35,000 | - |
| Net change in fund balance | (6,868) | (6,868) | 6,969 | 13,837 |
| Fund balance, beginning of the year | 32,084 | 32,084 | 32,084 | - |
| Fund balance, end of the year | \$ 25,216 | \$ 25,216 | \$ 39,053 | \$ 13,837 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
NUISANCE ABATEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Special assessments | \$ 210,000 | \$ 210,000 | \$ 265,013 | \$ 55,013 |
| Fines & forfeits | \$ - | \$ - | \$ 14,039 | \$ 14,039 |
| Total revenues | 210,000 | 210,000 | 279,052 | 69,052 |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 330,000 | 330,000 | 327,226 | 2,774 |
| Total expenditures | 330,000 | 330,000 | 327,226 | 2,774 |
| Excess of revenues over (under) expenditures | (120,000) | (120,000) | (48,174) | 71,826 |
| Other financing sources (uses): | | | | |
| Transfers-in | 125,000 | 125,000 | 125,000 | - |
| Total other financing sources (uses) | 125,000 | 125,000 | 125,000 | - |
| Net change in fund balance | 5,000 | 5,000 | 76,826 | 71,826 |
| Fund balance, beginning of the year | 39,418 | 39,418 | 39,418 | - |
| Fund balance, end of the year | \$ 44,418 | \$ 44,418 | \$ 116,244 | \$ 71,826 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SENIOR SERVICES FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|----------------|---|
| Revenues: | | | | |
| Property taxes | \$ 634,935 | \$ 634,935 | \$ 635,910 | \$ 975 |
| Intergovernmental revenue | 94,875 | 94,875 | 70,849 | (24,026) |
| Total revenues | 729,810 | 729,810 | 706,759 | (23,051) |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 729,810 | 729,810 | 706,760 | 23,050 |
| Total expenditures | 729,810 | 729,810 | 706,760 | 23,050 |
| Net change in fund balance | - | - | (1) | (1) |
| Fund balance, beginning of the year | 1 | 1 | 1 | - |
| Fund balance, end of the year | \$ 1 | \$ 1 | - | \$ (1) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
HUD SECTION 108 LOAN
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Miscellaneous revenue | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Net change in fund balance | - - | - - | - - | - - |
| Fund balance, beginning of the year | 1,765 | 1,765 | 1,765 | - - |
| Fund balance, end of the year | \$ 1,765 | \$ 1,765 | \$ 1,765 | \$ - |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CORONAVIRUS RELIEF FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Intergovernmental revenue | \$ - | \$ 3,331,626 | \$ 3,544,026 | \$ 212,400 |
| Total revenues | - | 3,331,626 | 3,544,026 | 212,400 |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | - | 3,170,134 | 3,170,134 | - |
| Public health and welfare | | | | |
| Other | - | 46,918 | 46,918 | - |
| General Government | | | | |
| Other | - | 114,574 | 114,574 | - |
| Community environment | | | | |
| Other | - | 212,400 | 212,400 | - |
| Total expenditures | - | 3,544,026 | 3,544,026 | - |
| Net change in fund balance | - | (212,400) | - | 212,400 |
| Fund balance, beginning of the year | - | - | - | - |
| Fund balance, end of the year | \$ - | \$ (212,400) | \$ - | \$ 212,400 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
INCOME TAX FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| CITY INCOME TAX | \$ 24,136,769 | \$ 24,136,769 | \$ 23,726,882 | \$ (409,887) |
| less transfers out | | | | |
| TO GENERAL FUND | \$ (15,226,376) | \$ (15,226,376) | \$ (14,803,950) | \$ (422,426) |
| TO AUTO & GAS TAX FUN | \$ (320,000) | \$ (320,000) | \$ (320,000) | \$ - |
| TO FIRE PENSION FUND | \$ (1,085,000) | \$ (1,400,000) | \$ (1,462,818) | \$ 62,818 |
| TO POLICE PENSION FUND | \$ (890,000) | \$ (1,110,000) | \$ (1,180,718) | \$ 70,718 |
| TO GENERAL BOND RETIREM | \$ (700,000) | \$ (700,000) | \$ (700,000) | \$ - |
| TO COMPUTER REPLACE FUN | \$ (8,000) | \$ (8,000) | \$ (8,000) | \$ - |
| TO TERMINATION PAY | \$ (475,000) | \$ (475,000) | \$ (475,000) | \$ - |
| TO PUBLIC SAFETY FUND | \$ (3,440,992) | \$ (3,440,992) | \$ (3,393,000) | \$ (47,992) |
| TO HEALTH FUND | \$ (395,000) | \$ (395,000) | \$ (395,000) | \$ - |
| TO MUNICIPAL COURT | \$ (525,000) | \$ (750,000) | \$ (750,000) | \$ - |
| Municipal income tax | \$ 1,071,401 | \$ 311,401 | \$ 238,417 | \$ (746,749) |
| Total revenues | 1,071,401 | 311,401 | 238,417 | (746,749) |
| Expenditures: | | | | |
| Current | | | | |
| General government | | | | |
| Personal services | 656,926 | 656,926 | 601,391 | 55,535 |
| Other | 158,989 | 158,989 | 78,117 | 80,872 |
| Total expenditures | 815,915 | 815,915 | 679,508 | 136,407 |
| Net change in fund balance | 255,486 | (504,514) | (441,091) | (610,342) |
| Fund balance, beginning of the year | 464,345 | 464,345 | 464,345 | - |
| Appropriation for prior year encumbrances | 1,746 | 1,746 | 1,746 | - |
| Fund balance, end of the year | \$ 721,577 | \$ (38,423) | \$ 25,000 | \$ (610,342) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TERMINATION PAY FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Municipal income tax | \$ 475,000 | \$ 475,000 | \$ 475,000 | \$ (0) |
| Total revenues | 475,000 | 475,000 | 475,000 | (0) |
| Expenditures: | | | | |
| Current | | | | |
| Personal services: | | | | |
| Public safety | 450,000 | 450,000 | 439,278 | 10,722 |
| Public health & welfare | 7,500 | 7,500 | - | 7,500 |
| Leisure time activities | 10,325 | 10,325 | 9,504 | 821 |
| Community environment | 10,000 | 10,000 | 8,939 | 1,061 |
| General government | 114,675 | 114,675 | 73,937 | 40,738 |
| Highways & streets | 6,500 | 6,500 | - | 6,500 |
| Miscellaneous | 1,000 | 1,000 | - | 1,000 |
| Total expenditures | 600,000 | 600,000 | 531,658 | 68,342 |
| Net change in fund balance | (125,000) | (125,000) | (56,659) | 68,342 |
| Fund balance, beginning of the year | 889,954 | 889,954 | 889,954 | - |
| Fund balance, end of the year | \$ 764,954 | \$ 764,954 | \$ 833,295 | \$ 68,342 |

CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2020

| | General Obligation Debt Service | East End - Towne Blvd Tax Increment Financing District | Downtown Tax Increment Financing District | Aeronca Tax Increment Financing District | Airport - Riverfront Tax Increment Financing District | Miller Road North Tax Increment Financing District |
|--|---------------------------------------|---|---|---|--|--|
| Assets | | | | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 188,418 | \$ 519,880 | \$ 14,466 | \$ 4,458 | \$ 11,381 | \$ 119,624 |
| Receivables (net of allowance for uncollectibles): | | | | | | |
| Payments in lieu of taxes | - | 334,537 | 8,122 | - | 799 | 13,019 |
| Due from other governments | 6,996 | - | - | - | - | - |
| Total assets | \$ 195,414 | \$ 854,417 | \$ 22,588 | \$ 4,458 | \$ 12,180 | \$ 132,643 |
| Deferred inflows | | | | | | |
| Revenues levied for the next year and unavailable revenue | \$ 6,996 | \$ 334,537 | \$ 8,122 | \$ - | \$ 799 | \$ 13,019 |
| Total deferred inflows | 6,996 | 334,537 | 8,122 | - | 799 | 13,019 |
| Fund balances: | | | | | | |
| Restricted | - | 519,880 | 14,466 | 4,458 | 11,381 | 119,624 |
| Committed | 188,418 | - | - | - | - | - |
| Total fund balance | 188,418 | 519,880 | 14,466 | 4,458 | 11,381 | 119,624 |
| Total deferred inflows and fund balance | \$ 195,414 | \$ 854,417 | \$ 22,588 | \$ 4,458 | \$ 12,180 | \$ 132,643 |

| Towne Mall Hospital Tax Increment Financing District | Renaissance North Tax Increment Financing District | Renaissance South Tax Increment Financing District | Manchester Road Tax Increment Financing District | Greentree Tax Increment Financing District | Made Industrial Park Tax Increment Financing | South Yankee Road Tax Increment Financing | Towne Mall Tax Increment Financing | Totals |
|--|--|--|--|--|--|---|---|----------------------|
| \$ 103,965 | \$ 206,523 | \$ 326,673 | \$ 378 | \$ 463,525 | \$ 9,695 | \$ 24,319 | \$ 57,201 | \$ 2,050,506 |
| 142,872 | 115,601 | 166,352 | - | 83,962 | 7,421 | 371 | 60,411 | 933,467 6,996 |
| \$ 246,837 | \$ 322,124 | \$ 493,025 | \$ 378 | \$ 547,487 | \$ 17,116 | \$ 24,690 | \$ 117,612 | \$ 2,990,969 |
| | | | | | | | | |
| \$ 142,872 | \$ 115,601 | \$ 166,352 | - | \$ 83,962 | \$ 7,421 | \$ 371 | \$ 60,411 | \$ 940,463 |
| 142,872 | 115,601 | 166,352 | - | 83,962 | 7,421 | 371 | 60,411 | 940,463 |
| | | | | | | | | |
| 103,965 | 206,523 | 326,673 | 378 | 463,525 | 9,695 | 24,319 | 57,201 | 1,862,088 188,418 |
| 103,965 | 206,523 | 326,673 | 378 | 463,525 | 9,695 | 24,319 | 57,201 | 2,050,506 |
| | | | | | | | | |
| \$ 246,837 | \$ 322,124 | \$ 493,025 | \$ 378 | \$ 547,487 | \$ 17,116 | \$ 24,690 | \$ 117,612 | \$ 2,990,969 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON MAJOR DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2020

| | General Obligation Debt Service | East End - Towne Blvd Tax Increment Financing District | Downtown Tax Increment Financing District | Aeronca Tax Increment Financing District | Airport - Riverfront Tax Increment Financing District | Miller Road North Tax Increment Financing District |
|--------------------------------------|---------------------------------------|---|---|---|--|--|
| Revenues | | | | | | |
| Municipal income taxes | \$ 700,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Payment in lieu of taxes | | 570,223 | | 8,355 | | 621 |
| Intergovernmental | 454,833 | | | | | |
| Miscellaneous revenues | 276,725 | | | | | |
| Total revenues | 1,431,558 | 570,223 | 8,355 | | 621 | 10,351 |
| Expenditures | | | | | | |
| Debt service | | | | | | |
| Principal retirement | 1,085,193 | 199,807 | | | | |
| Interest and fiscal charges | 368,785 | 29,550 | | | | |
| Miscellaneous | | 147,643 | | | | |
| Total expenditures | 1,453,978 | 377,000 | | | | |
| Net change in fund balance | (22,420) | 193,223 | 8,355 | | 621 | 10,351 |
| Fund balance, beginning of the year | 210,838 | 326,657 | 6,111 | 4,458 | 10,760 | 109,273 |
| Fund balance, end of the year | \$ 188,418 | \$ 519,880 | \$ 14,466 | \$ 4,458 | \$ 11,381 | \$ 119,624 |

| Towne Mall Hospital Tax Increment Financing District | Renaissance North Tax Increment Financing District | Renaissance South Tax Increment Financing District | Manchester Road Tax Increment Financing District | Greentree Tax Increment Financing District | Made Industrial Park Tax Increment Financing | South Yankee Road Tax Increment Financing | Towne Mall Tax Increment Financing | Totals |
|--|--|--|--|--|--|---|---|---------------------|
| \$ - | \$ 623,821 | \$ 418,066 | \$ 567,237 | \$ - | \$ 82,754 | \$ - | \$ 248 | \$ 700,000 |
| | | | | | | | | 2,434,430 |
| | | | | | | | | 454,833 |
| | | | | | | | | 276,725 |
| 623,821 | 418,066 | 567,237 | | 82,754 | 7,288 | 248 | 145,466 | 3,865,988 |
| 140,000 | 70,000 | - | - | - | - | - | - | 1,495,000 |
| - | - | 80,000 | - | - | - | - | - | 478,335 |
| 453,613 | 292,329 | 405,309 | - | - | - | - | 141,671 | 1,440,565 |
| 593,613 | 362,329 | 485,309 | | - | - | - | 141,671 | 3,413,900 |
| 30,208 | 55,737 | 81,928 | - | 82,754 | 7,288 | 248 | 3,795 | 452,088 |
| 73,757 | 150,786 | 244,745 | 378 | 380,771 | 2,407 | 24,071 | 53,406 | 1,598,418 |
| \$ 103,965 | \$ 206,523 | \$ 326,673 | \$ 378 | \$ 463,525 | \$ 9,695 | \$ 24,319 | \$ 57,201 | \$ 2,050,506 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SPECIAL ASSESSMENT DEBT SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Special assessments | \$ 270,000 | \$ 270,000 | \$ 144,034 | \$ (125,966) |
| Total revenues | 270,000 | 270,000 | 144,034 | (125,966) |
| Expenditures: | | | | |
| Debt service | 185,390 | 185,391 | 175,191 | 10,200 |
| Total expenditures | 185,390 | 185,391 | 175,191 | 10,200 |
| Net change in fund balance | 84,610 | 84,609 | (31,157) | (115,766) |
| Fund balance, beginning of the year | 448,962 | 448,962 | 448,962 | - |
| Fund balance, end of the year | \$ 533,572 | \$ 533,571 | \$ 417,805 | \$ (115,766) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL OBLIGATION DEBT SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 700,000 | \$ 700,000 | \$ 700,000 | \$ - |
| Intergovernmental | 950 | 950 | 88,854 | 87,904 |
| Miscellaneous | 731,558 | 731,558 | 397,704 | (333,854) |
| Total revenues | 1,432,508 | 1,432,508 | 1,186,558 | (245,950) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 5,000 | 5,000 | 903 | 4,097 |
| Debt service | 1,432,734 | 1,432,734 | 1,208,075 | 224,659 |
| Total expenditures | 1,437,734 | 1,437,734 | 1,208,978 | 228,756 |
| Net change in fund balance | (5,226) | (5,226) | (22,420) | (17,194) |
| Fund balance, beginning of the year | 210,838 | 210,838 | 210,838 | - |
| Fund balance, end of the year | \$ 205,612 | \$ 205,612 | \$ 188,418 | \$ (17,194) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EAST END/TOWNE BLVD TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 306,000 | \$ 343,343 | \$ 570,223 | \$ 226,880 |
| Total revenues | 306,000 | 343,343 | 570,223 | 226,880 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 110,300 | 147,643 | 147,643 | - |
| Debt service | 252,000 | 252,000 | 229,357 | 22,643 |
| Total expenditures | 362,300 | 399,643 | 377,000 | 22,643 |
| Net change in fund balance | (56,300) | (56,300) | 193,223 | 249,523 |
| Fund balance, beginning of the year | 326,057 | 326,057 | 326,057 | - |
| Fund balance, end of the year | \$ 269,757 | \$ 269,757 | \$ 519,280 | \$ 249,523 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 8,500 | \$ 8,500 | \$ 8,355 | \$ (145) |
| Total revenues | 8,500 | 8,500 | 8,355 | (145) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 100 | 100 | - | 100 |
| Debt service | 10,000 | 10,000 | - | 10,000 |
| Total expenditures | 10,100 | 10,100 | - | 10,100 |
| Net change in fund balance | (1,600) | (1,600) | 8,355 | 9,955 |
| Fund balance, beginning of the year | 6,111 | 6,111 | 6,111 | - |
| Fund balance, end of the year | \$ 4,511 | \$ 4,511 | \$ 14,466 | \$ 9,955 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AERONCA TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 36 | 36 | - | 36 |
| Total expenditures | 36 | 36 | - | 36 |
| Net change in fund balance | (36) | (36) | - | 36 |
| Fund balance, beginning of the year | 4,458 | 4,458 | 4,458 | - |
| Fund balance, end of the year | \$ 4,422 | \$ 4,422 | \$ 4,458 | \$ 36 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AIRPORT/RIVERFRONT TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 965 | \$ 965 | \$ 621 | \$ (344) |
| Total revenues | 965 | 965 | 621 | (344) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 35 | 35 | - | 35 |
| Total expenditures | 35 | 35 | - | 35 |
| Net change in fund balance | 930 | 930 | 621 | (309) |
| Fund balance, beginning of the year | 10,760 | 10,760 | 10,760 | - |
| Fund balance, end of the year | \$ 11,690 | \$ 11,690 | \$ 11,381 | \$ (309) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MILLER ROAD NORTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 9,200 | \$ 9,200 | \$ 10,351 | \$ 1,151 |
| Total revenues | 9,200 | 9,200 | 10,351 | 1,151 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 300 | 300 | - | 300 |
| Total expenditures | 300 | 300 | - | 300 |
| Net change in fund balance | 8,900 | 8,900 | 10,351 | 1,451 |
| Fund balance, beginning of the year | 109,273 | 109,273 | 109,273 | - |
| Fund balance, end of the year | \$ 118,173 | \$ 118,173 | \$ 119,624 | \$ 1,451 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOWNE MALL/HOSPITAL TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 525,000 | \$ 596,389 | \$ 623,821 | \$ 27,432 |
| Total revenues | 525,000 | 596,389 | 623,821 | 27,432 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 382,225 | 453,614 | 453,613 | 1 |
| Debt service | 140,000 | 140,000 | 140,000 | - |
| Total expenditures | 522,225 | 593,614 | 593,613 | 1 |
| Net change in fund balance | 2,775 | 2,775 | 30,208 | 27,433 |
| Fund balance, beginning of the year | 73,757 | 73,757 | 73,757 | - |
| Fund balance, end of the year | \$ 76,532 | \$ 76,532 | \$ 103,965 | \$ 27,433 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RENAISSANCE NORTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 200,000 | \$ 337,855 | \$ 418,066 | \$ 80,211 |
| Total revenues | 200,000 | 337,855 | 418,066 | 80,211 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 154,475 | 292,330 | 292,329 | 1 |
| Debt service | 70,000 | 70,000 | 70,000 | - |
| Total expenditures | 224,475 | 362,330 | 362,329 | 1 |
| Net change in fund balance | (24,475) | (24,475) | 55,737 | 80,212 |
| Fund balance, beginning of the year | 150,786 | 150,786 | 150,786 | - |
| Fund balance, end of the year | \$ 126,311 | \$ 126,311 | \$ 206,523 | \$ 80,212 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
RENAISSANCE SOUTH TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 145,000 | \$ 448,635 | \$ 567,237 | \$ 118,602 |
| Total revenues | 145,000 | 448,635 | 567,237 | 118,602 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 101,675 | 405,310 | 405,309 | 1 |
| Debt service | 80,000 | 80,000 | 80,000 | - |
| Total expenditures | 181,675 | 485,310 | 485,309 | 1 |
| Net change in fund balance | (36,675) | (36,675) | 81,928 | 118,603 |
| Fund balance, beginning of the year | 244,745 | 244,745 | 244,745 | - |
| Fund balance, end of the year | \$ 208,070 | \$ 208,070 | \$ 326,673 | \$ 118,603 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MANCHESTER ROAD TAX INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|---------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | - - | - - | - - | - - |
| Miscellaneous | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Net change in fund balance | - - | - - | - - | - - |
| Fund balance, beginning of the year | 378 | 378 | 378 | - |
| Fund balance, end of the year | \$ 378 | \$ 378 | \$ 378 | \$ - |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GREENTREE INDUSTRIAL PARK TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 41,000 | \$ 41,000 | \$ 82,754 | \$ 41,754 |
| Total revenues | 41,000 | 41,000 | 82,754 | 41,754 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 20,020 | 20,020 | - | 20,020 |
| Capital Outlay | 55,000 | 55,000 | - | - |
| Total expenditures | 75,020 | 75,020 | - | 20,020 |
| Net change in fund balance | (34,020) | (34,020) | 82,754 | 61,774 |
| Fund balance, beginning of the year | 380,771 | 380,771 | 380,771 | - |
| Fund balance, end of the year | \$ 346,751 | \$ 346,751 | \$ 463,525 | \$ 61,774 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
MADE INDUSTRIAL PARK TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 70 | \$ 70 | \$ 7,288 | \$ 7,218 |
| Total revenues | 70 | 70 | 7,288 | 7,218 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 35 | 35 | - | 35 |
| Total expenditures | 35 | 35 | - | 35 |
| Net change in fund balance | 35 | 35 | 7,288 | 7,253 |
| Fund balance, beginning of the year | 2,407 | 2,407 | 2,407 | - |
| Fund balance, end of the year | \$ 2,442 | \$ 2,442 | \$ 9,695 | \$ 7,253 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
SOUTH YANKEE ROAD TAX INCREMENT FINANCING FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 200 | \$ 200 | \$ 248 | \$ 48 |
| Total revenues | 200 | 200 | 248 | 48 |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 35 | 35 | - | 35 |
| Total expenditures | 35 | 35 | - | 35 |
| Net change in fund balance | 165 | 165 | 248 | 83 |
| Fund balance, beginning of the year | 24,071 | 24,071 | 24,071 | - |
| Fund balance, end of the year | \$ 24,236 | \$ 24,236 | \$ 24,319 | \$ 83 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
TOWNE MALL INCREMENT FINANCING DISTRICT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Payments in lieu of taxes | \$ 302,000 | \$ 302,000 | \$ 145,466 | \$ (156,534) |
| Total revenues | 302,000 | 302,000 | 145,466 | (156,534) |
| Expenditures: | | | | |
| Current | | | | |
| Miscellaneous | | | | |
| Other | 307,675 | 307,675 | 141,671 | 166,004 |
| Total expenditures | 307,675 | 307,675 | 141,671 | 166,004 |
| Net change in fund balance | (5,675) | (5,675) | 3,795 | 9,470 |
| Fund balance, beginning of the year | 53,406 | 53,406 | 53,406 | - |
| Fund balance, end of the year | \$ 47,731 | \$ 47,731 | \$ 57,201 | \$ 9,470 |



CITY OF MIDDLETOWN, OHIO
COMBINING BALANCE SHEET
NON MAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2020

| | East End Development | Downtown Improvements | Computer Replacement | Property Development | 2011 Sidewalk, Curb and Gutter |
|---|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---|
| Assets | | | | | |
| Cash and equity in pooled cash, deposits and investments | \$ 127,896 | \$ 220,923 | \$ 1,391,773 | \$ 302,880 | \$ 15,015 |
| Receivables (net of allowance for uncollectibles): | | | | | |
| Accounts | - | - | - | 13,644 | - |
| Total assets | \$ 127,896 | \$ 220,923 | \$ 1,391,773 | \$ 316,524 | \$ 15,015 |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 8,700 | \$ - | \$ 38,858 | \$ - |
| Due to other funds | - | - | - | - | - |
| Total liabilities | - | 8,700 | - | 38,858 | - |
| Fund balances: | | | | | |
| Restricted | 127,896 | - | - | - | - |
| Committed | - | - | 1,391,773 | 277,666 | - |
| Assigned | - | 212,223 | - | - | 15,015 |
| Unassigned | - | - | - | - | - |
| Total fund balances | 127,896 | 212,223 | 1,391,773 | 277,666 | 15,015 |
| Total liabilities and fund balances | \$ 127,896 | \$ 220,923 | \$ 1,391,773 | \$ 316,524 | \$ 15,015 |

| Central Avenue Sidewalk Curb and Gutter | 2018 Sidewalk Curb and Gutter Program | 2019 Sidewalk Curb and Gutter Program | 2020 Sidewalk Curb and Gutter Program | Economic Development Bond Service | Totals |
|---|---|---|---|---|----------------------|
| \$ - \$ | 1 \$ | - \$ | 171,831 \$ | 2,265 \$ | 2,232,584 |
| - | - | - | - | - | 13,644 |
| \$ - \$ | 1 \$ | - \$ | 171,831 \$ | 2,265 \$ | 2,246,228 |
| \$ 62,505 | \$ 156,769 | \$ 434,454 | \$ 1,254,807 | \$ - | \$ 47,558 |
| 62,505 | 156,769 | 434,454 | 1,254,807 | - | 1,908,535 |
| - | - | - | - | - | 127,896 |
| - | - | - | - | 2,265 | 1,669,439 |
| - | - | - | - | - | 229,503 |
| (62,505) | (156,768) | (434,454) | (1,082,976) | - | (1,736,703) |
| (62,505) | (156,768) | (434,454) | (1,082,976) | 2,265 | 290,135 |
| \$ - \$ | 1 \$ | - \$ | 171,831 \$ | 2,265 \$ | 2,246,228 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR CAPITAL PROJECT FUNDS
FOR YEAR ENDED DECEMBER 31, 2020

| | East End Development | Downtown Improvements | Computer Replacement | Property Development | 2011 Sidewalk, Curb and Gutter |
|--|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---|
| Revenues | | | | | |
| Municipal income taxes | \$ - | \$ - | \$ 8,000 | \$ - | \$ - |
| Intergovernmental revenues | - | - | - | 178,553 | - |
| Special Assessments | - | - | - | - | 1,450 |
| Investment income | 1,568 | 3,202 | 18,899 | - | - |
| Miscellaneous | - | 80,739 | - | - | - |
| Total revenues | 1,568 | 83,941 | 26,899 | 178,553 | 1,450 |
| Expenditures | | | | | |
| Current | | | | | |
| Community environment | - | 39,757 | - | 266,851 | - |
| Highways and streets | - | - | - | - | - |
| General government | - | - | 251,206 | - | - |
| Debt service | | | | | |
| Principal retirement | - | 125,000 | - | - | - |
| Interest and fiscal charges | - | 67,053 | - | - | - |
| Total expenditures | - | 231,810 | 251,206 | 266,851 | - |
| Excess of revenues over (under) expenditures | 1,568 | (147,869) | (224,307) | (88,298) | 1,450 |
| Other financing sources (uses) | | | | | |
| Transfers-in | - | 175,000 | 180,476 | - | - |
| Total other financing sources (uses) | - | 175,000 | 180,476 | - | - |
| Net change in fund balances | 1,568 | 27,131 | (43,831) | (88,298) | 1,450 |
| Fund balance, beginning of year | 126,328 | 185,092 | 1,435,604 | 365,964 | 13,565 |
| Fund balance, end of the year | \$ 127,896 | \$ 212,223 | \$ 1,391,773 | \$ 277,666 | \$ 15,015 |

| Central Avenue Sidewalk Curb and Gutter | 2018 Sidewalk Curb and Gutter Program | 2019 Sidewalk Curb and Gutter Program | 2020 Sidewalk Curb and Gutter Program | Economic Development Bond Service | Totals |
|---|---|---|---|---|---------------------|
| \$ - \$ - \$ | \$ - \$ - \$ | \$ - \$ - \$ | \$ - \$ - \$ | \$ - \$ - \$ | \$ 8,000 178,553 |
| 9,052 | 45,926 | 150,552 | 375 | - | 207,355 |
| - | - | - | - | - | 23,669 |
| - | - | - | - | - | 80,739 |
| 9,052 | 45,926 | 150,552 | 375 | - | 498,316 |
| | | | | | |
| - | - | - | - | - | 306,608 |
| - | - | 59,399 | 1,083,351 | - | 1,142,750 |
| - | - | - | - | - | 251,206 |
| - | - | - | - | 80,000 | 205,000 |
| - | - | - | - | 77,968 | 145,021 |
| - | - | 59,399 | 1,083,351 | 157,968 | 2,050,585 |
| | | | | | |
| 9,052 | 45,926 | 91,153 | (1,082,976) | (157,968) | (1,552,269) |
| | | | | 159,968 | 515,444 |
| - | - | - | - | 159,968 | 515,444 |
| | | | | | |
| 9,052 | 45,926 | 91,153 | (1,082,976) | 2,000 | (1,036,825) |
| (71,557) | (202,694) | (525,607) | - | 265 | 1,326,960 |
| \$ (62,505) | \$ (156,768) | \$ (434,454) | \$ (1,082,976) | \$ 2,265 | \$ 290,135 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CAPITAL IMPROVEMENTS FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 570,123 | \$ 570,123 | \$ 605,817 | \$ 35,694 |
| Intergovernmental revenue | 1,570,559 | 1,570,559 | 477,553 | (1,093,006) |
| Charges for services | 5,000 | 5,000 | 11,028 | 6,028 |
| Interest earnings | - | - | 32,785 | 32,785 |
| Miscellaneous | 20,000 | 20,000 | 650,000 | 630,000 |
| Total revenues | 2,165,682 | 2,165,682 | 1,777,183 | (388,499) |
| Expenditures: | | | | |
| Current | | | | |
| Public safety | | | | |
| Other | 159,394 | 159,394 | 58,052 | 101,342 |
| Leisure time activities | | | | |
| Other | 49,000 | 49,000 | 48,105 | 895 |
| Community environment | | | | |
| Other | 42,707 | 42,707 | - | 42,707 |
| Highways and streets | | | | |
| Other | 4,311,842 | 4,519,178 | 3,845,986 | 673,192 |
| Miscellaneous | | | | |
| Other | 12,000 | 12,000 | 9,720 | 2,280 |
| Total expenditures | 4,574,943 | 4,782,279 | 3,961,863 | 820,416 |
| Excess of revenues over (under) expenditures | (2,409,261) | (2,616,597) | (2,184,680) | 431,917 |
| Other financing sources (uses): | | | | |
| Transfer-in | 500,000 | 500,000 | 500,000 | - |
| Other sources | - | - | 38,997 | 38,997 |
| Total other financing sources (uses) | 500,000 | 500,000 | 538,997 | 38,997 |
| Net change in fund balance | (1,909,261) | (2,116,597) | (1,645,683) | 470,914 |
| Fund balance, beginning of the year | 1,473,106 | 1,473,106 | 1,473,106 | - |
| Appropriation for prior year encumbrances | 1,072,942 | 1,072,942 | 1,072,942 | - |
| Fund balance, end of the year | \$ 636,787 | \$ 429,451 | \$ 900,365 | \$ 470,914 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
EAST END DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Interest earnings | \$ - | \$ - | \$ 1,568 | \$ 1,568 |
| Total revenues | - | - | 1,568 | 1,568 |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Net change in fund balance | - - | - - | \$ 1,568 | \$ 1,568 |
| Fund balance, beginning of the year | 126,328 | 126,328 | 126,328 | - - |
| Fund balance, end of the year | \$ 126,328 | \$ 126,328 | \$ 127,896 | \$ 1,568 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
DOWNTOWN IMPROVEMENTS FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Interest earnings | \$ 2,508 | \$ 2,508 | \$ 3,202 | \$ 694 |
| Miscellaneous | 68,407 | 68,407 | 80,739 | 12,331 |
| Total revenues | 70,915 | 70,915 | 83,942 | 13,025 |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 146,800 | 146,800 | 112,258 | 34,542 |
| Debt Service | | | | |
| Principal retirement | 125,000 | 125,000 | 125,000 | - |
| Interest & fiscal charges | 67,053 | 67,053 | 67,053 | - |
| Total expenditures | 338,853 | 338,853 | 304,311 | 34,542 |
| Excess of revenues under expenditures | (267,938) | (267,938) | (220,369) | 47,567 |
| Other financing sources (uses): | | | | |
| Transfers-in | 175,000 | 175,000 | 175,000 | - |
| Total other financing sources (uses) | 175,000 | 175,000 | 175,000 | - |
| Net change in fund balance | (92,938) | (92,938) | (45,369) | 47,567 |
| Fund balance, beginning of the year | 175,092 | 175,092 | 175,092 | - |
| Appropriation for prior year encumbrances | 10,000 | 10,000 | 10,000 | - |
| Fund balance, end of the year | \$ 92,154 | \$ 92,154 | \$ 139,723 | \$ 47,567 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
COMPUTER REPLACEMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|---------------------|---|
| Revenues: | | | | |
| Municipal income taxes | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 0 |
| Interest earnings | 57,517 | 57,517 | 18,900 | (38,617) |
| Miscellaneous | 55,120 | 55,120 | - | (55,120) |
| Total revenues | 120,637 | 120,637 | 26,900 | (93,737) |
| Expenditures: | | | | |
| Current | | | | |
| General government | | | | |
| Other | 517,490 | 631,964 | 409,643 | 222,321 |
| Total expenditures | 517,490 | 631,964 | 409,643 | 222,321 |
| Excess of revenues under expenditures | (396,853) | (511,327) | (382,743) | 128,584 |
| Other financing sources: | | | | |
| Transfers-in | 180,476 | 295,050 | 295,050 | 0 |
| Total other financing sources | 180,476 | 295,050 | 295,050 | 0 |
| Net change in fund balance | (216,377) | (216,277) | (87,693) | 128,584 |
| Fund balance, beginning of the year | 1,418,956 | 1,418,956 | 1,418,956 | - |
| Appropriation for prior year encumbrances | 42,490 | 42,490 | 42,490 | - |
| Fund balance, end of the year | \$ 1,245,069 | \$ 1,245,169 | \$ 1,373,753 | \$ 128,584 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
PROPERTY DEVELOPMENT FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental | \$ 163,200 | \$ 163,200 | \$ 181,273 | \$ 18,073 |
| Miscellaneous | 100,000 | 100,000 | - | (100,000) |
| Total revenues | 263,200 | 263,200 | 181,273 | (81,927) |
| Expenditures: | | | | |
| Current | | | | |
| Community environment | | | | |
| Other | 492,209 | 395,382 | 395,382 | - |
| Total expenditures | 492,209 | 395,382 | 395,382 | - |
| Net change in fund balance | (229,009) | (132,182) | (214,109) | (81,927) |
| Fund balance, beginning of the year | 179,773 | 179,773 | 179,773 | - |
| Appropriation for prior year encumbrances | 169,827 | 169,827 | 169,827 | - |
| Fund balance, end of the year | \$ 120,591 | \$ 217,418 | \$ 135,491 | \$ (81,927) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2011 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Special assessments | \$ - | \$ - | \$ 1,450 | \$ 1,450 |
| Total revenues | - | - | 1,450 | 1,450 |
| Expenditures: | | | | |
| Current | | | | |
| Highways and streets | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Net change in fund balance | - - | - - | \$ 1,450 | \$ 1,450 |
| Fund balance, beginning of the year | 13,565 | 13,565 | 13,565 | - |
| Fund balance, end of the year | \$ 13,565 | \$ 13,565 | \$ 15,015 | \$ 1,450 |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
CENTRAL AVE. SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Special Assessments | \$ - | \$ - | \$ 9,052 | \$ 9,052 |
| Total revenues | - | - | 9,052 | 9,052 |
| Expenditures: | | | | |
| Current | | | | |
| Highways and streets | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Excess of revenues over/under expenditures | - - | - - | 9,052 | 9,052 |
| Other financing sources/uses: | | | | |
| Advance out | - - | - - | (9,057) | (9,057) |
| Total other financing sources/(uses) | - - | - - | (9,057) | (9,057) |
| Net change in fund balance | - - | - - | (5) | (5) |
| Fund balance, beginning of the year | 5 | 5 | 5 | - |
| Fund balance, end of the year | \$ 5 | \$ 5 | - \$ (5) | (5) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2018 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--------------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Special assessments | \$ - | \$ - | \$ 45,926 | \$ 45,926 |
| Total revenues | - | - | 45,926 | 45,926 |
| Expenditures: | | | | |
| Current | | | | |
| Highways and streets | - - | - - | - - | - - |
| Other | - - | - - | - - | - - |
| Total expenditures | - - | - - | - - | - - |
| Excess of revenues over expenditures | - - | - - | 45,926 | 45,926 |
| Other financing uses: | | | | |
| Advance out | - - | - - | (45,927) | (45,927) |
| Total other financing uses | - - | - - | (45,927) | (45,927) |
| Net change in fund balance | - - | - - | (1) | (1) |
| Fund balance, beginning of the year | 2 | 2 | 2 | - |
| Fund balance, end of the year | \$ 2 | \$ 2 | \$ 1 | \$ (1) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2019 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---|----------------------------|-------------------------|---------------------|---|
| Revenues: | | | | |
| Special assessments | \$ - | \$ - | \$ 150,552 | \$ 150,552 |
| Total revenues | - | - | 150,552 | 150,552 |
| Expenditures: | | | | |
| Current | | | | |
| Highways and streets | - | - | 59,399 | (59,399) |
| Other | - | - | 59,399 | (59,399) |
| Total expenditures | - | - | 59,399 | (59,399) |
| Excess of revenues over expenditures | - | - | 91,153 | 91,153 |
| Other financing uses: | | | | |
| Transfer out | - | - | (198,723) | (198,723) |
| Total other financing uses | - | - | (198,723) | (198,723) |
| Net change in fund balance | - | - | (107,570) | (107,570) |
| Fund balance, beginning of the year | - | - | - | - |
| Appropriation for prior year encumbrances | - | - | - | - |
| Fund balance, end of the year | \$ - | \$ - | \$ (107,570) | \$ (107,570) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
2020 SIDEWALK, CURB AND GUTTER FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|---------------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Special assessments | \$ 700,000 | \$ 700,000 | \$ 375 | \$ (699,625) |
| Total revenues | 700,000 | 700,000 | 375 | (699,625) |
| Expenditures: | | | | |
| Current | | | | |
| Highways and streets | | | | |
| Other | 700,000 | 1,255,037 | 1,255,037 | 0 |
| Total expenditures | 700,000 | 1,255,037 | 1,255,037 | 0 |
| Excess of revenues under expenditures | - | (555,037) | (1,254,662) | (699,625) |
| Other financing sources: | | | | |
| Transfer in | - | 1,254,807 | 1,254,807 | - |
| Total other financing sources | - | 1,254,807 | 1,254,807 | - |
| Net change in fund balance | - | 699,770 | 145 | (699,625) |
| Fund balance, beginning of the year | - | - | - | - |
| Fund balance, end of the year | \$ - | \$ 699,770 | \$ 145 | \$ (699,625) |

CITY OF MIDDLETOWN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BASIS)
ECONOMIC DEVELOPMENT BOND SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2020

| | Original Budget | Final Budget | Actual | Variance From Final Budget |
|--|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Miscellaneous revenue | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - |
| Expenditures: | | | | |
| Current | | | | |
| Debt Service | | | | |
| Principal retirement | 80,000 | 80,000 | 80,000 | |
| Interest expense | 77,968 | 77,968 | 77,968 | |
| Total expenditures | 157,968 | 157,968 | 157,968 | - |
| Excess of revenues over/under expenditures | (157,968) | (157,968) | (157,968) | - |
| Other financing sources: | | | | |
| Transfer in | 159,968 | 159,968 | 159,968 | 0 |
| Total other financing sources | 159,968 | 159,968 | 159,968 | 0 |
| Net change in fund balance | 2,000 | 2,000 | 2,000 | 0 |
| Fund balance, beginning of the year | 265 | 265 | 265 | - |
| Fund balance, end of the year | \$ 2,265 | \$ 2,265 | \$ 2,265 | \$ 0 |

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

NON MAJOR ENTERPRISE FUNDS:

To account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recorded primarily through user charges; or (b) where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

AIRPORT FUND

To account for the operation of the City's airport facility.

TRANSIT SYSTEM

To account for the operation of the City's public bus line system.

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF NET POSITION
NON MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2020

Business Type Activities - Enterprise Funds

| | Airport | Transit | Totals |
|--|---------------------|---------------------|---------------------|
| Assets: | | | |
| Current assets | | | |
| Equity in pooled cash, deposits and investments | \$ 567,550 | \$ 555,851 | \$ 1,123,401 |
| Receivables (net of allowance for uncollectibles): | | | |
| Intergovernmental | 119,110 | 370,227 | 489,337 |
| Total current assets | 686,660 | 926,078 | 1,612,738 |
| Noncurrent Assets: | | | |
| Capital assets: | | | |
| Construction in progress | 202,221 | - | 202,221 |
| Land | 1,524,356 | - | 1,524,356 |
| Land improvements | 666,367 | - | 666,367 |
| Infrastructure assets | 1,688,161 | 125,132 | 1,813,293 |
| Buildings | 2,072,312 | 1,370,702 | 3,443,014 |
| Equipment | 1,611,587 | 3,400,138 | 5,011,725 |
| Less: Accumulated depreciation | (2,982,481) | (3,663,224) | (6,645,705) |
| Total capital assets (net of accumulated depreciation) | 4,782,523 | 1,232,748 | 6,015,271 |
| Total noncurrent assets | 4,782,523 | 1,232,748 | 6,015,271 |
| Total assets | 5,469,183 | 2,158,826 | 7,628,009 |
| Deferred outflows of resources: | | | |
| Deferred charge on refunding | 8,470 | - | 8,470 |
| Pension related | - | 49,195 | 49,195 |
| OPEB related | - | 30,877 | 30,877 |
| Total deferred outflows of resources: | 8,470 | 80,072 | 88,542 |
| Liabilities: | | | |
| Current liabilities | | | |
| Accounts payable | 106,530 | 329,213 | 435,743 |
| Accrued wages and benefits | 1,954 | 1,715 | 3,669 |
| Other accrued liabilities | 5,239 | - | 5,239 |
| Accrued interest payable | 2,142 | - | 2,142 |
| Due to other funds | 242,337 | 6,528 | 248,865 |
| General obligation bonds payable | 95,000 | - | 95,000 |
| Compensated absences (short-term) | - | 3,904 | 3,904 |
| Total current liabilities | 453,202 | 341,360 | 794,562 |
| Long-term liabilities: | | | |
| General obligation bonds payable | 671,155 | - | 671,155 |
| Compensated absences payable | - | 537 | 537 |
| Net pension liability | - | 265,397 | 265,397 |
| Net OPEB liability | - | 192,920 | 192,920 |
| Total long-term liabilities | 671,155 | 458,854 | 1,130,009 |
| Total liabilities | 1,124,357 | 800,214 | 1,924,571 |
| Deferred inflows of resources: | | | |
| Pension related | - | 56,297 | 56,297 |
| OPEB related | - | 29,427 | 29,427 |
| Total deferred inflows of resources: | - | 85,724 | 85,724 |
| Net position: | | | |
| Net investment in capital assets | 4,024,838 | 1,232,748 | 5,257,586 |
| Unrestricted | 328,458 | 120,212 | 448,670 |
| Total net position | \$ 4,353,296 | \$ 1,352,960 | \$ 5,706,256 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Business Type Activities - Enterprise Funds

| | Airport | Transit | Totals |
|--|---------------------|---------------------|---------------------|
| Operating revenues: | | | |
| Charges for services | \$ 885,375 | \$ 26,555 | \$ 911,930 |
| Other operating revenue | 4,663 | 34,024 | 38,687 |
| Total operating revenues | 890,038 | 60,579 | 950,617 |
| Operating expenses: | | | |
| Personal services | 224,062 | 179,513 | 403,575 |
| Contractual services | 240,585 | 1,901,486 | 2,142,071 |
| Commodities | 350,533 | 2,610 | 353,143 |
| Depreciation | 277,685 | 449,366 | 727,051 |
| Total operating expenses | 1,092,865 | 2,532,975 | 3,625,840 |
| Operating income (loss) | (202,827) | (2,472,396) | (2,675,223) |
| Non-operating revenues (expenses): | | | |
| Interest expense and fiscal charges | (20,870) | - | (20,870) |
| Operating grants | - | 2,282,839 | 2,282,839 |
| Other | - | 42,122 | 42,122 |
| Total non-operating revenues (expenses) | (20,870) | 2,324,961 | 2,304,091 |
| Income (loss) before capital contributions and transfers | (223,697) | (147,435) | (371,132) |
| Capital contributions | 357,848 | 183,856 | 541,704 |
| Transfers in | 200,000 | 120,000 | 320,000 |
| Change in net position | 334,151 | 156,421 | 490,572 |
| Total net position, beginning of year | 4,019,145 | 1,196,539 | 5,215,684 |
| Total net position, end of year | \$ 4,353,296 | \$ 1,352,960 | \$ 5,706,256 |

**CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Business Type Activities - Enterprise Funds

| | Airport | Transit | Totals |
|---|-------------------|--------------------|---------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 890,114 | \$ 60,579 | \$ 950,693 |
| Cash payments to suppliers for goods and services | (840,898) | (1,624,395) | (2,465,293) |
| Cash payments to employees for services | (205,570) | (140,376) | (345,946) |
| Cash payments for interfund services used | (31,442) | (201,046) | (232,488) |
| Net cash provided (used) by operating activities | (187,796) | (1,905,238) | (2,093,034) |
| Cash flows from non-capital financing activities: | | | |
| Operating grants | 113,240 | 2,138,107 | 2,251,347 |
| Other | - | 42,122 | 42,122 |
| Transfers in | 200,000 | 120,000 | 320,000 |
| Net cash provided (used) by non-capital financing activities | 313,240 | 2,300,229 | 2,613,469 |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | (307,666) | (125,132) | (432,798) |
| Interest expense | (30,200) | - | (30,200) |
| Repayment of debt principal | (90,000) | - | (90,000) |
| Capital grants | 357,848 | 183,856 | 541,704 |
| Net cash provided (used) by capital and related financing activities | (70,018) | 58,724 | (11,294) |
| Net increase (decrease) in cash and cash equivalents | 55,426 | 453,715 | 509,141 |
| Cash and cash equivalents, beginning of year | 512,124 | 102,136 | 614,260 |
| Cash and cash equivalents, end of year | \$ 567,550 | \$ 555,851 | \$ 1,123,401 |

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
NON MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Airport | Transit | Totals |
|---|---------------------|-----------------------|-----------------------|
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (202,827) | \$ (2,472,396) | \$ (2,675,223) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 277,685 | 449,366 | 727,051 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | | |
| Decrease (increase) in deferred outflows of resources - pension related | - | 69,155 | 69,155 |
| Decrease (increase) in deferred outflows of resources - OPEB related | - | (15,724) | (15,724) |
| Increase (decrease) in accounts payable | (262,307) | 94,307 | (168,000) |
| Increase (decrease) in accrued wages and benefits | 2,029 | (3,207) | (1,178) |
| Increase (decrease) in due to other funds | (2,376) | (7,383) | (9,759) |
| Increase (decrease) in compensated absences payable | - | (289) | (289) |
| Increase (decrease) in net pension liability | - | (105,001) | (105,001) |
| Increase (decrease) in net OPEB liability | - | 8,106 | 8,106 |
| Increase (decrease) in deferred inflows of resources - pension related | - | 50,975 | 50,975 |
| Increase (decrease) in deferred inflows of resources - OPEB related | - | 26,853 | 26,853 |
| Total adjustments | 15,031 | 567,158 | 582,189 |
| Net cash provided (used) by operating activities | \$ (187,796) | \$ (1,905,238) | \$ (2,093,034) |

**CITY OF MIDDLETOWN
FUND DESCRIPTIONS
DECEMBER 31, 2020**

INTERNAL SERVICE FUNDS:

To account for the financing of goods or services provided by one department for the other departments within the City.

MUNICIPAL GARAGE

To account for the operations of the municipal garage for the purchase, sale and repair of vehicles for all departments within the City.

EMPLOYEE BENEFITS

To account for the operation of the City's self-funded health insurance program. The expenses of this fund are comprised of medical, dental, and prescription drug claims approved by the City's Third Party Administrator.

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2020

| | Municipal Garage | Employee Benefits Fund | Totals |
|---|-----------------------------|-----------------------------------|----------------------|
| Assets: | | | |
| Current assets: | | | |
| Equity in pooled cash, deposits and investments | \$ 6,789,681 | \$ 1,588,177 | \$ 8,377,858 |
| Receivables (net of allowance for uncollectibles): | | | |
| Accounts | 174,605 | 175,041 | 349,646 |
| Due from other funds | 88,760 | - | 88,760 |
| Inventory of supplies | 285,737 | - | 285,737 |
| Total current assets | 7,338,783 | 1,763,218 | 9,102,001 |
| Capital assets: | | | |
| Land | 195,750 | - | 195,750 |
| Buildings | 555,356 | - | 555,356 |
| Equipment | 14,587,250 | - | 14,587,250 |
| Less: Accumulated depreciation | (11,390,394) | - | (11,390,394) |
| Net capital assets | 3,947,962 | - | 3,947,962 |
| Total assets | 11,286,745 | 1,763,218 | 13,049,963 |
| Deferred outflows of resources: | | | |
| Pension related | 40,910 | - | 40,910 |
| OPEB related | 25,680 | - | 25,680 |
| Total deferred outflows of resources: | 66,590 | - | 66,590 |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | 82,709 | 798,398 | 881,107 |
| Accrued wages and benefits | 8,856 | - | 8,856 |
| Compensated absences payable | 22,840 | - | 22,840 |
| Total current liabilities | 114,405 | 798,398 | 912,803 |
| Long-term liabilities: | | | |
| Compensated absences payable | 40,529 | - | 40,529 |
| Net pension liabilities | 220,709 | - | 220,709 |
| Net OPEB liabilities | 160,437 | - | 160,437 |
| Total long-term liabilities | 421,675 | - | 421,675 |
| Total liabilities | 536,080 | 798,398 | 1,334,478 |
| Deferred inflows of resources: | | | |
| Pension related | 46,818 | - | 46,818 |
| OPEB related | 24,473 | - | 24,473 |
| Total deferred inflows of resources: | 71,291 | - | 71,291 |
| Net position: | | | |
| Investment in capital assets | 3,947,962 | - | 3,947,962 |
| Unrestricted | 6,798,002 | 964,820 | 7,762,822 |
| Total net position | \$ 10,745,964 | \$ 964,820 | \$ 11,710,784 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Municipal Garage | Employee Benefits Fund | Totals |
|--|-----------------------------|-----------------------------------|----------------------|
| Operating revenues: | | | |
| Charges for services | \$ 2,346,218 | \$ 5,957,813 | \$ 8,304,031 |
| Other operating revenues | 56,613 | - | 56,613 |
| Total operating revenues | 2,402,831 | 5,957,813 | 8,360,644 |
| Operating expenses: | | | |
| Personal services | 512,737 | - | 512,737 |
| Contractual services | 456,142 | 5,077,207 | 5,533,349 |
| Commodities | 568,491 | - | 568,491 |
| Depreciation | 1,093,414 | - | 1,093,414 |
| Other operating expenses | 8,805 | - | 8,805 |
| Total operating expenses | 2,639,589 | 5,077,207 | 7,716,796 |
| Operating income (loss) | (236,758) | 880,606 | 643,848 |
| Non-operating revenues (expenses): | | | |
| Interest revenue | 86,506 | - | 86,506 |
| Other | 41,046 | - | 41,046 |
| Total non-operating revenues (expenses) | 127,552 | - | 127,552 |
| Income (loss) before transfers | (109,206) | 880,606 | 771,400 |
| Transfers in | - | 683,570 | 683,570 |
| Change in net position | (109,206) | 1,564,176 | 1,454,970 |
| Total net position, beginning of the year | 10,855,170 | (599,356) | 10,255,814 |
| Total net position, end of the year | \$ 10,745,964 | \$ 964,820 | \$ 11,710,784 |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| | Municipal Garage | Employee Benefits Fund | Totals |
|---|-----------------------------|-----------------------------------|---------------------|
| Cash flows from operating activities: | | | |
| Cash payments to suppliers for goods and services | \$ (1,032,934) | \$ (5,079,507) | \$ (6,112,441) |
| Cash payments to employees for services | (408,875) | - | (408,875) |
| Cash received from interfund services provided | 2,444,916 | 6,296,207 | 8,741,123 |
| Cash payments for interfund services used | (73,790) | - | (73,790) |
| Net cash provided by operating activities | 929,317 | 1,216,700 | 2,146,017 |
| Cash flows from non-capital financing activities: | | | |
| Interfund loan receipts/(payments) | - | (1,000,000) | (1,000,000) |
| Other | 41,046 | - | 41,046 |
| Transfers in | - | 683,570 | 683,570 |
| Net cash provided (used) by non-capital financing activities | 41,046 | (316,430) | (275,384) |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | (1,249,059) | - | (1,249,059) |
| Net cash used by capital and related financing activities | (1,249,059) | - | (1,249,059) |
| Cash flows from investing activities: | | | |
| Interest income | 86,506 | - | 86,506 |
| Net cash provided by investing activities | 86,506 | - | 86,506 |
| Net increase (decrease) in cash and cash equivalents | (192,190) | 900,270 | 708,080 |
| Cash and cash equivalents, beginning of year | 6,981,871 | 687,907 | 7,669,778 |
| Cash and cash equivalents, end of year | \$ 6,789,681 | \$ 1,588,177 | \$ 8,377,858 |

continued

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| <u>(continued)</u> | Municipal Garage | Employee Benefits Fund | Totals |
|--|-----------------------------|-----------------------------------|---------------------|
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | |
| Operating income (loss) | \$ (236,758) | \$ 880,606 | \$ 643,848 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation | 1,093,414 | - | 1,093,414 |
| Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources: | | | |
| Decrease (increase) in accounts receivable | 29,840 | 338,394 | 368,234 |
| Decrease (increase) in due from other funds | 12,245 | - | 12,245 |
| Decrease (increase) in supplies inventory | 28,646 | - | 28,646 |
| Decrease (increase) in deferred outflows of resources - pension related | 57,511 | - | 57,511 |
| Decrease (increase) in deferred outflows of resources - OPEB related | (13,076) | - | (13,076) |
| Increase (decrease) in accounts payable | (28,142) | (2,300) | (30,442) |
| Increase (decrease) in accrued wages | (5,050) | - | (5,050) |
| Increase (decrease) in compensated absences | 6,543 | - | 6,543 |
| Increase (decrease) in net pension liability | (87,321) | - | (87,321) |
| Increase (decrease) in net OPEB liability | 6,741 | - | 6,741 |
| Increase (decrease) in deferred inflows of resources - pension related | 42,392 | - | 42,392 |
| Increase (decrease) in deferred inflows of resources - OPEB related | 22,332 | - | 22,332 |
| Total adjustments | 1,166,075 | 336,094 | 1,502,169 |
| Net cash provided by operating activities | \$ 929,317 | \$ 1,216,700 | \$ 2,146,017 |

**CITY OF MIDDLETOWN
CUSTODIAL FUNDS
DECEMBER 31, 2020**

CUSTODIAL FUNDS:

The City is responsible in a custodial capacity for other assets that can only be used for designated beneficiaries. The City has two custodial funds. The City acts as the collection agent for these separate activities. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations.

MUNICIPAL COURT

The Municipal Court fund accounts for the activities of the Municipal Court collections which are due to other agencies and to certain individuals.

JOINT ECONOMIC DEVELOPMENT DISTRICT I

The Joint Economic Development District fund records and accounts for the collection and disbursements of income tax revenue with Liberty Township and the City of Mason.

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

| Custodial Funds | | | |
|--|------------------------|--|---------------|
| | Municipal Court | Joint Economic Development District I | Totals |
| Assets | | | |
| Cash and equity in pooled cash, deposits and investments | \$ - | \$ 5,948 | \$ 5,948 |
| Cash and cash equivalents in segregated accounts | 54,091 | | 54,091 |
| Total assets | 54,091 | 5,948 | 60,039 |
| Liabilities | | | |
| Due to other governments | 54,091 | 5,948 | 60,039 |
| Total liabilities | 54,091 | 5,948 | 60,039 |
| Net Position | | | |
| Total net position | \$ - | \$ - | \$ - |

CITY OF MIDDLETOWN, OHIO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

| Custodial Funds | | | |
|--|------------------------|--|------------------|
| | Municipal Court | Joint Economic Development District I | Totals |
| Additions | | | |
| Taxes collected for distribution | \$ - | \$ 2,475,500 | \$ 2,475,500 |
| Fines, licenses and permits for distribution | 1,618,494 | - | 1,618,494 |
| Total additions | 1,618,494 | 2,475,500 | 4,093,994 |
| Deductions | | | |
| Distributions to other governments | 456,985 | 2,448,874 | 2,905,859 |
| Distributions on behalf of others | 1,161,509 | 26,626 | 1,188,135 |
| Total deductions | 1,618,494 | 2,475,500 | 4,093,994 |
| Net change in Fiduciary net position | - | - | - |
| Net Position - beginning of the year | - | - | - |
| Net Position - end of the year | \$ - | \$ - | \$ - |

STATISTICAL SECTION

STATISTICAL SECTION

The following unaudited, statistical tables reflect social and economic data, financial trends, and fiscal capacity of the City.

This part of the City of Middletown'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.

| CONTENTS | PAGE |
|---|------------|
| Financial Trends (Table 1 to Table 6) These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 197 |
| Revenue Capacity (Table 7 to Table 11) These schedules contain information to help the reader assess one of the government's most significant local revenue sources, income tax and property taxes. | 204 |
| Debt Capacity (Table 12 to Table 16) 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. | 209 |
| Demographic and Economic Information (Table 17 and Table 18) These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 214 |
| Operating Information (Table 19 to Table 21) 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. | 216 |

CITY OF MIDDLETOWN, OHIO
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 1

| | 2020 | 2019 | Restated 2018 | 2017 | 2016 | Restated 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------------------|----------------|------------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 68,760 | 63,745 | 59,480 | 57,656 | 56,377 | 53,363 | 54,102 | 57,244 | 57,866 | 56,729 |
| Restricted | 15,035 | 14,352 | 11,995 | 13,426 | 12,164 | 12,843 | 12,896 | 22,026 | 25,539 | 30,934 |
| Unrestricted | (40,086) | (39,336) | (53,909) | (52,457) | (22,837) | (19,834) | (19,142) | 11,328 | 12,210 | 9,940 |
| Total Governmental Activities Net Position | \$ 43,709 | 38,761 | 17,566 | 18,625 | 45,704 | 46,372 | 47,856 | 90,598 | 95,615 | 97,603 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 80,406 | 73,092 | 68,619 | 66,917 | 61,159 | 54,257 | 51,744 | 56,230 | 54,343 | 51,637 |
| Restricted | - | - | - | - | - | - | - | - | - | 1,501 |
| Unrestricted | 41,687 | 35,633 | 27,821 | 18,493 | 18,502 | 17,976 | 17,251 | 15,918 | 16,775 | 14,811 |
| Total Business-Type Activities Net Position | \$ 122,094 | 108,725 | 96,440 | 85,410 | 79,661 | 72,233 | 68,995 | 72,148 | 71,118 | 67,949 |
| Primary Government: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 149,166 | 136,837 | 128,099 | 124,573 | 117,536 | 107,619 | 105,846 | 113,474 | 112,209 | 108,366 |
| Restricted | 15,035 | 14,352 | 11,995 | 13,426 | 12,164 | 12,843 | 12,896 | 22,026 | 25,539 | 32,435 |
| Unrestricted | 1,601 | (3,703) | (26,088) | (33,964) | (4,335) | (1,858) | (1,891) | 27,246 | 28,985 | 24,751 |
| Total Primary Government Net Position | \$ 165,803 | 147,486 | 114,006 | 104,035 | 125,365 | 118,604 | 116,851 | 162,746 | 166,733 | 165,552 |

CITY OF MIDDLETOWN, OHIO
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 2

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Community environment | \$ 4,048 | 2,367 | 5,753 | 3,930 | 4,320 | 5,970 | 11,557 | 16,561 | 14,555 | 16,739 |
| General government | 9,169 | 6,535 | 6,943 | 7,464 | 8,610 | 5,212 | 6,190 | 5,142 | 6,240 | 6,364 |
| Leisure | 1,213 | 746 | 1,223 | 1,191 | 1,072 | 1,032 | 1,698 | 1,069 | 1,210 | 1,164 |
| Public health | 861 | 373 | 644 | 538 | 530 | 421 | 405 | 367 | 983 | 781 |
| Public safety | 29,685 | 14,327 | 28,187 | 26,315 | 24,990 | 22,846 | 23,586 | 24,164 | 24,639 | 24,646 |
| Highways and streets | 5,489 | 7,080 | 6,704 | 7,393 | 7,272 | 8,417 | 8,171 | 7,662 | 9,557 | 8,565 |
| Interest on long-term debt | 572 | 746 | 839 | 1,085 | 1,074 | 1,262 | 1,078 | 1,229 | 1,402 | 1,447 |
| Total governmental activities expenses | <u>51,037</u> | <u>32,174</u> | <u>50,294</u> | <u>47,916</u> | <u>47,868</u> | <u>45,160</u> | <u>52,685</u> | <u>56,194</u> | <u>58,586</u> | <u>59,706</u> |
| Business-type activities: | | | | | | | | | | |
| Water | 7,748 | 7,602 | 6,873 | 7,257 | 7,040 | 6,807 | 7,326 | 7,184 | 6,564 | 6,427 |
| Sanitary Sewer | 7,943 | 8,568 | 8,402 | 7,711 | 7,545 | 7,859 | 8,892 | 7,688 | 7,206 | 7,216 |
| Golf | - | - | - | - | - | - | 352 | 1,540 | 1,489 | 1,446 |
| Solid Waste | 3,681 | 3,498 | 3,511 | 3,075 | 3,281 | 3,092 | 2,933 | 2,827 | 2,690 | 2,667 |
| Storm Water | 1,353 | 1,560 | 1,450 | 1,299 | 1,236 | 1,168 | | | | |
| Non major enterprise funds | 3,647 | 3,085 | 2,930 | 2,422 | 2,410 | 1,815 | 3,232 | 3,234 | 3,154 | 3,021 |
| Total business-type activities expenses | <u>24,371</u> | <u>24,313</u> | <u>23,166</u> | <u>21,764</u> | <u>21,512</u> | <u>20,741</u> | <u>22,735</u> | <u>22,473</u> | <u>21,103</u> | <u>20,777</u> |
| Total primary government expenses | <u>\$ 75,408</u> | <u>56,487</u> | <u>73,460</u> | <u>69,680</u> | <u>69,380</u> | <u>65,901</u> | <u>75,420</u> | <u>78,667</u> | <u>79,689</u> | <u>80,483</u> |
| Program Revenue | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Community environment | \$ 176 | 314 | 888 | 307 | 682 | 543 | 688 | 880 | 926 | 890 |
| General government | 3,544 | 3,217 | 3,088 | 3,088 | 2,839 | 2,856 | 2,861 | 2,682 | 2,700 | 2,625 |
| Highways and streets | 181 | 151 | 119 | 279 | 532 | 312 | 219 | 337 | 228 | 569 |
| Leisure | 1 | 3 | - | - | - | 78 | - | 16 | 4 | 2 |
| Public health | 281 | 278 | 341 | 322 | 335 | 263 | 209 | 192 | 216 | 236 |
| Public safety | 4,428 | 4,653 | 4,903 | 4,768 | 4,439 | 4,245 | 4,850 | 5,179 | 4,936 | 4,660 |
| Operating grants & contributions | 5,476 | 1,591 | 1,738 | 2,366 | 1,202 | 553 | 922 | 9,843 | 9,386 | 11,932 |
| Capital grants & contributions | 2,870 | 5,605 | 4,032 | 5,181 | 5,391 | 3,410 | 3,079 | 1,752 | 8,524 | 3,551 |
| Total governmental activities program revenue | <u>\$ 16,958</u> | <u>15,812</u> | <u>15,109</u> | <u>16,311</u> | <u>15,420</u> | <u>12,260</u> | <u>12,828</u> | <u>20,881</u> | <u>26,920</u> | <u>24,465</u> |

continued on next page

CITY OF MIDDLETOWN, OHIO
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)
Table 2

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | \$ 10,152 | 10,096 | 10,141 | 9,008 | 8,703 | 7,869 | 7,780 | 7,384 | 7,752 | 6,852 |
| Sanitary Sewer | 15,702 | 14,656 | 14,017 | 11,545 | 10,015 | 8,961 | 9,157 | 8,228 | 8,257 | 8,137 |
| Golf course *closed /sold in 2014 | - | - | - | - | - | - | 27 | 1,161 | 1,165 | 1,152 |
| Solid Waste | 3,541 | 3,411 | 3,424 | 3,183 | 3,142 | 2,996 | 2,989 | 2,938 | 2,923 | 2,812 |
| Storm Water | 2,003 | 2,065 | 2,052 | 1,958 | 1,997 | 1,821 | | | | |
| Other business-type activities | 912 | 433 | 374 | 397 | 417 | 421 | 2,192 | 2,150 | 2,064 | 2,057 |
| Operating grants & contributions | 2,283 | 1,218 | 1,542 | 1,052 | 1,727 | 1,226 | 1,509 | 1,404 | 1,437 | 1,712 |
| Capital grants & contributions | 1,843 | 3,291 | 1,944 | 862 | 2,559 | 180 | 129 | 163 | 355 | 337 |
| Total business-type activities program revenue | <u>36,437</u> | <u>35,170</u> | <u>33,494</u> | <u>28,006</u> | <u>28,560</u> | <u>23,474</u> | <u>23,783</u> | <u>23,428</u> | <u>23,953</u> | <u>23,059</u> |
| Total primary government program revenue | <u>\$ 53,395</u> | <u>50,982</u> | <u>48,603</u> | <u>44,317</u> | <u>43,980</u> | <u>35,734</u> | <u>36,611</u> | <u>44,309</u> | <u>50,873</u> | <u>47,524</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (34,079) | (16,362) | (35,185) | (31,605) | (32,448) | (32,900) | (39,857) | (35,313) | (31,666) | (35,241) |
| Business-type activities | 12,066 | 10,857 | 10,328 | 6,242 | 7,048 | 2,733 | 1,048 | 955 | 2,850 | 2,282 |
| Total primary government net expense | <u>(22,013)</u> | <u>(5,505)</u> | <u>(24,857)</u> | <u>(25,363)</u> | <u>(25,400)</u> | <u>(30,167)</u> | <u>(38,809)</u> | <u>(34,358)</u> | <u>(28,816)</u> | <u>(32,959)</u> |
| General Revenues and Other Changes in Net | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Income taxes | \$ 24,483 | 26,010 | 23,541 | 23,663 | 22,181 | 21,346 | 20,560 | 19,811 | 19,828 | 19,425 |
| Property taxes | 4,465 | 4,296 | 4,215 | 3,988 | 4,073 | 4,154 | 4,331 | 4,468 | 4,081 | 4,158 |
| Other taxes | 3,247 | 3,078 | 2,554 | 2,507 | 2,487 | 2,606 | 2,575 | 2,972 | 2,657 | 2,808 |
| Grants/contributions not restricted | 3,647 | 1,521 | 1,806 | 1,612 | 1,414 | 1,375 | 1,317 | 1,466 | 1,649 | 3,005 |
| Investment earnings | 881 | 867 | 269 | 11 | (90) | 115 | 96 | 41 | (78) | 124 |
| Miscellaneous | 2,544 | 2,296 | 1,826 | 1,753 | 1,645 | 1,751 | 1,161 | 1,125 | 1,478 | 895 |
| Transfers | (240) | (511) | (84) | (1) | 71 | 69 | (1,942) | 165 | 64 | 62 |
| Total governmental activities general revenues | <u>39,027</u> | <u>37,557</u> | <u>34,127</u> | <u>33,532</u> | <u>31,781</u> | <u>31,416</u> | <u>28,098</u> | <u>30,048</u> | <u>29,679</u> | <u>30,477</u> |
| Business-type activities: | | | | | | | | | | |
| Income taxes | \$ - | - | - | 175 | 205 | 186 | 137 | 138 | 190 | 170 |
| Investment earnings | 465 | 636 | 344 | 226 | 153 | 133 | 28 | 18 | 123 | 123 |
| Transfers | 240 | 511 | 84 | 1 | (72) | 254 | 1,942 | (165) | (64) | 102 |
| Miscellaneous | 598 | 281 | 273 | 165 | 93 | (69) | 106 | 136 | 69 | (62) |
| Total business type activities general revenues | <u>1,303</u> | <u>1,428</u> | <u>701</u> | <u>567</u> | <u>379</u> | <u>504</u> | <u>2,213</u> | <u>127</u> | <u>318</u> | <u>333</u> |
| Total primary government general revenues | <u>\$ 40,330</u> | <u>38,985</u> | <u>34,828</u> | <u>34,099</u> | <u>32,160</u> | <u>31,920</u> | <u>30,311</u> | <u>30,175</u> | <u>29,997</u> | <u>30,810</u> |
| Special item | \$ - | - | - | - | - | - | (3,345) | - | - | - |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities | \$ 4,948 | 21,195 | (1,058) | 1,928 | (667) | (1,484) | (11,759) | (5,265) | (1,987) | (4,764) |
| Business-type activities | 13,369 | 12,285 | 11,029 | 6,809 | 7,427 | 3,237 | (84) | 1,082 | 3,168 | 2,615 |
| Total primary government | <u>\$ 18,317</u> | <u>33,480</u> | <u>9,971</u> | <u>8,737</u> | <u>6,760</u> | <u>1,753</u> | <u>(11,843)</u> | <u>(4,183)</u> | <u>1,181</u> | <u>(2,149)</u> |

CITY OF MIDDLETOWN, OHIO
Governmental Activities Tax Revenues By Source
Last Ten Years
(Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 3

| Fiscal Year | Income Tax | Property Tax | Other Taxes | Total |
|--------------------|-------------------|---------------------|--------------------|--------------|
| 2020 | \$ 24,483 | \$ 4,465 | \$ 3,247 | \$ 32,195 |
| 2019 | \$ 26,010 | \$ 4,296 | \$ 3,078 | \$ 33,384 |
| 2018 | \$ 23,541 | \$ 4,215 | \$ 2,554 | \$ 30,310 |
| 2017 | \$ 23,663 | \$ 3,988 | \$ 2,507 | \$ 30,158 |
| 2016 | \$ 22,385 | \$ 4,073 | \$ 2,487 | \$ 28,945 |
| 2015 | \$ 21,532 | \$ 4,154 | \$ 2,606 | \$ 28,292 |
| 2014 | \$ 20,560 | \$ 4,331 | \$ 2,575 | \$ 27,466 |
| 2013 | \$ 19,949 | \$ 4,468 | \$ 2,972 | \$ 27,389 |
| 2012 | \$ 19,828 | \$ 4,081 | \$ 2,657 | \$ 26,566 |
| 2011 | \$ 19,595 | \$ 4,158 | \$ 2,808 | \$ 26,561 |

CITY OF MIDDLETOWN, OHIO
Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 4

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Reserved, nonspendable, restricted, committed or assigned | \$ 6,306 | 7,522 | 7,570 | 6,602 | 4,829 | 4,278 | 1,213 | 3,896 | 3,583 | 4,881 |
| Unreserved, unassigned | 10,430 | 6,884 | 7,189 | 6,730 | 5,625 | 5,181 | 7,751 | 5,909 | 7,441 | 6,955 |
| Total General Fund | \$ 16,736 | 14,406 | 14,759 | 13,332 | 10,454 | 9,459 | 8,964 | 9,805 | 11,024 | 11,836 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved, nonspendable, restricted or committed | \$ 14,711 | 13,854 | 11,674 | 12,107 | 11,264 | 11,600 | 10,803 | 11,821 | 13,133 | 13,877 |
| Unreserved, undesignated, unassigned reported in: | | | | | | | | | | |
| Capital project funds | - | - | (360) | (91) | (514) | (342) | (82) | (646) | (1,263) | (1,372) |
| Debt service funds | - | - | - | - | - | - | - | - | - | - |
| Special revenue funds | (1,881) | (965) | (581) | (571) | (283) | (149) | (72) | (275) | (133) | (164) |
| Total All Other Governmental Funds | 12,830 | 12,888 | 10,732 | 11,445 | 10,467 | 11,110 | 10,650 | 10,900 | 11,737 | 12,341 |
| Total Governmental Funds | \$ 29,566 | 27,294 | 25,491 | 24,777 | 20,921 | 20,569 | 19,614 | 20,705 | 22,761 | 24,177 |

Note: Explanations of differences in various funds is available in the Management's Discussion and Analysis section.

CITY OF MIDDLETOWN, OHIO
Change in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 5

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-----------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 4,530 | 4,340 | 4,198 | 4,009 | 4,086 | 4,258 | 4,311 | 4,281 | 3,694 | 4,158 |
| Municipal income taxes | 24,073 | 26,410 | 23,441 | 24,593 | 22,180 | 21,768 | 20,576 | 19,617 | 19,728 | 19,924 |
| Intergovernmental revenues | 13,396 | 8,955 | 9,700 | 10,275 | 9,978 | 7,608 | 16,035 | 16,872 | 19,611 | 22,675 |
| Charges for services | 4,633 | 4,646 | 4,987 | 4,663 | 4,706 | 4,549 | 4,593 | 4,657 | 4,555 | 4,454 |
| Fees, licenses, and permits | 518 | 396 | 453 | 388 | 496 | 403 | 295 | 317 | 297 | 224 |
| Fines and forfeits | 1,379 | 1,555 | 1,623 | 1,660 | 1,542 | 1,718 | 1,883 | 1,907 | 1,935 | 1,896 |
| Special assessments | 667 | 622 | 532 | 541 | 650 | 819 | 746 | 552 | 672 | 701 |
| Investment earnings | 881 | 867 | 269 | 11 | (90) | 115 | 96 | 41 | (78) | 124 |
| Miscellaneous | 4,811 | 4,752 | 4,635 | 3,917 | 3,791 | 3,463 | 3,255 | 3,503 | 3,708 | 3,172 |
| Total revenues | 54,888 | 52,543 | 49,838 | 50,057 | 47,339 | 44,701 | 51,790 | 51,747 | 54,122 | 57,328 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | 5,452 | 5,533 | 5,103 | 4,881 | 4,596 | 3,952 | 3,695 | 3,511 | 3,815 | 3,879 |
| Public safety | 27,761 | 26,104 | 25,352 | 24,176 | 23,129 | 22,396 | 23,851 | 24,241 | 24,609 | 24,987 |
| Public health and welfare | 786 | 587 | 563 | 440 | 480 | 405 | 389 | 347 | 727 | 744 |
| Leisure time activities | 993 | 993 | 1,003 | 917 | 832 | 902 | 887 | 917 | 908 | 1,002 |
| Community environment | 3,704 | 4,031 | 5,338 | 3,473 | 3,902 | 5,590 | 11,633 | 16,583 | 14,177 | 21,202 |
| Highways and streets | 6,668 | 6,084 | 5,687 | 6,210 | 8,207 | 6,761 | 4,582 | 5,400 | 5,091 | 5,871 |
| Miscellaneous | 3,830 | 3,494 | 2,551 | 2,641 | 2143 | 2,202 | 1,954 | 2,292 | 2,531 | 2,165 |
| Debt Service | | | | | | | | | | |
| Principal retirement | 1,833 | 2,639 | 2,566 | 2,518 | 2,709 | 4,538 | 3,329 | 5,176 | 2,414 | 2,228 |
| Interest and fiscal charges | 665 | 764 | 878 | 1,056 | 1,061 | 1,229 | 1,065 | 1,302 | 1,329 | 1,394 |
| Total expenditures | 51,692 | 50,229 | 49,041 | 46,313 | 47,059 | 47,975 | 51,385 | 59,769 | 55,601 | 63,472 |
| Excess (deficiency) of revenues over expenditures | \$ 3,196 | 2,314 | 797 | 3,744 | 280 | (3,274) | 405 | (8,022) | (1,479) | (6,144) |

continued on next page

CITY OF MIDDLETOWN, OHIO
Change in Fund Balances of Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 5

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------------|--------------|-------------|--------------|------------|--------------|----------------|----------------|----------------|----------------|
| Continued | | | | | | | | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | \$ 1,175 | 2,803 | 987 | 437 | 230 | 1,069 | 67 | 1,084 | 163 | 161 |
| Transfers out | (2,099) | (3,315) | (1,071) | (439) | (158) | (1,000) | (2,009) | (919) | (99) | (99) |
| Issuance of bonds | - | - | - | 5,830 | - | 4,160 | 446 | 5,845 | - | 337 |
| Issuance of notes | - | - | - | 584 | - | - | - | 2,057 | - | - |
| Other uses | - | - | - | (6,300) | - | - | - | (3,300) | - | - |
| Other sources | - | - | - | - | - | - | - | 1,199 | - | - |
| Total other financing sources (uses) | (923) | (512) | (84) | 112 | 72 | 4,229 | (1,496) | 5,966 | 64 | 399 |
| Net change in Fund Balances | 2,273 | 1,802 | 713 | 3,856 | 352 | 955 | (1,091) | (2,056) | (1,415) | (5,745) |
| Asset Additions | \$ 9,233 | 8,103 | 6,074 | 6,121 | 7,626 | 5,875 | 2,832 | 6,419 | 7,420 | 10,349 |
| Non capital expenditures | \$ 42,459 | 42,126 | 42,967 | 40,192 | 39,433 | 42,100 | 48,553 | 53,350 | 48,181 | 53,123 |
| Debt service as a % of noncapital expenditures | 5.88% | 8.08% | 8.02% | 8.89% | 9.56% | 13.70% | 9.05% | 12.14% | 7.77% | 6.82% |

CITY OF MIDDLETOWN, OHIO
General Governmental Tax Revenues By Source
Last Ten Years
(Modified Accrual Basis of Accounting)
(amounts expressed in thousands)

Table 6

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Property taxes | \$ 4,530 | 4,340 | 4,198 | 4,009 | 4,086 | 4,258 | 4,311 | 4,281 | 3,694 | 4,158 |
| Municipal income taxes | \$ 24,073 | 26,410 | 23,441 | 24,593 | 22,180 | 21,768 | 20,576 | 19,617 | 19,728 | 19,924 |

CITY OF MIDDLETON, OHIO
Assessed and Estimated Actual Value of Taxable Property
Last ten years
(amounts expressed in thousands)

Table 7

| Tax Levy/ Collection Year | Real Property | | Personal Property (1) | | Public Utility (2) | | Totals | | Assessed Value as a Percent of Estimated Actual Value | |
|---------------------------------|---------------|-------------|-----------------------|---------------------|--------------------|-----------|-----------|---------------------|---|-------|
| | Assessed | Actual | Assessed | Estimated Actual | Assessed | Actual | Assessed | Estimated Actual | Direct Tax Rate | |
| 2010/2011 | \$536,185 | \$2,284,335 | \$0 | \$0 | \$44,761 | \$176,510 | \$844,276 | \$2,460,845 | 5.90 | 34.31 |
| 2011/2012 | \$734,926 | \$1,914,230 | \$0 | \$0 | \$46,477 | \$176,510 | \$781,403 | \$2,090,740 | 5.90 | 37.37 |
| 2012/2013 | \$669,980 | \$1,888,309 | \$0 | \$0 | \$44,759 | \$140,000 | \$714,739 | \$2,028,309 | 6.90 | 35.24 |
| 2013/2014 | \$660,908 | \$1,888,310 | \$0 | \$0 | \$48,111 | \$140,000 | \$709,019 | \$2,025,800 | 6.90 | 35.00 |
| 2014/2015 | \$610,621 | \$1,742,453 | \$0 | \$0 | \$49,583 | \$143,844 | \$660,204 | \$1,886,297 | 6.90 | 35.00 |
| 2015/2016 | \$609,859 | \$1,742,454 | \$0 | \$0 | \$50,345 | \$143,843 | \$660,204 | \$1,886,297 | 6.90 | 35.00 |
| 2016/2017 | \$610,557 | \$1,744,449 | \$0 | \$0 | \$51,575 | \$147,357 | \$662,132 | \$1,891,806 | 6.90 | 35.00 |
| 2017/2018 | \$649,001 | \$1,854,289 | \$0 | \$0 | \$53,964 | \$154,183 | \$702,965 | \$2,008,471 | 6.90 | 35.00 |
| 2018/2019 | \$649,437 | \$1,855,534 | \$0 | \$0 | \$57,280 | \$163,657 | \$706,717 | \$2,019,191 | 6.90 | 35.00 |
| 2019/2020 | \$651,825 | \$1,862,357 | \$0 | \$0 | \$95,222 | \$272,063 | \$747,047 | \$2,134,420 | 6.90 | 35.00 |

Ohio law requires county auditors to reappraise property values every six years. The last reappraisal was in 2020 which is collected in year 2021.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. Personal property tax was phased out beginning in 2006.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by 10% and 2 1/2% homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial was eliminated

- (1) Other than public utility.
- (2) Real and tangible personal property

Source: County Auditors except for estimated actual values for personal property which was estimated by the City of Middletown Finance Dept

CITY OF MIDDLETOWN, OHIO
Property Tax Rates and Tax Levies
Direct and Overlapping Governments
Last ten years (1)
Table 8

| Collection Year | City of Middletown | | | | | | | | | |
|-----------------|--------------------|-------------------------|---------------------|--------------------------|---------------|---------------------------------|-------|---------|------|-------|
| | Operating | Police and Fire Pension | Senior Citizen Levy | City of Middletown Total | Butler County | Middletown City School District | Parks | Library | JVSD | Total |
| 2011 | 5.30 | 0.60 | 0.00 | 5.90 | 9.72 | 46.99 | 0.5 | 0.75 | 1.93 | 65.79 |
| 2012 | 5.30 | 0.60 | 0.00 | 5.90 | 9.72 | 48.65 | 0.5 | 0.75 | 1.93 | 67.45 |
| 2013 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 48.95 | 0.5 | 0.75 | 1.93 | 68.75 |
| 2014 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 49.08 | 0.5 | 0.75 | 1.93 | 68.88 |
| 2015 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 54.51 | 0.5 | 0.75 | 1.93 | 74.31 |
| 2016 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 55.39 | 0.7 | 0.75 | 1.93 | 75.39 |
| 2017 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 54.15 | 0.7 | 0.75 | 1.93 | 74.15 |
| 2018 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 54.08 | 0.7 | 0.75 | 1.93 | 74.08 |
| 2019 | 5.30 | 0.60 | 1.00 | 6.90 | 9.72 | 52.48 | 0.7 | 0.75 | 1.93 | 72.48 |
| 2020 | 5.30 | 0.60 | 1.00 | 6.90 | 9.22 | 50.14 | 0.7 | 0.75 | 1.93 | 69.64 |

(1) The above tax rates are based on \$1,000 of assessed valuation.

Source: Butler County Auditor's Office

CITY OF MIDDLETOWN, OHIO
Principal Property Taxpayers
December 31, 2020 and Nine Years Ago
(in thousands)
Table 9

Top Ten Property Taxpayers (real property)

| 2011 Calendar year/ 2010 Tax Year | | | 2020 Calendar year/ 2019 Tax Year | | |
|--|-------------------------------------|-------------------|--|-------------------------------------|-------------------|
| | <u>Assessed</u> <u>Valuation</u> | <u>% of Total</u> | | <u>Assessed</u> <u>Valuation</u> | <u>% of Total</u> |
| Duke Energy Ohio Inc. | \$ 48,579 | 5.75% | Duke Energy | \$ 49,209 | 6.59% |
| AK Steel Corp | \$ 25,576 | 3.03% | NTE Ohio LLC | \$ 12,781 | 1.71% |
| Rockies Express Pipeline LLC | \$ 10,669 | 1.26% | AK Steel Corp | \$ 10,315 | 1.38% |
| Precision Strip Inc | \$ 8,309 | 0.98% | Dynegy Dicks Creek LLC | \$ 5,802 | 0.78% |
| Southwestern Ohio Steel | \$ 7,750 | 0.92% | AJB Realty LLC | \$ 4,824 | 0.65% |
| Sam Boymel | \$ 7,000 | 0.83% | Boymel Family LLC | \$ 4,602 | 0.62% |
| Liberty Retirement Properties | \$ 5,127 | 0.61% | Texas Eastern Transmission Corporation | \$ 3,982 | 0.53% |
| Bavarian Woods | \$ 4,410 | 0.52% | Rockies Express Pipeline LLC | \$ 3,910 | 0.52% |
| Chaka-Chak LLC | \$ 4,121 | 0.49% | CTR Partnership LP | \$ 3,374 | 0.45% |
| Texas Eastern Transmission | \$ 4,082 | 0.48% | Precision Strip Inc | \$ 3,341 | 0.45% |
| TOTAL TOP TEN | \$ 125,623 | 14.9% | TOTAL TOP TEN | \$ 102,140 | 13.67% |
| TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN | \$844,276 | | TOTAL ASSESSED VALUATION FOR CITY OF MIDDLETOWN | \$747,047 | |

Source: Butler County Auditor's Office

CITY OF MIDDLETOWN, OHIO
Property Tax Levies and Collections - Cash Basis
Last Ten Years
(amounts expressed in thousands)
Table 10

| Fiscal Year Ended December 31 | Total Tax Levy for Fiscal Year (Millage) | Collected within the Fiscal Year of the Levy | | | | Percent of Total Tax Collection to Current Tax Levy | |
|----------------------------------|---|--|------------------|---------------------------------|-------------------------------|---|--------|
| | | Amount Levied | Amount Collected | Percentage of Levy Collected | Delinquent Tax Collections | | |
| 2020 | 6.90 | \$4,251 | \$3,617 | 85.09% | \$191 | \$3,808 | 89.58% |
| 2019 | 6.90 | \$4,256 | \$3,397 | 79.82% | \$251 | \$3,648 | 85.72% |
| 2018 | 6.90 | \$4,490 | \$3,326 | 74.08% | \$200 | \$3,526 | 78.53% |
| 2017 | 6.90 | \$4,463 | \$3,153 | 70.65% | \$189 | \$3,342 | 74.88% |
| 2016 | 6.90 | \$4,290 | \$3,233 | 75.36% | \$194 | \$3,427 | 79.88% |
| 2015 | 6.90 | \$4,193 | \$3,401 | 81.11% | \$203 | \$3,604 | 85.95% |
| 2014 | 6.90 | \$4,198 | \$3,474 | 82.75% | \$217 | \$3,691 | 87.92% |
| 2013 | 6.90 | \$4,007 | \$3,390 | 84.60% | \$270 | \$3,660 | 91.34% |
| 2012 | 6.90 | \$3,907 | \$3,409 | 87.25% | \$283 | \$3,692 | 94.50% |
| 2011 | 6.90 | \$4,845 | \$3,763 | 77.67% | \$213 | \$3,976 | 82.06% |

The County does not identify delinquent tax collections by year.

Does not include Commercial Activities Tax, Homestead & Rollback reimbursed by the State.

CITY OF MIDDLETON, OHIO
Income Tax Revenue by Source Type
Last Ten Years
(cash basis)
Table 11

| Fiscal Year | Tax Rate | Residential Income Tax | Business Income Tax | Withholding Income Tax | Grand Total |
|--------------------|-----------------|-------------------------------|----------------------------|-------------------------------|--------------------|
| 2020 | 1.75% | \$2,480,944 | \$2,297,193 | \$18,948,745 | \$23,726,882 |
| 2019 | 1.75% | \$2,383,172 | \$4,141,313 | \$19,785,053 | \$26,309,538 |
| 2018 | 1.75% | \$2,308,448 | \$3,087,883 | \$19,545,037 | \$24,941,368 |
| 2017 | 1.75% | \$2,456,099 | \$2,962,224 | \$19,027,426 | \$24,445,749 |
| 2016 | 1.75% | \$2,569,820 | \$2,062,782 | \$17,652,905 | \$22,285,507 |
| 2015 | 1.75% | \$2,953,789 | \$1,916,486 | \$16,701,469 | \$21,571,744 |
| 2014 | 1.75% | \$2,934,167 | \$2,005,694 | \$15,620,320 | \$20,560,181 |
| 2013 | 1.75% | \$2,914,673 | \$2,023,403 | \$15,011,198 | \$19,949,274 |
| 2012 | 1.75% | \$2,506,462 | \$1,757,128 | \$15,396,389 | \$19,659,979 |
| 2011 | 1.75% | \$2,602,515 | \$1,618,091 | \$16,075,252 | \$20,295,858 |

CITY OF MIDDLETON, OHIO
Ratios of Outstanding Debt by Type
Last Ten Years
(amounts expressed in thousands, except per capita amount)
Table 12

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | | Total | Percentage of Personal Income | Per Capita (1) |
|-------------|--------------------------|--------------------------|---------------|--------------------------|----------------|---------------|-----------|-------|-------------------------------|----------------|
| | General Obligation Bonds | Special Assessment Bonds | Notes Payable | General Obligation Bonds | Capital Leases | Notes Payable | | | | |
| 2020 | \$ 12,858 | \$ 755 | \$ - | \$ 7,300 | \$ - | \$ - | \$ 20,913 | 4.39% | \$ 428 | |
| 2019 | \$ 14,707 | \$ 888 | \$ - | \$ 8,135 | \$ - | \$ - | \$ 23,730 | 4.64% | \$ 486 | |
| 2018 | \$ 17,285 | \$ 1,085 | \$ - | \$ 9,127 | \$ - | \$ - | \$ 27,497 | 4.81% | \$ 563 | |
| 2017 | \$ 19,808 | \$ 1,277 | \$ - | \$ 10,100 | \$ - | \$ - | \$ 31,185 | 4.93% | \$ 640 | |
| 2016 | \$ 21,689 | \$ 1,519 | \$ - | \$ 10,847 | \$ 80 | \$ - | \$ 34,135 | 4.95% | \$ 700 | |
| 2015 | \$ 23,910 | \$ 1,858 | \$ - | \$ 11,346 | \$ 1,095 | \$ - | \$ 38,209 | 4.96% | \$ 784 | |
| 2014 | \$ 22,157 | \$ 2,149 | \$ 2,057 | \$ 12,574 | \$ 1,997 | \$ - | \$ 40,934 | 4.95% | \$ 841 | |
| 2013 | \$ 24,295 | \$ 1,962 | \$ 2,057 | \$ 9,312 | \$ 3,317 | \$ - | \$ 40,943 | 5.03% | \$ 841 | |
| 2012 | \$ 26,460 | \$ 2,222 | \$ 2,057 | \$ 10,549 | \$ 3,704 | \$ - | \$ 44,992 | 5.08% | \$ 923 | |
| 2011 | \$ 28,505 | \$ 2,479 | \$ 2,057 | \$ 11,768 | \$ 4,512 | \$ - | \$ 49,321 | 4.87% | \$ 1,012 | |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

CITY OF MIDDLETOWN, OHIO
Ratios of General Bonded Debt Outstanding for Governmental Activities & Business-Type Activities
Last Ten Years
(amounts expressed in thousands, except per capita amount)
Table 13

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Funds | Total | Percentage of Estimated Actual Taxable Value (1) of Property | Per Capita (2) |
|--------------------|---------------------------------|--|--------------|---|-----------------------|
| 2020 | \$20,158 | \$191 | \$19,967 | 2.70% | \$413 |
| 2019 | \$22,842 | \$463 | \$22,379 | 3.23% | \$467 |
| 2018 | \$26,412 | \$182 | \$26,230 | 3.74% | \$541 |
| 2017 | \$29,908 | \$27 | \$29,881 | 4.25% | \$613 |
| 2016 | \$32,536 | \$150 | \$32,386 | 3.85% | \$667 |
| 2015 | \$35,256 | \$176 | \$35,432 | 5.34% | \$723 |
| 2014 | \$34,731 | \$370 | \$34,361 | 4.11% | \$714 |
| 2013 | \$33,607 | \$55 | \$33,552 | 4.70% | \$691 |
| 2012 | \$37,009 | \$210 | \$36,799 | 5.22% | \$761 |
| 2011 | \$40,403 | \$522 | \$39,881 | 5.65% | \$830 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property (Table 7) for property value data

(2) Population data can be found in the Schedule of Demographic and Economic Statistics in Table 17.

CITY OF MIDDLETOWN, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
As of December 31, 2020
(amounts expressed in thousands)
Table 14

| Political Subdivision | General Bonded Debt | Percent Applicable to City | City's Share |
|-----------------------------------|----------------------------|---------------------------------------|---------------------|
| Butler County | 13,351 | 8.88% | \$1,185 |
| Warren County | <u>32,620</u> | 1.30% | <u>\$424</u> |
| Subtotal, overlapping debt | | | <u>\$1,609</u> |
| General Obligation Bond | | | 12,858 |
| Special Assessment debt | | | <u>755</u> |
| Subtotal, direct debt | | | 13,613 |
| Total direct and overlapping debt | | | <u>\$15,222</u> |

Source: Butler and Warren County Auditor's Offices.

City Share calculated by percentage of assessed value for each county.

CITY OF MIDDLETON, OHIO
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)

Note: Under state finance law, the City of Middletown's outstanding general obligation debt should not exceed ten and one-half percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MIDDLETOWN, OHIO
Pledged-Revenue Coverage
Last Ten Years
Table 16

| Collection Year | Tax Year | Debt Service | | | Coverage |
|----------------------------|-----------------|---|------------------|--|-----------------|
| | | Special Assessment Collections | Principal | Interest & Fiscal Charges | |
| 2020 | 2019 | \$144,034 | \$133,000 | \$42,191 | 0.82 |
| 2019 | 2018 | \$233,413 | \$197,000 | \$52,886 | 0.93 |
| 2018 | 2017 | \$254,709 | \$192,000 | \$61,675 | 1.00 |
| 2017 | 2016 | \$245,266 | \$217,000 | \$80,333 | 0.82 |
| 2016 | 2015 | \$376,143 | \$235,700 | \$86,159 | 1.17 |
| 2015 | 2014 | \$626,138 | \$324,647 | \$103,921 | 1.46 |
| 2014 | 2013 | \$355,628 | \$258,643 | \$100,035 | 0.99 |
| 2013 | 2012 | \$348,190 | \$259,700 | \$107,854 | 0.95 |
| 2012 | 2011 | \$401,408 | \$256,791 | \$113,114 | 1.09 |
| 2011 | 2010 | \$424,386 | \$217,300 | \$124,452 | 1.24 |

CITY OF MIDDLETOWN, OHIO
Demographic and Economic Statistics
Last Ten Years
Table 17

| Year | Population (1) | Personal Income (in 1,000's) | Per Capita Personal Income (1) | Median Age (1) | Education Level in Years of Formal Schooling (1) | School Enrollment (1) | Unemployment Rate (2) |
|------|----------------|---------------------------------|--------------------------------|----------------|--|-----------------------|-----------------------|
| 2011 | 48,731 | \$959,385 | \$19,716 | 38.0 | 16 yrs - 13% 12 yrs - 74.3% | 11,111 | 10.1 |
| 2012 | 48,705 | \$968,285 | \$19,911 | 38.5 | 16 yrs - 15.1% 12 yrs - 78.6% | 10,776 | 8.6 |
| 2013 | 48,659 | \$982,281 | \$20,199 | 38.5 | 16 yrs - 13% 12 yrs - 78.6% | 10,776 | 7.8 |
| 2014 | 48,766 | \$983,754 estimate | \$20,229 estimate | 37.3 | 16 yrs - 16.0% 12 yrs - 83.1% | 11,051 estimate | 5.4 |
| 2015 | 48,760 | \$985,476 estimate | \$20,345 estimate | 37.3 | 16 yrs - 16.0% 12 yrs - 83.1% | 11,528 estimate | 4.3 |
| 2016 | 48,760 | \$988,365 estimate | \$20,270 estimate | 37.6 | 16 yrs - 15.7% 12 yrs - 82.5% | 11,414 estimate | 4.0 |
| 2017 | 48,813 | \$1,014,627 estimate | \$20,786 estimate | 37.8 | 16 yrs - 16.8% 12 yrs - 83.8% | 11,390 estimate | 3.7 |
| 2018 | 48,861 | \$1,053,473 estimate | \$21,622 estimate | 37.3 | 16 yrs - 17.1% 12 yrs - 83.9% | 11,446 estimate | 4.0 |
| 2019 | 48,807 | \$1,078,147 estimate | \$22,090 estimate | 37.7 | 16 yrs - 16.4% 12 yrs - 84.6% | 11,274 estimate | 4.5 |
| 2020 | 48,807 | \$1,112,458 | \$22,793 | 37.6 | 16 yrs - 15.8% | 11,014 | 4.6 |

Data Sources:

(1) US Census Bureau

(2) US Department of Labor

CITY OF MIDDLETOWN, OHIO
Principal Employers by Employee Count
Current Year and Nine Years Ago
Table 18

| Employer | Employees | 2020 | |
|--|------------------|-------------|--|
| | | Rank | Percentage of Total City Employment |
| AK Steel | 2,630 | 1 | 13.4% |
| Atrium Medical Center | 1,719 | 2 | 8.8% |
| Middletown City Schools | 857 | 3 | 4.4% |
| PAC Worldwide Corp | 774 | 4 | 3.9% |
| Kroger | 758 | 5 | 3.9% |
| Walmart | 581 | 6 | 3.0% |
| McDonald's Restaurants | 464 | 7 | 2.4% |
| Meijer | 447 | 8 | 2.3% |
| Miami University | 444 | 9 | 2.3% |
| City of Middletown | 434 | 10 | 2.2% |
| TOTAL ESTIMATED CITY EMPLOYMENT | 19,600 | | |
| <hr/> | | | |
| Employer | Employees | 2011 | |
| | | Rank | Percentage of Total City Employment |
| AK Steel | 2,540 | 1 | 13.4% |
| Atrium Medical Center | 2,025 | 2 | 10.7% |
| CBS Temporary Services, LLC | 1,582 | 3 | 8.4% |
| Middletown City School District | 1,266 | 4 | 6.7% |
| CM Temporary Services, Inc. | 952 | 5 | 5.0% |
| Crown Services 36 LLC | 897 | 6 | 4.7% |
| McGraw/Kokosing | 615 | 7 | 3.3% |
| Garden Manor Extended Care | 548 | 8 | 2.9% |
| Kokosing Construction | 532 | 9 | 2.8% |
| Miami University | 485 | 10 | 2.6% |
| TOTAL ESTIMATED CITY EMPLOYMENT | 18,900 | | |

Data Sources:
 City Income Tax Division
 Ohio Labor Market Information (Total Estimated City Employment)

CITY OF MIDDLETOWN, OHIO
Full-time City Government Employees by Function
Last Ten Years
Table 19

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|
| General government | 38 | 34 | 32 | 30.5 | 34.5 | 36.5 | 36.5 | 37.5 | 36.5 | 37.5 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 80 | 72 | 72 | 72 | 68 | 69 | 71 | 72 | 69 | 70 |
| Civilians | 37 | 34 | 32 | 31 | 31 | 35 | 33 | 33 | 41.5 | 41.5 |
| Fire | | | | | | | | | | |
| Firefighters & officers | 81 | 72 | 72 | 66 | 64 | 67 | 67 | 67 | 79 | 81 |
| Civilians | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other | 26 | 26 | 26 | 28 | 30 | 32 | 32 | 31 | 32 | 32 |
| Highways and streets | | | | | | | | | | |
| Maintenance | 15 | 15 | 15 | 14 | 14 | 14.5 | 14.5 | 14.5 | 14.5 | 14.5 |
| Leisure Time Activities | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Community Environment | 9 | 6 | 4 | 3 | 2 | 4.5 | 4.5 | 4.5 | 5 | 6 |
| Public health & welfare | 4 | 3 | 3 | 3 | 3 | 5 | 5 | 5 | 5 | 7 |
| Water | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 32 |
| Sewer | 32 | 32 | 32 | 35 | 35 | 36 | 36 | 35 | 36 | 37 |
| Storm Water | 7 | 7 | 7 | 7.5 | 7.5 | 9 | 9 | 9 | 9 | 9 |
| Golf Course | 5 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste | 0 | 0 | 0 | 1 | 1 | 0 | 0.5 | 0.5 | 0.5 | 0.5 |
| Transit | 6 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 1 |
| Internal Services | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Total | 387 | 357 | 350 | 345 | 339 | 358 | 358 | 358 | 375 | 383 |

Source: City of Middletown Finance Administration

CITY OF MIDDLETOWN, OHIO
Operating Indicators by Function
Last Ten Years
Table 20

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Fire | | | | | | | | | | |
| Number of fire responses | 1,996 | 2,073 | 6,048 | 4,809 | 2,159 | 2,116 | 1,997 | 2,734 | 2,901 | 2,042 |
| Average response time (minutes) | 4.6 | 5.2 | 5.2 | 5.5 | 6.0 | 5.6 | 6.1 | 5.3 | 5.3 | 5.5 |
| Emergency medical calls | 8,513 | 8,400 | 8,185 | 8,484 | 8,633 | 9,268 | 9,834 | 9,520 | 9,540 | 8,904 |
| Police | | | | | | | | | | |
| Calls for service | 49,312 | 45,247 | 45,287 | 52,925 | 44,353 | 40,337 | 40,602 | 40,597 | 36,730 | 33,114 |
| Number of arrests | 8,030 | 8,036 | 7,919 | 6,481 | 5,861 | 6,239 | 6,150 | 4,773 | 4,022 | 3,308 |
| Response time for priority calls (minutes) | 5.4 | 5.4 | 5.8 | 5.7 | 5.8 | 6.1 | 6.1 | 4.4 | 6.3 | 6.1 |
| Traffic accidents | 1,547 | 1,466 | 1,400 | 1,196 | 1,212 | 1,387 | 1,094 | 1,032 | 1,058 | 841 |
| Average daily jail population | 47 | 53 | 56 | 58 | 57 | 103 | 62 | 54 | 41 | 28 |
| Recreation and leisure | | | | | | | | | | |
| Community center admissions | 21,900 | n/a |
| Transit | | | | | | | | | | |
| Unlinked passenger trips | 219,596 | 204,362 | 153,824 | 168,753 | 167,837 | 147,614 | 136,787 | 146,186 | 145,176 | 120,388 |
| Water | | | | | | | | | | |
| Average daily water pumpage (million gallons per day) | 7.32 | 8.84 | 7.93 | 8.80 | 8.30 | 8.93 | 9.00 | 10.36 | 10.78 | 10.24 |
| Number of water accounts | 19,031 | 19,179 | 19,200 | 19,097 | 19,006 | 19,094 | 19,017 | 19,144 | 19,029 | 19,307 |
| Sewer | | | | | | | | | | |
| Average daily flow (million gallons per day) | 20.7 | 16.3 | 16.4 | 16.4 | 17.0 | 18.4 | 15.6 | 20.2 | 20.2 | 17.2 |
| Sewer mains cleaned (linear feet) | 127,397 | 154,512 | 66,224 | 59,892 | 15,040 | 46,748 | 11,869 | 16,655 | 31,102 | 10,414 |

Source: City of Middletown Departmental Data

CITY OF MIDDLETOWN, OHIO
Capital Asset Statistics by Function
Last Ten Years
Table 21

| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|------|------|------|------|------|------|------|------|------|------|
| Public safety: | | | | | | | | | | |
| Fire stations | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Highways and streets: | | | | | | | | | | |
| Streets (miles) | 240 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 242 | 242 |
| Traffic Lights | 111 | 111 | 111 | 111 | 111 | 109 | 109 | 109 | 109 | 109 |
| Water: | | | | | | | | | | |
| Water mains (miles) | 343 | 343 | 343 | 343 | 343 | 343 | 290 | 290 | 290 | 290 |
| Sewer: | | | | | | | | | | |
| Sanitary & storm (miles) | 320 | 320 | 320 | 320 | 320 | 320 | 394 | 394 | 394 | 394 |
| Leisure & recreation: | | | | | | | | | | |
| Parks | 36 | 36 | 36 | 35 | 35 | 35 | 34 | 34 | 34 | 34 |
| Community Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf Courses (public) | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: City of Middletown